dited

ertified

RK ANALYSIS SHEET - DMEA PROJE

Analysis as of 10-6-55
Incl. Voucher for Nov.-Dec., 1954

Actual Cost

[x] Agreed Unit Costs

Name Woodrow E. Gripe

State Colorado

Commodity Uranium

Docket No. 2846

Idm-E No. 569

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling Diamond-core (Specify)	2500'	$10,250.00	1884'	$7,724.40	$7,724.40
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		$10,250.00		$7,724.40	$7,724.40

Prepared by /s/ Michael Ching

71626

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

Project Summary Report

By: Michael Ching October 10, 1955

1. Docket No. DMEA-2846 (Uranium)
Contract No. Idm-E569

Operator - Woodrow E. Gripe
P. O. Box 225
Naturita, Colorado

Property - Sunnyside, Sunnyside Nos. 1 through 6, Basin and Basin No. 1 claims, 9 unpatented lode mining claims in Sec. 19, T. 43 N., R. 10 W. and Sec. 24, T. 43 N., R. 11 W., recorded at the County Courthouse in Telluride, San Miguel County, Colorado.

Operator's Property Rights - Owner

2. Contract dated July 13, 1953

Work authorized -

(1) Bulldoze approximately 3/4 mile of access road and prepare drill sites.

(2) Drill 5 or 6 vertical diamond drill holes no smaller than AX and aggregating not more than 2500 feet, to explore the ore-bearing Entrada sandstone.

2500 feet of diamond drilling at an over-all unit cost of $4.10 per foot	$10,250.00
Estimated Cost of Project	10,250.00
Government participation at 90%	$ 9,225.00

Amendments -

No. 1, dated September 21, 1953, adds Sunnyside and Sunnyside Nos. 1, 2, 5 and 6 claims to the land covered by the contract.

No. 2, dated November 23, 1953, adds Basin and Basin No. 1 claims to the land covered by the contract; extends completion period from 4 months to 7 months; substitutes Annex I for Article 6, and substitutes a new Exhibit "A" and map Fig. 1 for old Exhibit "A" and map Fig. 2.

No. 3, dated February 19, 1954, provides recess from

Amendments - (continued)

11-3-54 to 4-1-54, extends completion period from 7 months to 1 year, and provides that any work to date is for account of Operator.

No. 4, dated May 10, 1954, extends the final recess date from April 1, 1954, to July 1, 1954, and extends completion period to 15 months, or to October 13, 1954.

No. 5, dated July 21, 1954, further extends final recess date from July 1, 1954, to August 1, 1954, and extends completion date of contract to November 13, 1954.

No. 6, dated December 29, 1954, extends completion date of contract to "prior to December 31, 1954".

Work completed -

Two holes partially drilled, but not cored or bottomed, in the fall of 1953, were not covered by the contract. Work was resumed in August, 1954, and completed in December, 1954. A total of 2,348 feet of exploratory diamond drilling was done in five holes, but one hole, 464 feet deep, was disallowed for payment because of the unauthorized location. The Entrada sandstone was cored completely only in holes 1, 4, and 6 (See Fig. 1 of Contract). Core recovery varied from 50 to 80 percent in these holes. The Entrada sandstone was not cored in hole 2 because of faulty information from a partly-drilled hole (from the 1953 attempt) a few feet away. Rock fragments from the 1953 hole indicated that at about 400 feet the drill was still penetrating the Morrison formation. However, hole 2 indicates that the top of the Entrada sandstone is at about 400 feet. Incomplete core in the Entrada sandstone was obtained in the unauthorized drill hole. This hole was located by the contractor at a point not authorized by the drilling plan included in the contract.

The contract was terminated by notice to the Operator from the Executive Officer, Region III, on June 15, 1955, inasmuch as project operations did not indicate the probability of making any worthwhile discovery and further Government participation was not justified.

3. Auditor's Report of Review, dated August 24, 1955 -

Total cost as billed by Contractor		$9,626.80
Exceptions:		
By DMEA Finance Officer	$1,902.40	
By Audit Report of Review	-0-	1,902.40
Total Accepted Cost		$7,724.40
Government participation @ 90%		$6,951.96

4. Certification - none.

5. Comments -

The designation of the holes by the Operator and the field examiners was very confusing. The map Figure No. 1, attached to the contract, designated each hole planned, by number, and all references to the work done should have followed this designation. This has been done in this summary. The four contract holes were drilled in the following order: 2, 1, 4, 6.

A great deal of difficulty in both plug drilling and coring was reported by the drill operator and the contractor. Available figures indicate a daily average footage of about 26 feet for the entire project.

The handling of the core that was recovered appears to have been rather haphazard due mainly to the lack of boxes on hand at the time of coring. Core was observed by the DMEA field representatives piled as cordwood on the ground near the rig.

The engineer-examiner noted that although it was recognized that the contractor had no technical background, provision was made in the cost estimate of the DMEA contract for hiring this assistance, and that had the project received more attention and supervision, it would have been conducted more efficiently.

No significant amount of mineralized rock was found by the project work. Because the exploration was conducted along a faulted and very broken zone the recovery of material suitable for geologic data was difficult and haphazard. From the correlation of available information the usual ore-bearing horizon in the Entrada appears to have been cut in all the holes. The greatest radioactivity found, 0.012 percent U_3O_8e, was in about 1-1/2 feet of Hole No. 2. Lesser radioactivity was noted in hole 6 and in the unauthorized hole. Holes 1 and 4 were completely barren.

It is concluded that the project, as carried out, resulted in no discovery of uranium ores. The most beneficial result appears to have been the additional geologic knowledge gained of a small area along one of the important faults of the district.

MChing/gla
10-10-55
cc to: Admr.'s Reading File
Docket (original)
F. E. Johnson
Division contract file

/s/

Michael Ching
Mining Engineer
Rare and Miscellaneous
Metals Division

RECEIVED

SEP 12 1955

224 New Customhouse
Denver 2, Colorado

September 2, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Field Team, DMEA, Region III

Subject: Docket DMEA 2846 (Uranium), Contract Idm-R569, Woodrow H. Gripe, Sunnyside and Basin Claims, San Miguel County, Colorado

Enclosed find the following final reports covering exploratory drilling completed under Contract Idm-R569:

1. Original and three copies of the final engineering report by the Bureau of Mines.

2. Original and three copies of the final geologic report by the Geological Survey.

By our letter to the Operator, dated September 2, 1955, two copies of which are enclosed, we waived his requirement to provide the Government with a final report.

Work completed and approved under the contract consisted of 1,884 feet of drilling completed in four holes. Total accepted cost of the project as reported in the final Report of Review by the Contract Administration and Audit Division, released to this office on August 29, 1955, was $7,724.40. Government participation amounted to 90 percent, or $6,951.96. Final payment to the Operator was processed by this office on September 2, 1955.

The project did not result in a discovery of any uranium ore and certification of discovery or development is not recommended.

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Reviewed by
DMEA OPERATING COMMITTEE
9-16-55
(Date)

Final Field Team
Report recd. 9/19/55

RECEIVED

SEP 12 1955

224 New Customhouse
Denver 2, Colorado

September 2, 1955

Mr. Woodrow E. Gripe
P. O. Box 225
Naturita
Colorado

Re: Docket DMEA 2846
Contract Idm-E569

Dear Mr. Gripe:

In accordance with the authority delegated this office, we hereby waive the requirement stipulated in Article 5(b) of Contract Idm-E569, which obligates you to provide the Government with an adequate geological and engineering report in quintuplicate.

