OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 5 1959

DATE	INITIALS	CODE
2/5/59	H.g.	225
		800

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Kaye Minerals, Inc.
Suite 314, Centennial Bldg.
1645 Court Place,
Denver 2, Colorado

pertaining to Exploration Project Contract No. Idm-E1157, DMEA No. 4747, including Amendment No. 1, and Termination Agreement dated December 19, 1958, for the period November 21, 1957 to October 30, 1958, inclusive, covering a project for the exploration of Uranium on property known as DuBois Claims Nos. 1 to 6 located in Fremont County, Wyoming.

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		$7,907.42
Exceptions: (Schedule attached)		
Prior to this review	$620.00	
Less: Reinstatement by review	0.00	
Herewith	0.00	620.00
Total Accepted Cost		$7,287.42

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Five Thousand, Four Hundred Sixty-Five and 56/100ths Dollars is valid and proper, provided that the Regional Executive Officer, the Director, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Amount payable to Operator	$5,465.56
Amount reimbursed	4,965.56
Balance due Operator	$ 500.00

Donald T. Finch

Donald T. Finch,
OME Auditor

February 2, 1959

REASONS FOR REPORT OF REVIEW IN LIEU OF FINAL AUDIT

CONTRACT NO. Idm-E1157 DOCKET NO. IMEA-4747

KAYE MINERALS, INC.

(a) The monthly reports were supported by documentary proof of that portion ($5,581.19) of the costs which covered work performed at unit rates under independent contract and the balance ($1,706.23) which covered other costs for contribution by the Government on the basis of actual costs (per summary attached.)

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

SCHEDULE OF EXCEPTIONS

CONTRACT NO. Idm-E1157 DOCKET NO. DMEA-4747

KAYE MINERALS, INC.

Disallowances Prior to This Review

Excess Supervision	$600.00	
Excess Jeep Rental	20.00	
TOTAL PRIOR DISALLOWANCES		$620.00

The Executive Officer and the Auditor concur with the foregoing disallowances

SUMMARY OF DOCUMENTED COSTS

CONTRACT NO. Idm-E1157 DOCKET NO. DMEA-4747

KAYE MINERALS, INC.

Independent Contracts			
Bulldozing			
16 hours at $12.00 per hour		$ 192.00	
Diamond Drilling			
990 feet at average $5.3436 per foot		5,290.19	
Probing			
990 feet at 10¢ per foot		99.00	
Total Independent Contract			$5,581.19
Supervision			
2½ months at $600.00 per month		1,500.00	
Supplies			
83.3 gals. gasoline at average 36.22¢ per gal.	$30.17		
6 quarts lubricating oil at 51¢ per quart	3.06		
2 lubrications at $1.50 each	3.00	36.23	
100 Core boxes at $1.20 each		120.00	
Rental of Jeep			
2½ months at $20.00 per month		50.00	1,706.23
TOTAL ACCEPTED COSTS			$7,287.42

FEB 5 1959

Mr. Donald T. Finch
GSE Anthony
224 New Submarine
Denver 2, Colorado

Re: Docket No. [illegible] (Uranium)
Kaye Minerals, Inc.
Contract No. [illegible]

Dear Mr. Finch:

Your Report of Review on the above-referenced project is acceptable and normal distribution is authorized.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers
Contract Administration
and Audit Division

CMcCarthy/MMC
February 5, 1959

cc: Docket
Director's Reading File
Mr. Chambers

RECEIVED JAN 22 1959
DATE
800

224 New Customhouse
Denver 2, Colorado

January 20, 1959

Memorandum

To: Donald T. Finch, OME Auditor

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4747 (Uranium) Contract No. Idm-E1157, Kaye Minerals, Inc. (DuBois Uranium claims) Fremont County, Wyoming

The subject contract was terminated before completion of all work originally provided for, by Termination Agreement, dated December 19, 1958, which was made effective October 30, 1958. A copy of the Termination Agreement is enclosed for your records.

The Operator has submitted its final report and final account as required by the contract. Therefore, final payment of the Operator's account is in order, contingent on release to this office of a Certificate and Report of Audit, or Report of Review of reported project costs, whichever the case indicates.

All of the work under the contract was performed on a Cost Incurred basis.

An amount of $500.00 was withheld from reimbursement to the Operator in processing its final accounting report which was for the month of October, 1958.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosure

JDC/ad

cc: Chmn. Op. Comm. (2)
Harshman
Marshall, OME/DFC
Corres. File, Reg. III
Cooper
Chron.

FEB 18 1959

224 New Customhouse
Denver 2, Colorado
February 18, 1959

Memorandum

To: T. A. Christensen

From: Executive Officer, OMA Field Team, Region III

Subject: Docket No. DMEA 4747 (Uranium) Contract Idm-K1157
Kaje Minerals, Inc., (Du Bois uranium claims)
Fremont County, Wyoming - FINAL PAYMENT

Reference is made to our memorandum of December 15, 1958, whereby we forwarded the final Form MF-104, Operator's Monthly Report and Voucher, for October 1958, and requested that an amount of $500.00 be withheld from reimbursement to the Operator, 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, OMA, dated February 2, 1959.

Basis for Final Payment

Total accepted cost----------	$7,287.42
Government participation at 75 percent-	5,465.56
Total Prior Payments----------	4,965.56
Balance due the Operator----------	$ 500.00

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JDC:bsh

cc: Chem. Op. Comm. (2)
Harshman
Marshall
MF-104 file, Reg. III
Corres. file, Reg. III
Cooper
Chron

$500.00

2/12/59 DMEA 59-88

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 DEC 22 1958 DMEA

Month of October, 1958 Docket No. DMEA 4747 Contract No. Ida-21157
Operator's Name Kaye Minerals, Inc. Minerals Uranium
Address 1645 Court Place, Denver, Colorado
Contract Amount, $ 11,300.00 Government Participation: 75 % Amount, $ 8,475.00

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	$2274.66	$3015.53	$5290.19			
Bulldozing	-	192.00	192.00			
Crosscutting						
Drifting						
Radiometric Probing	43.60	55.40	99.00			
(2) Labor and Supervision:						
Labor						
Supervision	600.00	1500.00	2100.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Core Boxes	52.80	67.20	120.00			
Gas & Oil	6.54	29.69	36.23			
(4) Operating Equipment:						
Rental Vehicle	20.00	50.00	70.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$2997.60	$4909.82	$ 7907.42	2377.60	4909.82	7287.42

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

Date 11/26/58 *Payee Kaye Minerals, Inc.
By Continental Materials Corp.
Per Jim R. Gray Title Office Manager

*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:

$1783.20

Signature (Authorized Certifying Officer)

Date 12/16/58 Vou. No. DMEA 59-74

(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-E1157 in accordance with the terms of the contract.

Signature Milton H Marshall Title Mining Engineer Date December 8, 1958

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

Signature [illegible] Title Executive Officer Date DEC 15 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 DEC 22 1958 DEPARTMENT OF THE INTERIOR NOV 28 1958 DENVER, COLORADO

Month of October 195 8 Docket No. DMEA 4747 Contract No. Idm-11157
Operator's Name Kaye Minerals, Inc. Minerals Uranium
Address 1645 Court Place, Denver, Colorado

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Radio Probing	Ft	43.60	436.0'	99.00	990.0'	0.10	1500	$ 0.10
Supervision	Mo	600.00	1	2100.00	3.5	600.00	4.5*	600.00
Oil, Gas, Repairs	Mo	6.54		36.23			4.5	40.00
Jeep Rental	Mo	20.00	1	70.00	3.5	20.00	4.5	20.00
Core Boxes	Ea	52.80	44	120.00	100.	1.20	150	1.50
Drilling: Core	Ft	2274.66	436.0'	5290.19	990.0'	0.34	1500	6.00
Analyses	Ea	-	-	-	-	-	15	5.00
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails Dozer	Hr	-	-	192.00	16	12.00	16	12.50
			* By Amendment #1					
Total Distributed Costs		$2997.60		$ 7907.42				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
Total Costs		$2997.60		$ 7907.42				

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 11/26/58 Operator Kaye Minerals, Inc.
By Continental Materials Corp
Per Kin. R. Gnaty Title Office Manager

Remarks:

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

(Instructions on reverse)

(For Government use only)

M Marshall

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

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O. M. E.
RECEIVED DEC 22 1958

DATE	INITIALS	CODE
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FINAL DISTRIBUTION
DEC 17 1958
MADE

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

Administrative Audit Difference Statement

Kaye Minerals, Inc.
Suite 314, Centennial Building
1645 Court Place
Denver, Colorado

Date: December 16, 1958
Payee's Reference: October 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	$	2,997.60
Difference	$	600.00
Amount Approved	$	2,377.60

The reason for the difference was due to:
Disallowance, "Supervision," and "Jeep Rental"

All allowable costs for Supervision (Category (2)) and Jeep Rental (Category (4)) have been reported on previous vouchers; therefore, the reported costs for Supervision, and Jeep Rental for October 1958 are to be disallowed, as follows:

Disallowed, reported cost of Supervision,
1 month at $600/month ---------- $600.00

Disallowed, reported cost of Jeep Rental,
1 month at $20/month ---------- 20.00

Total amount to be disallowed ---------- $600.00

(CONTINUED ON ATTACHED SHEET)

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

Amounts to be Reinstated and Withheld:

Reinstated the amount of $500 which was withheld from reimbursement to the Operator in processing the September 1958 voucher, and withheld an equal amount from reimbursement to the Operator, pending possible additional work under the contract. If additional project work is not performed by the Operator, the amount of $500 shall continue to be withheld pending resolution of matters prerequisite to closing the account.

