OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E1095, Docket DMEA-4564 (uranium), dated May 31, 1957, with

Modern Mines Development Company
207 Larson-Andrews Building
Yakima, Washington

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Jet Claims located in Big Horn County, Wyoming, during the period September 27, 1960, through April 22, 1963.

A certification of discovery or development was issued on August 8, 1958, and, in accordance with Article 8 and Amendment No. 1 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated January 7, 1959, indicated accepted costs under the exploration contract amounting to $8,885.20 with the Government's contribution on a 75 percent basis being $6,663.91.

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

This review found the total sales subject to the Government's royalty for the period to be $4,599.08. Royalty payable to the Government at the rate specified in the contract is $229.96.

A prior Report of Royalty Review found the sales subject to the Government's royalty through September 26, 1960, to be $89,004.26, which added to the sales for this subsequent period make a total of $93,603.34. The royalty account as of September 26, 1960, was:

Total Royalty Payable	$4,450.22
Total Royalty Paid	4,450.22
Balance of Royalty Due	$ -0-

As of April 22, 1963, the royalty account of this project was found to be:

Total Royalty Payable	$4,680.18
Total Royalty Paid	4,691.06
Overpayment of Royalty	$ 10.88

June 19, 1963

C. E. Fisher

C. E. Fisher, OME Auditor

Idm-E1095 Modern Mines Development Company DMEA-4564

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the property thereunder. The property consists of 12 unpatented lode mining claims situated in sections 22 and 23, T. 58 N., R. 94 W., 6th P.M. At the time the contract was executed the Operator was in possession of the land by virtue of a sales agreement dated September 22, 1956, with Lew Johnson and Stan Johnson, d/b/a Johnson Transfer. Their Consent to Lien and Subordination Agreement dated April 11, 1957, is attached to the contract.

Exploration work under the contract was terminated effective August 10, 1957, by Termination Agreement dated July 29, 1958. Royalty on production by the Operator during the exploration period and through October 1958 is covered by Report of Royalty Review dated February 10, 1959.

Effective June 15, 1959, the Operator leased the property to Lisbon Uranium Corporation, who operated until about January 1, 1960. Royalty received on production by this lessee is covered by Report of Royalty Review dated October 7, 1960, which extended the period covered by review through September 26, 1960. The present review relates to production, sales, and royalty payable since the latter date.

The Operator, as owner, leased the property to Lew Johnson and Stan Johnson, d/b/a Johnson Transfer, on August 18, 1961. The lease was assigned by these parties to Middleton Mining Company, Box 175, Lovell, Wyoming, on May 5, 1962, by an agreement granting overriding royalties of 6½% to the Johnsons and 6½% to the Operator.

Two sales were made to Susquehanna-Western, Inc., during this period. Shipments were in the name of Lew Johnson. Distribution of proceeds from these sales was made by Middleton Mining Company who paid the Government royalty. Erroneous computations resulted in a net overpayment of royalty to the Government in the amount of $10.88 computed as follows:

Idm-R1095 Modern Mines Development Company DMRA-4564

Liq. No.	Value of Production U_3O_8	Develop. Allow.	Haulage Allow.	Haulage Paid	Net Value	Royalty (5%)
As computed and royalty paid:						
1164	$3,091.44	$402.05	$ -0-	$ -0-	$3,493.49	$174.67
1263	1,323.31	-0-	-0-	-0-	1,323.31	66.17
				Total royalty paid		$240.84
Should be:						
1164	$3,091.44	$402.05	$688.35	$(929.27)	$3,252.57	$162.63
1263	1,323.31	181.28	451.65	(609.73)	1,346.51	67.33
				Total royalty payable		$229.96
				Overpayment of royalty		$ 10.88

This review included the recomputation of liquidation statements received in support of royalty payments during the period and the verification thereof with deposits made by the Department's Fiscal Section. A brief summary of the reported production, sales, and royalty computation for the period under review and since the date of the contract follows:

	This Period	To Date
Production		
Ore - Short Wet Tons	190.000	1,791.890
Ore - Short Dry Tons	181.172	1,690.347
U_3O_8 - Pounds	1,166.650	11,914.250
" - " excess 4#/SDT	441.962	5,674.822
" - " excess 10#/SDT	-0-	772.680
Sales		
U_3O_8 - Base payments	$4,083.28	$40,223.86
" - excess 4#/SDT	331.47	4,256.12
" - excess 10#/SDT	-0-	193.17
Development allowance	583.33	5,957.17
Haulage allowance	1,140.00	10,751.34
Haulage paid	(1,539.00)	(1,539.00)
Totals Receiving Station	$4,599.08	$59,842.66
AEC Production Bonus	-0-	33,760.68
Totals subject to royalty	$4,599.08	$93,603.34

Idm-E1095 Modern Mines Development Company DMEA-4564

	This Period	To Date
Royalty Payable	$ 229.96	$ 4,680.18
Royalty Paid	240.84	4,691.06
Overpayment of Royalty	$ 10.88	$ 10.88

The last liquidation included in this review was dated January 30, 1963, and covered production received at the Riverton, Wyoming, plant of Susquehanna-Western, Inc., on October 26, 1962. Royalty in the amount of $66.17 was received and deposited by the Department's Fiscal Section on April 22, 1963.

The findings of this review are subject to revision in the event of future audit of the Operator's records or examination of the stoped areas.

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

(1) The files indicate that, during the period covered by this review, all sales of production from the property under the contract have been reported and proper royalty thereon paid, except as indicated above; and

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

EXTRA COPY
O. M. E
RECEIVED JUL 8 1963
DATE
800

Building 20 - Federal Center
Denver 25, Colorado

July 2, 1963

Modern Mines Development Company
207 Larson-Andrews Building
Yakima, Washington

Re: DMEA-4564 (Uranium)
Contract Idm-E1095
Modern Mines Development Company
(Jet Claims)
Big Horn County, Wyoming

Gentlemen:

Enclosed is a copy of the Report of Royalty Review on the subject contract dated June 19, 1963, covering the period September 27, 1960, through April 22, 1963.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosure

cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E1095
Chron
HMC/lm

Building 20 - Federal Center
Denver 25, Colorado

July 2, 1963

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-4564 (Uranium)
Contract Idm-E1095
Modern Mines Development Company
(Jet Claims)
Big Horn County, Wyoming

Attached is the original Report of Royalty Review dated June 19, 1963, on the subject property covering the period September 27, 1960, through April 22, 1963.

Original signed by

Hugh M. Connors

Attachments

cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm E1095
Chron
HMC/lm

JUN 20 1963

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-4564 (Uranium)
Modern Mines Development Company
Jet Claims
Big Horn County, Wyoming
Contract Idm-E1095

The original and two copies of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, U. S. Department of the Interior, Washington 25, D. C.;
(b) One copy for the Operator; and
(c) One copy for your files.

As evidence of your concurrence, a copy of your letter transmitting the Operator's copy should be furnished this Division. If for any reason you do not concur, the original and both copies of the report should be returned to this Division with your comments.

Enclosures

CEFisher/ama 6-19-63

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

E-1095

For royalty payment of $66.17, dated April 22, 1963, see transmittal letter file.

Building 20 - Federal Center
Denver 25, Colorado

April 22, 1963

EXTRA COPY
O. M. E
RECEIVED
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Middleton Mining Company
Box 175
Lovell, Wyoming

Re: DMEA-4564 (Uranium)
Contract Idm-E1095
Modern Mines Development Co.
(Jet Claims)
Big Horn County, Wyoming

Gentlemen:

This will acknowledge receipt of your check for $66.17 which you stated was for royalty on liquidation No. 1263.

The correct royalty due the Government on liquidation No. 1263 is $67.33 which is 5 percent of $1,346.51. Royalty due the Government is always figured on the total gross settlement. However, since the haulage on this ore was paid to Westwood by Susquehanna-Western, Inc. and is shown on the settlement sheet as such, the amount of $609.73 for hauling may be deducted from $1,956.24 which is the total gross settlement.

Please forward this office your check for $1.16 to bring this account into balance.

If you should so wish and you will advise the mill, the mill will be happy to deduct the proper amount of royalty from each shipment and forward it to this office. This, I might add, is the usual procedure.

Sincerely yours,

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Chief, Division of Field Operations, OME
Royalty Corres. Idm-E1095
Chron
HMC/lm

FEB 18 1963

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4564 (Uranium)
Modern Mines Development Company
Jet Claims
Big Horn County, Wyoming
Contract Idm-E1095

Your advice by memorandum of February 12 that the AEC production records tally with our royalty records for the subject contract is appreciated.

The amount of $20.10 was received from the Operator and forwarded to the Department's Fiscal Section on December 19, 1962. As your copies of the transmittal memorandum apparently went astray in the mails, I am enclosing two thermofax copies.

This amount also is included in the collections shown in the December 1962 report of fiscal transactions, a copy of which was forwarded to you under cover of my January 7 memorandum.

George C. Selfridge

Enclosures

EDTalbert/ama 2-18-63

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

Building 20 - Federal Center
Denver 25, Colorado

February 12, 1963

E ... DAY
O. M. E
RECEIVED B ... 1963
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Memorandum

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

From: Acting Field Officer, GME, Region III

Subject: DMEA-4564 (Uranium)
Contract Idm-E1095
Modern Mines Development Company
(Jet Claims)
Big Horn County, Wyoming

This responds to your memorandum of February 6, 1963 on the subject contract.

The AEC production records have been checked and tally with our royalty card. However, one question does arise. I note that the Director, on December 10, 1962, requested Modern Mines Development to remit an additional $20.10. Since all these payments have been made through the Washington Office, I am wondering if the $20.10 has been received?

Original signed by

Hugh M. Connors

FEB 6 1963

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DGSA-4364 (Uranium)
Modern Mines Development Company
Jet Claims
Big Horn County, Wyoming
Contract Ida-21095

Attached is a self-explanatory copy of NME Form 63, signed by the vice president of Modern Mines. You will note that only Lot No. 852-5 (shipped in September 1959) is mentioned, although we have received royalties on Lot Nos. 1162-5 and 1160-5, also shipped by Lisbon Uranium Corp. in December 1959. In addition, we have received royalty on Lot No. 2955-5 (dated 7/23/62) shipped by Lew and Stan Johnson, Lessees.

In view of these discrepancies, will you please ascertain if there have been shipments from the Jet claims other than those mentioned above since July 31, 1959.

Enclosure

George C. Selfridge

FMMurphy/mm
2/5/63
cc: Director's Reading File
✓CA&A Division
Docket
Code 300
Review Committee

December 19, 1962

Memorandum

To: Chief, Fiscal Section
Division of Administrative Services
Office of the Secretary

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

Subject: [redacted]-4364 (Uranium)
Modern Mines Development Co.
Jet Claims
Big Horn County, Wyoming
Contract I4m-E1095

Enclosed for deposit to the subject [redacted] account under symbol 14X4401 as a royalty receipt is a December 15, 1962, check no. 783, drawn in the amount of $20.10 by Modern Mines Development Company, 219 South 31st Avenue, Yakima Valley Branch, Seattle-First National Bank.

This check is in payment of a royalty balance due to the Government on Susquehanna Western, Inc., liquidation no. 1164 dated August 14, 1962.

Enclosure

EDTalbert/ama 12-19-62

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

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY
O. M. E
RECEIVED DEC 20 1962
DATE
800

December 17, 1962

Memorandum

To: E. D. Talbert, Chief
Contract Administration and Audit Division
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-4564 (Uranium)
Contract Idm-E1095
Modern Mines Development Co.
(Jet Claims)
Big Horn County, Wyoming

Thank you for the copy of your letter to the Chief, Fiscal Section dated December 10, 1962. When you advise me of receipts and disbursements in your office in this manner, it helps me so much in checking your Reports of Royalty Review, which you ask me to check and make comments.

It seems to me very unfair that I should do detective work on your Monthly Report of Fiscal Transactions to check your receipts and disbursements. I get enough detective work checking the Operators who do not pay royalty.

Your further cooperation in these fiscal matters, by supplying me a copy of your letter on each one, will be helpful to both of us.

(Original signed by)

Hugh M. Connors

Selfridge stated no reply needed.

DEC 10 1962

Modern Mines Development Co.
207 Larson-Andrews Building
Yakima, Washington

Re: DMEA-4564 (Uranium)
Modern Mines Development Co.
Jet Claims
Big Horn County, Wyoming
Contract Idm-E1095

Gentlemen:

Receipt is acknowledged of Middleton Mining Company's September 4, 1962, check in the amount of $154.57 as royalty on Susquehanna Western, Inc., liquidation no. 1164 dated August 14, 1962, applicable to production from property under the referenced contract.

The amount of $154.57 has been calculated on the basis of 5% of the ore proceeds of $3,091.44. In accordance with Article 8(b) of the contract, royalty also is payable on the development allowance of $402.05.

Your prompt remittance of the additional $20.10 royalty due is solicited.

Sincerely yours,

George Fumich, Jr.

Director

EDTalbert/ama 12-10-62

cc:
Docket
Director's Reading File
CA & A Division
Region III (2) (wtwocys of incoming ltr. and one cy. of settlement)

DEC 1 0 1962

DEC 1 0 1962

Memorandum

To: Chief, Fiscal Section
Division of Administrative Services
Office of the Secretary

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

Subject: DMEA-4564 (Uranium)
Modern Mines Development Co.
Jet Claims
Big Horn County, Wyoming
Contract Idm-E1095

Enclosed for deposit to the subject DMEA account under symbol 14X4401 as a royalty receipt is a September 4, 1962, check no. 193, drawn in the amount of $154.57 by the Middleton Mining Co. on the First National Bank of Lovell, Lovell, Wyoming.

This check is in partial payment of royalty due to the Government on Susquehanna Western, Inc., liquidation no. 1184 dated August 14, 1962. The check was received in this office on December 7, 1962.

Enclosure

EDTalbert/ama 12-10-62

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

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-81095, Docket No. DMEA-4564 (Uranium), dated May 31, 1957, with

Modern Mines Development Company
207 Larson-Andrews Building
Yakima, Washington

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Jet Claims located in Big Horn County, Wyoming, during the period February 3, 1959, through September 26, 1960.

A certification of discovery or development was issued on August 8, 1958, and, in accordance with Article 8 and Amendment No. 1 of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final audit dated January 7, 1959, indicated accepted costs under the exploration contract amounting to $8,885.20 with the Government's contribution, on a 75 percent basis, being $6,663.91.

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

This review established the total sales of uranium ore for the period to be $13,986.86. Royalty due the Government at rates specified in the contract is $699.34.

A prior Report of Royalty Review found the sales subject to Government royalty through February 2, 1959, was: See insert

Total Royalty Due	$3,750.88
Total Royalty Paid	3,165.84
Balance of Royalty Due	$ 585.04

Insert - to be $75,017.40 which added to the sales for this subsequent period make a total of $89,004.26. The royalty account as of February 2, 1959.

At September 26, 1960, the royalty account of this project was found to be:

Total Royalty Due	$4,450.22
Total Royalty Paid	4,450.22
Balance of Royalty Due	$ -0-

October 7, 1960

C. E. Fisher

C. E. Fisher, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Production during the period covered by this review was accomplished by Lisbon Uranium Corporation under a mining lease dated June 15, 1959. Three sales were made of uranium ore to Susquehanna Western, Inc., on which royalty was paid to the Government. In addition, royalty was paid on the initial production bonus applicable to these shipments, as well as the delinquent royalty indicated by the prior Report of Royalty Review.