Today we processed final payment due you for work completed under the project contract. As requested by you, this payment will be mailed to The First National Bank of Grand Junction, Colorado.

Very truly yours,

W. M. TRAVER

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

WLD:prl
cc: Secretary, Operating Committee (2)
Shaw (2)
Marshman
Hasler
Townsend
Corres. E-569
Chron.

Reviewed by
DMEA OPERATING COMMITTEE
9-16-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
Date Rec'd.
MAR 8 1955
BUREAU OF MINES
Denver, Colorado

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado

March 8, 1955

RECEIVED
SEP 12 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Project Supervisor

Subject: DMEA 2846, Contract Idm-E569 (Uranium), Woodrow E. Gripe, (Sunnyside claims), San Miguel County, Colorado

Enclosed are the original and 10 copies of the Final Engineering Report on Contract Idm-E569 which was prepared by Glen Walker.

The project did not result in the discovery of any uranium ore and it is recommended that the contract be terminated without a certification of discovery or development.

A copy of this report is being sent direct to W. P. Williams.

JOHN F. SHAW

John F. Shaw

Enclosures

cc 10
W. P. Williams
DMEA 2846
Chron

JFS:mh

Reviewed by
DMEA OPERATING COMMITTEE
9-16-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

RECEIVED
SEP 12 1955

FINAL ENGINEERING REPORT

DMEA 2846, Exploration Project Contract Idm-E569

Sunnyside claims

Woodrow E. Gripe

San Miguel County, Colorado

Uranium

Glen Walker, Mining Engineer

March 7, 1955

Reviewed by
DMEA OPERATING COMMITTEE
9-16-55
(date)

DMEA 2846
Contract Idm-E569

SUNNYSIDE CLAIMS
WOODROW E. GRIPE
SAN MIGUEL COUNTY, COLORADO

RECEIVED
SEP 12 1955

CONTENTS

Final Engineering Report

	Page
Summary and Introduction	1
Location and Ownership	1
History and Production	2
Description of the Deposit	2
Work Completed under the Contract	3
Description of the Discovery	4
Expenditures	4
Efficiency of the Operation	5
Conclusions and Recommendations	5

DMEA 2846
Contract Idm-E569

SUNNYSIDE CLAIMS
WOODROW E. GRIPE
SAN MIGUEL COUNTY, COLORADO

RECEIVED
SEP 12 1955

FINAL ENGINEERING REPORT

By

Glen Walker

SUMMARY AND INTRODUCTION

The exploration of the Sunnyside and Basin claims by drilling for uranium ores began in October 1953 and was completed in December 1954. In this time five holes totaling 2,348 feet were put down through the Jurassic Entrada along a fault zone. No material of ore grade was found, therefore, no discovery should be certified.

The approved total expenditure, the accuracy of which is contingent upon audit by the Contract Adm. and Audit Div. of DMEA, was $7,724.40. This sum represents the total cost of the work authorized and performed under the contract. Government participation was 90% of the cost or $6,951.96.

Operations under the contract were carried on in a rather discontinuous and inefficient manner reflecting inadequate attention to details and general supervision.

LOCATION AND OWNERSHIP

The land stipulated in Article 2 of the contract includes the Sunnyside, Sunnyside No. 1, 2, 3, 4, 5, 6, Basin and Basin No. 1 unpatented mining claims in sec. 24, T. 43 N., R. 11 W., San Miguel County, Colorado. It is about 3.5 miles east of Placerville on the east side of Fall Creek, a tributary of the San Miguel River, and can be reached by truck or four-

wheel drive passenger vehicles only, because the last mile is narrow, steep mountain trail.

The operator is the original locator of the subject property and has it legally recorded in the county courthouse.

HISTORY AND PRODUCTION

The contractor located the majority of the land as mining claims in July 1952. The principal work on the property prior to the government assisted exploration amounted to about 100 feet of adit at a point approximately 200 feet below the DMEA drilling site. This work was apparently for assessment requirements because its location geologically appears to obviate the exploration of the usual ore bearing horizon. There are no known ore deposits on the land, therefore, no production has been made.

DESCRIPTION OF THE DEPOSIT

The recommendations for a contract were based almost entirely upon the fact that 800 - 900 tons of ore that had an above average content of uranium had been mined along a strong, northwest striking fault in the Fraser vanadium mine, about 3,000 feet distant. In this district the Jurassic Entrada is the productive ore horizon. It has a slight dip northeast and is cut by a number of basic igneous dikes and faults of rather small displacements. The fault along which the drilling was done is thought to have a displacement of about 90 feet, the drilling information however indicates that the movement was in a zone rather than along a single fracture. The driller's logs indicate the following stratigraphic sequence; alluvium and broken sandstone 17 - 35 feet, alternating gray sandstone and red and blue mudstone 300 - 400 feet

(Salt Wash formation), reddish sandstone 30 - 40 feet (Entrada), red sandstone 10 - 40 feet (Dolores).

The vanadium-uranium ore deposits of the district usually occur in the upper part of the Jurassic Entrada sandstone, but none were found by the DMEA assisted project.

WORK COMPLETED UNDER THE CONTRACT

The DMEA contract authorized: 1, bulldozing approximately 3/4 mile of access road and preparation of drill sites. 2, beginning with hole #1 as designated on an attached map drill 2,500 feet of vertical diamond holes no smaller than AX to explore the ore bearing Entrada sandstone. In the fall of 1953 the access road was completed along which the holes were to be located and two holes were drilled but because of insufficient drill rod neither was thought to have reached the ore horizon. In August 1954, drilling was resumed by a different subcontractor who put down five holes through the ore formation, the second hole drilled was in a location not indicated on the map attached to the DMEA contract. All holes were probed radiometrically with the first, second and fifth having only slight indications for short distances, see Table 1 of geologic report. The remaining holes were completely barren of uranium indications. The contract implied the recovery and retention of core but the comparatively small amount retained was apparently handled in such a manner as to cast some doubt upon its reliability as a geologic quick.

Because the holes drilled in 1953 were not bottomed as stipulated no reimbursement to the contractor was made for the work performed.

For August, September, October 1954 the contractor submitted a form MF-104 and driller's logs showing three holes totaling 1,365 feet

had been drilled at a cost of $5,596.50. Payment for No. 2 hole was denied by DMEA because it was not located in accordance with the contract. It was collared between visits of the DMEA field personnel. The operator was paid $3,324.69 or 90% of the amount approved for the period.

In November and December 1954 two holes (No. 4 and No. 5) were drilled with a combined footage of 983 feet. On December 17, 1954, it is reported the drill rig was removed from the property as there remained insufficient authorized footage to complete another hole. The cost shown on the operator's MF 104 for this period was approved but $500.00 was temporarily withheld from payment until the final operator's report is received by DMEA. Payment to the contractor in the amount of $3,627.27, which is 90% of the cost, was approved as a result of the regular field inspection.

DESCRIPTION OF THE DISCOVERY

No significant amount of mineralized rock was found by the government assisted work. Because the exploration was conducted along a faulted and very broken zone the recovery of material suitable for geologic data was difficult and haphazard. From the correlation of available information the usual ore bearing horizon in the Entrada appears to have been cut in all the holes. The greatest radioactivity found, 0.012 percent U_3O_8e, was in about 1-1/2 feet of hole No. 1.

EXPENDITURES

The total incurred cost of the project as approved by field inspections was $7,724.40, government participation 90% or $6,951.96. These amounts are subject to audit by the Contract Adm. and Audit Division of DMEA.