224 New Customhouse
Denver 2, Colorado

DEC 15 1958

Memorandum

TO: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4747 (Uranium), Contract No. Idm-E1157 KayeMinerals, Inc., (Du Bois Uranium claims) Fremont County, Wyoming - Operator's Monthly Progress Report For the Month of October, 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

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

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>Disallowance, "Supervision", and "Jeep Rental"</u>

All allowable costs for Supervision (Category (2)) and Jeep Rental (Category (4)) have been reported on previous vouchers, therefore the reported costs of Supervision, and Jeep Rental for October, 1958 are to be disallowed, as follows:

Disallow, reported cost of Supervision,
1 month at $600/month----------$600.00
Disallow, reported cost of Jeep Rental,
1 month at $20/month---------- 20.00

Total amount to be disallowed----------$620.00

Amounts to be Reinstated and Withheld

Reinstate the amount of $500 which was withheld from reimbursement to the Operator in processing the September, 1958 voucher, and withhold an equal amount from reimbursement to the Operator, pending possible additional work under the contract. If additional project work is not performed by the Operator, the amount of $500 shall continue to be withheld pending resolution of matters prerequisite to closing the account.

Reconciliation with amount Reported by the Operator on Form MF-104 for October, 1958

Amount reported on Form MF-104 for October, 1958	$2997.60
Amount to be disallowed	620.00
Acceptable cost for October, 1958	$2377.60
Government participation at 75 per cent	$1783.20
Amount to be reinstated $500.00	
Amount to be withheld 500.00	
Net deduction or reinstatement	0.00
Balance due the Operator	$1783.20

Note: The Operator has reported the correct footage for holes 3 and 4, but has failed to report a portion of the drilling costs. Hole 3 was started during September, 1958 and a portion of the cost was included on the drilling invoice for September, but was not reported on voucher and accounting Forms MF-104 and MF-104A. The unreported costs total $179.10.

Remarks:

Date of Report ..... November 26, 1958
Date Received in Field Office ..... December 1, 1958
Date Received in Region Office ..... December 9, 1958

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JDC:ltm

cc: Chmn. Op. Comm. (2)
Marshall, OME/DFC
MF-104 file, Reg. III
Harshman) w/cpy Engr's.
Cooper) Report
Chron.

OME
DEPARTMENT OF THE INTERIOR

DEC 12 1958
REGION III
DENVER, COLORADO

Dec. 11, 1958

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Milton H. Marshall

Subject: Docket No. 4747 (Uranium) Contract Idm-R1157,
Kaye Minerals, Inc., (Du Bois Uranium claims)
Fremont County, Wyoming -- Progress report for October 1958

Enclosed are the original and four copies of Forms MF-104 and MF-104A with the required supporting data for October 1958.

The results of work reported for which reimbursement is claimed was inspected December 2, 1958. The core from Holes 3 and 4 was found to be as logged and the total depths of the holes indicated on the core spacers coincide to that reported on the lithologic and radiometric logs.

Except for the following, recommendation is made for reimbursement of 75 percent of the reported costs:

Disallowance - Supervision

The contract provides for 2½ months supervision at $600.00 per month. The provision was fulfilled by the MF-104 voucher for September 1958, therefore, the amount reported on MF-104 voucher for October 1958 is in excess of the contract provisions for supervision and is to be disallowed.

Disallow	
Reported cost for 1 months supervision at $600.00/mo.	$600.00

Disallowance - Jeep Rental

The contract provides for 2½ months rental of Jeep at $20.00 per month. The provision was fulfilled by the MF-104 voucher for September 1958, therefore, the amount reported on MF-104 voucher for October 1958 is in excess of the contract provisions for Jeep Rental and is to be disallowed.

Disallow	
Reported cost for 1 mo. Jeep Rental at $20.00/mo.	20.00
Total amount to be disallowed	$620.00

Reinstate - The amount of $500.00 withheld from reimbursement to the operator on Form MF-104 voucher for September 1958.

Withhold - An amount of $500.00 from reimbursement to the operator pending performance of additional work, or in the event no additional work is performed, pending resolution of matters prerequisite to closing the account.

Reconciliation

Amount reported on Form MF-104 for October 1958	$2,997.60
Amount recommended for disallowance	620.00
Total acceptable cost for October 1958	$2,377.60
Government participation at 75 percent	$1,783.20
Amount to be reinstated	+ 500.00
Amount to be withheld	- 500.00
Difference	0.00
Net balance recommended for payment	$1,783.20

Remarks

The operator's notation on Form MF-104A indicates false belief that Amendment No. 1 increased the elements of items expressly designated by the contract as maximum.

Milton H. Marshall
Mining Engineer

MHM/mw
cc: 6
Idm-E1157
ehron

NARRATIVE REPORT

October 1958

Docket No. DMEA 4747
Contract No. Idm-M1157
Kaye Minerals, Inc.

During the month of October two more holes were completed on the Dubois Uranium Project.

Hole No. 3 was completed October 15, 1958 to a depth of 243.2 feet and Hole No. 4 was completed October 27, 1958 to a depth of 192.8 feet.

No significant radio activity was found in the core or during the probing of the holes.

Both holes were drilled on 45° angle dips and penetrated the breccia zone of the fault. In both holes the breccia zones were cemented with silica. However, in Hole No. 4 some lematite with a trace of magnetite was encountered as cementing material. The breccia zone of Hole No. 3 was some wider than in the other holes but this is of no significance.

The position of the fault in Holes No. 3 and No. 4 verified the previously assumed strike bearing of the fault as being N 19° W.

No further drilling is possible at this time due to adverse weather conditions.

Wm. R. Gray
Wm. R. Gray

Harold Smithson
November 1, 1958

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

Budget Bureau No. 42-R1036.5

RECEIVED NOV 14 O.M.E.

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

Month of September, 1958 Docket No. DMEA 4747 Contract No. Idm-E1157
Operator's Name Kaye Minerals, Inc. Minerals Uranium
Address 1645 Court Place, Denver, Colorado
Contract Amount, $ 11,300.00 Government Participation: 75 % Amount, $ 8,475.00

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	$1343.60	$ 1671.93*	$ 3015.53			
Bulldozing	—	192.00	192.00			
Crosscutting						
Drifting						
Radiometric Probing	21.68	33.72*	55.40			
(2) Labor and Supervision:						
Labor						
Supervision	600.00	900.00	1500.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
~~Track~~ Core Boxes	26.40	40.80	67.20			
Gas & Oil	13.63	16.06	29.69			
(4) Operating Equipment:						
Rental Vehicle	20.00	30.00	50.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	—	—				
Sampling and Analysis	—	—	—			
Payroll Taxes						
Liability Insurance						
		* Corrected				
(8) Contingencies (specify):						
TOTALS	$2025.31	$2884.51*	$ 4909.82	2025.31	2884.51	4909.82

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

Date Oct. 10, 1958 *Payee Kaye Minerals, Inc.
By Continental Materials Corp.
Per Wm. R. May Title Office Manager

*When a voucher is signed on behalf 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)

* 500.00 Withheld

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

* $ 1,018.98

Signature RRQ
(Authorized Certifying Officer)

Date 11-10-58 Vou. No. DMEA-59-61
(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. DmE 1157 in accordance with the terms of the contract.

Signature Milton H. Marshall Title Mining Engineer Date October 22, 1958

Checked for Engineering Allowability

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date NOV 7 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 NOV 14 1958 O.M.E.

Month of September 1958 Docket No. DMEA 4747 Contract No. Idm-E1157
Operator's Name Kaye Minerals, Inc. Minerals Uranium
Address 1645 Court Place, Denver, Colo.