My review included the recomputation and tabulation of the liquidation statements received in support of the royalty payments. This tabulation is filed with my audit work-papers and is summarized on Exhibit "A".

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

(1) Inspection reports by field representatives of the Government and other information in the Washington office files indicate that mining operations at the property have been discontinued and that proper royalty has been paid to the Government on all production to date; and

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

Exhibit "A"

Idm-E1095 | Modern Mines Development Company | DMEA-4564

Summary of Production, Sales and Royalty

	Modern Mines Devel. Co.	Lisbon Ur. Corp.	Totals
Production			
Ore - SWT	1,091.975	509.915	1,601.890
Ore - SDT	1,020.887	488.288	1,509.175
U_3O_8 - Pounds	8,741.50	2,006.10	10,747.60
" - " excess 4#/SDT	4,811.51	421.35	5,232.86
" - " " 10#/SDT	772.68	-0-	772.68
Sales			
U_3O_8 - Base payment	$30,146.48	$ 5,994.10	$36,140.58
" - excess 4#/SDT	3,608.64	316.01	3,924.65
" - " 10#/SDT	193.17	-0-	193.17
Development allowance	4,370.78	1,003.06	5,373.84
Haulage allowance	6,551.85	3,059.49	9,611.34
Totals Receiving Station	$44,870.92	$10,372.66	$55,243.58
AEC Production Bonus	30,146.48	5,614.20	35,760.68
Totals subject to DMEA Royalty	$75,017.40	$13,986.86	$89,004.26
Royalty Due	$ 3,750.88	$ 699.34	$ 4,450.22
Royalty Paid			
Prior to 2/2/59	3,165.84	-0-	3,165.84
Subsequent to 2/2/59	585.04	699.34	1,284.38
Balance of Royalty Due	-0-	-0-	-0-

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

EXTRA COPY
O. M. E
RECEIVED 2 960

DATE	INITIALS	CODE

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Modern Mines Development Co.

Address 219 South 31st Avenue

Yakimo, Washington

Exploration Contract No. Idm E1095

Docket No. DMEA 4564

			Check One Yes	Check One No
1.	(a)	Does the Operator stockpile ore subject to royalty repayment?		X
	(b)	If so, is segregation and identification procedure adequate?		
2.	(a)	Does Operator commingle production subject to DMEA or OME royalties with exempt production?		X
	(b)	If so, do you consider the allocation of the commingled production equitable?		
3.	(a)	Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
	(b)	If so, are adequate records maintained on such material to protect the Government's interest?		
4.		Do you consider the assay controls in effect are adequate?	X	
5.		Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6.		Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?	X	
7.		Does the Operator buy from or sell to other Operators?		X
8.		Comment on any item 2 (b) to 6 if answer is No.		

Original signed by

9-26-60
Date

Mining Engineer
Hugh M. Connors

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY O. M. E RECEIVED 1960		
DATE	IN.	CODE
		800

October 18, 1960

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

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

Subject: Docket FMSA-1568 (Uranium)
Contract No. Idm-E1095
Modern Mines Development Co.
(Jet Claims)
Big Horn County, Wyoming

Attached is the original Report of Royalty Review on the subject property dated October 7, 1960 covering the period February 3, 1959, through September 26, 1960.

Original signed by
TMR

For
Hugh M. Connors

Attachments

HMC/lm
cc: Chief, Division of Field Operations (2)
Royalty Corres. E1095
Chron

EXTRA COPY
O. M. E
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DATE | IN | CODE
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Building 20 - Federal Center
Denver 25, Colorado

October 18, 1960

Modern Mines Development Co.
219 South 31st Avenue
Yakima, Washington

Re: Docket No. DMEA-4564 (Uranium)
Contract No. Idm-E1095
Modern Mines Development Co.
(Jet Claims)
Big Horn County, Wyoming

Gentlemen:

Attached is a copy of the Report of Royalty Review on the captioned property dated October 7, 1960, which shows that no Royalty is due the Government at this time.

Yours very truly,

Original signed by
TMR

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

Enclosure
HMC/lm
cc E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Chief, Division of Field Operations (2)
Royalty Corres. E1095
Chron

APR 29 1960

Memorandum

To: Mr. H. M. Connors, Acting Field Officer, Region III

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

Subject: Docket No. DMEA-4364 (Uranium)
Modern Mines Development Co.
Jet Claims
Big Horn County, Wyoming
Contract No. Idm-81835

Your April 26 memorandum requests certain information relative to a recent royalty receipt applicable to the subject contract. However, the only information available to this Division was inscribed on the check and quoted in my April 18 transmittal memorandum, i.e.:

> "Payment due on D.M.E.A. Loan for Ore shipped from 'Jet' Claims (Modern Mines Unit) Big Horn County, Wyoming, $518.63 and from A.E.C. Production Bonus $180.71 less payment made 3/16/60 check #15640 $278.06".

Based on this quotation the answers to your questions are as follows:

1. $518.63 was the amount of royalty applicable to the sale of ore,
2. $180.71 was the amount of bonus royalty, and
3. $699.34 was the total of two checks received.

One check for $421.28, on which the quotation was inscribed, was forwarded to the Fiscal Section with my April 26 memorandum. The other, in the amount of $278.06 was transmitted to the Fiscal Section with my March 22 memorandum, a copy of which also was furnished you.

The difference between the aggregate remittance of $699.34 and your stated amount of $687.51 appears to be in the calculation of the royalty on bonus.

EDTalbert/ama
April 28, 1960

Copy to: Docket
Director's Reading File
CA & A Division

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 28 1960

DATE	INITIALS	CODE
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		800

April 26, 1960

Memorandum

To: Mr. E. D. Talbert, Acting Chief, Contract Administration and Audit Division, OME

From: Acting Field Officer, OME, Region III

Subject: Docket No. DMEA 4564 (Uranium)
Modern Mines Development Company
(Jet claims), Contract No. Idm-E1095
Big Horn County, Wyoming

Reference is made to your letter of April 18, 1960, to the Chief, Fiscal Section, relative to a check or checks you received from the sale of ore on the subject property.

Our letter to the operator dated March 18, 1960, copies of which were forwarded the Chairman of the Operating Committee, showed $518.63 royalty due on liquidation numbers 470, 570 and 571. The bonus royalty due on those three shipments was $168.88 making the total royalty due $687.51. The following is a quotation of the first paragraph of your letter to the Chief of the Fiscal Section dated April 18, 1960 which is not clear to me.

> "Attached for deposit to the subject account as a royalty receipt is Check No. 16083 dated April 13, 1960, in the amount of $421.28, drawn on the First Security Bank of Utah, Salt Lake City, Utah, for Payment due on D.M.E.A. Loan from ore shipped from 'Jet' claims (Modern Mines Unit) Big Horn County, Wyoming, $518.63 and from A.E.C. Production Bonus $180.71 less payment made 3/16/60 check No. 15640, $278.06."

If we are to continue keeping the royalty records in this office, we must have the following information:

1. What was the amount of royalty received from the sale of ore.

2. What was the amount of bonus royalty received.

3. What was the total amount of the check or checks received.

When we receive this information, we will forward the Washington office copies of the settlement sheets which we are holding.

Mining operations have ceased on this property and if we received a total of $687.51 after March 18, 1960, the account should be in balance.

Hugh M. Connors

Hugh M. Connors

E-1095

For royalty payment of $421.28, dated April 18, 1960, see transmittal letter file.

APR 18 1960

Memorandum

To: Chief, Fiscal Section
Division of Administrative Services
Office of the Secretary

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

Subject: Docket No. DMEA-4364 (Uranium)
Modern Mines Development Co.
Jet Claims
Big Horn County, Wyoming
Contract No. Ida-61095

Attached for deposit to the subject account as a royalty receipt is Check No. 16005 dated April 13, 1960, in the amount of $421.78, drawn on the First Security Bank of Utah, Salt Lake City, Utah, for "Payment due on D.M.E.A. Loan from Ore shipped from 'Jet' Claims (Modern Mines Unit) Big Horn County, Wyoming, $518.45 and from A.E.C. Production Bonus $180.71 less payment made 3/16/60 check #15648 $278.06".

A copy of this memorandum, together with an accompanying statement (Form AEC 360A), is being forwarded to the Acting Field Officer, OME, Region III, for his information and with the suggestion that he advise The Hidden Splendor Mining Co. to make future remittances directly to his office.

Attachment

EDTalbert/ama
April 18, 1960

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

EXTRA COPY
O. M. E.
RECEIVED MAR 31 1960

DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

March 29, 1960

Mr. M. Scott Woodland
Van Cott, Bagley, Cornwall
and McCarthy
65 South Main Street
Salt Lake City 11, Utah

Re: Docket No. DMEA 4564 (Uranium)
Contract No. Idm-E1095
Modern Mines Development Company
(Jet claims)
Big Horn County, Wyoming

Dear Mr. Woodland:

Enclosed is a copy of a letter from this office to Mr. John F. Cadigan, Vice President, Modern Mines Development Company, dated March 18, 1960, regarding royalty due the Government on production from the referenced property.

In conjunction with the matter, we are in receipt of the following: (1) Copy of the letter from Mr. Cadigan to your attention dated March 21, 1960; (2) Statement from Susquehanna-Western, Inc., Riverton, Wyoming, pertaining to production Lots Numbers 1 to 8 inclusive; and (3) Check No. 15640 dated March 16, 1960 in the amount of $278.06. In reference to the material under item 2, settlement sheets in our files indicate that Shipper's Lot Numbers 1 and 2 pertain to Liquidation No. 470; Lots 3, 4 and 5 pertain to Liquidation No. 571; and Lots Numbers 6, 7 and 8 pertain to Liquidation No. 570.

In reference to the check under item 3, payment of $278.06 leaves a balance due the Government of $409.45 on Lots 1 to 8 inclusive, because the haulage allowance is not a permissible deduction from the proceeds before computing the Government's percentage royalty. The applicable portion of the royalty provisions of Contract No. Idm-E1095 are quoted as follows:

> "ARTICLE 8. (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 ....".

Since the haulage allowance increases the gross proceeds from the sale of the ore, it must be included in the basis of computing the Government's percentage royalty.

We will appreciate receipt of your check at an early date for the balance due, so that we can close our records on this specific production.

Very truly yours,

Original signed by

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

cc: John F. Cadigan, Vice Pres.
Modern Mines Development Company
207 Larson-Andrews Building
Yakima, Washington

JWT/bjo

cc: Chgm. Op. Comm. (2)
Rey. Corres., Region III
Suspense
Chron.

MAR 22 1960

Memorandum

To: Chief, Fiscal Section
Division of Administrative Services
Office of the Secretary

/s/ C. E. Fisher for

From: E. R. Talbert, Acting Chief
Contract Administration and Audit Division

Subject: Docket No. DMSA-4944 (Uranium)
Modern Mines Development Co.
Jet Claims
Big Horn County, Wyoming
Contract No. Idm-21095

Attached for deposit to the subject account as a royalty receipt is Check No. 13660 dated March 16, 1960, in the amount of $278.06, drawn on the First Security Bank of Utah, Salt Lake City, Utah.

Attachment

AMAlley/ama
March 22, 1960

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

EXTRA COPY
O. M. E
RECEIVED MAR 22 1960

DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado

March 18, 1960

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA-4564 (Uranium), Contract No. IAm-E1095, Modern Mines Development Company (Jet claims), Big Horn County, Wyoming

Attached is a copy of our letter to Mr. Cadigan requesting royalty due the Government. Also attached is a copy of a form letter returned to this office by Mr. Cadigan, in which he states that "the operation is now closed down."

Original signed by

J. W. Townsend

Enclosures

EXTRA COPY O. M. E RECEIVED MAR 22 1960		
DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado

CERTIFIED MAIL

March 18, 1960

Mr. John F. Cadigan, Vice President
Modern Mines Development Company
207 Larson-Andrews Building
Yakima, Washington

Re: Docket No. EMEA-4564 (Uranium)
Contract No. Ilm-E1095
Modern Mines Development Co.
(Jet Claims)
Big Horn County, Wyoming

Dear Mr. Cadigan:

The following shipments of ore were made from the Jet claims during the year 1959, on which the Government did not receive its percentage of royalty as stipulated in the captioned contract:

Liq. No.	Smelter Value $	Net Value $	Dry Tons	Value per Ton $	5% Roy	Royalty Due $	Bonus Payment $	Bonus Roy. Due $
470	1,799.85	1,799.85	139.190	12.93	5%	89.99	759.97	38.00
570	2,646.67	2,646.67	173.536	15.25	5%	132.33	1,301.53	65.08
571	5,926.14	5,926.14	175.962	33.76	5%	296.31	1,316.00	65.80
						$518.63	3377.50	$168.88

Bonus royalty due..... 168.88

Total Royalty due for 1959 .....$687.51

Will you please forward this office your check for $687.51, the amount of royalty due the Government for ore shipped from the Jet claims during 1959.

Very truly yours,

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

HMC/ms
cc: Chmn. Op. Comm. (2)
Royalty corres E1095
Chron
Suspense

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado
February 8, 1960

EXTRA COPY
O. M. E
RECEIVED MAR 22 1960

DATE	INITIALS	CODE

Modern Mines Development Company
219 South 31st. Avenue
Yakima, Washington

Re: Docket No. DMEA 4564 (Uranium)
Contract No. Idm-E1095
(Jet claims)
Big Horn County, Wyoming

Gentlemen:

In reference to the "Certification by the United States of America of a Discovery or Development under an exploration Project Contract" and the instructions in the Washington Office letter of transmittal of the Certification on the captioned project, please indicate your answer to the following questions and return one copy of the questionnaire immediately to this office.

Very truly yours,

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

1. Has the property been sub-leased or any change made in ownership other than this office has been notified? Yes X No___. If yes, please furnish details of the transaction on a separate sheet and include a true or signed copy of any instrument that was executed in conjunction with the matter.

2. Has there been production from the land subordinated under the referenced contract since January 1, 1959 ? Yes X No___. If yes, and shipments made, who was the purchaser? Fremont Minerals Inc. Chicago, Ill.

3. Is any of the following material stockpiled? Yes___ No X.

(a) Ore, Tons_____ Estimated grade_____
(b) Concentrates, lbs._____ Estimated grade_____
(c) Low grade ore, tons_____ Estimated grade_____
Place stockpiled_____

Signed John J. Cadrgai

Title Vice Pres. Date 3/8/60

The above problem is now closed down.

EXTRA COPY
O. M. E.
RECEIVED MAR 14 1960

DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

March 10, 1960

Susquehanna-Western, Inc.
Riverton
Wyoming

Re: Docket No. DMEA-4564 (Uranium)
Contract No. Idm-E1095
Modern Mines Development Co. (Jet Claims)
Big Horn County, Wyoming

Gentlemen:

The Atomic Energy Commission's records for 1959 show the following shipments of ore to your mill on which the Government has not received royalty, as provided in the captioned contract:

Period	Shipper	Quantity
3rd Quarter 1959	Modern Mines (Jet 8 Claim)	139.19 dry tons of ore containing 361.89 pounds U_3O_8
4th Quarter 1959	Modern Mines-- Lisbon Uranium Corp (Jet 8 Claim)	175.56 dry tons containing 1,125.60 pounds U_3O_8
4th Quarter 1959	Lisbon Uranium Co. (Jet 5 Claim)	173.54 dry tons containing 520.61 pounds U_3O_8

Will you please forward this office three (3) copies of each settlement sheet for the three (3) shipments of ore listed above.