During the project the operator submitted periodic accounts of the work on regular MF 104 forms with the driller's logs and a narratives.

The following summarizes this information as approved for payment:

Month	Feet Drilled	Cost at $4.01/foot
Aug., Sept., Oct. '54	901	3,694.10
Nov., Dec. '54	983	4,030.30
Totals	1884	7,724.40

All operating equipment and other facilities were furnished by the operator; therefore, the government has no equity in these items.

EFFICIENCY OF THE OPERATION

As could be expected, a great deal of difficulty in both plug drilling and coring was reported by the drill operator and the contractor. But available figures indicate a daily average footage of over 26 feet for the entire project which could be considered average or better if the ground conditions were as bad as alleged.

The handling of the core that was recovered appears to have been rather haphazard due mainly to the lack of boxes on hand at the time of coring. Core has been observed piled as cordwood on the ground near the rig.

It is recognized that although the contractor has no technical background provision was made in the cost estimate of the DMEA contract for hiring this assistance. It is felt that had the project received more attention and supervision, it would have been conducted more efficiently.

CONCLUSIONS AND RECOMMENDATIONS

It is concluded that the project as carried out resulted in no discovery of uranium ores. The most beneficial result appears to have been the additional geologic knowledge of a small area along one of the important faults of the district.

It is recommended that the government spend no additional funds in exploration of the property and that due regard be given future applications for exploration assistance anywhere in the general area of the property in the light of this experience.

The contract should be terminated in the appropriate manner.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

RECEIVED
SEP 12 1955

January 31, 1955

Memorandum

To: Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 2846 (uranium), Contract Idm-E569, Woodrow E. Gripe, San Miguel County, Colorado. Final geologic report

Enclosed are 10 copies of a final geologic report by A. L. Bush, U. S. Geological Survey, covering work completed under the subject contract.

The report describes the geologic aspects of the exploration program which consisted of five diamond drill holes totaling 2,318 feet in length.

No ore was found on the property, and Bush concludes that no additional exploration, with Government assistance, is warranted. I concur with this recommendation and further recommend that no Certification of Discovery be issued.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures (10)

ENHarshman:arh

Reviewed by
DMEA OPERATING COMMITTEE
9-16-55
(date)

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
COLORADO PLATEAU DISTRICT
GRAND JUNCTION, COLORADO
P. O. BOX 360

RECEIVED
SEP 12 1955

January 27, 1955

Memorandum

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

From: W. P. Williams

Subject: DMEA 2846, Gripe claims, Woodrow E. Gripe, San Miguel County, Colorado. Final geologic report

Transmitted herewith are 11 copies of a final geologic report by A. L. Bush, covering the above-referenced property.

Bush points out that approximately 2,318 feet of exploration drilling was completed under contract Idm-E 569. The exploration work was not successful in finding ore-grade material in ecomonic amounts. Bush, therefore, recommends that additional expenditures by the Government on the subject property are not warranted. I concur with his recommendations and further recommend that no certification of discovery be issued to cover the work completed under contract Idm-E 569.

W P Williams

W. P. Williams,
Geologist

WPW/mlr

Enclosures

Reviewed by
[illegible] COMMITTEE
9-16-55
[illegible]

UNITED STATES DEPARTMENT OF THE INTERIOR

DOUGLAS McKAY, SECRETARY

RECEIVED
SEP 12 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION
REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 2846, Gripe claims, Woodrow E. Gripe
San Miguel County, Colorado

Uranium

Final geologic report

by

A. L. Bush
U. S. Geological Survey

January 27, 1955

Reviewed by
DMEA OPERATING COMMITTEE
9-16-55
(date)

SUMMARY AND CONCLUSIONS

Approximately 2,318 feet of exploratory drilling was done under contract Idm-E 569 to test for uranium concentrations in excess of 0.10 percent U_3O_8 in the uranium-vanadium layer in the Entrada sandstone in the Placerville district, Colorado. Two of the 5 holes drilled were barren of both uranium and vanadium. Two other holes gave radiometric counts of less than 0.005 percent eU_3O_8. The remaining hole had a count of 0.012 percent eU_3O_8. In all three mineral-bearing holes the radioactive zone was 1 and one-half feet or less in thickness. The uranium-vanadium layer is spottily distributed in the area drilled, and the uranium concentration is less than the average concentration in the district. Drilling also indicated that the ground is closely faulted with displacements of up to 90 feet.

RECOMMENDATIONS

Additional exploration with Government aid for minable concentrations of uranium in the Entrada sandstone in the area is not warranted on this property.

DESCRIPTION OF WORK

An abortive attempt to conduct the work was made in the fall of 1953. Two holes were partially drilled, but not cored or bottomed. Work was resumed in August 1954, and completed in December 1954. A total of about 2,318 feet of exploratory diamond drilling was done in five holes. The accompanying map shows the locations of the holes drilled.

Drill hole statistics are given in table 1. Drill hole locations are shown on the attached sketch map. All holes were vertical. The Entrada sandstone was cored completely only in holes WG-3, WG 4, and WG 5. Core recovery varied from 50 to 80 percent in these holes. The Entrada sandstone was not cored in WG 1 because of faulty information from a partly drilled hole (from the 1953 attempt) a few feet away. Rock fragments from the 1953 hole indicated that at about 400 feet the drill was penetrating the Morrison formation. Hole WG 1 indicates that the Entrada sandstone is at about 400 feet, however. Incomplete core in the Entrada sandstone was obtained in drill hole WG 2 because of the contractor's disregard of the request of the Bureau of Mines engineer for coring to start at 350 feet, and in addition because of a 10-foot error in measurement by the driller. Drill hole WG 2 was located, apparently inadvertently, by the contractor at a point not authorized by the drilling plan included in the contract. Additional information on the physical work accomplished and the starting and completion dates for this contract are included in the final engineering report.

GEOLOGY

The uranium-vanadium deposit is a part of the vanadium layer in the upper part of the Jurassic Entrada sandstone in the Placerville district, San Miguel County, Colorado. The Entrada sandstone locally is conformable on the Triassic Dolores formation, and is conformable on the Triassic Dolores formation, and is conformably overlain by the Pony Express limestone member of the Wanakah formation. In the

Placerville district these beds are warped into gentle anticlines and synclines, displaced by numerous dominantly normal faults (with most displacements between 10 and 150 feet) and intruded by basic dikes and sills. The uranium-bearing vanadium deposits are described by Fischer, Haff, and Rominger in "Vanadium deposits near Placerville, San Miguel County, Colorado," Colo. Sci. Soc. Proc., v. 15, no. 3, 1947.

At the nearby Sunnyside Mine, the uranium-vanadium layer reaches a maximum thickness of about 2 feet. No record of production for this mine is available. There is no indication, from samples taken, that the uranium concentration in the layer at the mine exceeds the average for the district, which is well below 0.10 percent U_3O_8.

In the area drilled (see sketch map), the Entrada sandstone lies from about 360 to 440 feet below the ground surface. Several major normal faults, with displacements of 90 feet or more, cross the area and evidence indicates that minor faults are common between the major ones. Generally speaking, the displacements increase to the east. The faults trend northwest, with the southwestern blocks downdropped.

Throughout the district, the Entrada is usually 40 to 50 feet thick, and the overlying Wanakah formation is normally about 80 feet thick. In the drilled area, however, the Entrada varies from 30 to 36 feet thick, and the Wanakah from 50 to 60 feet thick.