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
Radio Probing	Ft.	$ 21.68	216.8	$ 55.40	554.0	$ 0.10	1500	$ 0.10
Supervision	Mo.	600.00	1	1500.00	2.5	600.00	2.5	600.00
Oil, Gas, Repairs	Mo.	13.63		29.69			2.5	40.00
Jeep Rental	Mo.	20.00	1	50.00	2.5	20.00	2.5	20.00
Core Boxes	Ea.	26.40	22	67.20	56	1.20	150	1.50
Drilling: Core	Ft.	1343.60	216.8	3015.53	554.0	5.44	1500	6.00
Analyses	Ea.	-	-	-	-	-	15	5.00
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails Dozer	Hr.	-	-	192.00	16	12.00	16	12.50
TOTAL DISTRIBUTED COSTS		$2025.31		$ 4909.82				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$2025.31		$ 4909.82				

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

REMARKS:

Date October 10, 1958 Operator Kaye Minerals, Inc.
By Continental Materials Corp.
Per Vin. R. Gray Title Office Manager
Vin. R. Gray

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)

H Marshall

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 NOV 12 1958

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

Administrative Audit Difference Statement

EXTRA COPY
O. M. E.
RECEIVED NOV 14 1958

DATE	INITIALS	800

Kaye Minerals, Inc.
1645 Court Place
Denver, Colorado

Date: November 10, 1958
Payee's Reference: September 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 $ 2,025.32

Difference $

Amount Approved $ 2,025.32

The reason for the difference was due to:

* $500.00 withheld pending execution of an amendment to extend completion date and authorize the performance of additional work.

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

Very sincerely yours,

RRC

N. H. Stokes
Audit Section

Randel R. Cooper
Authorized Certifying Officer

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

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
November 7, 1958

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4747 (Uranium) Contract Idm-E1157, Kay Minerals, Inc., (Du Bois Uranium Claims) Fremont County, Wyoming - Operator's Monthly Progress Report for the month of September, 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

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

The engineer's report recommends disallowance of 0.8 feet of probing for which drilling footage was not invoiced by the drilling subcontractor. Due to the insignificant amount involved ($0.08) no exception is taken by this office.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form MF-104 for September 1958, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deduction:

<u>Withheld</u> An amount of $500.00 pending execution of an amendment to extend the completion date, and performance of additional work. If additional work is not performed, continue to withhold the amount of $500.00 pending resolution of matters prerequisite to closing the account.

Remarks:

Date of Report----------October 10, 1958
Date Received in Field Office----------October 14, 1958
Date Received in Region Office----------October 23, 1958

J. W. TOWNSEND

J. W. Townsend

Enclosures

JBC:hmh

cc: Chmn. Op. Comm. (2)
Marshall, GME/DPC
MF-104 file, Reg. III
Marshman } w/copy of
Cooper } Engr's Report
Chron

OME
DEPARTMENT OF THE INTERIOR

OCT 23 1958

REGION III
DENVER, COLORADO

Oct. 22, 1958

Memorandum

To: Acting Executive Officer, OME Field Team, Reg. III

From: M. H. Marshall

Subject: Docket No. DMEA 4747 (Uranium) Contract Idm-X1157
Ray Minerals, Inc., (Du Bois Uranium claims)
Fremont County, Wyoming -- Progress report for September 1958

Enclosed are the original and four copies of Forms MF-104 and MF-104A with the required supporting data for September 1958.

The results of work reported for which reimbursement is claimed was inspected October 2, 1958, accompanied by E. G. Bingen, mining engineer, U.S.B.M., and the operator's project geologist, H. M. Smithson.

The core from drill hole No. 2 was found to be as logged and the total depth of the hole indicated on the core spacers coincide to that reported on the lithologic and radiometric logs.

Except for the following, recommendation is made for reimbursement to the operator of the Government's contribution of 75 percent of the reported costs:

<u>Disallowance</u> - Incidental Allowance

The reported cost of incidental allowance for hole No. 2 is on 216.8 ft. of drilling. The operator was invoiced for only 216.0 ft. of drilling. Therefore, the excess reported cost of incidental allowance is recommended for disallowance.

Please note that the reported cost of drilling includes costs for 216.0 feet drilling on hole No. 2 and 14.0 feet of drilling costs on completed hole No. 1.

M. H. Marshall
Mining Engineer

MHM/mr
cc: 6
Idm-X1157
chron

CONTINENTAL MATERIALS CORPORATION
820 SOUTH NINTH STREET P. O. BOX 1553
GRAND JUNCTION, COLORADO

OME
DEPARTMENT OF THE INTERIOR

OCT 13 1958
REGION III
DENVER, COLORADO

October 10, 1958

Office of Minerals Exploration
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4747
Contract No. Idm-E1157
Kaye Minerals, Inc.

Gentlemen:

Enclosed are five copies each of the MF-104 and MF-104A reports for the month of September, submitted in the name of Kaye Minerals, Inc.

Each set of combined reports is accompanied by a narrative report with a copy of the geological and radiometric log of Hole #2.

Very truly yours,
C. H. Reynolds
C. H. Reynolds
General Superintendent

CHR/g
Enclosures
cc: Kaye Minerls, Inc.
1645 Court Place
Denver, Colorado
w/enclosures

NARRATIVE REPORT

September 1958

Docket No. DMEA 4747
Contract No. Idm-N1157
Kaye Minerals, Inc.

Hole #2 was completed September 18th to a depth of 216.8 feet. No significant mineralization was encountered.

The hole was drilled in the same direction as Hole #1, S 68° W, and at an angle of 45°. As in Hole #1, progress was slow due to difficult drilling conditions and caving in areas of weathered rock.

The breccia zone encountered in Hole #2 was cemented with silica rather than hematite, as in Hole #1, The breccia zones in both holes are nearly vertically below the shaft on the surface. There is no correlation between the logs of the two holes except the breccia zones. This is to be expected in a metamorphic area. Both Holes #1 and #2 went approximately 30' beyond the fault horizontally, and neither showed an indication of the dike adjacent to the fault on the surface.

The drill rig was moved to location of Hole #3 which is 122' S 18° E of Hole # 1. The hole was down approximately 90' September 30th.

Geologic and radiometric logs of Hole #2 are attached.

Vin. R. Gray

Vin. R. Gray

VRG:ld

Harold Smithson

October 1, 1958

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

DMEA
DEPARTMENT OF THE INTERIOR
SEP 16 1958
REGION III
DENVER, COLORADO

RECEIVED
SEP 16 1958
O.M.

Month of August, 1958 Docket No. DMEA 4747 Contract No. Idm-11157
Operator's Name Kaye Minerals, Inc. Minerals Uranium
Address 1645 Court Place, Denver, Colo.
Contract Amount, $11,300.00 Government Participation: 75 % Amount, $8,475.00

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	$1672.41	-	$ 1672.41			
Bulldozing	-	$ 102.00	102.00			
Crosscutting						
Drifting						
Radiometric Probing	33.73	-	33.73			
(2) Labor and Supervision:						
Labor						
Supervision	600.00	300.00	900.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Core Boxes	40.80	-	40.80			
Gas & Oil	6.72	9.34	16.06			
(4) Operating Equipment:						
Rental Vehicle	20.00	10.00	30.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	-	-	-			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2373.66	511.34	2885.00	2373.17	511.34	2884.51 ana

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

Date Sept. 15, 1958 Payee Kaye Minerals, Inc.
By Continental Materials Corp.
Per Vin. R. Gray Title Office Manager
Vin R. Gray

*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:

$1,779.88

Signature RRC
(Authorized Certifying Officer)

Date 10-10-58 Vou. No. DMEA-5949

(See other side)

Ed Bunyan (# 1779.88) Idm E 1157 Mining Engineer Sept 20, 1958

E. M. Henchman Executive Officer

OCT 9 1958

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

DMEA
DEPARTMENT OF THE INTERIOR
SEP 16 1958
REGION III
DENVER, COLORADO

RECEIVED
SEP 18 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 4747 Contract No. Idm-D1157
Operator's Name Kay Minerals, Inc. Minerals Uranium
Address 1645 Court Place, Denver, Colo.

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.	$1,672.41	337.3	$1,672.41	337.3	$4.958	1500	$ 6.00
Churn								
Auger								
Stripping Probing	Ft.	33.73	337.3	33.73	337.3	0.10	1500	0.10
Trenching Assays	Ea.	-	-	-	-	-	15	5.00
Test Pits Core Boxes	Ea.	40.80	34	40.80	34	1.20	150	1.50
Roads and Trails								
Bulldozer work	Hr.	-	-	192.00	16	12.00	16	12.50
Total Distributed Costs		1746.94		1938.94				Total Costs Authorized by Contract
Rental & Expense								
Operating Equipment ~~Purchased~~		26.72		46.06				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Supervison		600.00		900.00				
Total Costs		$2373.66		$ 2885.00				11,300.00

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

Date Sept. 15, 1958 Operator Kay Minerals, Inc.
By Continental Materials Corp.
Per Vin. R. Gray Title Office Manager
Vin. R. Gray

Remarks:

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

(Instructions on reverse)

(For Government use only)

Ed Denyon

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

Administrative ~~Audit~~ Difference Statement

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

DATE	INITIALS	CODE
		800

Kaye Minerals, Inc.
Suite 314, Centennial Bldg.
1645 Court Place
Denver, Colorado

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 $ 2,373.66

Difference $ .49

Amount Approved $ 2,373.17

The reason for the difference was due to:

Disallowed:

Cost for drilling of 0.1 foot at $4.85	.48
Cost for radioactive probing @ $0.10 per foot	.01
Excess drilling of 1/10 of a foot	.49

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

Very sincerely yours,

N. [redacted]
Au[redacted]

Randal B. Cooper
Authorized Certifying Officer

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

[illegible] Mar Centenbaum
Denver 2, Colorado
October 8, 1958

Memorandum

To: T. A. Christensen

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

Subject: Docket No. [illegible] (Uranium), Contract No. [illegible], Kaye Minerals, Inc. (Dubois Uranium claims), Fremont County, Wyoming - Operator's Monthly Progress Report for the Month of August, 1958.