Very truly yours,

Original signed by

J. William Hasler
OME Field Team, Region III
Member

cc Mr L V Sigman, Pres
Modern Mines Development Co
2302 W Chestnut
Yakima, Washington

HMC/ms cc: Chmn Op Comm (2)
Chron, Royalty E1095, Suspense

EXTRA COPY
O. M. E.
RECEIVED MAR 14 1960
DATE | INITIALS | CODE
800

Building 20 - Federal Center
Denver 25, Colorado

CERTIFIED MAIL

March 10, 1960

Mr. L. V. Sigman, President
Modern Mines Development Company
2302 West Chestnut
Yakima, Washington

Re: Docket No. DMEA-4564 (Uranium)
Contract No. Dm-E1095
Modern Mines Development Company
(Jet Claims)
Big Horn County, Wyoming

Dear Mr. Sigman:

Will you please forward this office two (2) copies of the legal conveyance which gives the Lisbon Uranium Company the right to mine and remove ore from the Jet claims, which are subordinated to the Government under the captioned contract.

Enclosed is a copy of our letter to the Susquehanna-Western, Inc., Riverton, Wyoming requesting copies of settlement sheets for the sale of ore on which the Government has not received royalty.

Very truly yours,

Original signed by

J. William Hasler
Member, OME Field Team
Region III

Enclosure

HMC/ms

cc: Chmn. Op. Comm (2)
Roylty crs E1095
Chron
Suspense

E-1095

For Certificate of Deposit No. 124, dated March 17, 1959, giving royalty payment of $500.00, seeE-910.

E-1095

For Certificate of Deposit No. 118, dated March 6, 1959, giving royalty payment of $85.04, see E-452.

EXTRA COPY O. M. E. RECEIVED FEB 20 1959		
DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado
February 17, 1959

Mr. John F. Cadigan, Vice President
Modern Mines Development Company
207 Larson-Andrews Building
Yakima, Washington

Re: Docket No. DMEA 4564 (Uranium)
Contract Idm-E1095
Modern Mines Development Company
(Jet claims)
Big Horn County, Wyoming

Dear Mr. Cadigan:

Reference is made to the Report of Review of reported project costs, dated January 7, 1959, and the Report of Royalty Review, dated February 10, 1959, by the Contract Administration and Audit Division, ONE, copies of which were forwarded to you. Review of the two reports by this office indicates the following:

Balance due the Government from your company, as royalty from reported production, through February 2, 1959, per Report of Royalty Review, dated February 10, 1959---------- $585.04

Balance due Modern Mines Development Company, as Government contribution to reported project costs, per Report of Review of reported project costs, dated January 7, 1959---------- 500.00

Net amount due the Government from Modern Mines Development Company, through February 2, 1959------ $ 85.04

If you prefer to do so, you can submit your company's check in the amount of $85.04, payable to Defense Minerals Exploration Administration, as partial payment of royalty due, together with a request that the amount of $500.00 due your company, as the balance of Government contribution to reported project costs, also be credited to the royalty account. Otherwise, please submit your company's check in the amount of $585.00, as full payment of royalty due the Government through February 2, 1959, upon receipt of which, final payment will be made to your company in the amount of $500.00.

We wish to close the account at an early date, therefore your immediate attention in the matter is requested.

Very truly yours,

Original signed by
J. W. TOWNSEND
J. W. Townsend
Executive Officer, OME
Field Team, Region III

JDC:hmh

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 12 1959

DATE	INITIALS	CODE
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OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, OME Field Team, Region III, Denver, Colorado, pertaining to Contract Idm-81095, Docket No. DMEA 4564 (Uranium) dated May 31, 1957, including Amendment No. 1 with

Modern Mines Development Company
219 South 31st Avenue,
Yakima, Washington

for the purpose of determining the amount of royalties due the United States Government on the sale of Uranium bearing ores produced from the Jet group of claims located in Big Horn County, Wyoming, during the period May 31, 1957 through February 2, 1959.

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

My review established the total sales of Uranium bearing ores for this period to be $75,017.40. (See Schedule No. 1 attached.) Royalty due the United States Government at the contract rate of 5 percent is $3,750.88. The royalty paid and the balance due are as follows:

Total Royalty Due	$3,750.88
Total Royalty Paid	3,165.84
Balance of Royalty Due (See Schedule No. 2)	$ 585.04

Donald T. Finch
Donald T. Finch
OME Auditor

February 10, 1959

STATUS OF THE PROJECT, DESCRIPTION OF REVIEW AND REASONS THEREFOR

CONTRACT NO. Idm-X1095 DOCKET NO. DMRA-4564

The exploration work under the contract has been completed. A Certificate of Discovery or Development was issued on August 8, 1958, and in accordance with the contract, royalty is payable on all minerals mined or produced from the land described in Annex I, Article 2 of the contract for a maximum period of eleven years from the date of the contract. A Report of Review in lieu of final audit, dated January 7, 1959, indicated accepted costs of $8,885.20, with Government's contribution on a 75 percent basis being $6,663.91.

My review included a tabulation and recomputation of all ore settlement sheets in the files of the Executive Officer, OME Field Team, Region III, for the period May 31, 1957 through February 2, 1959, and correspondence with the Chief of Accounting Branch, Finance Division, Field Operations Office, Atomic Energy Commission, Grand Junction, Colorado.

The producer's reported sales were reconciled with the production records maintained by A.E.C. Royalties paid were reconciled with the OME Finance Office, Denver, Colorado.

The review was made in lieu of an on-site audit of the producer's accounts for the following reasons:

(a) All reported production was reconciled with records of the Atomic Energy Commission.

(b) The Examining Engineer is of the opinion all sales of production are accounted for.

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

Schedule No. 1

MODERN MINES DEVELOPMENT COMPANY

CONTRACT NO. Idm-#1095 DOCKET NO. EMRA-4564

SUMMARY OF PRODUCTION, SALES AND ROYALTIES,
PERIOD MAY 31, 1957 THROUGH FEBRUARY 2,1959

(All production was from Jet Claim No. 8, and all sales were to Fremont Minerals, Inc.)

Gross Weight, Pounds	2,183,950	
Dry Weight, Pounds	2,041,774	
Dry Weight, Tons	1,020.887	
Average Assay U_3O_8	.428	
Pounds U_3O_8	8,741.50	
Base Payment U_3O_8	$30,146.48	
Development Allowance	$ 4,370.78	
Premiums		
Excess 4 lbs. U_3O_8 per Ton		
Excess lbs. U_3O_8	4,811.51	
Amount at 75¢ per excess lb.	$ 3,608.64	
Excess 10 lbs. U_3O_8 per Ton		
Excess lbs. U_3O_8	772.68	
Amount at 25¢ per excess lb.	$ 193.17	
Haulage Allowance		
Number of Wet Tons	1,091.975	
Allowance per Ton	6.00	
Amount	$ 6,551.85	
Total Receiving Station Value	$44,870.92	
A.E.C. Production Bonus	30,146.48	
Total Value Subject to Royalties		$75,017.40
Average Value Per Dry Ton	$ 70.85	
Royalty Percentage	5%	
Royalties Due	$ 3,750.88	
Royalties Received	3,165.84	
Balance of Royalties Due (See Schedule #2)		$ 585.04

The last liquidation settlement sheet in above is Fremont Minerals, Inc. No. 200 dated November 17, 1958.
The last Certificate of Deposit in above is No. 59-79 dated November 20, 1958.
There remains 1,258.5 lbs. U_3O_8 available for A.E.C. Production Bonus if and when produced.

Schedule No. 2

MODERN MINES DEVELOPMENT COMPANY

CONTRACT NO. I4m-R1095 DOCKET NO. IMEA-4564

SCHEDULE OF BALANCE OF ROYALTY DUE

	Date 1958	Liquidation Number	Balance Due
Fremont Minerals, Inc.	Aug. 4	118	$ 86.48
	Aug. 4	121	117.12
	Sept. 8	149	82.98
	Oct. 6	171	119.68
	Nov. 17	199	121.14
	Nov. 17	209	57.64
Total Balance of Royalty Due			$585.04

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Modern Mines Development Company

Address 219 South 31st Avenue

Yakima, Washington

Exploration Contract No. Idm-E 1095

Docket No. DMEA 4564

Jet Claims
Big Horn County, Wyoming

	Check One	
	Yes	No
1. (a) Does the Operator stockpile ore subject to royalty repayment?		x
(b) If so, is segregation and identification procedure adequate?		
2. (a) Does Operator commingle production subject to DMEA royalties with exempt production?		x
(b) If so, do you consider the allocation of the commingled production equitable?		
3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		x
(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4. Do you consider the assay controls in effect are adequate?	x	
5. Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	x	
6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	x	
7. Does the Operator buy from or sell to other Operators?		x
8. Comment on any item 2(b) to 6, if answer is No.		

Date 2/9/59

Mining Engineer
M. H. Marshall

FEB 1[illegible] 1959

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

Re: Docket No. DSEA-4564 (Brunton)
Hudson Mines Development Company
Contract No. [illegible]

Dear Mr. Finch:

Your Report of Royalty 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

GMcCarthy/GMcC
February 12, 1959

cc: Docket
Director's Reading File
Mr. Chambers

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

CERTIFICATE OF DEPOSIT
Standard Form 219

Identification of Accountable Officer Affected	
(1). Office Deposit Symbol: 9013	(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colo.

11/20/58 (Date sent) 79 (Deposit No.)

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

(3) The Sum of $ 259.18

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 259.18		$

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

E-1095

(5)
14-23-040
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colo.

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

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

Brenda Hagen
(Authorized signature)

NOV 20 1958
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor for his retained copy.

E-1095 Malum Munic 259.18

1958 NOV 20 PM 12 02

MAIL DEPT.

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

DATE	INITIALS	CODE
11/24	H.g.	325
		800

E-1095

For Certificate of Deposit No. 59, dated October 13, 1958, giving royalty payment of $173.20, see E-445.

E-1095

For Certificate of Deposit No. 42, dated September 11, 1958, giving royalty payment of $122.21, see E-615.

E-1095

For Certificate of Deposit No. 40, dated September 8, 1958, giving royalty payment of $494.33, see E-381.

E-1095

For Certificate of Deposit No. 22, dated August 5, 1958, giving royalty payments of $169.96 and $126.56, see E-969.

TRIPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 195 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

7/31/58	19	(1) Office Deposit Symbol: 9013	(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colo.
(Date sent)	(Deposit No.)		

Identification of Accountable Officer Affected

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

(3) The Sum of $ 427.94

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 427.94		$ E 1095

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

(5)
14-23-040
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colo.
Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

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

Bonney
(Authorized signature)

7/31/58
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor for his retained copy.

C-1095 Madison Mines
Development 427.94

8|4 C 228
8 100
PM 12 OC

E-1095

For Certificate of Deposit No. 6, dated July 10, 1958, giving royalty payment of $158.33 and $165.75, see E- 532.

224 New Customhouse
Denver 2, Colorado

July 8, 1958

CODE
800

Mr. W. S. Doyle, Secretary-Treasurer
Modern Mines Development Company
219 South 31st Avenue
Yakima, Washington

Re: Docket No. DMEA 4564 (Uranium)
Contract No. I6m-E1095, Modern
Mines Development Company (Jet
claims) Big Horn County, Wyo.

Dear Mr. Doyle:

By letter dated April 7, 1958, you informed this office that the land included under the captioned contract was inspected for certification to receive bonus payments by AEC and that you would advise us of the outcome. We have heard no further word from you; therefore, please advise us by return mail as to the present status of your eligibility to receive AEC production bonuses.

Tabulated below for your information are the royalties on bonus payments indicated to be due on the production reported to this office:

LEA. NO.	BONUS PAYMENT	BONUS ROYALTY DUE
34	$ 655.85	$ 32.79
38	515.33	25.77
49	794.78	39.74
57	871.96	43.60
62	1,908.20	95.41
63	2,079.98	104.00
64	1,732.64	86.63
77	3,701.60	185.08
91	1,748.85	87.44
	TOTAL: -	$700.46

You will note that the amount of $700.46 is due the Government upon receipt of such bonus payments by you.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

MHM:bh
cc: Sec.Op.Comm.(2)
Roy. File E-1095
Corres. File
DMEA/DFC-Binyon(2)
Chron.

TRIPLICATE
Rev., Supp. 1 (Third Amendment), Promulgated Sept. 11, 1957
by Treasury Department, Fiscal Service.

Treasury Department Circular No. 945 -

CERTIFICATE OF DEPOSIT
Standard Form 219

7/3/58 (Date sent)

2 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

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

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

(3) The Sum of $ 130.06

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$130.06		$

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

E-10545

(5)
14-23-040
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

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

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

L. Acosta
(Authorized signature)

JUL 3 - 1958
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor for his retained copy.

1958 JUL 3 PM 12 10

E-1095 Modern Mines Development

130.06

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 7 1958

DATE	INITIALS	CODE
		800

E-1095

For Certificate of Deposit No. 140, dated June 11, 1958, giving royalty payment of $267.32, see E-445.

224 New Customhouse
Denver 2, Colorado

June 6, 1958

6/9 J.J.G. 225
800

Mr. John F. Cadigan, Vice President
Modern Mines Development Company
207 Larson-Andrews Building
Yakima, Washington

Re: Docket DMEA-4564 (Uranium)
Contract Idm-E1095
Modern Mines Development Co.
(Jet claims)
Big Horn County, Wyoming

Dear Mr. Cadigan:

In reply to your letter of June 2, 1958, this office has authority to compute royalties only as specified in Article 8 (c) of Contract Idm-E1095, which states that the Government's royalty shall be a percentage of the gross proceeds from the production, including any bonuses, premiums, allowances or other benefits.

A review of submitted settlement sheets shows that the price you are receiving for your production includes development and haulage allowances and so must be included in the basis for computing DMEA royalties.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

MHM:jy
cc: Sec. Op. Comm. - 2 } w/copy of
Royalty File E1095 } mentioned ltr.
DMEA,DFC }
Chron.

219 S. 31ST AVE.
YAKIMA, WASH.
PHONE GLENCOURT 3-9948

MODERN MINES DEVELOPMENT CO

2280 EAST DRIVE
BUTTE, MONTANA
PHONE 26498

June 2, 1958

DMEA
DEPARTMENT OF THE INTERIOR
JUN 5 - 1958
REGION III
DENVER, COLORADO

U. S. Department of the Interior
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

In re: Docket No. DMEA 4564 (Uranium)
Contract No. IDM-$1095
Modern Mines Development Co.
(Jet claims,)
Big Horn County, Wyoming

Gentlemen:

In checking over our settlement sheets with Fremont Minerals we have noticed an item that we would like to bring to your attention, and ascertain which way that the settlement sheet should be handled.

As you will note on the settlement sheets, the royalty payment to you has been computed upon the freight allowance. The allowance that we are receiving for freight and haulage is hardly enough to cover the cost of hauling from the mine to the rail and the rail charge from Lovell to Fremont Minerals storage.

This has been discussed with Mr. Doyle, secretary-treasurer, and Mr. Sigman, president, of Modern Mines Development Co. At this stage of the operation, is it possible to have the DMEA payment computed only on the ore allowance and not on the haulage and development? We would appreciate your consideration of this matter at your earliest convenience.