The uranium-vanadium layer is spottily distributed in the drilled area, as evidenced by the barren holes WG 3 and WG 4, and where present is thin. Radiometric measurement of eU_3O_8 indicates the uranium concentration in holes WG 1, WG 2, and WG 5 (see table 1) is far less than the average concentration in the district.

No ore reserves are calculable for this property. Costs, production, and expenditures, value of production, equipment purchased and efficiency of the operation are given in the final engineering report.

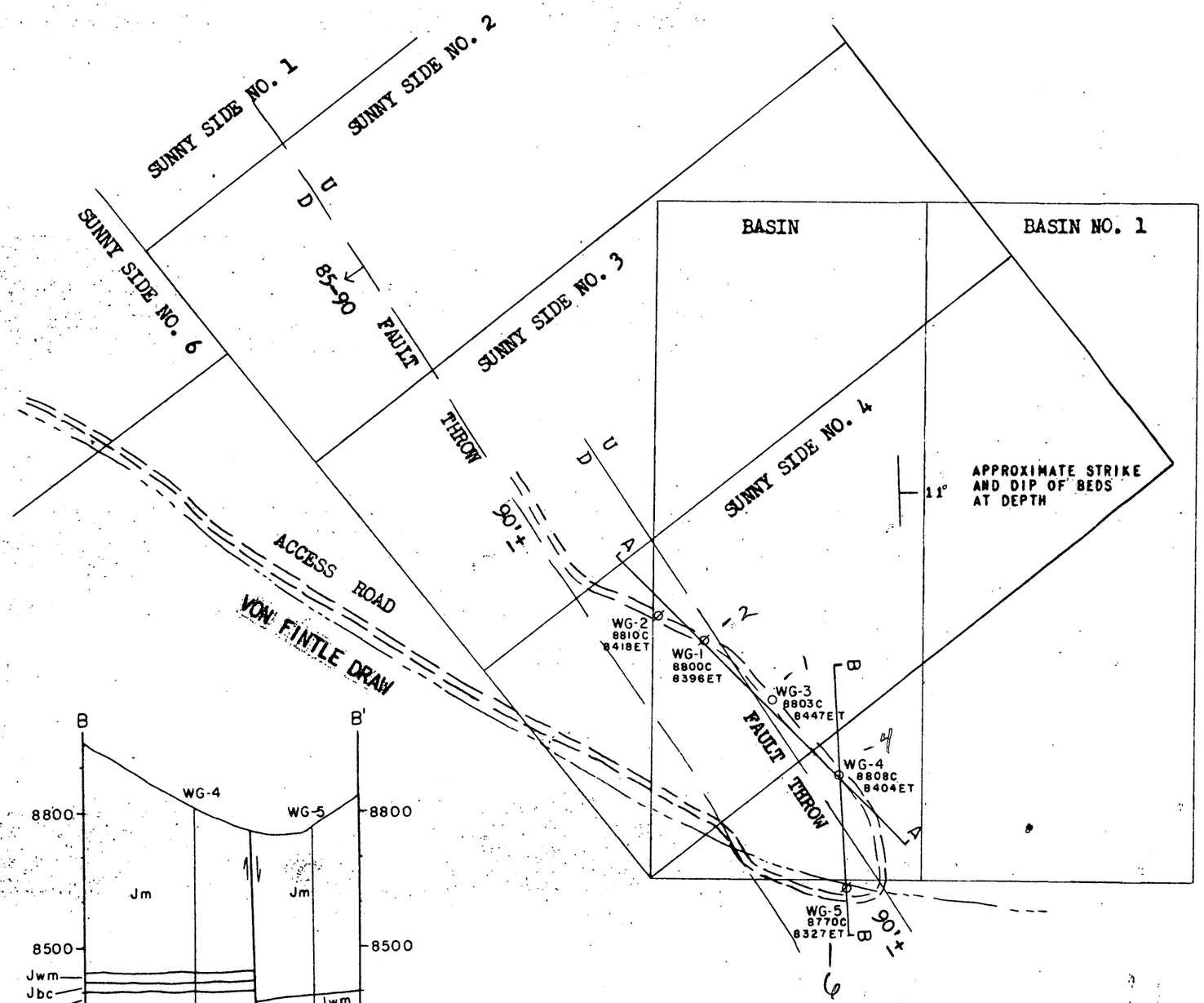
Table 1. Drill hole statistics, DMEA contract Idm-E 569

Drill hole numbers	2 WG-1	WG-2	1 WG-3	4 WG-4	6 WG-5
Assumed collar elevations	8,800	8,810	8,803	8,808	8,770
Total depth	505	434	396	453	530
Hole bottom	8,295	8,376	8,407	8,355	8,240
Entrada top	8,396 (?)	8,418 (?)	8,447	8,404	8,327
Entrada base	8,360 (?)	8,383	8,417	8,368	8,292
Entrada thickness	36'(?)	35'(?)	30'	36'	35'
Interval cored	8340-8295	8410-8376	8673-8407	8483-8355	8475-8240
V_2O_5	no core	no core	barren	barren	barren
eU_3O_8	0.012	<0.005	barren	barren	<0.005
Position of anomaly	8392.5-8391	8416-8415	--	--	8303-8304
Thickness of anomaly	1.5	1	--	--	1

Total footage drilled: 2,318

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO. 2846 CONTRACT Idm-E569

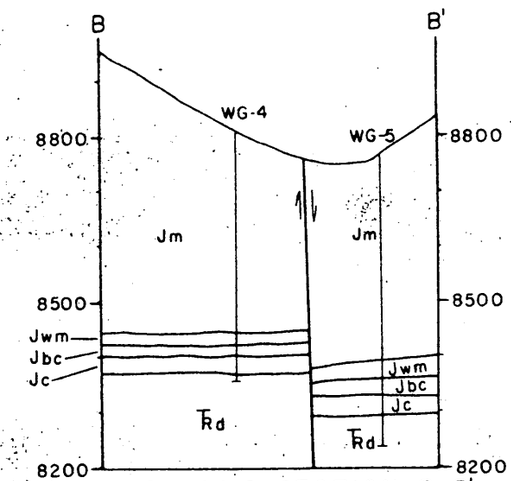


EXPLANATION
(MAP)

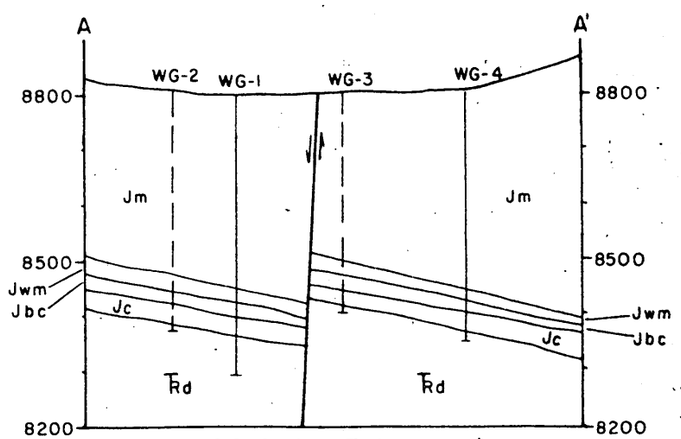
⊘WG-2	DRILL HOLE WITH RADIOMETRIC ANOMALY
○WG-4	DRILL HOLE, BARREN
8800c	ASSUMED ELEVATION, DRILL HOLE COLLAR
8396ET	ELEVATION ON TOP OF ENTRADA SANDSTONE