Enclosed are the original and four copies each of Forms RP-104 and RP-104A, Operator's narrative report, and engineer's report, for the above period.

The work is being performed partly under independent subcontract and partly on the basis of actual incurred costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. The costs reported for work performed by the Operator on a costs incurred basis have been reviewed by this office and 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 arithmetic accuracy of computations.

Disallowance, Drilling, and Radiometric Probing

The drilling subcontractor's invoice indicates a total of 337.3 feet of drilling in hole No. 1; however, the lithologic log and radiometric probing log indicate that the hole was terminated at 337.2 feet. The reported cost, including radiometric probing for 0.1 feet of drilling, is to be disallowed as follows:

Disallow, reported cost for 0.1 ft. of RC drilling, at $4.85 per foot - - - - - - - - - - - - -	$ 0.48
Disallow, reported cost for 0.1 ft. of radiometric probing, at $0.10 per foot - - -	0.01
Total amount disallowed - - - - - - - - - - - - - - - - -	$ 0.49

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

Amount reported on Form MF-104 for August, 1958 - - - - -	$2,373.66
Amount to be disallowed - - - - - - - - - - - - - - - - - -	0.49
Acceptable cost for August, 1958 - - - - - - - - - - - - -	$2,373.17
Government participation at 75 percent - - - - - - - - - -	$1,779.88

REMARKS:

Date of Report - - - - - - - - - - - - -	September 15, 1958
Date received in Field Office - - -	September 17, 1958
Date received in Region Office - - -	September 23, 1958.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

cc: Chem. Op. Comm. (2)
Marshall ASM/MFC
MF-104 file, Reg. III
Harshman } w/copy of engi-
Cooper } neer's report.
Chem.

REGION III

SEP 23 1958

OME Regd

Building 20
Denver Federal Center
Denver 2, Colorado
Sept. 22, 1958

Memorandum

To: Executive Officer, OME

From: E. O. Bingon

Subject: Docket No. DMEA 4747 (Uranium) Contract IAm-X1157
Hope Minerals, Inc., (Du Bois Uranium Claims)
Fremont County, Wyoming

An inspection of the work completed during the period was made Sept. 17, 1958. E. M. Smithson, the company geologist was at the property when the inspection was made and one drill was in operation.

The core was found to be as logged and the depth of the hole is as shown on the lithologic and radiometric logs.

A check of the NF-10A and 10AA and documentation shows a minor discrepancy in the footage reported. As logged the footage for the hole is 337.2 or 0.1 foot less than the footage shown on the driller's invoice. This makes a total difference of $0.49 in the amount claimed, $0.48 for drilling and $0.01 in the amount for probing. Therefore, the total amount allowed for payment is $2,373.17 instead of $2,373.66 as claimed.

The operator has failed to submit a map showing the hole location with the inclination, collar elevation and other data. The map has been prepared and is available and it is suggested that he be advised of this oversight.

It is recommended that the operator be paid $1,779.88 or the Government's share at 75 percent of $2,373.17 the corrected amount claimed. The contract expires Oct. 1, 1958.

E. O. Bingon
E. O. Bingon
Mining Engineer

EOB/mr
cc: 6
IAm-X1157
chron

NARRATIVE REPORT
August 1958

Docket No. DMEA 4747
Contract No. Idm-K1157
Kaye Minerals, Inc.

Drill Hole #1 was bottomed at 337 feet on August 22, 1958. No mineralization was encountered although core recovery was good, and suitable host rock appeared in the footwall of the fault.

The section cored in Hole #1 is indicative of typical regional metamorphic rock. Rock structure is primarily gneissic and ranges from schistose to coarse foliation. There are some pegmatitic type injections (lit-par-lit structure) both parallel to and across the foliation. The injected material is mainly feldspar with quartz and some mica and hornblende.

The composition of the gneiss, including the injection material, is quartz, feldspar (orthoclase), biotite and hornblende, with some chlorite, pyrite, epidote and hematite (specularite?) with some magnetite. The later minerals are due to hydrothermal alteration with resulting chloritization and pyritization, plus the introduction of the epidote and hematite. The hematite primarily occurs as cementing and crack filling material in and adjacent to a breccia zone between 250'-285'.

There was no significant radioactivity in the core and the probing of the hole was negative.

Hole #2 is being drilled from the same site, at a flatter angle as outlined in the DMEA contract. Progress is slow due to extremely hard rock.

Wm. R. Gray
Wm. R. Gray

Harold Smithson
9/1/58

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 5 D.M.E.A.

Month of July, 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name Cayo Minerals, Inc.
Address [illegible] Denver, Colo.
Contract Amount, $[illegible] Government Participation: [illegible] Amount, $[illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	-	-	-			
Bulldozing	102.00	-	102.00			
Crosscutting						
Drifting						
[illegible] Drilling	-	-	-			
(2) Labor and Supervision:						
Labor						
Supervision	300.00	-	300.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track	-	-	-			
[illegible]	0.34	-	0.34			
(4) Operating Equipment:						
Rental [illegible]	10.00	-	10.00			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	-	-	-			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	511.34	-	511.34	511.34		511.34

DMEA
DEPARTMENT OF THE INTERIOR
AUG 13 1958
REGION III
DENVER, COLORADO

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

Date [illegible] *Payee Cayo Minerals, Inc. by Continental Minerals Corp.

Per [illegible] Title Office Manager

*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:

$ 383.60

Signature [illegible]
(Authorized Certifying Officer)

Date 8/29/58 Vou. No. DMEA 5928

(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. A/n E1157 in accordance with the terms of the contract.

Signature E O Bunyon ($ 383.50) Title Mining Engineer Date August 20, 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: HMC

Checked for Engineering Allowability

Signature [illegible] Title Alternate Acting Executive Officer Date AUG 26 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
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED SEP 5

Month of [illegible] 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	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Churn								
Auger								
Stripping [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trenching [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Test Pits [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Roads and Trails								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL DISTRIBUTED COSTS		[illegible]		[illegible]				TOTAL COSTS AUTHORIZED BY CONTRACT
[illegible]								
Operating Equipment Purchased		[illegible]		[illegible]				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
[illegible]		[illegible]		[illegible]				
TOTAL COSTS		[illegible]		[illegible]				[illegible]

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 [illegible] Operator [illegible] Minerals Corp.

Per [illegible] Title [illegible]

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.

REMARKS:

(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 83-38475

FINAL DISTRIBUTION

MADE SEP 2 1958

RECEIVED

915 com

100
800

294 New Customhouse
Denver 2, Colorado

August 26, 1958

Memorandum

To: T. A. Christensen

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

Subject: Docket No. DMEA 4747 (Uranium), Contract No. Ida-21157
Maye Minerals, Inc. (By Continental Materials Corporation)
(DuBois Uranium claims) Fremont County, Wyoming - Operator's
Monthly Progress Report for the month of July, 1958

Enclosed are the original and four copies each of Forms MP-104 and MP-104A, Operator's Narrative Report, and Engineer's Report for the above period.

The work is being performed partly under independent subcontract and partly by the Operator on the basis of actual incurred costs. Bids were not submitted for bulldozer work; however, the costs are in line with the standard rates prevailing in the project locality for the size and make of bulldozer used. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable. The costs reported for work performed by the Operator have been reviewed by this office, and are considered to be reasonable.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form MP-104 for July, 1958, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations:

Remarks:

Date of Report - - - - - - - - - - - - August 12, 1958
Date Received in Field Office- - - - August 14, 1958
Date Received in Region Office - - - August 21, 1958

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

Encls.
RMC:hh
cc: Chem. Op. Comm. (2)
Binyon, DMEA/WFO
MP-104 File, Reg.III
Marshman - w/copy Engr's Report
Chron.

DMEA
DEPARTMENT OF THE INTERIOR

REGION III

AUG 21 1958
REGION III
DENVER, COLORADO

Building 20
Denver Federal Center
Denver 2, Colorado
August 20, 1958

Memorandum

To: Alternate Acting Executive Officer, DMEA Field Team, Reg. III

From: E. O. Bingon

Subject: Docket No. DMEA 4747 (Uranium) Contract I4m-K1157, Kaye Minerals, Inc. (By Continental Materials Corp.) (Dubois Uranium claims) Fremont County, Wyoming -- Progress report for July 1958

An inspection of the work completed during the period was made August 7, 1958.