For your information, the following schedule shows the amount that would have been overpaid based on the assumption that your 5% is only on the ore produced:

Liquidation Settlement No.	Settlement Orig. Statement	Settlement as Corrected
#34	$ 73.83	$ 39.92
#38	47.03	c 30.21
#49	62.47	46.19
#57	69.40	49.83
#62	139.05	121.60
#63	152.70	131.24
#64	126.52	109.67
Total -	$671.00	$528.66
Overpayment -	$142.34	

Yours very truly,

John F. Cadigan

John F. Cadigan, Vice-president
207 Larson-Andrews Bldg., Yakima, Washington

E-1095

For Certificate of Deposit No. 136, dated May 27, 1958, giving royalty payment of $418.27, see E-445.

E-1095

For Certificate of Deposit No. 135, dated May 20, 1958, giving royalty payment of $69.40, see E-360.

E-1095

For Certificate of Deposit No. 130, dated May 6, 1958, giving royalty payment of $62.47, see E-4.

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

CERTIFICATE OF DEPOSIT

Standard Form 219

4/24/58 (Date sent)

124 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

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

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

(3) The Sum of $ 317.63

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 317.63		$

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

E-1095

(5)

14-23-040
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

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

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

(Authorized signature)

APR 24 1958
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor for his retained copy.

E-1124	Leadville Lead & Uran.	$196.77
E-1095	Modern Mines	73.83
E-1095	Modern Mines	47.03
		$317.63

800

224 New Customhouse
Denver 2, Colorado

AIR MAIL

April 4, 1953

Mr. W. S. Doyle, Secretary-Treasurer
Modern Mines Development Company
219 South 31st Avenue
Yakima, Washington

Re: Docket No. DMEA 4564 (Uranium)
Contract No. Idm-E1095, Modern
Mines Development Company (Jet
claims) Big Horn County, Wyoming

Dear Mr. Doyle:

In reply to your telephone inquiry today, payments are made to the Government in the form of royalties on production from the land subordinated under the terms of the contract.

For shipments already made, please submit the indicated royalties accompanied by three copies of the applicable settlement sheets.

For future ore shipments your purchaser should be instructed to make royalty payments to this office, each payment to be accompanied by three copies of all settlement sheets.

In addition, you are requested to instruct your ore purchaser to furnish us with three copies of a load detail sheet when settlement covers a series of individual shipments. The load detail must show the dry weight and assay of each shipment. This will assure the operator and the Government of accuracy and will serve as a permanent record which may be subjected to inspection in the future.

Royalty is to be paid on the value realized from the sale of ore including all bonuses, premiums, and allowances. In the case of uranium, royalties are due on AEC bonus payments received on production from DMEA subordinated land. In this connection please inform this office at once of the status of your eligibility to receive subject bonus payments so that royalties can be computed accordingly.

Royalty checks should be made payable to the Defense Minerals Exploration Administration, and sent to the Executive Officer, DMEA Field Team, Region III, 224 New Customhouse, Denver 2, Colorado.

Our examining engineer will visit the project on or about April 16, 1958. Any questions regarding the payment of royalties or project work can be discussed with him at that time.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

MHM:jy

cc: Sec. Op. Comm. (2)
Royalty File E1095
Corres. File
DMEA,DFC - Binyon (2)
Chron.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED JAN 12 1959		
DATE	INITIALS	CODE
1-12	C	220
		800

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Modern Mines Development Company
219 South 31st Avenue
Yakima, Washington

pertaining to Exploration Project Contract No. Idm-R1095, MMA No. 4564, including Amendment No. 1, and Termination Agreement dated July 29, 1958, for the period May 31, 1957 to August 9, 1957, inclusive, covering a project for the exploration of Uranium on property known as Jet Claims located in Big Horn 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		$9,809.75
Exceptions: (Schedule attached)		
Prior to this review	$924.55	
Less: Reinstatement by review	0.00	
Herewith	0.00	924.55
Total Accepted Cost		$8,885.20

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 Six Thousand, Six Hundred Sixty-Three and 91/100ths 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	$6,663.91
Amount reimbursed	6,163.91
Balance due Operator	$ 500.00

Donald T. Finch

Donald T. Finch,
Auditor

January 7, 1959

REASONS FOR REPORT OF REVIEW IN LIEU OF FINAL AUDIT

CONTRACT NO. IDM-R1093 DOCKET NO. BMRA-4564

MOHAVE MINES DEVELOPMENT COMPANY

(a) The monthly reports were supported by documentary proof of that portion ($8,158.60) of the costs which covered work performed at unit rates under independent contract. (Per schedule attached.)

(b) The balance ($736.60) of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed; and

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

SCHEDULE OF DISCREPANCIES

CONTRACT NO. IBM-H1095 DOCKET NO. IBMA-4564

MODERN MINES DEVELOPMENT COMPANY

Disallowances Prior to This Review

June, 1957

Overcharge in excess of actual cost of drilling 887 feet ($1,995.75 - $1,954.00)	$ 41.75

July, 1957

Reported cost of drilling Holes BJ 1-4 and BJ 7-11 (322 feet at $2.25 per foot)	724.50
Holes not drilled in accordance with contract, and were not acceptable to Field Team	
Incidental allowance applicable to Holes BJ 1-4 and BJ 7-11 (322 Feet at 20¢ per foot)	64.40
Overcharge in excess of actual cost of drilling 1,523 feet of acceptable drilling ($3,426.75 - $3,369.90)	57.85

August, 1957

Overcharge in excess of actual cost of drilling 1,223 feet. ($2,751.75 - $2,715.70)	36.05
TOTAL DISALLOWANCES PRIOR TO REVIEW	$924.55

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

SCHEDULE OF DOCUMENTED COSTS

CONTRACT NO. IBM-R1095 DOCKET NO. IBRA-4564

MOHAWK MINES DEVELOPMENT COMPANY

Independent Contracts

3,633 Ft. non-core drilling at average of $2.213/Ft.	$8,038.60	
12 Hours standby time at $10.00/hr.	120.00	
Total Documented Costs		$8,158.60

Fixed Fait Costs

Incidental Allowance: 3,633 Feet of completed and acceptable drilling at 20¢/Ft.	726.60
TOTAL ACCEPTABLE COSTS	$8,885.20

JAN 12 1959

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

Re: Docket No. DMEA-4564 (Uranium)
Modern Mines Development Company
Contract No. Idm-21095

Dear Mr. Finch:

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

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert
Contract Administration
and Audit Division

GMcCarthy/GMcC
January 12, 1959

cc: Docket
Director's Reading File
Mr. Chambers

224 New Customhouse
Denver 2, Colorado
December 17, 1958

EXTRA COPY
O. M. E.
RECEIVED DEC 22 1958

DATE	INITIALS	CODE
		800

Memorandum

To: Donald T. Finch, OME Auditor

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

Subject: Docket No. DMEA 4564 (Uranium) Contract Idm-E1095, Modern Mines Development Company, Jet claims, Big Horn County, Wyoming

The subject contract was terminated effective August 10, 1957, by a Termination Agreement, dated July 29, 1958, a copy of which is enclosed for your records.

The Operator has rendered a final engineering and geologic report 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.

Acceptable units of work or service completed on a 'Fixed Unit Cost' basis consisted of Incidental Allowance on 3633 feet of drilling.

An amount of $500.00 was withheld from reimbursement to the Operator in processing its final accounting report and voucher, which was for the month of August, 1957.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosure

JDC:hmh

cc: Chmn. Op.Comm. (2)
Harahman
Marshall
Corres. file, Reg. III
Cooper
Chron

Modern Mines Development Co.

L. V. SIGMAN, PRESIDENT
2302 W. CHESTNUT
YAKIMA, WASHINGTON

JOHN F. CADIGAN, VICE PRESIDENT
207 LARSON-ANDREWS BUILDING
YAKIMA, WASHINGTON

W. S. DOYLE, SECRETARY-TREASURER
219 SOUTH 31ST AVENUE
YAKIMA, WASHINGTON

EXTRA COPY
O. M. E.
RECEIVED NOV 24 1958

DATE	INITIALS	OSDA
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OME
DEPARTMENT OF THE INTERIOR
NOV 19 1958
REGION III
DENVER, COLORADO

November 17, 1958

United States Dept. of the Interior
224 New Customhouse
Office of Minerals Exploration
Denver 2, Colorado

Re: Docket No. 4564 (Uranium)
Contract No. Idm E1095, Modern
Mines Development Company (Jet Claims)
Big Horn County, Wyoming

Gentlemen:

This letter is to advise you that in regard to your letter of September 8th and November 14th which I have just received, I have been trying to get our geologist, Mr. Jarrard, to furnish me the necessary information required under the exploration contract that is to be furnished to your office.

As far as the accounting is concerned, we have that under control, but I am not able to furnish the geological and engineering reports.

I have called Mr. Jarrard twice and written several letters and have been unable to get any action. However, I will send him a copy of this last letter and see whether it will assist in getting the necessary data.

Yours very truly,

John F. Cadigan

John F. Cadigan

JFC:jdc

11-20-58
Copies distributed to:
Chief Op. Comm (2)
Harshman
Marshall, OME/DFC
Cases file, Reg III
Cooper

EXTRA COPY
RECEIVED NOV 13 1958
CODE 800

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
November 14, 1958

CERTIFIED MAIL

Mr. John F. Cadigan, Vice President
Modern Mines Development Company
207 Larson-Andrews Building
Yakima, Washington

Re: Docket No. 4564 (Uranium)
Contract No. Idm E1095, Modern
Mines Development Company (Jet Claims)
Big Horn County, Wyoming

Dear Mr. Cadigan:

In the letter to you from this office dated September 8th, 1958, your attention was directed to the provisions under item 3 of the Termination Agreement, and the provision under Article 7(e) of the contract relative to the rendering by your company of a final engineering and geologic report pertaining to work completed under Contract Idm E1095.

Since we have not received the required final report in quintuplet, or advice from you in the matter, we will appreciate advice by return mail as to the date on or before which the required final report can be expected.

As you were informed in the letter of September 8th, a final audit of project expenditure by an Auditor of the Contract Administration and Audit Division cannot be scheduled until your final report is received. In addition, final payment to you of amounts withheld in processing your Accounting Report for August of 1957 cannot be affected until the Report of Audit has been released to this office.

We are desirous of closing this account at an early date. Therefore, we will appreciate your prompt attention to the matter of rendering the required final report and advising us of its probable submission date, as requested.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JWT/ff
cc: Chmn. Op. Comm. (2)
Harshman
Marshall, DME/DFC
Corres.
Cooper
Chron.

224 New Customhouse
Denver 2, Colorado
March 9, 1959

EXTRA COPY
O. R. E.
RECEIVED MAR 11 1959
DATE | INITIALS | CODE
800

Memorandum

To: T. A. Christensen

From: Executive Officer, ORE Field Team, Region III

Subject: Docket No. RMEA 4564 (Uranium) Contract Idm R1095,
Modern Mines Development Company, (Jet claims)
Big Horn County, Wyoming - FINAL PAYMENT -
(to be credited to Royalty account)

Reference is made to our memorandum of November 5, 1957, whereby we forwarded the final Form MF-104, Operator's Monthly Report and Voucher, for August 1957, and requested that you withhold an amount of $500.00 from reimbursement to the Operator, pending resumption of project work. As project work was not resumed, the amount of $500.00 was withheld pending resolution of matters prerequisite to closing the account.

Enclosed is a copy of a letter dated March 3, 1959, from the Operator, whereby it forwarded company check No. 639, in the amount of $85.04, as partial payment of royalty due the Government, and indicated that the amount of $500.00 held in suspense is to be credited to past due royalty. The Operator's check No. 639 was forwarded to your office March 6, 1959, and has been credited to royalty payments.

The Operator's final report has been received; therefore, final payment of the amount withheld, is to be made as follows, in accordance with the Report of Review of reported project costs, dated January 7, 1959, and the Report of Royalty Review, dated February 10, 1959, by the Contract Administration and Audit Division, ORE.

Total accepted cost	$8,885.20
Government participation at 75 percent	6,663.91
Total prior payments	6,163.91
Balance due	$ 500.00

The final payment is to be credited to past due royalty; therefore a check in the amount of $500.00 is to be drawn payable to Office of Minerals Exploration, and forwarded through this office for final disposition.

Reconciliation

Balance of royalty due the Government, per Report of Royalty Review		$ 585.04
Royalty payment per Operator's check No. 639	$ 85.04	
Royalty payment per final settlement	500.00	
Total payment of royalty due		585.04
Balance due through February 2, 1959		$ 0.00

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosure

JDC:hmh

cc: MF-104 file, Reg.III
Comm. Op. Comm. (2)
Harahman
Marshall, CMR/DPC
Corres.file, Reg.III
Royalty file, Reg.III
Cooper
Chron

} w/copy of Operator's letter of 2/ /59

Modern Mines Development Co.

L. V. SIGMAN, PRESIDENT
2302 W. CHESTNUT
YAKIMA, WASHINGTON

JOHN F. CADIGAN, VICE PRESIDENT
207 LARSON-ANDREWS BUILDING
YAKIMA, WASHINGTON

W. S. DOYLE, SECRETARY-TREASURER
219 SOUTH 31ST AVENUE
YAKIMA, WASHINGTON

MAR 5
DENVER COLORADO

March 3, 1959

U. S. Department of the Interior
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4564 (Uranium)
Contract No. Idm-$1095, Modern Mines Development Company (Jet claims) Big Horn County, Wyo.

Gentlemen:

Attached hereto is a check in the amount of $85.04 which is arrived at as follows: No. 639

Liq. No.	Bonus Payment	Bonus Royalty
118	$1,729.74	$ 86.48
121	c 2,342.41	117.12
149	1,659.63	82.98
171	2,393.58	119.68
199	2,422.84	121.14
200	1,152.94	57.64
	$ 11,701.14	$ 585.04
Less: Balance due Modern Mines Development Company, as Government contribution to reported project costs, per Report of Review of reported project costs, dated January 7, 1959		500.00
	Balance due -	$ 85.04

Yours very truly,

John F. Cadigan, C. P. A.
Vice-president, Modern Mines Development Co.

JFC:jdc
Enclosure

Royalty File, Reg III

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

DMEA
Budget Bureau No. 42-R036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

3

SEP 9 - 1957
REGION III
DENVER, COLORADO

RECEIVED NOV 8 1957

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Aug, 1957 Docket No. DMEA 4564 Contract No. Idm E 1095
Operator's Name MODERN MINES DEVELOPMENT Co. Minerals URANIUM
Address 801 So 31st Ave. YAKIMA WASH
Contract Amount, $ 54,870.00 Government Participation: 75 % Amount, $ 30,652.50

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling NON CORE	2751.75	6147.00	8898.75			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
INCIDENTAL ALLOWANCE	244.60	546.40	791.00			
STANDBY TIME	NONE	120.00	120.00			
TOTALS	2996.35	6813.40	9809.75	2960.30	6813.40	9773.70
				1/	888.50	888.50
					5,924.90	8885.20

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept 5. 57 *Payee Modern Mines Dev. Co.
Per W S Doyle Title Sec Treas.

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 17202.23

Signature
(Authorized Certifying Officer)
Date 11/6/57 Voucher No. DMA 58-56
(See other side)

Less Withheld 500.00
1- Previous Disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IdmE 1095 in accordance with the terms of the contract.