(SECTION)

Jm	MORRISON FORMATION, UNDIVIDED
Jwm	WANAKAH FORMATION, MARL MEMBER
Jbc	WANAKAH FORMATION, BILK CREEK SANDSTONE AND PONY EXPRESS LIMESTONE MEMBERS
Jc	ENTRADA SANDSTONE
Ꞧd	DOLORES FORMATION
	FAULT, SHOWING DIRECTION OF MOVEMENT
WG-1	DRILL HOLE DASHED WHERE PROJECTED INTO SECTION



GEOLOGIC SECTION B-B'



GEOLOGIC SECTION A-A'

300 0 600 FEET
VERTICAL AND HORIZONTAL SCALE

SKETCH MAP OF SUNNY SIDE AND BASIN CLAIM GROUPS (APPROXIMATE LOCATION), SHOWING LOCATION OF HOLES DRILLED UNDER DMEA CONTRACT Idm-E569, FAULTS AND GEOLOGIC SECTIONS. N. E. GRIPE, SAN MIGUEL COUNTY, COLORADO

RECEIVED
SEP 1 2 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
SEP - 1 1955

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Woodrow E. Gripe
P. O. Box 225,
Naturita, Colorado

pertaining to Exploration Project Contract No. Idm-E569, Docket No. DMEA-2846, including Amendment Nos. 1 through 6, for the months of September to December, 1954, inclusive, and Termination Notice dated June 15, 1955, covering a project for the exploration of Uranium on property known as Sunnyside Claims, located in San Miguel County, Colorado.

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, consultation with the Executive Officer, DMEA Field Team, Region III, 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 following reasons:

All of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor		$9,626.80
Exceptions: (Schedule attached)		
By DMEA Finance Officer	$1,902.40	
Herewith	0.00	1,902.40
Total Accepted Cost		$7,724.40

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Six thousand, nine hundred fifty-one and 96/100ths Dollars

** $6,951.96 **

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Donald T. Finch

August 24, 1955

Donald T. Finch, Auditor.

Audit report
recd. 9/7/55

RECEIVED

SEP - 1 1955

SCHEDULE OF EXCEPTIONS

Woodrow E. Gripe Docket No. DMEA-2846 Contract Idm-E569

Exceptions by DMEA Finance Officer:

464 Feet of Drilling @ $4.10 per foot $1,902.40

The foregoing disallowance was recommended by the examining engineer and concurred in by the Executive Officer, DMEA Field Team, Region III, because of the improper location of Drill Hole No. 2. The Auditor agrees with the disallowance.

6/20/55 gla

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

RECEIVED
JUN 20 1955

New Customhouse
Denver 2, Colorado

June 15, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2846 (Uranium), Contract Idm-E569, Woodrow E. Gripe, Sunnyside and Basin Claims, San Miguel County, Colorado

Enclosed are the Government, Division and Docket copies of Notice of Termination which was prepared in Washington and forwarded by your letter of June 9, 1955 for dating and execution by this office.

Copies of the termination notice have been forwarded to those concerned.

W. M. Traver

W. M. Traver

Encls.

Division Copy

RECEIVED
JUN 20 1955

NOTICE OF TERMINATION

To: Woodrow E. Gripe
P. O. Box 225
Naturita, Colorado

Operator under Exploration
Project Contract Idm-E569,
Docket No. DMEA-2846,
dated July 13, 1953.

1. The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereby terminates the subject contract under the termination provisions thereof on the following ground:

In the opinion of the Government operations up to the time of this notice have not indicated the probability of making any worthwhile discovery, and in the opinion of the Government further operations are not justified.

2. Upon receipt of this notice you are required by the contract -

(a) To provide the Government with an adequate geological and engineering report (five copies), including an estimate of ore reserves resulting from the exploration work; and

(b) To render the Government a final account and statement of work performed.

Dated this 15th day of June, 1955.

THE UNITED STATES OF AMERICA

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

Martin
Pd. Sol. Off.
Ching
Ellis
Fallon
Selfridge

Notice of Termination
dated June 15, 1955

January 5, 1955

Memorandum

To: Hazel Berry, Operating Committee

From: Grace L. Ault, Rare and Misc. Metals Division

Subject: Approval of amendment

Mr. Ching has reviewed and approved Amendment No. 6, dated December 29, 1954, to Contract No. Idm-8569, Docket No. DMSA-2846, Woodrow E. Gripe.

/s/ Grace L. Ault

Grace L. Ault

Date January 4, 1955.

To: Mr. Ching

Docket No. DMEA-2846, Woodrow E. Gripe
Contract No. Idm-E569

Attached is Amendment No. 6, dated December 29, 1954

to be reviewed.

Approved M. Ching

Other action —

Please return this slip to me for my records.

Mrs. Ault

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

224 New Customhouse
Denver 2, Colorado

December 29, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2846 (Uranium), Contract Idm-E569, Woodrow E. Gripe, San Miguel County, Colorado

Enclosed are the original and two copies of Amendment No. 6 to Contract Idm-E569, which has been executed to extend the period for completion of the project work to prior to December 31, 1954.

Data relative to the amendment was forwarded to the Washington office by our memorandum of December 6, 1954. It is doubtful that the work currently in progress will result in a discovery or development, therefore the repayment period was not extended.

Copies of the amendment have been given to the operator, the Finance Office, Region IV, and a copy has been retained for our files.

W H King
W. H. King

Encls.

No. 6

AMENDMENT OF CONTRACT: No. Idm-E569

Contract Docket No. DMEA 2846, dated July 13, 1953, between the United States of America and Woodrow E. Gripe is hereby amended as follows, effective November 13, 1954:

> Referring to "Article 5. Exploration project" of Exploration Project Contract Form MF-200(A), as amended by Amendment No. 5, dated July 21, 1954, delete the following: "within a period of sixteen (16) months from the date of this contract" and in lieu thereof substitute the following: "prior to December 31, 1954".

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated DEC 29 1954

UNITED STATES OF AMERICA

Woodrow E. Gripe

Woodrow E. Gripe

By W. H. King

W.H. King, Executive Officer
DMEA Field Team, Region IV

July 28, 1954

Memorandum

To: Hazel Berry, Operating Committee

From: Grace L. Ault, Rare & Misc.MetalsDivision

Subject: Amendment No. 5
Docket No. DMEA-2846(Uranium)
Contract No. Idm-E569
Woodrow E. Gripe
San Miguel County, Colorado

Mr. Ching has reviewed and approved the above amendment. However, it is pointed out that the amendment executed by the Executive Officer, Region IV, and the Operator, isnot dated. Therefore, perhaps this should be brought to the attention of the Legal Division.

/s/ Grace L. Ault

Grace L. Ault

Date July 27, 1954

Engineer Mr. Ching

DMEA-2846 Woodrow E. Gripe (Uranium)
Idm-5 569

Please note amendment is not dated.

Attached is Amendment No. 5, dated

to the above contract to be revised.

Approval

Other action Refer to Legal since undated

Please return this slip to me for my records.

Mrs. Ault

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

224 New Customhouse
Denver 2, Colorado

July 22, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2846 (Uranium), Contract Idm-E569, Woodrow E. Gripe, San Miguel County, Colorado

Enclosed are the original and two copies of Amendment No. 5 to Contract Idm-E569 which has been executed in conformance with authorization contained in a teletype from you dated July 9, 1954, to extend the recess period to August 1, 1954 and extend the period for completion of the project work from 15 months to 16 months. Also enclosed are three copies of the operator's letter which is the basis for the amendment.