The work was done as reported and in conformance with the terms of the contract and the items claimed are properly documented.

It is recommended that the operator be paid $383.50 or the Government's share at 75 percent of $511.34, the total amount claimed.

The contract expires October 1, 1958.

E O Bingon
E. O. Bingon
Mining Engineer

EOB/mr
cc: 6
I4m-K1157
chron

NARRATIVE REPORT
JULY 1958

Docket No. RMLA 4747
Contract No. Ida-K1157
Kaye Minerals, Inc.

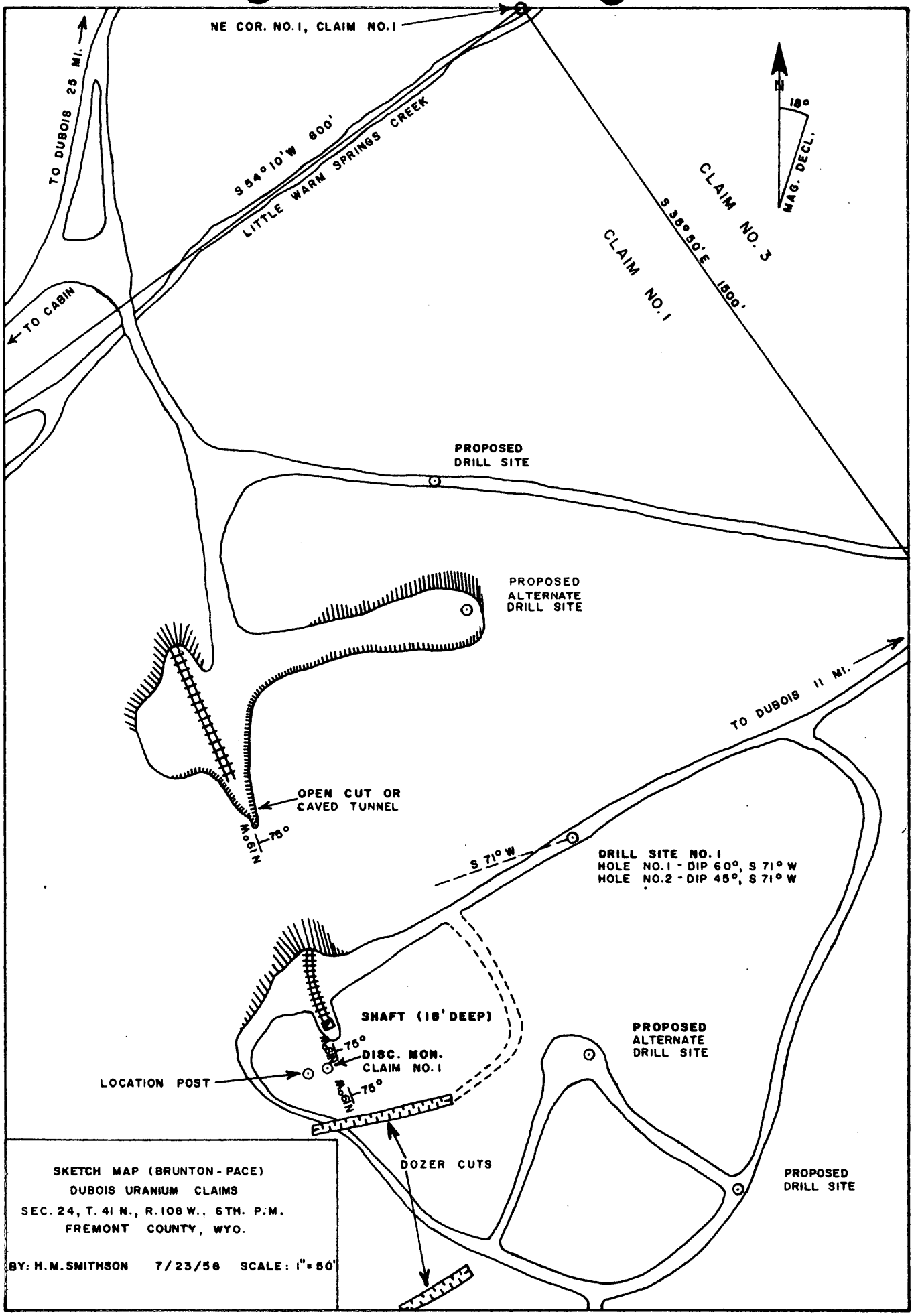
Work on the project commenced July 15th with bulldozing of drill sites and road repairs. Installation of drilling equipment by Joy Manufacturing Company was completed July 19th, and drilling started July 20th. Hole #1 was down 90' of a designed 200' at the end of the month.

Progress is slow and core recovery 75% due to hard fractured rock.

Sketch map of proposed drill sites is attached.

Vin. R. Gray
Vin. R. Gray

Harold Smithson
8/1/58


NE COR. NO. 1, CLAIM NO. 1
TO DUBOIS 25 MI.
S 54° 10' W 600'
LITTLE WARM SPRINGS CREEK
N
18°
MAG. DECL.
CLAIM NO. 3
S 38° 50' E 1800'
CLAIM NO. 1
TO CABIN
PROPOSED DRILL SITE
PROPOSED ALTERNATE DRILL SITE
TO DUBOIS 11 MI.
OPEN CUT OR CAVED TUNNEL
N 18° W
75°
S 71° W
DRILL SITE NO. 1
HOLE NO. 1 - DIP 60°, S 71° W
HOLE NO. 2 - DIP 45°, S 71° W
SHAFT (18' DEEP)
N 18° W
75°
DISC. MON. CLAIM NO. 1
LOCATION POST
N 18° W
75°
PROPOSED ALTERNATE DRILL SITE
DOZER CUTS
PROPOSED DRILL SITE
SKETCH MAP (BRUNTON-PACE)
DUBOIS URANIUM CLAIMS
SEC. 24, T. 41 N., R. 108 W., 6TH. P.M.
FREMONT COUNTY, WYO.
BY: H.M. SMITHSON 7/23/56 SCALE: 1" = 50'

RECEIVED
1958

DATE		CODE

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

JUL 16 1959

Mr. Robert Yoches, President
Kaye Minerals, Inc.
Suite 314, Centennial Building
1645 Court Place
Denver, Colorado

Re: Contract No. DMLA-4747 (Uranium)
Contract No. Idm-01157
DuBois Uranium Claims
Fremont County, Wyoming

Dear Mr. Yoches:

Reference is made to your terminated exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

We appreciate your interest and participation in the DMLA exploration program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

Frank E. Johnson

ACTING Director

FMMurphy/gla
2-16-59
cc to: Director's Reading File
Div. of Contract Adm. & Audit
F. M. Murphy
OME Field Team, Region III (2)

Audit's copy

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 26 1959

DATE	INITIALS	CODE

TERMINATION AGREEMENT

It is agreed this 19th day of December, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government", and KAYE MINERALS, INC., hereinafter called the "Operator", parties to that certain Exploration Project Contract No. Idm-E1157, Docket No. DOMA-4747, dated November 21, 1957, as amended, hereinafter called the "Contract", that:

1. Effective October 30, 1958, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall not contribute to the cost of any work performed after October 30, 1958, except the cost of analyses of samples taken not later than said date.

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

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

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

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

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Director, Office of Minerals Exploration

KAYE MINERALS, INC.

By Richard Kaye

Title VICE-PRES.

EXTRA COPY O. M. E. RECEIVED JAN 2 1959		
DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado
December 30, 1958

Mr. C. H. Reynolds
Continental Materials Corporation
P. O. Box 1550
Grand Junction, Colorado

Re: Docket No. DMEA-4747 (Uranium)
Contract No. IAm-X1157
Kaye Minerals, Inc. (Dubois Uranium Claims) Fremont County, Wyoming

Dear Mr. Reynolds:

Reference is made to your letter of November 28, 1958, wherein you advise that adverse weather conditions have forced a suspension of further work under the contract, and request an extension of the completion date from December 1, 1958 to September 15, 1959, to permit performance of the remaining work provided for under the contract after resumption of operations on or about June 15, 1959.

A review of information presently available indicates that the results of the drilling performed to date do not warrant Government contribution to the costs of further drilling under the contract. Therefore, your request for an extension of the completion date is denied.

In conjunction with the matter, enclosed are the Government's, Audit, Finance Office, and Field Team copies of a proposed Termination Agreement which has been prepared to terminate the contract effective October 30, 1958, in lieu of performing the balance of work provided for in the contract. If the proposed Termination Agreement is satisfactory, all copies are to be signed by an official of Kaye Minerals, Inc., authorized to sign such an instrument, the signer's title inserted, the corporate seal affixed, and all copies promptly returned to this office, upon receipt of which the Operator's copy will be forwarded to you.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

Encls.

cc: Mr. S. L. Herman, Secretary
Kaye Minerals, Inc.
Suite 314, Centennial Bldg.
1645 Court Place, Denver, Colo.