Signature E. O. Bunyan ($2220.23) Title Mining Engineer Date Oct. 15, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER, OR ALTERNATE:

Signature E. M. Hardman Title acting Executive Officer Date NOV 5 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED NOV 8 1957 DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR

DMEA
3 ARTMENT OF THE INTERIOR
SEP 9 - 1957
REGION III
DENVER, COLORADO

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Aug 1957 Docket No. DMEA 454 Contract No. Tom E 1095
Operator's Name MODERN MINES DEVELOPMENT Co. Minerals URANIUM
Address 219 So 31st AVE YAKIMA, WASH

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 STANDBY TIME	hr	NONE	NONE	120.00	12	10.00	30	10.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core NON CORE	FT	2751.75	1223	8898.75	3955	225	16,200	225
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
INCIDENTAL ALLOWANCE	FT	24.460	1223	791.00	3955	20	16,200	20
Total Distributed Costs		2996.35		9809.75				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2996.35		9809.75				40,870.00

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 5, 57 Operator Modern Mines Dev. Co.
Per W S Doyle Title Sec Treas.

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)

E O Bmyon

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 6 1957

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III
22h New Custom House, Denver 2, Colorado
Administrative Audit Difference Statement

Yakima Mines Development Company
219 South 31st Avenue
Yakima, Washington

Date: November 6, 1957
Payee's
Reference: August 1957

Gentlemen:

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

Amount Claimed	$	2,996.35
Difference	$	36.05
Amount Approved	$	2,960.30

The reason for the difference was due to:

Disallowance:

Reported drilling cost, 1223 ft @ $2.25 / ft.	$2,751.75
Actual (invoice) cost, 1223 ft at a total cost of	$2,715.70
Excess cost to be disallowed.	$ 36.05

Withhold $500.00 pending resumption of work under the contract.

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

Very sincerely yours,

N. E. Stokes
Audit Section

ORIGINAL
DMEA
RECEIVED NOV 8 1957

DATE	Mines	CODE
11/8	C	220
		~~700~~
		800

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

Official

FILE COPY
DMEA
RECEIVED NOV 8 1957
DATE | INITIALS | CODE

224 New Customhouse
Denver 2, Colorado
November 5, 1957

Memorandum

To: T. A. Christenson

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

Subject: DMEA Docket 4504 (Uranium) Contract Idm-E1095, Modern Mines Development Company, (Jet claims) Big Horn County, Wyoming - Operator's Monthly Progress Report for the month of August, 1957

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

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

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.

Disallowance, Excess Drilling Costs

The reported drilling cost for August, 1957, is in excess of the actual invoice cost of drilling. The excess above the actual invoice cost is to be disallowed as follows:

Reported drilling cost, 1223 feet at $2.25 per foot--------$2,751.75
Actual (invoice) cost, 1223 feet at total cost of---------- 2,715.70

Excess cost to be disallowed----------$ 36.05

Withhold an amount of $500.00, pending resumption of work under the the contract. Operations were suspended during the last half of August, 1957, and the Operator has requested that the project work be recessed until June 1, 1958.

Reconciliation with Amount Reported by the Operator on Form MF-104 for August, 1957

Amount reported on Form MF-104 for August, 1957	$2,996.35
Amount to be disallowed	36.05
Total acceptable cost for August, 1957	2,960.30
Government participation at 75 percent	2,220.22
Amount to be withheld	500.00
Balance due the Operator	$1,720.22

Remarks:

Date of Report----------September 5, 1957
Date Received in Field Office----------September 9, 1957
Date Received in Region Office----------November 1, 1957
Reason for delay: Held pending receipt of corrected map showing fracture pattern and drill hole locations.

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

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2))
DMEA, DFC)w/complete report
MF-104 file, Reg. III)
Harshman) w/copy of
Townsend) Engr's report
Chron

REGION III

DMEA
DEPARTMENT OF THE INTERIOR
NOV 1 - 1957
REGION III
DENVER, COLORADO

Building 20
Denver Federal Center
Denver 2, Colorado
November 1, 1957

Memorandum

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

From: E. O. Binyon

Subject: Docket DMEA 4564 (Uranium) Contract Idm-E1095, Modern Mines Development Company (Jet claims) Big Horn County, Wyoming -- Progress report for August 1957

An inspection of the work completed during the subject period was made September 5, 1957. At the time of the inspection the operator was again requested to submit a map showing the fracture pattern, major topographic features, DMEA and company drilled holes in their true relation to each claim and property boundaries. A claim map with the current DMEA holes had been submitted with the previous reports as well as the subject report. The map with the geologic, topographic and hole data was received October 7, 1957.

In checking the MF-104 and MF-104A forms and the drilling contractor's invoice, it was found that the operator has again used $2.25 per foot for calculating the amount he claims for drilling, whereas the actual cost as invoiced amounts to $2.2205 per foot or $2,715.70 for the total footage of 1223 feet drilled. The correct amount chargeable to drilling is $2,715.70 and the total amount claimed should be $2,996.35 - $36.05 or $2,960.30.

The drilling was done in conformance with the terms of the contract and the holes as shown on the map are located approximately in their proper location relative to the fracture pattern and to the locations designated in the contract. Documentation of the drilling accompanies the report.

It is recommended that the operator be paid $2,220.22 or the Government's share at 75% of $2,960.30, the total claimed less $36.05, the total amount disallowed. As the operator has requested a recess of the drilling, it is further recommended that $500.00 be withheld pending resumption of work or receipt of a final report.

E O Binyon
E. O. Binyon
Mining Engineer

EOB/mw
cc: 6

Idm-E1095 chron

DMEA
ARTMENT OF THE INTERIOR
SEP 9 - 1957
REGION III
DENVER, COLORADO

August 31. 1957

Mr. W. N. King, Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver2, Colorado

Re: Docket No. DMEA 4564 (uranium)
Contract No. Idm E-1095
Modern Mines Development Co.
(Jet Claims)
Big Horn County, Wyoming

Dear Mr. King:

Kindly accept this letter as the narrative portion of the monthly progress report concerning the exploration drilling conducted during the period August 1 through August 31, 1957 under the above referenced DMEA contract.

A total of eight holes were completed under the contract for an aggregate footage of 1,223 feet. All of the holes were located on Jet claims 7 and 8 and were drilled to such depths calculated necessary to pass completely through the possible ore bearing horizon, in this case the Mission Canyon member of the Madison limestone formation. The precise location of the several holes is graphically shown on the attached map of the Jet claims. Such locations coincide as nearly as possible with the locations as shown on Figure 1, " Map of Jet Claims Showing Revised Exploration, Modern Mines Development Compnay", dated August 1957.

The eight above mentioned drill holes were numbered DJ8-4, DJ8-8, DJ8-9, DJ8-10, DJ8-11, DJ7-8, DJ7-9, and DJ7-10 and were in essence barren holes as is indicated by the attached hole logs and drill probe records. With only minor exceptions, all of the holes penetrated solid, unbroken limestone for their entire depth.

Very Truly Yours,

Leonard D. Jarrard

Leonard D. Jarrard
Geologist

September 3, 1957

Modern Mines Development Co.
219 South 31st Avenue
Yakima, Washington

Gentlemen:

Following is statement of account for footage drilled
DMEA Holes

HOLE NUMBER	FOOTAGE	AMOUNT
DJ 7-9	136 feet	$ 300 30
DJ 7-8	133	293 40
DJ 8-4	173	386 55
DJ 7-10	151	334 85
DJ 8-9	152	337 20
DJ 8-8	166	370 10
DJ 8-10	160	356 10
DJ 8-11	152	337 20
TOTAL	1223 feet	$2,715 70

THIS IS TO CERTIFY that the above footage account is a true and correct statement of holes drilled by us for Modern Mines Development Co. (DMEA ACCT.) for period August 1st through August 31, 1957 on their JET Claims on Little Mountain, Big Horn County, Wyoming.

MOUNTAIN STATES MINING CO.

By: D. E. McClaine
President

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of JULY, 1957 Docket No. DMEA 4564 Contract No. Idm E-1095
Operator's Name MODERN MINES DEVELOPMENT Co. Minerals URANIUM.
Address 219 So. 31ST AVE. YAKIMA - WASH.
Contract Amount, $ 40,870.00 Government Participation 75 % Amount, $ 30,652.50

RECEIVED 1957

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:	4451.25		6147.00			
Drilling NON CORE	~~[illegible]~~	1995.75	~~[illegible]~~			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
INCIDENTAL ALLOWANCES	369.00	177.40	546.40			
STANDBY TIME	120.00	NONE	120.00			
	4640.25		6813.40			
TOTALS	~~[illegible]~~	2173.15	~~[illegible]~~	3793.50	2173.15	5966.65
				2-	41.75	41.75

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Aug 13-57 *Payee Modern Mines Dev. Co.
Per W S Doyle Title Sec Treas.

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: 2131.40 5924.90
$ 2845 13

Signature [illegible]
(Authorized Certifying Officer)
Date 10/29/57 Voucher 2772 58-51
(See other side)

1- Previous Disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Pdm-8105 in accordance with the terms of the contract.

Signature E O Bruyn ($2850.30) Title Mining Engineer Date Oct. 14, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature E. N. Hansteman Title acting Executive Officer Date OCT 25 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of JULY 1957 Docket No. DMEA 4564 Contract No. Form E-1095

Operator's Name MODERN MINES DEVELOPMENT Co. Minerals URANIUM.

Address 219 So 31st AVE. YAKIMA WASH

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~~ STANDBY TIME	hr.	120.00	12	120.00	12	1000	30	1000
Crosscutting								
Raising								
Shafts								
Winzes		4151.25		6147.00				
Drilling: Core NON-CORE	FT.	~~4484.25~~	1845	~~6085.40~~	2732	2.25	16,200	2.25
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
INCIDENTAL - ALLOWANCE	FT	369.00	1845	546.40	2732	20	16,200	.20
Total Distributed Costs		~~4640.25~~		~~6813.40~~				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
		4640.25		6813.40				
Total Costs		~~4484.25~~		~~6085.40~~				40,870.00

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 Aug 13-57 Operator Modern Mines Dev. Co.

Per W S Doyle Title Sec Treas.

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)

Remarks:

E O Bryson

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 1 1957

DATE	INITIALS	CODE
11/1	C	220
		100
		320

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III
224 New Custom House, Denver 2, Colorado

FINAL DISTRIBUTION
MADE OCT 29 1957

Administrative Audit Difference Statement

Modern Mine Development Company
219 South 21st Avenue
Yakima, Washington

Date: October 28, 1957
Payee's Reference: July 1957

Gentlemen:

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

Amount Claimed $ 4,640.25

Difference $ 846.75

Amount Approved $ 3,793.50

The reason for the difference was due to:

1. Disallows

1. Reported cost of drilling hole D42-4
105 ft. @ $2.25 per ft. $236.25

2. Reported cost of drilling hole D47-11,
217 ft @ $2.25 per ft. $488.25

3. Incidental allowance for 322 ft @
.20 per ft. 64.40

4. Excess over invoice cost for acceptable drilling.
Amt. reported, 1523 ft @ $2.25 per ft. $3,426.75
Inv.cost 1523 ft at total cost of. $2,568.90
$857.85

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

Total amount to be disallowed. $846.75

Very sincerely yours,

N. E. Stokes
Audit Section

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

224 New Customhouse
Denver 2, Colorado

October 25, 1957

DMEA
RECEIVED NOV 1 1957

DATE	INITIALS	CODE

Memorandum

To: T. A. Christensen

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

Subject: DMEA Docket 4564 (Uranium) Contract Idm-E1095
Modern Mines Development Company (Jet claims) Big Horn County, Wyoming - Operator's Monthly Progress Report for the month of July, 1957

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

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

Disallowance, Drilling Costs

Hole DJ1-4 was drilled closer than approximately 100 feet from holes DJ1-5 and DJ1-6 and is therefore not acceptable under the terms of the contract. Hole DJ7-11 was drilled at a location not authorized by the Government (see map with work approval of August 5, 1957) and is therefore not acceptable. The reported drilling cost, including Incidental Allowance for holes DJ1-4 and DJ7-11 is to be disallowed. The reported cost for the balance of the drilling is in excess of the actual invoice cost. The excess over the actual invoice cost is to be disallowed.

Disallow:

1. Reported cost of drilling for hole DJ1-4, 105 feet at $2.25 per foot---------- $ 236.25
2. Reported cost of drilling for hole DJ7-11, 217 feet at $2.25 per foot---------- 488.25
3. Incidental Allowance for above 322 feet at $0.20 per foot---------- 64.40
4. Excess over invoice cost for acceptable Drilling:
   Amount reported, 1523 feet at $2.25 per foot----------$3426.75
   Invoice cost 1523 feet at total cost of---------- 3368.90
   Excess cost to be disallowed---------- 57.85

Total Amount to be Disallowed---------- 846.75

Reconciliation with Amount Reported by the Operator on Form MF-104 for July, 1957

Amount Reported on Form MF-104 for July, 1957----------	4640.25
Amount to be disallowed----------	846.75
Total acceptable cost for July, 1957----------	3793.50
Government participation at 75 percent----------	$2845.13

Remarks:

Date of Report----------August 13, 1957
Date Received in Field Office-------August 29, 1957
Date Received in Region Office------October 22, 1957
Reason for Delay: Held pending receipt of corrected map showing hole locations and fracture system.

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

Enclosures
JDC:hmh
cc: Chmn. Op. Comm. (2)
DMEA, DFC) w/complete report
MF-104 file, Reg. III)
Harshman) w/copy of
Townsend) Engr's report
Chron

DMEA
DEPARTMENT OF THE INTERIOR
OCT 22 1957
REGION III
DENVER, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
OCT 15 1957
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
October 15, 1957

Memorandum

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

From: E. O. Binyon

Subject: Docket DMEA 456h (Uranium) Contract Ida-61095,
Modern Mines Development Company (Jet claims)
Big Horn County, Wyoming -- Progress report for July 1957

An inspection of the drilling completed in July was made September 5, 1957. At that time the operator was again requested to submit a map showing holes drilled under the contract, company drilled holes as well as the geologic structure or fracture pattern and major topographic features. The map was not received until October 7, 1957.

From data obtained during the inspection and that submitted in the report, 2 of the 13 holes drilled encountered mineralization of ore grade, .10 percent U_3O_8 or better, and one hole cut 10 feet of mineralization of a grade of 0.09 percent U_3O_8, the grades mentioned are by radiometric probing.

The holes, depth of hole and mineralization, and radiometric results are:

Hole No.	Depth Feet	Depth of Mineralization - feet	Thickness of Mineralization - ft.	Probe Results eU$_3$O$_8$
DJ7-11	217	162-172	10	0.09
DJ-7-12	170	141-145	4	0.11
		149-153	4	0.08
DJ8-6	176	128-146	18	0.09
		155-162	7	0.40
		165-168	3	0.20

DMEA
RECEIVED NOV 1 1957
DATE

As stated by the operator, the ratio of radiometric probe results to chemical assays is about 1:2 in favor of the assays in the area. However, there have been no samples taken from the ore or mineralized holes by which a comparison can be made. The ratio is obtained from the probe and sample assays results as reported by Lisbon Corp. who operate a nearby mine.

From the last map submitted and the field check, 2 holes, 1 on the Jet 1 claim, and 1 on the Jet 7 claim have been drilled closer than 100 feet to other holes and therefore not drilled in conformance with the terms of the contract. The holes and footages are:

Hole No.	Footage
DJ1-4	105
DJ7-11	217
	322

A check of the MF-104A shows that the operator has claimed (as in the June report) $2.25 per foot of hole drilled whereas the invoiced cost is $2.2166 per foot. In calculating the amount to be disallowed $2.2166 is used.