Copies of the amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W H King
W. H King

Encls.

No. 5

AMENDMENT OF CONTRACT: No. I4m-E569

Contract Docket No. DMEA 2846, dated July 13, 1953, between the United States of America and Woodrow E. Gripe is hereby amended as follows, effective July 1, 1954:

> Referring to "Article 3. Exploration project" of Exploration Project Contract Form MF-200(A) (February 1952) as amended by Amendment No. 4, dated May 10, 1954, following the words "and shall bring the project to completion within a period of", delete "fifteen (15) months" and in lieu thereof substitute "sixteen (16) months". Further referring to said Amendment No. 4, second paragraph, change the ending date of "July 1, 1954" to read "August 1, 1954".

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated July 21, 1954

UNITED STATES OF AMERICA

Woodrow E. Gripe

Woodrow E. Gripe

By W.E. King

W.E. King, Executive Officer
DMEA Field Team, Region IV

[illegible], Colorado
[illegible] 1954

Mining Division
[illegible]

[illegible]

[illegible]

[illegible] Colorado

[illegible]

D. H. King
c/o 24 Post Customhouse.
Denver 2, Colorado

Dear Sir;

Due to the assessment work [illegible] the last property in the [illegible] company of the year [illegible] to [illegible] to [illegible] will my [illegible] as soon beginning from [illegible] commence possible but [illegible] work. The [illegible] that we have started going [illegible]

Very truly,
[illegible] Pipe

May 17, 1954

Memorandum

To: Hazel Berry, Operating Committee

From: Grace L. Ault, Rare & Misc. Metals Division

Subject: Amendment to contract

Mr. Ching has reviewed and approved Amendment No. 4, dated May 10, 1954, to Contract No. Ydm-8569, Docket No. DMEA-2846, Woodrow E. Gripe.

/s/ Grace L. Ault

Grace L. Ault

Date May 13, 1954

Engineer Mr. Ching

DMSA- 2846, Woodrow E. Gripe (Uranium)
Idm-E 569

Attached is Amendment No. 4, dated May 10, 1954

to the above contract to be reviewed.

APPROVAL M. Ching

Other action —

Please return this slip to me for my records

Mrs. Ault

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

224 New Customhouse
Denver 2, Colorado

May 10, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2846 (Uranium), Contract Idm-E569, Woodrow E. Gripe, San Miguel County, Colorado

Enclosed are the original and two copies of Amendment No. 4 to Contract Idm-E569 which has been executed to extend the recess period from April 1, 1954 to July 1, 1954 in conformance with the teletype from you dated April 26, 1954. Also enclosed are three sets of data relevant to the amendment.

Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W H King
W. H. King

Enclosures

No. 4

AMENDMENT OF CONTRACT: No. Idm-E569

Contract Docket No. DMEA 2846, dated July 13, 1953, between the United States of America and Woodrow E. Gripe is hereby amended as follows, effective April 1, 1954:

> Referring to "Article 3. Exploration project" of Exploration Project Contract Form MF-200(A) (February 1952) as amended by Amendment No. 3, dated February 19, 1954, following the words "and shall bring the project to completion within a period of", delete "one year" and in lieu thereof substitute "fifteen (15) months".
>
> Further, referring to said Amendment No. 3, item "1", change the date of "April 1, 1954" to read "July 1, 1954".

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated MAY 10 1954

UNITED STATES OF AMERICA

Woodrow E. Gripe

Woodrow E. Gripe

By W.H. King

W.H. King, Executive Officer
DMEA Field Team, Region IV

COPY

Naturita, Colo.

April 20, 1954

W. H. King

Denver 2

Colo.

Dear Sir:

I would like to have extension of recess period of time on or before May fifteenth (15) 1954. Due to the depth of drilling I thought it might be advisable to get a lease on the Frasior Claims and drift in on the ore belt that carries along the fault. I have been unable to work out a satisfactory lease so far as there are about eight (8) men involved in this mine. If I can't get a satisfactory lease, it will still allow us time for our drilling program before exploration date.

Your truly

Woodrow E. Gripe

P.S. While I have been delayed on this drilling program I have been trying to get some one to drill at a reasonable price - while I have been trying to get a lease on the Frasior claims.

February 23, 1954

Memorandum

To: Hazel Barry, Operating Committee

From: Grace L. Ault, Rare & Misc. Metals Division

Subject: Amendment to Contract Idm-E569
Docket No. DMEA-2846 (Uranium)
Woodrow E. Gripe

Mr. Ching has reviewed and approved Amendment No. 3, dated February 19, 1954, to the above contract. However, it is pointed out that the third line of the first paragraph (indented portion) refers to "by Amendment No. 3 made effective July 13, 1953," whereas this line of Amendment No. 3 should read:

> "by Amendment No. 2 made effective July 13, 1953, following"

The Legal Division will undoubtedly decide how this error should be corrected in all of the copies of Amendment No. 3.

/s/ Grace L. Ault

GraceL. Ault

Date February 23, 1954

Engineer Mr. Ching

DMEA- 2846, Woodrow E. Gripe (Uranium)
Idm-E 569

Attached is Amendment No. 3, dated Feb. 19, 1954 to the above contract to be reviewed.

Approval M. Ching

Other action

Please return this slip to me for my records.

Mrs. Ault

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

224 New Customhouse
Denver 2, Colorado

February 19, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2846 (Uranium), Contract Idm-E569, Woodrow E. Gripe, San Miguel County, Colorado

Enclosed are the original and two copies of Amendment No. 3 to Contract Idm-E569 which has been executed in conformance with authorization contained in your teletype of February 10, 1954, to extend the period for completion of the project work from 7 months to one year and authorize a recess of operations from November 3, 1953 to on or before April 1, 1954. Data relevant to the amendment was forwarded to the Washington office by our memorandum of February 3, 1954.

Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King

W. H. King

Enclosures

No. 3

AMENDMENT OF CONTRACT: No. Idm-E569

Contract Docket No. DMA 2846, dated July 13, 1953, between the United States of America and Woodrow E. Gripe is hereby amended as follows, effective November 3, 1953:

Referring to "Article 3. Exploration project" of Exploration Project Contract Form MF-200(A) (February 1952), as amended by Amendment No. 3 made effective July 13, 1953, following the words "and shall bring the project to completion within a period of", delete "seven (7) months" and in lieu thereof substitute "one year".

Referring to the work operations under said Contract Idm-E569 it is mutually agreed between the parties executing this document that said work operations will be recessed beginning November 3, 1953, contingent on the following conditions:

1. Work operations will be resumed under the terms of the contract on or before April 1, 1954.

2. The operator agrees to save harmless the Government from all claims and demands under the terms of the contract during the period operations are recessed.