Chmn. Op. Comm. (2)
Marshman
Marshall, OME/DFC
Corres. File
Cooper - Caron.

Audit's copy

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 21 1958
DATE | INITIALS | CODE

EXPLORATION PROJECT CONTRACT
KAYE MINERALS, INC.
DOCKET NO. DMEA-4747

AMENDMENT NO. 1

It is agreed this 28th day of October, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, and Kaye Minerals, Inc., a Colorado corporation, that Exploration Project Contract No. Idm-E1157 (Docket No. DMEA-4747), dated November 21, 1957, is amended as follows:

The date fixed in Article 3 of the Contract for completion of the work is extended from October 1, 1958, to December 1, 1958.

This Amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, or the amount of any item designated as maximum.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Director, Office of Minerals Exploration

KAYE MINERALS, INC.

By Robert Yocks

Title President

20th New Customhouse
Denver 2, Colorado
August 5, 1958

800

Mr. S. L. Harman, Secretary
Kaye Minerals, Inc.
Suite 314, Centennial Building
1645 Court Place
Denver, Colorado

Re: Docket No. DMEA 4747 (Uranium)
Contract IAm-E1157
Kay Minerals, Inc.
(Du Reid Uranium claims)
Fremont County, Wyoming

Dear Mr. Harman:

Reference is made to our letter of July 17, 1958, to Mr. Sidney M. Gunther, attorney for Continental Materials Corporation, a copy of which was forwarded to your office, relative to the Exploration Agreement between Kaye Minerals, Inc., and Continental Materials Corporation.

Although the Government does not object to the Exploration Agreement, the Government will rely upon the DMEA Exploration Project Contract for responsibility in performance, payment, and all other contract requirements. In other words, Kaye Minerals, Inc. is the Operator, and remains responsible as principal for all the Operator's obligations under the contract.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

JEC:hmk

cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC (Binyon)
Corres.file, Reg. III
Cooper
Chron

800

224 New Customhouse
Denver 2, Colorado
July 17, 1958

Mr. Sidney M. Gunther, Attorney
4401 West North Avenue
Chicago 39, Illinois

Re: Docket No. DMEA 4747 (Uranium)
Contract Idm-E1157
Kaye Minerals, Inc.
(Dubois Uranium claims)
Fremont County, Wyoming

Dear Mr. Gunther:

Concerning matters discussed with you by telephone today and in reference to a letter of July 15, 1958, countersigned by you, with attached Exploration Agreement, it is our understanding that operations under DMEA Exploration Contract No. Idm-E1157 will be handled as follows:

1. As agent for Kaye Minerals, Inc., Continental Materials Corporation will subcontract the drilling to Joy Manufacturing Company, who will bill Continental Materials Corporation, who will in turn bill Kay Minerals Inc. on the same basis. Bulldozing and radiometric probing will be handled in a similar manner.

2. Continental Materials Corporation, as agent, will provide the supervising geologist and engineer, and will bill Kaye Minerals Inc., supported by a certified true copy of the payroll transcript.

3. Costs reported under Categories (3), (4), and (7) will be supported by original signed copies or certified true copies of invoices from the suppliers of the materials, equipment, and services. If Continental Materials Corporation furnishes the jeep listed under Category (4), Kaye Minerals Inc. will be billed for the use of the jeep on a monthly rental basis.

4. Monthly accounting reports and vouchers will be rendered in the name of Kaye Minerals Inc. by Continental Materials Corporation, and reimbursement for the Government's share of the acceptable project costs will be made direct to Kay Minerals, Inc., at the address shown on the face of the ERDA Exploration Contract, instead of to Continental Materials Corporation, as provided for in the ENVIRONMENTAL AGREEMENT, dated July 1, 1958, between Kaye Minerals Inc. and Continental Materials Corporation.

We will appreciate advice by return mail as to whether this confirms your understanding in the matter.

The matter will be referred to the Washington Office, ERDA, for review, and if any of the above is not within the intent of the contract, you will be so advised.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
ERDA Field Team, Region III

cc: Kaye Minerals Inc.
Suite 314, Centennial Bldg.
1645 Court Place
Denver, Colorado

JEC:bmh

cc: Chem. Op. Comm. (2)
Harshman
ERDA/NFC (Kinyon)
Corres.file, Reg. III
Cooper
Caron

MME Form 14
Sept. 1958

Contract No. Idm-E) 1157
~~14-23~~)

Docket No. DMEA) 4747
~~MMEX~~)

Date of Action ~~February 18, 1959~~

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: Kaye Minerals, Inc.
Suite 314
Centennial Building
1645 Court Place
Denver, Colorado

Date of Contract	Region	State	Commodity
November 21, 1957	III	Wyoming	Uranium

	Reserve	Obligation
Prior Amount	0	8,475.00
Increase	0	0
Decrease	0	~~3,009.44~~
Revised Amount	0	5,465.56

Remarks:

cc: 800
210

43244

DMEA Form 14

Contract No. Idm-E 1157

Docket No. 1747

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
November 21, 1957	III	Wyoming	Uranium

Name and Address of Operator: Kaye Minerals, Inc.
Suite 314
Centennial Building
1645 Court Place
Denver, Colorado

	Reserve	Obligation
Prior Amount	8,475.00	0
Increase	0	8,475.00
Decrease	8,475.00	0
Revised Amount	0	8,475.00

Remarks:

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

Date delivered to Bureau of Mines, Washington 5/14/58

22845

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 14 1958
DATE | INITIALS | CODE

Audit copy

MF-200
(Revised June 1954)

Docket No. DMEA 4747

Commodity Uranium

Contract No. Idm-E 1157

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 21 NOV 1957 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Kaye Minerals, Inc., a corporation (incorporated in the State of Colorado),

whose mailing address is Suite 314, Centennial Building 1645 Court Place, Denver, Colorado, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and Map, Figure 2.

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 Wyoming, County of Fremont, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

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

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Royalty of 7½ percent of net mill returns payable to Lessor

(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: See Annex I

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium The work to be performed is described in Exhibit "A." The Operator on or before July 15, 1958 shall commence the work, and on or before October 1, 1958 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A."

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

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

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $ 11,300.00 The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $ 8,475.00 : *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

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

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

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

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

CATEGORY (2)—PERSONAL SERVICES.

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

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

Subcategory (c)—Labor.

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

CATEGORY (4)—OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article ~~9~~ 6. See Article 13

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.*—

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

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C J Mittendorf
Administrator, Defense Minerals
Exploration Administration

KAYE MINERALS, INC.
(Operator)

By Robert Yocher

Title President

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

Stewart L. Herman

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
KAYE MINERALS, INC.
DOCKET NO. DMEA-4747

ANNEX I

The land referred to in Article 2 of the Contract consists of 6 unpatented lode mining claims situated in Sections 24 and 25, T. 41 N., R. 103 W., 6th P. M., Fremont County, Wyoming. The approximate locations of the claims with reference to the S.E. corner of Section 24 are shown on the map, entitled, "Figure 2. Map of Dubois Uranium Claims 1-6, Showing Recommended Exploration, Kaye Minerals, Inc., Fremont County, Wyoming. DMEA 4747."

The notices of location of the claims are recorded in the official records in Fremont County Courthouse as follows:

Claim	Book	Page	Date
Dubois Uranium No. 1	157	359	July 12, 1956
" " No. 2	157	360	" " "
" " No. 3	157	361	" " "
" " No. 4	157	362	" " "
" " No. 5	157	363	" " "
" " No. 6	157	364	" " "

AMENDED

Dubois Uranium No. 1	160	96	September 1, 1956
" " " 2	160	97	" " "
" " " 3	160	98	" " "
" " " 4	160	99	" " "
" " " 5	160	100	" " "
" " " 6	160	101	" " "

The Operator is in possession of the six claims by virtue of a Mining Lease executed October 3, 1956, by the owners, Peter Robert Chimente, Forest Rose, and James D. Elliot. The lease was recorded March 4, 1957, in

the Clerk's Office, Fremont County, Wyoming, in Book 164, page 441.

A Consent to Lien and Subordination Agreement executed by the above-named owners is attached and made a part hereof.

MF-205
(Combines and supercedes MF[illegible]1 and MF-203)
June 1956

For Government's Use Only
EXP[illegible]ATION PROJECT CONTRACT
Operator Lugo Minerals, Inc.
Docket No. DMEA- 4747
Contract No. Idm-E
Contract Date NOV 21 1957

DMEA
DEPARTMENT OF THE INTERIOR

FEB 25 1958
REGION III
DENVER, COLORADO

CONSENT TO LIEN and SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Fremont, State of Wyoming, described as follows: 2/

DuBois Uranium Nos. 1 through 6 claims, inclusive, situated in secs. 24 and 25, T. 41 N., R. 108 W., 6th P.M., and recorded September 1, 1956 in Book 160 at pages 96 through 101, inclusive, in the Mining Records, Office of the County Clerk for Fremont County, Wyoming.,

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.)