Drilling 322 ft. at $2.2166 per foot	$713.75
Incidental allowance 322 ft. at $0.20/ft.	64.40
Total disallowance	$778.15

Under the "Costs this month" on the MF-104A and the "Monthly total" on the MF-104 the amount for drilling should be $4,089.55 as shown on the invoice. This amount minus the disallowance of $778.15 gives a total of $3800.40 as shown below:

Drilling	$4,089.55	
Disallowed	713.75	
Total drilling		$3,375.80
Standby time	120.00	120.00
Incidental allowance	369.00	
Disallowed	64.40	
Total Incidental Allowance		304.60
Total amount		$3,800.40

According to the last map submitted, the remaining 8 holes were drilled in conformance with the contract terms and are approximately located in the correct sites relative to the fracture pattern and to the locations originally proposed in the contract. The standby time is properly documented and the Incidental allowances (except for the amount disallowed) is correct.

It is recommended that the operator be paid $2,850.30 or the Government's share at 75% participation of $3,800.40, which is the total cost of the work completed during the period.

E. O. Binyon
Mining Engineer

EOB/mw cc: 6 Idm-E1095 chron

219 S. 31ST AVE.
YAKIMA, WASH.
PHONE GLENCOURT 3-9948

MODERN MINES DEVELOPMENT CO.

2280 EAST DRIVE
BUTTE, MONTANA
PHONE 26498

August 12, 1957

DMEA
DEPARTMENT OF THE INTERIOR
OCT 22 1957
REGION III
DENVER, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
OCT 15 1957
REGION III
DENVER, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
AUG 28 1957
REGION III
DENVER, COLORADO

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 1 1957

DATE	INITIALS	CODE

Mr. H. W. King, Executive Officer
DMEA Field Team, Reg. III
224 New Customhouse
Denver, Colorado

Dear Mr. King:

Please accept this letter as the narrative portion of the monthly progress report covering the exploration work being conducted by Modern Mines Development Company on the Jet Group of Claims, Little Mountain District, Big Horn County, Wyoming under DMEA Contract Idm-E1095.

During July, 1957 a total of 13 drill holes, aggregating 1845 lineal feet, were completed by Modern Mines Development Company. The drill holes were distributed over six claims, Jet 1, 2, 3, 7, 8, and 12. As indicated on the attached logs and radiometric probe records, holes DJ4, 5, and 6; DJ2-5, 6, and 7; DJ5 and 7 and DJ12-7 were essentially barren holes while holes DJ7-11 and 12 were mineralized holes and DJ8-6 was an ore hole. All holes were collared at or near the top of the Mission Canyon member of the Madison formation and drilled to such depth as calculated to be through the possible ore bearing portion of the Mission Canyon member. Six of the 13 holes encountered filled caverns. Drill hole DJ7-11 encountered 10 feet of material from 162' to 172' containing approximately 0.09% eU_3O_8 or 0.18% cU_3O_8. Drill Hole DJ7-12 encountered 4 feet of material assaying 0.11% eU_3O_8, or 0.22% cU_3O_8 from 141' to 145' and 4 feet of material from 149' to 153' containing an estimated 0.08% eU_3O_8 or 0.16% cU_3O_8. Drill Hole DJ8-6 contained 18 feet of material from 128' to 146' that assays approximately 0.09% eU_3O_8 or 0.18% cU_3O_8 from 155' to 162', a seven foot interval indicated 0.40% eU_3O_8 or 0.80% cU_3O_8 and from 165' to 168' there is a three foot thickness of ore indicated to assay 0.20% eU_3O_8 or 0.40% cU_3O_8. The ratio of equivalent assay to chemical assay is as determined from Lisbon ore bodies to the south, that is e:c = 1:2.

No bulldozing was accomplished during the reporting period although a total of 12 hours of standby time was used. The standby time was needed in order to perform probing operations while the drill was in

219 S. 31ST AVE.
YAKIMA, WASH.
PHONE GLENCOURT 3-9948

MODERN MINES DEVELOPMENT CO.

2280 EAST DRIVE
BUTTE, MONTANA
PHONE 26498

position and due to the caving and cavern fill conditions of the several holes, it was often necessary to probe through the drill pipe. When this was necessary the readings obtained were increased by a flat 30% to compensate for the shielding action of the drill stem.

Messers. King and associate visited the property on July 24 in regard to Modern Mines request for changes in approved hole positions.

Very truly yours,

L. D. Jarrard
Company Geologist

LDJ/rw

Mountain States Mining Co.
424 Symons Building
Spokane, Washington

August 1, 1957

Footage statement to Modern Mines Development Co.

July, 1957

HOLE NUMBER	FOOTAGE	AMOUNT
DJ 12-7	92	$ 199 90
DJ 1-4	105	229 00
DJ 2-6	142	314 10
DJ 1-5	102	222 10
DJ 2-5	152	337 20
DJ 2-7	134	295 70
DJ 3-2	136	300 30
DJ 7-11	217	491 65
DJ 7-12	170	379 50
DJ 8-6	176	393 60
DJ 8-5	160	356 10
DJ 8-7	154	341 40
DJ 1-6	105	229 00
	1845	$4,089 55
12 hours standby time @ $12.00 per hour		144 00
	Total	$ 4,233 55

This is to certify that the above footage account and standby time account is a true and correct statement of holes drilled by us for Modern Mines Development Co., and a true and correct statement of the standby time charge for period July 1st through July 31, 1957 on their Jet Claims on Little Mountain-Big Horn County, Wyoming.

MOUNTAIN STATES MINING COMPANY

By: A. L. McClaine
President

Form MF-13 (Rev.) (April 1952)

Budget Bureau No. 42-R1036.5

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

Month of June 1957 Docket No. DMEA 4564 Contract No. Adm E-1095

Operator's Name Modern Mines Development Co. Minerals Uranium

Address 919 South 31st. Ave, Yakima, Wash

Contract Amount, $ 40,870.00 Government Participation: 75 % Amount, $ 30,652.00

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:	1954.00		1954.00			
Drilling Non Core	1995.75	None	1995.75			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify): Incidental Allowance	177.40	None	177.40			
TOTALS	3173.15 2131.40	None	3173.15 2131.40	2,131.40	-	2,131.40

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

Date July 9-1957 *Payee MODERN MINES DEV. Co.

Per W S Doyle Title Sec Treas.

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

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

(Instructions on reverse)

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

$ 1598.55

Signature RRO
(Authorized Certifying Officer)

Date 10-22-57 Vou. No. DMA-58-49

(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 1095 in accordance with the terms of the contract.

Signature E. Bayon (8-15-48-55) Title Mng Engr. Date July 31, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title acting Executive Officer Date OCT 18 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

RECEIVED OCT 25 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of JUNE 1957 Docket No. DMEA 4564 Contract No. Idm-E 1095
Operator's Name MODERN MINES DEV. Co. Minerals URANIUM.
Address 219 So 31 AVE YAKIMA, WASHINGTON

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 NON. CORE	FT	1995.75	887	1995.75	887	225	16,200	225
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
INCIDENTAL ALLOWANCES	FT	177.40	887	177.40	887	20	16,200	20
Total Distributed Costs		2173.15		2173.15				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2173.15		2173.15				40,870.00

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 July 9-1957 Operator MODERN MINES DEV. Co.
Per W S Doyle Title Sec Treas.

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)

W O Bunyon

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

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III
224 New Custom House, Denver 2, Colorado
Administrative Audit Difference Statement

MADE OCT 23 1957

Indian Mines Development Corporation
219 South Flat Avenue
Yakima, Washington

Date: October 22, 1957
Payee's
Reference: June 1957

Gentlemen:

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

Amount Claimed $ 2,173.35

Difference $ 42.75

Amount Approved $ 2,131.60

The reason for the difference was due to:

Disallowances:

Reported 887 ft drilling @ $1.25 per ft.	$1,995.75
Actual drilling costs, 887 ft at a total cost of.	$1,953.00
	42.75

OFFICIAL FILE COPY
D M E A
RECEIVED OCT 25 1957

DATE	INITIALS	CODE
10/25	C	220
"	Cou	100
		800

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

Very sincerely yours,

RRC

Randel R. Cooper
Fiscal Officer, Region III

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

224 New Customhouse
Denver 2, Colorado

October 18, 1957

Memorandum

To: T. A. Christensen

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

Subject: DMEA Docket-4364 (Uranium) Contract Ida-E1035, Modern Mines Development Company, (Jet claims group) Big Horn County, Wyoming - Operator's Monthly Progress Report for the month of June, 1957

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

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

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.

Some of the holes completed during June, 1957, were not drilled at the approximate locations shown on the contract, but were properly located in relation to the fracture system, which is the logical control for the drilling. Under the circumstances the hole locations are acceptable to the Government. Attached is a corrected map showing the locations of the drill holes in relation to the fractures and claim boundaries.

Disallowance, Drilling Costs

The drilling costs reported on Form MF-104 are in excess of the actual invoice cost of the drilling. The excess cost is to be disallowed as follows:

Reported drilling cost, 887 feet at $1.25 per foot-----	$1,995.75
Actual drilling cost, 887 feet at total cost of--------	1,954.00
Excess cost to be disallowed----------	$ 41.75

Reconciliation with Amount Reported by the Operator on Form MF-104 for June, 1957

Amount reported on Form MF-104 for June, 1957----------	$2,173.15
Amount to be disallowed----------	41.75
Total accepted cost for June, 1957----------	$2,131.40
Government participation at 75 percent----------	$1,598.55

Remarks:

Date of Report----------July 9, 1957
Date Received in Field Office---------July 12, 1957
Date Received in Region Office-------October 16, 1957
Reason for delay: Held pending receipt of corrected map showing correct hole locations and structure.

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

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2))
DMEA, DPC) w/complete copy of report
MF-104 file, Reg. III)
Harshman) w/copy of
Townsend) Engr's report
Chron

DMEA
DEPARTMENT OF THE INTERIOR

OCT 16 1957
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
October 11, 1957

Memorandum

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

From: E. O. Binyon

Subject: Docket DMEA 4564 (Uranium) Contract Idm-E1095,
Modern Mines Development Company (Jet claims group)
Big Horn County, Wyoming -- Progress report for June 1957

An inspection of the work covered by the operator's June 1957 report was made by Clarence H. Harrer, and Robert U. King on July 24, 1957. In a joint memorandum dated August 1st, Harrer and King stated that because of the discrepancies in the location of the holes from geological logs and the plotted positions of the holes on the map submitted originally with the June 1957 report it was impossible to correctly locate the holes. They recommended that a map made from a brunton and tape survey of the claims showing drill hole locations, controlling geologic structure, and major topographic features be submitted.

The operator submitted a claim map on August 25, 1957 with the holes drilled in June shown as located by taping from claim corners. The map however, did not show the geologic structure (fractured pattern) nor the topographic features on the Jet 7, 8, and 9 claims that might prevent drilling at the location of some of the holes as originally proposed.

On a visit to the property on September 4, 1957, the operators were again requested to submit the claim map showing drill holes, both company and DMEA, geologic and topographic features. The map showing the fracture pattern and a major topographic feature on the Jet 9 claim as well as the DMEA and company drilled holes was submitted October 7.

The locations of the holes drilled during June 1957 as shown on the claim map submitted have been changed because of the discrepancy between the original map, which was taken from an aerial photograph, and the new map. The holes as shown on a map received October 7 are correctly located relative to the claim line and other holes and to the geologic structures.

The hole locations on the Jet 10, Jet 11, and Jet 12 claims were originally selected to explore near and at the intersections of major fractures. Owing to the error in the map made from the aerial photograph being greater toward the outer boundaries (east and west) of the property the original location of these intersections and the location of holes DJ11-4 and DJ11-5 were moved on the surveyed map to the present position to conform to the change in the position of fracture intersections. It is believed that the location of the holes

should be based on geology that is along fractures or near the intersections of fractures, other than on the specified approximate locations as designated in the contract.

The holes as shown on the map last submitted were drilled in conformance with the terms of the contract, however, the locations of the holes as shown on the logs are incorrect -- this discrepancy being due to the difference between the original (aerial photo) map and the surveyed map.

A check of the MF-104 and MF-104A shows that the actual cost per foot for drilling was $2.203 or a total of $1,954.00 as invoiced but the operator has claimed $2.25 per foot. The difference of $41.75 has been deducted from the total for calculation of the Governments share of the cost.

It is recommended that the operator be paid $1,598.55 or 75% of $2,131.40 ($2,173.15 - $41.75).

E. O. Binyon
Mining Engineer

EOB/mw
cc: 6
Idm-E1095
chron

219 S. 31st AVE.
YAKIMA, WASH.
PHONE GLENCOURT 3-9948

MODERN MINES DEVELOPMENT CO.

2280 EAST DRIVE
BUTTE, MONTANA
PHONE 26498

July 9, 1957

DMEA
DEPARTMENT OF THE INTERIOR
JUL 11 1957
REGION III
DENVER, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
OCT 14 1957
REGION III
DENVER, COLORADO

Mr. W. H. King
Executive Officer, DMEA
Field Team, Region 3
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA-4564(Uran.)
Contract I dm E-1095
Modern Mines Development Co.
(Jet Claims)
Big Horn County, Wyoming

Dear Mr. King,

Please accept this letter, as narrative, together with the attached forms, logs, probe records and maps as the accounting report for the period June 20, 1957 through June 30, 1957.

Drilling by Modern Mines Development Co. under above referenced contract was started on June 20, 1957 on DMEA approved hole. DJ10-4, Jet claim no. 10. During this period a total of seven (7) holes were drilled on Jet claims 10, 11 and 12. The holes were located on structure and/or jointing intersections as shown on the attached map and as indicated on Figure 4 of the subject contract. The seven(7) holes totaled 887 feet for an average depth of 127 feet. The holes were drilled to such depth of approximately 150-160 feet below the top of the "upper Madison" or upper "Missian Canyan" member of the Madison.

Even though some of the holes encountered caverns (either empty or filled) none penitrated material exhibiting above normal radioactivity. The results of drilling thus far conducted, both with and without benefit of Dmea contract, indicates that possible pre bodies present may be expected to be found in filled caverns, the location of which will be found in close association with major fracture patterns. Such mineralized cavern fill is thus far indicated in a zone extending approximately northwest from Lisban Uranium Corporation mining operations. It is anticipated that future drilling by Modern Mines will be concentrated in this area.

Very Truly Yours,

L. D. Jarrard

L. D. Jarrard
Company Geologist

Mountain States Mining Co.
424 Symons Bldg
Spokane Wash.

7/1/57

Footage Statement to Modern Mines Development Co.
Period June 20th thru June 30th 1957

Hole #		Feet		Amount
D J -10	4	162		$ 360.70
D J -10	1	166		370.10
D J -11	2	122		268.10
D J -11	3	122		268.10
D J -11	4	109		238.20
D J -11	5	101		219.80
D J -11	6	105		229.00
Total		887	-- -	$ 1954.00

This is to certify that the above footage is a true and correct statement of holes drilled by us for Modern Mines Development Company period June 20th thru June 30th 1957 on their Jet Claims on Little Mountain Big Horn County Wyo.

Mountain States Mining Co.

BY A. J. McClaine

Pres.

Contract Adm. & Audit Div.

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

To: Modern Mines Development Company
219 South 31st Avenue
Yakima, Washington

Pursuant to the provisions of Exploration Project Contract No. Idm-E1095, dated May 31, 1957, (Docket No. DMEA-4564), hereinafter called the "Contract," between Modern Mines Development Company, a Washington corporation, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the Contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

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

Non-core drilling on the claims subordinated under the Contract indicated uranium ore deposits in fractured Madison limestone of Mississippian age which underlies the property.