3. Whereas the work performed to date has not been completed to the extent which validates a claim for reimbursement under the terms of the contract, said work performed to date is deemed to be for the sole account of the operator and the Government will not contribute to the costs thereof under the terms of the contract.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated FEB 19 1954

WOODROW E. GRIPE

By Woodrow E. Gripe
Woodrow E. Gripe, Operator

UNITED STATES OF AMERICA

by W. H. King
W. H. King
Executive Officer, DMEA
Field Team, Region IV

Division Copy

EXPLORATION PROJECT CONTRACT
WOODROW E. GRIPE
DOCKET NO. DMEA-2846

AMENDMENT NO. 2

It is agreed this 23d day of November, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Woodrow E. Gripe, each acting in consideration of the agreement of the other to the terms hereinafter set forth, that Exploration Project Contract Idm-E569, Docket No. DMEA-2846, dated July 13, 1953, as amended, between the parties hereto, be further modified and amended as follows:

1. Effective date of this amendment is July 13, 1953.

2. Article 2 of the contract, as amended by Amendment No. 1, dated September 21, 1953, is further amended by adding the two unpatented lode mining claims, Basin and Basin No. 1, situated partially in Sec. 24, T. 43 N., R. 11 W., and Sec. 19, T. 43 N., R. 10 W., and recorded in the County Courthouse, San Miguel County, Telluride, Colorado, in Book No. 175 at Pages 184 and 185, respectively.

3. In Article 3 of the contract form, the words "four (4) months" are deleted and the words "seven (7) months" are substituted.

4. Article 6 of the contract is deleted and in lieu thereof, the provisions of Annex I, attached hereto and made a part hereof, are substituted.

5. In lieu of Exhibit "A" and the map Fig. 2, attached thereto, the following is substituted.

EXHIBIT "A"

Description of the Work

Bulldoze approximately 3/4 mile of access road to, and prepare drill sites for, the diamond drilling hereinafter described.

Starting with drill hole #1, drill a maximum of 2500 feet of vertical diamond drill holes as shown on the attached map, Figure 1, to explore the ore bearing Entrada sandstone, with the following exceptions:

1. Drill hole #6 shall not be started unless the unexpended footage within the total approved footage is sufficient to guarantee completion to its objective.

2. The location as indicated for drill hole #6 is tentative and may be changed to another location within the boundaries of the ground described under Article 2 of the contract as amended, depending on conditions encountered in drilling the first five holes. The location of the hole is subject to prior approval of the DMEA Field Team, Region IV.

Diamond drill holes must not be drilled smaller than AX size and be drilled with equipment and in a manner to provide a maximum of core recovery consistent with acceptable core drilling practices.

All drill cores will be split and one-half retained and properly stored in acceptable core boxes for the use of the Government.

Monthly progress reports (Form MF-104) must be accompanied by certified drill logs for the holes or portions of holes for which reimbursement is claimed.

Estimated Costs of the Project

1/ 2500 feet of diamond drilling at an overall unit cost of $4.10/ft.	$10,250.00	
Total cost of the project		$10,250.00
Government participation @ 90%		$ 9,225.00

1/ Includes cost of access roads, drill site preparation and all other costs incurred in completing the work.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government will be required to contribute, nor the agreed unit cost of any item of work.

THE UNITED STATES OF AMERICA

By C O Mitchendorf
Administrator, Defense
Minerals Exploration
Administration

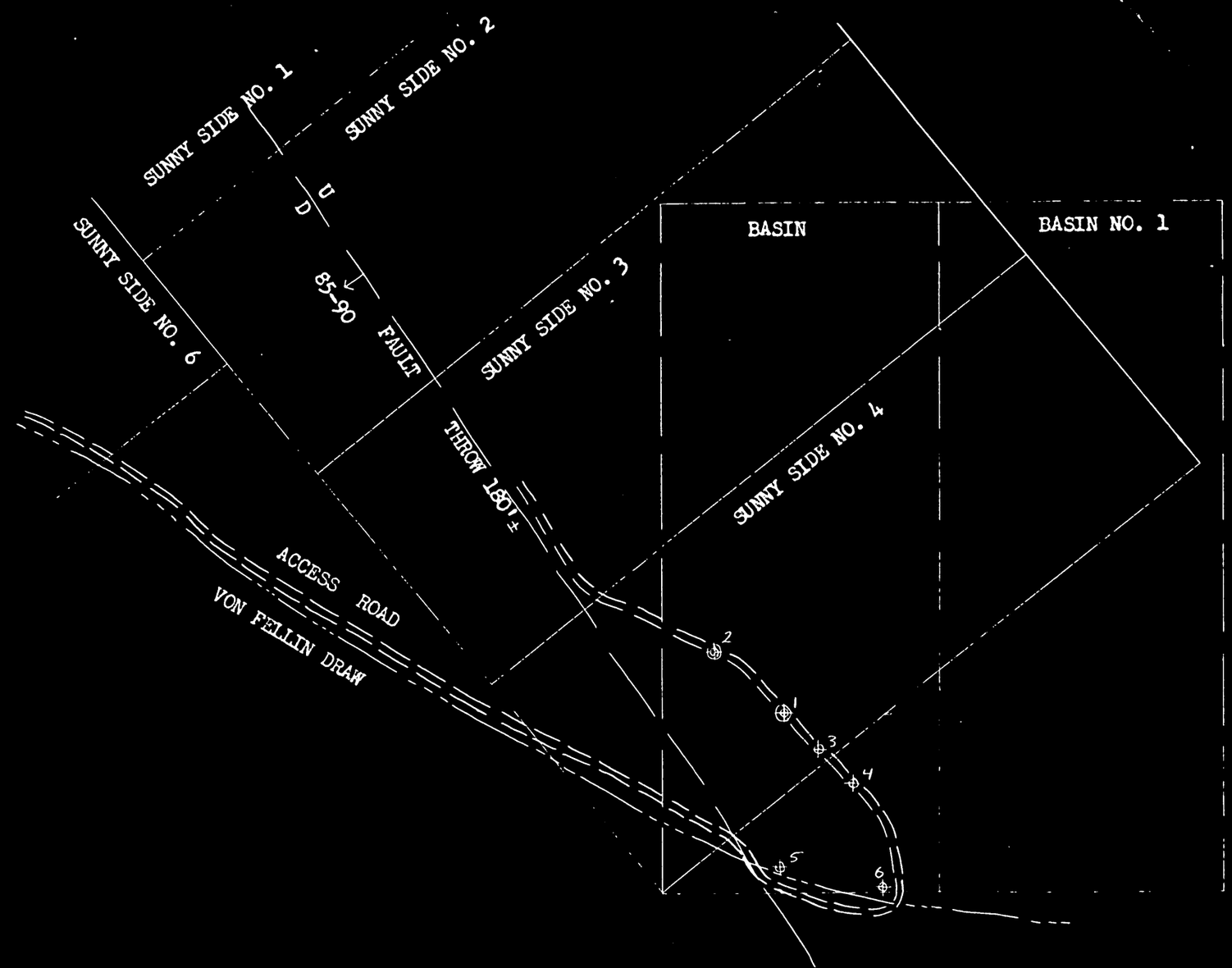
Rubin
Hoffland
Chamberlin

WOODROW E. GRIPE

Woodrow E. Gripe
(Operator)

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DMEA DOCKET 2846



EXPLANATION

CLAIMS ORIGINALLY INCLUDED IN DMEA DOCKET 2846, LOCATED ACCORDING TO MAP SUPPLIED BY W. E. GRIPE

CLAIMS TO BE ADDED TO DMEA DOCKET 2846, APPROXIMATELY LOCATED

DIAMOND-DRILL HOLE (VERTICAL) RETAINED FROM ORIGINAL PLAN

DIAMOND-DRILL HOLE (VERTICAL) ADDED UNDER REVISED PLAN

SCALE

300 200 100 0 300 600 Feet

FIGURE NO.1 — SKETCH MAP OF SUNNY SIDE CLAIM GROUP (FROM MAP SUPPLIED BY W. E. GRIPE, OWNER) SHOWING APPROXIMATE LOCATION OF THE BASIN CLAIM GROUP, TO BE ADDED TO DMEA DOCKET 2846 (URANIUM), AND REVISED LOCATION OF DIAMOND-DRILL HOLES

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
FEB 8 1954

ANNEX I

The following provisions are in lieu of Article 6:

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by this contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

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

c. Definitions.--As here used, "net smelter returns","net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce. This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

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

NOV 24 1953

Mr. M. M. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2846 (Uranium)
Contract No. [illegible]-E569
Woodrow E. Grigg
San Miguel County, Colorado

Dear Mr. King:

Reference is made to your letter of November 10, 1953, with attached material relating to a proposed amendment to the subject contract.