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

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

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

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

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

Dated this _____ day of _____, 195__.

Peter Robert Chimenti Peter Robert Chimenti	[Seal]	Box 37 Dubois Wyo	[Address]
	[Seal]		[Address]
Forest Rose Forest Rose	[Seal]	Box 503 Scottsbluff Nebr	[Address]
	[Seal]		[Address]
James D Elliott James D. Elliott	[Seal]	1820 5th ave Scottsbluff Nebr	[Address]
	[Seal]		[Address]

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

_____

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
KAYE MINERALS, INC.
DOCKET NO. DMEA-4747

EXHIBIT "A"

Description of the Work

General Provisions

The object of this project is to explore for uranium ore deposits by means of core drilling through a shear zone that occurs along the footwall contact between a steeply dipping pegmatite dike and schist.

The maximum length of the drill holes is estimated to be about 250 feet.

All core shall be tested radiometrically and logged lithologically. Sections of core showing significant uranium mineralization shall be split. The Operator shall have one-half of the split core assayed chemically for its U_3O_8 content. The remaining half along with the non-mineralized core shall be stored in boxes identified as to hole number. Markers shall be placed in the core sections to indicate the depth represented. With prior Government approval, the Operator may dispose of the stored core.

The holes shall be probed radiometrically by the Operator and records of logging and probing, together with the assay certificates of the core samples, shall be submitted with the Operator's monthly progress report. The report shall also include a map or sketch showing the location of all holes drilled during the reporting period.

The Government will not participate in the cost of an incompleted hole, a hole that bottoms less than AX size, a hole drilled closer than 100 feet to a boundary of the project area, or one that cannot be probed with standard radiometric testing equipment.

The Operator shall provide a full-time geologist-engineer to supervise the project work and perform any technical services required.

A D-7 Caterpillar dozer or equivalent unit of any other make shall be used in preparing access roads and drill sites.

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

The work shall consist of preparing access roads and drill sites and drilling not in excess of six diamond drill holes averaging approximately 250 feet in length and aggregating not more than 1,500 feet. Two holes shall be drilled at each of the three approximate locations shown on map, Figure 2. The distance between drill sites shall be not less than 100 feet.

The holes shall be collared approximately 100 feet east of the shear-zone, inclined westerly at angles of approximately -45° and -60°, so as to intersect the zone approximately normal to its strike at depths of about 100 and 200 feet, respectively. The holes from each site shall be drilled to avoid intersecting the shear zone at intervals of less than 75 feet along the inferred dip of the shear zone.

The holes shall be considered completed when they pass through the silicified schist breccia in the shear zone and have penetrated into relatively unaltered schist not less than 3 feet nor more than 10 feet.

Estimated Costs of the Project

Actual Costs

Category (1) - Independent Contracts:

Preparation of access roads and drill sites, bulldozer work, 16 hours @ $12.50/hr.	$200.00

Diamond Drilling, AX size core, 1,500 feet @ $6.00/ft. 1/	$9,000.00	
Radiometric probing, 1,500 feet @ $0.10/ft.	150.00	$9,350.00

Category (2) - Personal Services:

None except:

Supervision, 2½ months @ $600/month		$1,500.00

Category (3) - Operating Materials and Supplies:

None except:

Oil, gasoline, and repairs for jeep, 2½ months @ $40/month	$100.00	
Cardboard core boxes, 150 @ $1.50/box	225.00	$325.00

Category (4) - Operating Equipment:

None except:

Rental of jeep, 2½ months @ $20/month		$50.00

Categories (5) and (6)

None

Category (7) Miscellaneous:

None except:

Chemical analyses for U_3O_8 content of 15 samples @ $5.00 sample		75.00
Total Estimated Cost of Project		$11,300.00
Government Participation @ 75%		$8,475.00

1/ See Article 13(b)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

EXAMINATION
REPORT
4747

PREPARED FOR
DEFENSE MINERALS EXPLORATION
ADMINISTRATION

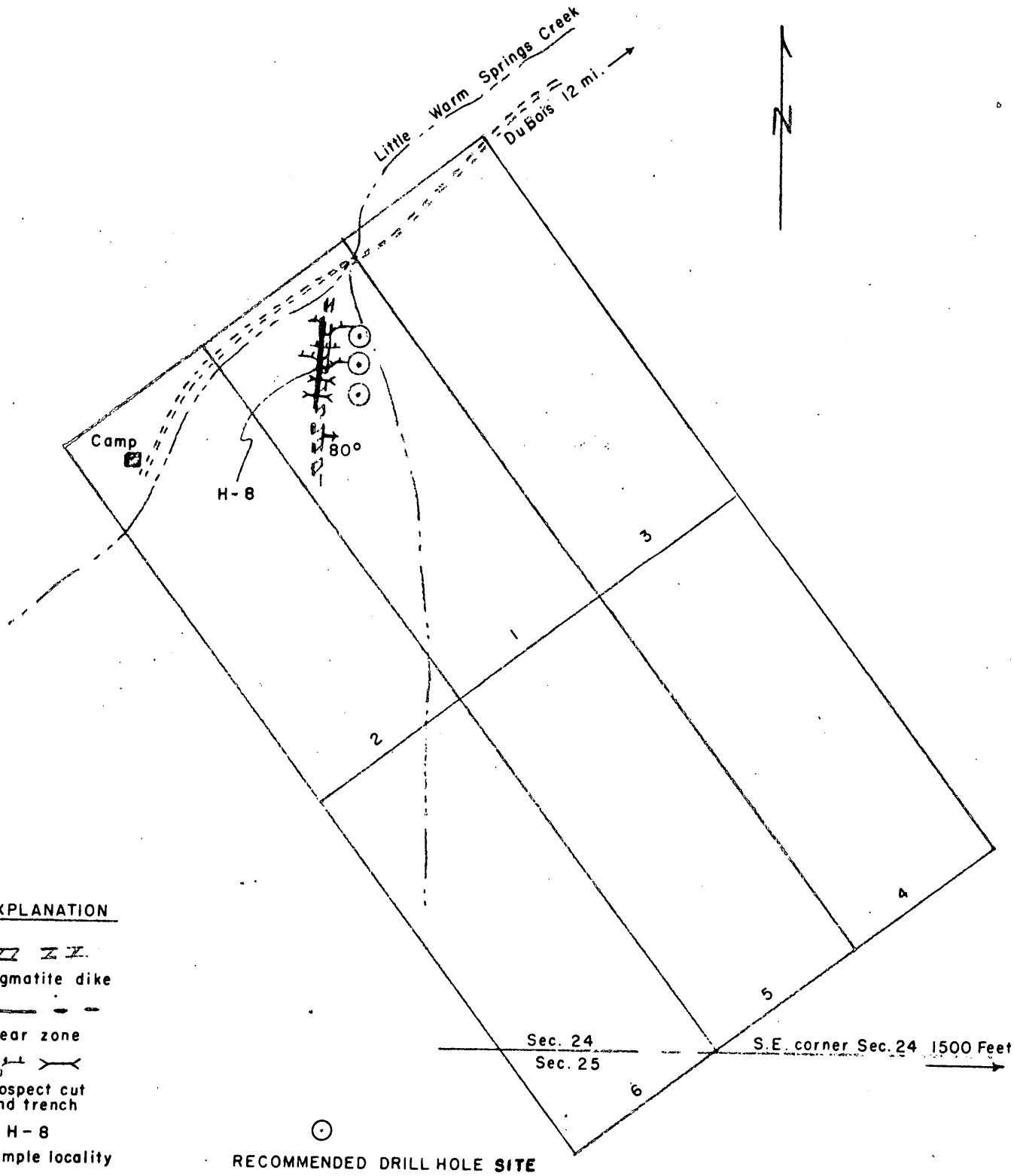
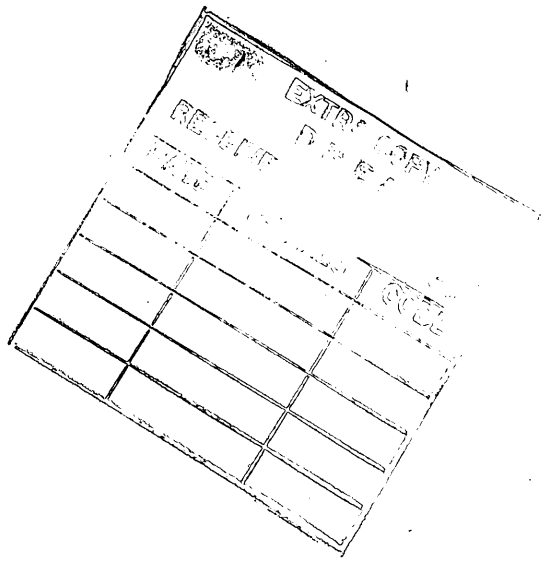


FIGURE 2. MAP OF DUBOIS URANIUM CLAIMS 1-6, SHOWING RECOMMENDED EXPLORATION, KAYE MINERALS, INC., FREMONT COUNTY, WYOMING. DMEA 4747.