Dated: AUG 8 1958

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals
Exploration Administration

Murphy/lxm 8-7-58
to: Mr. Murphy
Docket
Admr.'s Reading File
Frank E. Johnson
Operating Committee
Contract Adm. & Audit Div.
Finance Office
DMEA FT. Reg. 3 (2)
Frank D. Lamb, Rm. 3608
T. H. Killeggard, Rm. 5224
Operator
Jesse C. Johnson, AEC, Wash. D. C.
Elton A. Youngberg, AEC, Grand Junction, Colorado
Lew Johnson, Basin, Wyoming
Stan Johnson, Basin, Wyoming

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

[illegible] 1, 1958

Mr. L. V. Sigman, President
Modern Mines Development Company
219 South 31st Avenue
Yakima, Washington

Re: Docket No. DMEA-4564 (Uranium)
Contract No. IdM-21095
Jet Claims
Big Horn County, Wyoming

Dear Mr. Sigman:

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

By the terms of the Exploration Project Contract, as amended, and of the certification, all minerals mined or produced from May 31, 1957 to May 31, 1968, are subject to the Government's percentage royalty as set forth in the contract until the amount contributed by the Government is repaid.

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

You are requested to notify the Executive Officer of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for an extended period, please notify the Executive Officer at six-month intervals that no production has been made, when that is the case.

Sincerely yours,

Administrator

Enclosure

FMMurphy/izm 7-24-58
cc: Messrs. Lew Johnson & Stan Johnson, Basin Wyoming
Contract Adm. & Audit Div.
DMEA FT. Reg. 3 (2)
Admr.'s Reading File
Frank E. Johnson
Operating Committee
Frank D. Lamb, Rm. 3608
THKiilsgaard, Rm. 5224
Mr. Murphy

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

AUG 11 1958

Mr. Jesse C. Johnson
Director, Division of Raw Materials
Atomic Energy Commission
1717 H Street, N.W., Rm. 800
Washington 25, D. C.

Re: Docket No. DMEA-4564 (Uranium)
Contract No. Idm-81095
Modern Mines Development Company
Jet Claims
Big Horn County, Wyoming

Dear Mr. Johnson:

I am enclosing one copy of a certification of discovery or development relating to the subject exploration contract.

The final reports of the Operator and the Field Team and the final accounting of funds expended on this project have not been completed. Accordingly, we will supply additional information for your records upon receipt of these reports.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

Copy to: Elton A. Youngberg, A&C
Grand Junction, Colorado w/cc of cert.

FMMurphy/lsm 7-24-58
cc: Mr. Murphy
Admr.'s Reading File
Operating Committee
FRank E. Johnson
Contract & Audit Div.
Frank D. Lamb, 3606
THKillagaard, 5224
DMEA FT Reg. 3 (2)

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

Mr. Lew Johnson

Basin, Wyoming

Re: Docket No. DMEA-4564 (Uranium)
Contract No. Idm-E1095
Modern Mines Development Company
Jet Claims
Big Horn County, Wyoming

Dear Mr. Johnson:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on April 11, 1957. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

T. O. Matteucci

Administrator

Enclosures

Identical letter to Stan Johnson, Basin, Wyoming
FMMurphy/izm 7-24-58
cc: Mr. Murphy
Admr.'s Reading File
Operating Committee
Frank E. Johnson
Contract Adm. & Audit Div. THKillgaard, 5224
Frank D. Lamb, 3608 DMEA Ft Reg. 3 (2)

Mr. L. V. Sigman, President
Modern Mines Development Company
219 South 31st Avenue
Yakima, Washington

Re: Project No. [illegible] A-4364 (Uranium)
Modern Mines Development Company
Jet Claims
Big Horn County, Wyoming
Contract No. [illegible]-1025

Dear Mr. Sigman:

Reference is made to our letter of August 11, 1958, requesting a certification of discovery or development covering the subject property.

At the time of our letter the exact amount contributed by the Government under this project was subject to audit. Subsequently, an audit determined the amount to be $6,663.91. Payments should continue to be made in accordance with the instructions contained in the above-mentioned letter except that checks should be made payable to the Office of Minerals Exploration and sent to the Executive Officer at 224 New Customhouse Building, Denver 2, Colorado.

Sincerely yours,

Frank E. Johnson

Acting Director

cc: Lew Johnson and Stan Johnson, Basin, Wyoming

PMMurphy/glc
3-6-59
cc to: Director's Reading File
Frank E. Johnson
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Killgaard, Rm. 5224
OME Field Team, Region III (2)
P. M. Murphy
Div. of Contract Adm. & Audit

Audit copy

DMEA
RECEIVED SEP 11 1958
DATE | INITIALS | CODE

TERMINATION AGREEMENT

It is agreed this 29th day of July, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Modern Mines Development Company, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1095 (Docket No. DMEA-4564), dated May 31, 1957, as amended, hereinafter called the "Contract," that:

1. Effective August 10, 1957, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the allowable costs of work performed prior to August 10, 1957.

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

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

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

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

THE UNITED STATES OF AMERICA

By C. D. Mitchell
Administrator, Defense Minerals
Exploration Administration

MODERN MINES DEVELOPMENT COMPANY

By John P. Gallagher
Title Vice President

Modern Mines Development Co.

L. V. SIGMAN, PRESIDENT
2302 W. CHESTNUT
YAKIMA, WASHINGTON

JOHN F. CADIGAN, VICE PRESIDENT
207 LARSON-ANDREWS BUILDING
YAKIMA, WASHINGTON

W. S. DOYLE, SECRETARY-TREASURER
219 SOUTH 31ST AVENUE
YAKIMA, WASHINGTON

DMEA
DEPARTMENT OF THE INTERIOR
SEP 5 - 1958
REGION III
DENVER, COLORADO

September 3, 1958

U. S. Department of the Interior
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Re: Exploration Project Contract No. Idm-E1095 (Docket No. DMEA-4564)

Gentlemen:

In reply to your letter of August 4, 1958, it has been held up due to the fact that Mr. Doyle, the secretary-treasurer of the Company was in Wyoming at the mining property and just returned to Yakima.

The following is a statement of our account with your department:

Monies advanced by DMEA for drilling:

October 29, 1957	$1,598.55
November 8, 1957	2,845.13
November 19, 1957	1,720.23
Total -	$6,163.91

Applied on account direct from Fremont Minerals:

Liq. No. 34	$ 73.83
38	47.03
49	62.47
57	69.40
63	152.70
62	139.05
64	126.52
77	267.32
91	130.06
96	165.75
98	158.33
121	169.96
118	126.56
Bonus Royalty Check #471-7/25/58	427.94
" " #511-8/26/58	494.33
Total -	$2,611.25
Balance due -	$3,552.66

Modern Mines Development Co.

L. V. SIGMAN, PRESIDENT
2303 W. CHESTNUT
YAKIMA, WASHINGTON

JOHN F. CADIGAN, VICE PRESIDENT
207 LARSON-ANDREWS BUILDING
YAKIMA, WASHINGTON

W. S. DOYLE, SECRETARY-TREASURER
219 SOUTH 31ST AVENUE
YAKIMA, WASHINGTON

There is also attached the four copies of the termination agreement and one copy should be returned for our files.

If there are any questions, would you please advise.

Yours very truly,

John F. Cadigan

John F. Cadigan

JFC:jdc
Enclosures

RECEIVED SEP 11 1958
GEO
800

224 New Customhouse
Denver 2, Colorado
September 8, 1958

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4564 (Uranium), Contract No. Ida-10095, Western Mines Development Company (Jet claims), Big Horn County, Wyoming

Enclosed are the Government's and Audit copies of the TERMINATION AGREEMENT, which was forwarded by your letter of July 29, 1958 for signature by the Operator.

Also enclosed are two copies of a letter from the Operator, dated September 3, 1958, whereby the executed copies of the Termination Agreement were returned to this office. The letter contains data concerning the project costs and royalty repayments to date.

Copies of the Termination Agreement have been distributed to the Operator, the Finance Office, and others concerned in Region III.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

JDC:yrl

cc: Finance Office,
Region III - w/copy of Termination Agreement.
Harshman) w/copy of Termination Agreement and Operator's letter of Sept. 3.
DMEA,DPC (Bingham))
Corres. file)
Cooper
Chron.

COPY

CODE
800

6th New Customhouse
Denver 2, Colorado
June 4, 1956

Mr. W. S. Ingle, Secretary-Treasurer
Nelson Mines Development Company
219 South Main Avenue
Tekoa, Washington

Re: Contract No. [illegible] (Premium)
Contract No. [illegible]
Nelson Mines Development Company
(Six claims)
Big Horn County, Wyoming

Dear Mr. Ingle:

Reference is made to your letter dated April 25, 1956, wherein you request Government approval for the deletion of two Stage I drill holes, the designing of three previously drilled Stage I holes, and an increase in the allowable maximum unit cost per foot of drilling. Government action on your request is as follows:

1. Approval for deletion from drilling of Stage I holes Nos. DH-7, DH-8, DH-9, DH-13, DH-14, DH-12, DH-11, DH-14, DH-15, and DH2-7.

2. Approval to resurvey previously drilled holes Nos. DH-4, DH-6, and DH-1 and extend them to a depth of approximately 175 feet to penetrate an iron horizon believed to exist, varying in depth from 165 feet to 175 feet below the top of the Madison formation.

3. Denial of your request for an increase in the maximum allowable unit cost per foot of drilling above that presently provided for in the Contract.

Nothing in the foregoing shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the final unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Very truly yours,

DMEA Field Team, Region III

By J. W. Townsend
J. W. Townsend

By E. H. Hawkins
E. H. Hawkins

EHT:pml
cc: Chm.Op.Comm. (2)
Finance Office, Reg. III
Accountant file, Reg. III
Hawkins
DMEA/DFC (Kinyon)
Corres. file
Townsend
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 9 1957
DATE | INITIALS | CODE
800

Audit Copy

EXPLORATION PROJECT CONTRACT

MODERN MINES DEVELOPMENT COMPANY

DOCKET NO. DMEA-4564

CONTRACT NO. IDM-E1095

AMENDMENT NO. 1

It is agreed this 14th day of November, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Modern Mines Development Company, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1095, Docket No. DMEA-4564, dated May 31, 1957, hereinafter called the "Contract," that:

1. (a) Work under the Contract shall be suspended during the period beginning August 10, 1957 and ending not later than June 1, 1958.

   (b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

   (c) The Operator at his own cost and expense, without contribution by the Government, during the period of suspension shall perserve and protect the project work and any property in which the Government has an interest.

2. The date fixed in Article 3 on or before which work shall be completed is extended from November 1, 1957 to November 1, 1958.

3. The maximum period for royalty payments and lien for payment thereof, provided for in the contract, is increased to eleven (11) years from the date of the contract.

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, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Executed in quintuplicate the day and year first above written.

MODERN MINES DEVELOPMENT COMPANY

By W. A. Wagle
Title Sec Treas

(Seal)

UNITED STATES OF AMERICA

By W. J. King
~~Acting~~ Executive Officer
DMEA Field Team, Region III

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
DEPARTMENT OF THE INTERIOR
NOV 20 1957
REGION III
DENVER, COLORADO

Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

EXTRA COPY
DMEA
RECEIVED DEC 9 1957

DATE		CODE
	EMH	0

November 15, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: E. N. Harshman

From: F. B. Moore
E. O. Binyon

Subject: Docket No. DMEA 4564 (Uranium), Contract No. Idm-E 1095, Modern Mines Development Co. (Jet claims), Big Horn County, Wyoming

In letters of September 23 and 29, 1957, the applicant requested permission to recess drilling under the above contract until June 1, 1958. The applicant also requested that the date of expiration of the subject contract be extended one year from November 1, 1957, to November 1, 1958. The requests were occasioned by the withdrawal of the drilling contractor and the difficulties of drilling during the winter months.

The applicant is currently driving a 565-foot crosscut to test a mineralized area discovered in previous drilling. Data from underground exploration of the suspected ore body may be useful in future drilling operations.

Because of the possibility of acquiring data allowing better evaluation of drill hole information and because completing the drilling during winter weather could cause the applicant needless inconvenience and expense, it is recommended that the request for extension of the contract and recession of drilling until June 1, 1958, be approved.

F. B. Moore
F. B. Moore
Geologist

E. O. Binyon
E. O. Binyon
Mining Engineer

FBMoore:mp

MME Form 14
Sept. 1958

Contract No. Idm-E) 1095
~~kkx22~~)

Docket No. DMEA) 4564
~~MMEx~~

Date of Action 1/30/59

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: **Modern Mines Development Company**
219 South 31st Avenue
Yakima, Washington

Date of Contract	Region	State	Commodity
May 31, 1957	**III**	**Wyoming**	**Uranium**
	Reserve		Obligation
Prior Amount	0		30,652.00
Increase	0		0
Decrease	0		23,988.09
Revised Amount	0		6,663.91

Remarks:

cc: 800
210

43244

DMEA Form 14

Contract No. Idm-E 1095

Docket No. 4564

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
May 31, 1957	III	Wyoming	Uranium

Name and Address of Operator: Modern Mines Development Company
219 South 31st Avenue
Yakima, Washington

	Reserve	Obligation
Prior Amount	$30,652.00	0
Increase	0	$30,652.00
Decrease	$30,652.00	0
Revised Amount	0	$30,652.00

Remarks:

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

Date Delivered to Bureau of Mines, Washington 6/24/57

16416

Au[illegible] copy

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 24 1957

DATE	INITIALS	CODE
		800

MF-200
(Revised June 1954)

Docket No. DMEA 4564

Commodity Uranium

Contract No. Idm-E 1095

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 31 MAY 1957 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] ICLEAN MINES DEVELOPMENT COMPANY, a Washington corporation

, whose mailing address is 219 South 31st Avenue
Yakima, Washington
, 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 4.

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 Big Horn, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [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: interest of lessors.

(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: [redacted]
Subordination Agreement by Lee Johnson and Stan Johnson d/b/a Johnson Transfer.

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium. The work to be performed is described in Exhibit "A." The Operator on or before July 1, 1957 shall commence the work, and on or before November 1, 1957 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall [redacted] have completed the work [redacted], except as otherwise provided in Exhibit "A" with respect to stages of work. (See Article 13.)

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

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

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $40,870.00
The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $30,652.00: *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; [redacted] (See Article 13.)

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

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

CATEGORY (2)—PERSONAL SERVICES.

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

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

Subcategory (c)—Labor.

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

CATEGORY (4)—OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.*—

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals
Exploration Administration

MORRIS MINES DEVELOPMENT COMPANY
(Operator)

By F. V. Sigman

Title President

I, W. S. Doyle, certify that I am the Secretary secretary of the corporation named as Operator herein; that F. V. Sigman 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.

W. S. Doyle

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
MODERN MINES DEVELOPMENT COMPANY
DOCKET NO. BMEA-4564

ANNEX I

The land referred to in Article 2 of the contract consists of twelve (12) unpatented lode mining claims. Notices of location of the claims have been recorded in the official records of Big Horn County, Wyoming, as follows:

Claim	Date Recorded	Book	Page
Jet Nos. 1 through 7	2/19/56	153	406-419
Jet Nos. 8 through 12	2/21/56	153	420-428

The claims are situated in secs. 22 and 23, T. 58 N., R. 94 W., 6th P.M., Big Horn County, Wyoming. The approximate locations of the claims are shown on the map entitled "Figure 4. Claim Map with Alternate Exploration Proposal, Modern Mines Development Company - Jet Claims ...," attached hereto and made a part hereof.

The Operator is in possession of the land by virtue of an agreement dated September 22, 1956, with Lew Johnson and Stan Johnson, d/b/a Johnson Transfer, and their Consent to Lien and Subordination Agreement is attached.

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

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Modern Mines Development Co.
Docket No. DMEA- 4564
Contract No. Idm-E 1095
Contract Date 31 MAY 1957

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

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

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

Twelve (12) unpatented lode-mining claims, namely Jet Nos. 1 through 12, situated in secs. 22 and 23, T. 58 N., R. 94 W., Sixth principal meridian, and recorded in the Office of the County Recorder on February 19-21, 1956 in Book 153, pgs. 406-428,

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

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

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

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

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

None

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

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

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

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

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

Dated this 11 day of April, 1957.

Leo Johnson	[Seal]	Basin, Wyoming	[Address]
Leo Johnson*			
	[Seal]		[Address]
Stan Johnson	[Seal]	Basin, Wyoming	[Address]
Stan Johnson*			
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

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

_____

[Corporate Seal]

* c/o/ Johnson Brothers

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DMEA
RECEIVED JUN 24 1957
DATE | INITIALS | DOCKET

EXPLORATION PROJECT CONTRACT
MODERN MINES DEVELOPMENT COMPANY
DOCKET NO. DMEA-4564

EXHIBIT "A"

Description of the Work

General Provisions

The object of this project is to explore for possible uranium ore deposits in the Madison limestone of Mississippian age. It is estimated that drill holes averaging 150 feet in depth will be required to penetrate the inferred ore horizon.

All holes shall be drilled non-core, and the cuttings from each 2-foot section of drill hole shall be recovered by a Duclone or similar sampling apparatus. All cuttings shall be tested for radioactivity. Samples showing significant radioactivity shall be split, the Operator using one half for chemical assay purposes. The other half shall be stored for Government inspection and use in a container properly identified as to drill hole number and the depth interval that the sample represents. With Government approval, its portion of the sample may be disposed of by the Operator.

All drill holes shall be logged geologically and probed radiometrically, using an Esterline-Angus recorder or similar recording equipment. Records of drill hole logging and probing, together with the assay certificates of the cuttings samples, shall be submitted with the Operator's monthly progress report. The monthly report shall also include a map or sketch showing the location of all holes drilled during the reporting period.

In the absence of a written waiver of this provision, the Government will not contribute to the cost of an incompleted hole, a hole that is closer than 100 feet to the outer boundaries of the claim group, or of one that cannot be probed with standard radiometric testing equipment.

The Operator shall provide a full-time supervisor and such other technical services and labor as are required to complete the project work in a satisfactory manner.

All bulldozer work shall be done with a D-7 bulldozer or equivalent size unit.

The location of drill holes and access roads, the method of drilling and radiometric probing, and the method of taking and storing samples shall be subject to Government approval.

The work shall be performed in two stages. The Operator shall perform all the Stage I work and as much of Stage II work as is approved in advance in writing by the Government.

Stage I

Construct access roads and drill sites, and drill not in excess of sixty (60) holes at the approximate locations shown on the attached map, Figure 4. With written Government approval the hole locations, as shown on Figure 4, may be changed.

On the Jet claims Nos. 7, 8, and 9, the holes indicated by solid black circles shall be drilled on not less than approximately 300-foot centers and those indicated by a small open circle shall not be less than approximately 200 feet from any other hole; the five holes indicated by small open circles in the southwest corner of Jet No. 1 claim and the northwest corner of Jet No. 2 claim shall not be closer than approximately 100 feet to any other hole; and the holes indicated by a double circle on the Jet claim group shall not be drilled closer than approximately 200 feet to any other hole drilled under this Stage I of the contract.

It is estimated that 9,000 feet of non-core drilling, 30 hours of stand-by time for probing, 12 hours of bulldozer time, and chemical analyses of 55 samples for U_3O_8 will be required to complete this stage. However, if these estimates are too low, upon the written approval of the Government, additional units of work and corresponding funds may be transferred and deducted from Stage II.

Stage II

Construct access roads and drill sites, and drill not in excess of forty-eight (48) holes as offsets to Stage I holes, which penetrated mineralized material. The offset holes shall be drilled not closer than 100 feet to any previously drilled hole.

Stage II work shall not exceed 8 hours of bulldozer time, 7,200 feet of non-core drilling, 24 hours of stand-by time for probing, and the chemical analyses for the U_3O_8 content of 45 samples.

Estimated Costs of the Project

Stage I

Actual Costs

Category (1) Independent Contracts

9,000 feet non-core drilling @ $2.25/ft.	$20,250.00	
30 hours stand-by time @ $10.00/hr.	300.00	
12 hours bulldozing @ $12.00/hr.	144.00	$20,694.00

Categories (2) through (7) None

Fixed Unit Costs (See Article 13)

Incidental allowance[1/] for each foot of drilling completed 9,000 feet @ $0.20/ft.	$ 1,800.00	
Chemical analyses of 55 samples for U_3O_8 content @ $4.00/sample	220.00	$ 2,020.00
Estimated Total Cost Stage I		$22,714.00

Stage II

Actual Costs

Category (1) Independent Contracts

7,200 feet non-core drilling @ $2.25/ft.	16,200.00	
24 hours stand-by time @ $10.00/hr.	240.00	
8 hours bulldozing @ $12.00/hr.	96.00	16,536.00
Categories (2) through (7)	None	

Fixed Unit Costs (See Article 13)

Incidental allowance[1/] for each foot of drilling completed 7,200 feet @ $0.20/ft.	1,440.00	
Chemical analyses of 45 samples for U_3O_8 content @ $4.00/sample	180.00	1,620.00
Estimated Total Cost Stage II		$18,156.00

S U M M A R Y

Estimated Total Cost Stage I	$22,714.00	
Estimated Total Cost Stage II	18,156.00	
Estimated Total Cost of Project		$40,870.00
Government Participation @ 75% (rounded)		$30,652.00

1/ Includes all costs whatsoever that might otherwise have been allowable costs of the contract under Categories (2) through (7) of Article 6(a) which have been deleted from this contract.

224 New Customhouse
Denver 2, Colorado

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RECEIVED
DATE

CERTIFIED
AIR MAIL

June 20, 1957

Mr. L. V. Sigman, President
Modern Mines Development Company
219 South 31st Avenue
Yakima, Washington

Re: Docket DMEA-4564 (Uranium)
Contract Idm-E1095
Modern Mines Development Company
(Jet claims)
Big Horn County, Wyoming

Dear Mr. Sigman:

Enclosed herewith is the "Operator's Copy" of Exploration Project Contract No. Idm-E1095, Docket No. DMEA-4564.

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

The contract is prepared on Form MF-200, and under its provisions and as outlined in Exhibit "A" of the contract, the allowable costs are a combination of actual costs with a maximum average unit cost established for work under Category (1) and fixed unit costs for performing the remaining items of work or services. Under the provisions of Exhibit "A", the work under Category (1) is to be performed by subcontract. The costs recorded under item (1) on Form MF-104 for such work must be supported each month by a signed or certified copy of the billing from the subcontractor. Amounts reported on the basis of the "Fixed Unit Costs" require no documentation, as they are otherwise verified.

If excess costs are suspended by reason of exceeding the "maximum unit cost" of any item of work under Category (1), the excess costs, where permitted by the contract, will be reinstated to the extent suspended funds are available, in the event the unit costs for any month should cause the average unit cost to fall below the maximum average unit cost established for that category of work.

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 under Stage I are indicated as approximate on the map, "Figure 4," attached to the contract. Should conditions encountered necessitate any appreciable change in the location of any of the holes, approval of this office for the change must be obtained prior to performance of the drilling. Otherwise, the drilling may not be acceptable for reimbursement to you under the terms of the contract.

Your attention is directed to the provision that Stage II work is contingent on results obtained from Stage I, and performance of the work under Stage II is subject to the prior written approval of the Government.

When the work under a stage has been completed, or sufficiently so to permit evaluation of the results of the work, you must request approval from this office for the work you propose to perform under the next stage. Your request for the work approval must be in sextuplicate, each copy complete with a map showing the locations of holes previously drilled and the locations of the holes you propose to drill under the next stage. Your request should be complete with drill logs, results of radiometric probing, chemical analyses, and any other pertinent data concerned with the prior work which will be of value to the Government in appraising the work performed under the prior stage.

You should anticipate a suspension of operations between stages of work, to enable the Government geologist and engineer to evaluate the results of the work performed and make their recommendations to this office relative to the additional work you propose.

To eliminate as much delay to operations as possible, if that is of serious consideration, you should expedite forwarding of the results of the work completed and your request for the Government's approval of the additional work you propose.

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

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

Very truly yours,

Original signed by
W. H. KING

W. H. King
Executive Officer, DMEA
Field Team, Region III

Enclosures

JWT:jy

cc: Chm. Op. Comm. (3)
Finance Office, Reg. III
Amend. File, Reg. III
Harshman
DMEA/DFC
Townsend
Corresp. E1095
Chron.

EXTRA COPY
DMEA
RECEIVED JUN 24 1957
DATE | INITIALS | SUP

224 New Customhouse
Denver 2, Colorado

June 20, 1957

Mr. L. V. Sigman, President
Modern Mines Development Company
219 South 31st Avenue
Yakima, Washington

Re: Docket DMEA-4564 (Uranium)
Contract Idm-E1095
Modern Mines Development Company
(Jet claims)
Big Horn County, Wyoming

Dear Mr. Sigman:

Reference is made to Contract Idm-E1095 forwarded by our separate letter of this same date.

Reference is also made to your letter of June 12, 1957 and the telephone call to this office by Mr. Girard on June 12, 1957, relative to the proposed change in location of some of the holes outlined for drilling on the Jet claims 7, 8, and 9.

Please defer drilling of any holes on the Jet 7, 8, and 9 claims at the location indicated on Figure 4 attached to the contract until the matter of proposed relocation of a portion of the holes has been resolved.

You should, at the earliest possible date, submit your request in sextuplicate relative to relocation of the holes, and include a map with each copy which would show the present location of the holes and the proposed relocated position.

Your request should also contain in detail the location and results of any holes drilled by your company on the three claims in the interim while your application has been in process.

Very truly yours,

Original signed by
W. H. KING

W. H. King
Executive Officer, DMEA
Field Team, Region III

JWT:jy
cc: Chm. Op. Comm. (2)
Harshman
DMEA/DFC
Townsend
Corresp. E1095
Chron.

DMEA Form 14

Contract No. Idm-E 1095

Docket No. 4564

Approved Contract

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

Date of Contract	Region	State	Commodity
May 31, 1957	III	Wyoming	Uranium

Name and Address of Operator: Modern Mines Development Company
219 South 31st Avenue
Yakima, Washington

	Reserve	Obligation
Prior Amount	) 0	0
Increase	$30,652.00	0
Decrease	0	0
Revised Amount	$30,652.00	0

Remarks:

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

Date Delivered to Bureau of Mines, Washington 5/31/57

16416

DEPARTMENT OF THE INTERIOR
UNITED STATES GEOLOGICAL SURVEY

EXAMINATION REPORT
DMEA 4 5 6 4

PREPARED FOR
DEFENSE MINERALS
EXPLORATION ADMINISTRATION

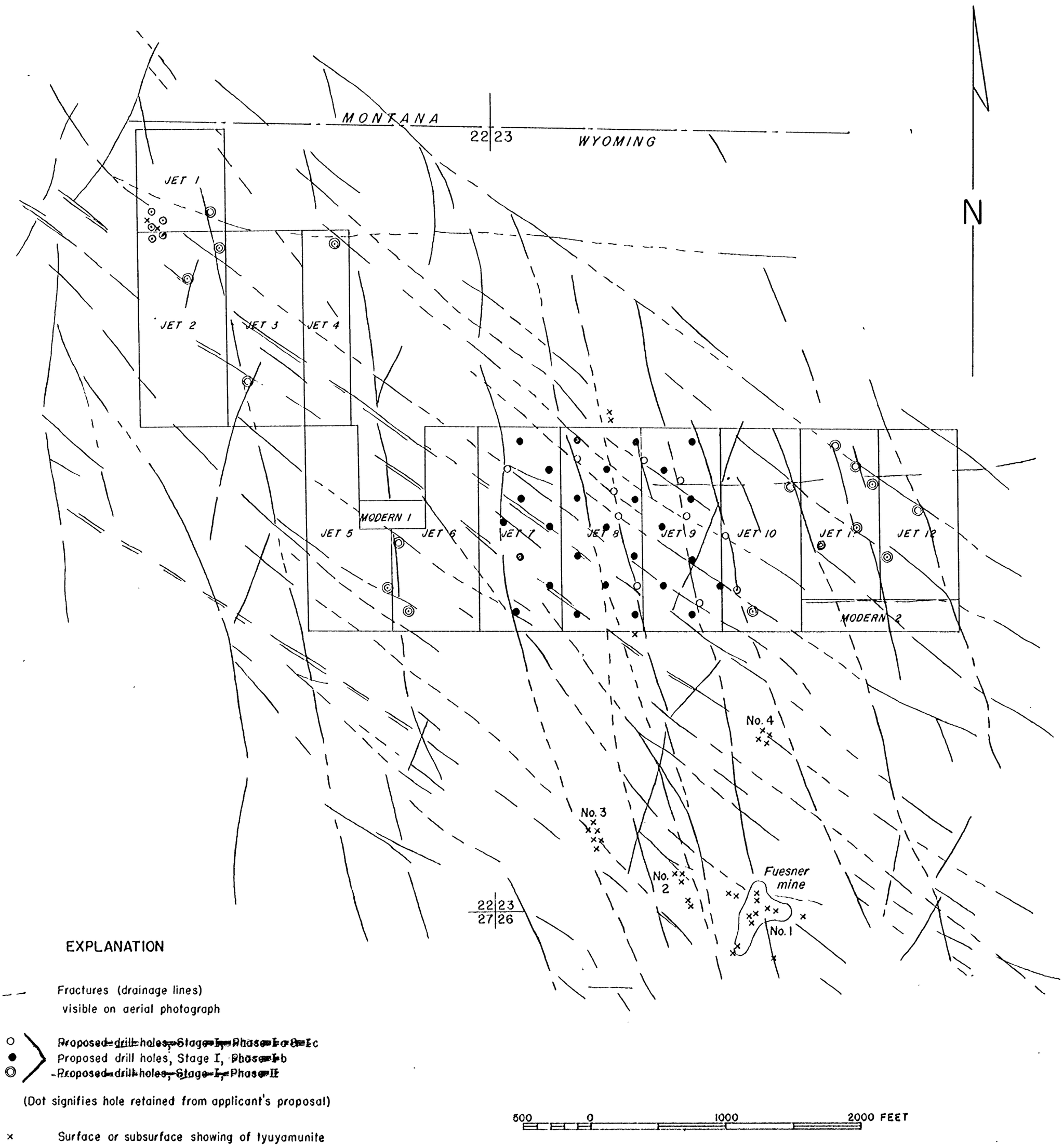

FIGURE 4. CLAIM MAP WITH ALTERNATE EXPLORATION PROPOSAL
MODERN MINES DEVELOPMENT COMPANY - JET CLAIMS
T. 58 N., R. 94 W., BIG HORN COUNTY, WYOMING

DMEA DOCKET 4564