500 0 500 feet

July 15, [illegible]



KAYE MINERALS, INC.
SUITE 316 - CENTENNIAL BUILDING
1645 COURT PLACE
DENVER 2, COLORADO

Mpho 3-4765

MAY 9, 1958

DMEA
DEPARTMENT OF THE INTERIOR
MAY 12 1958
REGION III
DENVER, COLORADO

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 NEW CUSTOMSHOUSE
DENVER 2, COLORADO

RE: DOCKET NO. DMEA 4747 (URANIUM)
KAYE MINERALS, INC.
(DUBOIS URANIUM CLAIMS)
FREMONT COUNTY, WYOMING
PROPOSED EXPLORATION PROJECT
CONTRACT NO. IDM-E1157

GENTLEMEN:

ENCLOSED YOU WILL FIND SIGNED AND COMPLETED EXPLORATION PROJECT CONTRACTS BETWEEN THE UNITED STATES OF AMERICA, ACTING THRU THE DEPARTMENT OF INTERIOR, DEFENSE MINERALS EXPLORATION ADMINISTRATION, AND KAYE MINERALS, INC. WORK IS SCHEDULED TO COMMENCE ON OR BEFORE JULY 15, 1958.

JUST AS A POINT OF INFORMATION, THE REASON THAT IT WAS TAKEN SO LONG FOR THIS CONTRACT TO BE RETURNED TO YOUR OFFICE IS THAT DIFFICULTIES WERE ENCOUNTERED REGARDING THE OBTAINING OF SUB-CONTRACTS.

VERY TRULY YOURS,

KENNETH L. KEEGAN

SEL/ec

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

MAY 12 1958

Mr. S. L. Herman
Kaye Minerals, Inc.
Suite 314, Centennial Building
1645 Court Place
Denver, Colorado

Re: Docket No. DMEA 4747 (Uranium)
Contract No. Idm-E1157
Kaye Minerals, Inc.
(Du Bois Uranium claims)
Fremont County, Wyoming

Dear Mr. Herman:

Enclosed herewith is the "Operator's Copy" of Exploration Project Contract No. Idm-E1157, Docket No. DMEA 4747.

Also enclosed are six copies of Form MF-104, "Operator's Monthly Report and Voucher," and six copies of Form MF-104A, "Operator's Unit Cost and Progress Report." At the end of the first calendar month after work is commenced, and monthly thereafter, you are required to submit the original and four copies of each form to the

Executive Officer
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado.

The extra copy is for your records.

Forms MF-104 and MF-104A are to be combined into five sets of one of each form. Each set of the combined forms is to be accompanied by a map or sketch showing the location and extent of work performed and a signed narrative report which describes the work performed, conditions encountered, and results of the work. The monthly accounting report will not be processed for reimbursement unless it is accompanied by a signed narrative report and other required or pertinent data. Additional copies of Forms MF-104 and MF-104A will be forwarded to you each month on receipt of your report for the prior month.

For your information, and in reply to many questions that have been asked, after Forms MF-104 and MF-104A are received, an engineer will check progress on the project and review your accounts, after which the report forms will be forwarded to this office for administrative examination and vouchering. If the report is in order, a check will be issued by the Treasury Department for the Government's portion of the approved costs. If you have any difficulty in completing these forms and the reports, please call on this office for assistance.

In the matter of your claim for reimbursement of drilling costs under the terms of the contract, reimbursement to you will be on the basis of a hole or holes completed to the objective, which has, or have been, drilled in compliance with the conditions under the "General Provisions" section of Exhibit "A" of the contract and the special conditions pertaining to drilling under each stage. Therefore, your monthly report should include only such holes which are completed to that extent and the required records made a part of your claim for reimbursement.

The contract is prepared on form MF-200, and as outlined in Exhibit "A", attached to the contract, the estimated allowable costs are broken down into categories which conform to the Categories in Article 6 of the contract form and conform to the numbered items for reporting on Form MF-104. Under the provisions of Article 6, the work outlined in Exhibit "A" under Category (1) is to be performed by independent contract and the unit costs established are the maximum unit costs to which the Government will contribute its share during any reporting period, except for the drilling, which is referred to in Article 13 (b) of the contract form, and the handling of which is explained in the following paragraph. Please refer to Article 6 for determination as to which unit costs and amounts in the remaining categories are maximum. All charges reported on Form MF-104 are to be documented by signed or certified true copies of billings from the subcontractor and vendors, as further explained in the next to the last paragraph on the reverse side of Form MF-104. Sample analyses reported under Item 7 are to be supported by a copy of the assay return as well as a copy of the invoice from the assayer. Core boxes, under Category (3), are only to be reported as they are used.

In reference to Article 13 (b) of the contract, pertaining to the average unit cost of the drilling, if excess costs are suspended by reason of exceeding the maximum unit cost of the drilling described under Category (1), the excess costs will be held in suspense and be reinstated by this office to the extent suspended funds are available in the event the unit cost for any subsequent month should cause the average unit cost to that time to fall below the maximum unit cost established in the contract for the drilling.

In the event you desire to perform the work under Category (1) on company account instead of subcontracting it, as provided in the contract, it will be necessary that you request and obtain an appropriate amendment to the contract before reimbursement can be made to you for the Government's portion of the allowable incurred costs.

Your requests to this office for work approval, changes in the contract, or any other communication pertaining to operations under the contract, must be in writing, of which please supply the original and five copies, each copy complete with maps or other pertinent data. Each request for action by this office must pertain to one matter only. Such requests are not to be incorporated in your narrative report accompanying monthly progress report forms MF-104 and MF-104A.

The locations of the holes to be drilled are indicated at three approximate locations on the map, "Figure 2," attached to the contract, and the holes are to be drilled as described in the "General Provisions" section of Exhibit "A" attached to the contract. Should conditions encountered necessitate or make desirable any appreciable change in the location or attitude of any of the holes, approval of this office for the change must be obtained prior to performance of the drilling. Otherwise, the drilling may not be acceptable for reimbursement to you under the terms of the contract.

No oral statement of any person shall be construed to modify or change the terms of the contract. Field representatives of the Government are not authorized to approve any changes in the work program or contract provisions. Such approval can only be given by the Washington Office, DMEA, or by the DMEA Field Team, Region III.

It is a regulation that reimbursement for the cost of work accomplished prior to the date of the contract will not be allowed. It is a requirement and imperative that you notify this office in writing the date work actually commences under the contract.

Very truly yours,

Original signed by
W. H. KING

Executive Officer
DMEA Field Team, Region III

JWT:prl

cc: Chmn.Op.Comm. (3)
Finance Office, Region III
Amendment file, Region III
Harshman
DMEA/DFC
Townsend
Corres. file
Chron.

800

[redacted] New Cumberland
Denver 2, Colorado
May 12, 1958

[redacted]

To: Chairman, Operating Committee, [redacted]

From: Acting Executive Officer, [redacted] Field Team, Region III

Subject: Docket No. [redacted] 4747 (Uranium), Contract No. [redacted]-R1157, Kaye Minerals, Inc. (fn Eric Wrenham claims), Fremont County, Wyoming

Enclosed are the Government's and Audit copies of Exploration Project Contract No. [redacted]-R1157, which was forwarded by your letter of November [redacted], 1957 for signature by the Operator and insertion of a suitable starting date under Article 3 of the contract form.

Also enclosed are two copies of the Operator's letter of May 9, 1958, by which the executed copies of the contract were returned to this office; and three copies of a letter from this office, dated May 12, 1958, whereby we forwarded the "Operator's Copy" of the contract, blank report forms, instructions relative to reporting on work performed under the contract, and procedures to be followed in communicating with this office in all matters pertaining to the contract.

The contract, dated November 21, 1957, provides for exploration work estimated to cost $11,300.00, toward which the Government will contribute 75 percent, or not in excess of $8,475.00.

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

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

JVT:pri

cc: Remarks
Finance Office, Region III } w/copy of contract and letter to Operator.
Harshman
[redacted]/DPC-Minyon
Corres. file - w/copy of letter to Operator.
Townsend
Chron.

DMEA Form 14

Contract No. Idm-E 1157

Docket No. 4747

DEPARTMENT OF THE INTERIOR

Approved 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
November 21, 1957	**III**	**[redacted] Wyoming**	**Uranium**

Name and Address of Operator:

Kaye Minerals, Inc.
Suite 314, Centennial Building
1645 Court Place
Denver, Colorado

	Reserve	Obligation
Prior Amount	0	0
Increase	8,475.00	0
Decrease	0	0
Revised Amount	8,475.00	0

Remarks:

ALLEN S. DAKAN
(Name)

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

Date delivered to Bureau of Mines, Washington

11/21/1957

22845