Enclosed please find original and five copies of Amendment No. 2, signed by the Administrator, each with attached Figure 1 and Annex I. You will note that in addition to including two additional unpatented lode mining claims under Article 2 of the contract and amending "Exhibit A" to effect a change in the work description, we have amended Article 3 by extending the completion date to seven (7) months from the date of the contract and substituted Annex 1 in lieu of Article 6.

Kindly have the documents properly signed, retain copies for the Operator, Field Team and Finance Officer, and return the remaining copies to this office.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Enclosures 6

APPROVED:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

M. Ching/gla
11-20-53
cc to: Adm. Reading File
Operating Committee
Docket
Messrs. H.D.Keiser, Rm. 3641
A.P.Butler, Rm. 3212 GSA
Ellis
Ching

Date November 18, 1953

Engineer Mr. Ching

DMRA- 2846
Idm-Z 569

Attached is Amendment No. 2, dated proposed, for approval in Washington and to be signed by Administrator, to the above contract to be reviewed.

Approval —

Other action New Amendment to be drawn up.

Please return this slip to me for my records.

Grace Ault

DIVISION COPY

No. 2

AMENDMENT OF CONTRACT No. Ida-4509

Contract Docket No. DMEA 2346, dated July 13, 1953, between the United States of America and Woodrow E. Gripe is hereby amended as follows, effective as of the date of said contract:

Referring to "Article 2, Operator's property rights" of Exploration Project Contract Form M-200(A) (February 1952) as amended by Amendment No. 1 dated September 21, 1953, add the following two unpatented lode mining claims situated partially in Section 24, T. 43 N., R. 11 W., and Section 19, T. 43 N., R. 10 W., which are recorded at the County Courthouse, San Miguel County, Telluride, Colorado, as follows:

Claim Name	Book No.	Page No.
Basin	175	184
Basin No. 1	175	185

Referring to EXHIBIT "A" attached to Exploration Project Contract Form M-200(A) (February 1952), void the Exhibit in its entirety including the map "Figure 2" which is attached and in lieu thereof substitute the following:

EXHIBIT "A"

Description of the Work

Bulldoze approximately 3/4 mile of access road to, and prepare drill sites for, the diamond drilling hereinafter described.

Starting with drill hole #1, drill a maximum of 2500 feet of vertical diamond drill holes as shown on the attached map, Figure 1, to explore the ore bearing Entrada sandstone, with the following exceptions:

1. Drill hole #6 shall not be started unless the unexpended footage within the total approved footage is sufficient to guarantee completion to its objective.

2. The location as indicated for drill hole #6 is tentative and may be changed to another location within the boundaries of the ground described under Article 2

of the contract as amended, depending on conditions encountered in drilling the first five holes. The location of the hole is subject to prior approval of the DMEA Field Team, Region IV.

Diamond drill holes must not be drilled smaller than AX size and be drilled with equipment and in a manner to provide a maximum of core recovery consistent with acceptable core drilling practices.

All drill cores will be split and one-half retained and properly stored in acceptable core boxes for the use of the Government.

Monthly progress reports (Form 4-104) must be accompanied by certified drill logs for the holes or portions of holes for which reimbursement is claimed.

Estimated Costs of the Project

1/ 2500 feet of diamond drilling at an overall unit cost of $4.10 per foot.....	$10,250.00
Total cost of the project	$10,250.00
Government participation at 90%	$ 9,225.00

1/ Includes cost of access roads, drill site preparation and all other costs incurred in completing the work.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated_____

UNITED STATES OF AMERICA

By_____
Administrator, Defense Minerals Exploration Administration

_____
Woodrow E. Gripe, Operator

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

224 New Customhouse
Denver 2, Colorado

November 10, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2846 (Uranium) Contract Idm-E569, Woodrow E. Gripe, San Miguel County, Colorado

Enclosed is the following material relevant to an Amendment to the subject contract to include additional ground under Article 2 of the contract and to change the description of work in "EXHIBIT A" attached to the contract.

1. Original and three copies of a letter from the Operator, dated August 20, 1953, wherein he requests a change in the location of the first two drill holes.

2. Original and three copies of a letter from the Operator, dated October 10, 1953, also concerning the change in the location of drill holes.

3. Original and three copies of a memorandum report by Russell R. McLellan, Mining Engineer, dated September 9, 1953, and transmittal thereof from the Chief, Mineral Resources Branch, Mining Division, Region IV, of the same date, relative to the change in the location of the first two drill holes.

4. Original and three copies of a memorandum report from A. L. Bush of the Geological Survey, dated October 7, 1953, which is relative to (1) a change in the number, location and inclination of drill holes; (2) inclusion of additional ground under Article 2 of the contract; (3) revision of estimated cost per foot of drilling.

5. Original and three copies of a memorandum report from W. L. Dare, dated October 16, 1953, and transmitted thereof from the Chief, Mineral Resources Branch, Mining Division, Region IV, dated October 20, 1953, which also covers the three items discussed in Bush's report under item 4, above.

MF-50

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 11/13/53

REFERRED TO:

1. ~~Hazel Berry~~
2. ~~Mr. Selfridge, Rm. 4539~~
3. ~~Mr. Ellis, Rm. 4640~~
4. Mr. Chism

Div. contract file

FOR:

DMEA-2846

..... Action	..... Recommendation
..... Approval	..... Record
..... Comment	of .....
..... Conference	..... Referring
..... Consideration	to .....
..... Filing	..... Reply for signa-
..... Instructions	ture of .....
..... Investigation	..... Rewriting
..... Initials	..... Signature
..... Mailing	..... Suggestions
..... Previous correspondence	..... Your information

REMARKS: Sent a complete set of this material - except 6 cc proposed Am.#2 - to M&R for docket. Hazel

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

GPO 16—63815-1

6. One copy of a letter from the Operator, dated September 2, 1953 wherein he requests an increase of $1.00 per foot in the estimated costs of performing the diamond drilling which is commented on the Geologic and Engineer's report under items 4 and 5 above. Also attached to the copy of the Operator's letter is a copy of a letter from the DMEA Field Team, Region IV, denying the Operator's request.

7. The original and five copies of Amendment No. 2, with attached Figure 1, which we have prepared for your execution to include two additional unpatented lode mining claims under Article 2 of the contract, and to amend "EXHIBIT A" to effect a change in the work description.

Amending "EXHIBIT A" is within the authority delegated to this office; however inasmuch as part of the drilling is to be performed on the additional ground cited we are forwarding the entire matter for your consideration and execution of the Amendment if it is satisfactory to you.

W. H. King

W. H. King

Enclosures

Naturita, Colorado
August 20, 1953

(1)

W. H. King
U. S. Bureau of Mines
224 New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Bureau of Mines
RECEIVED
AUG 21 1953

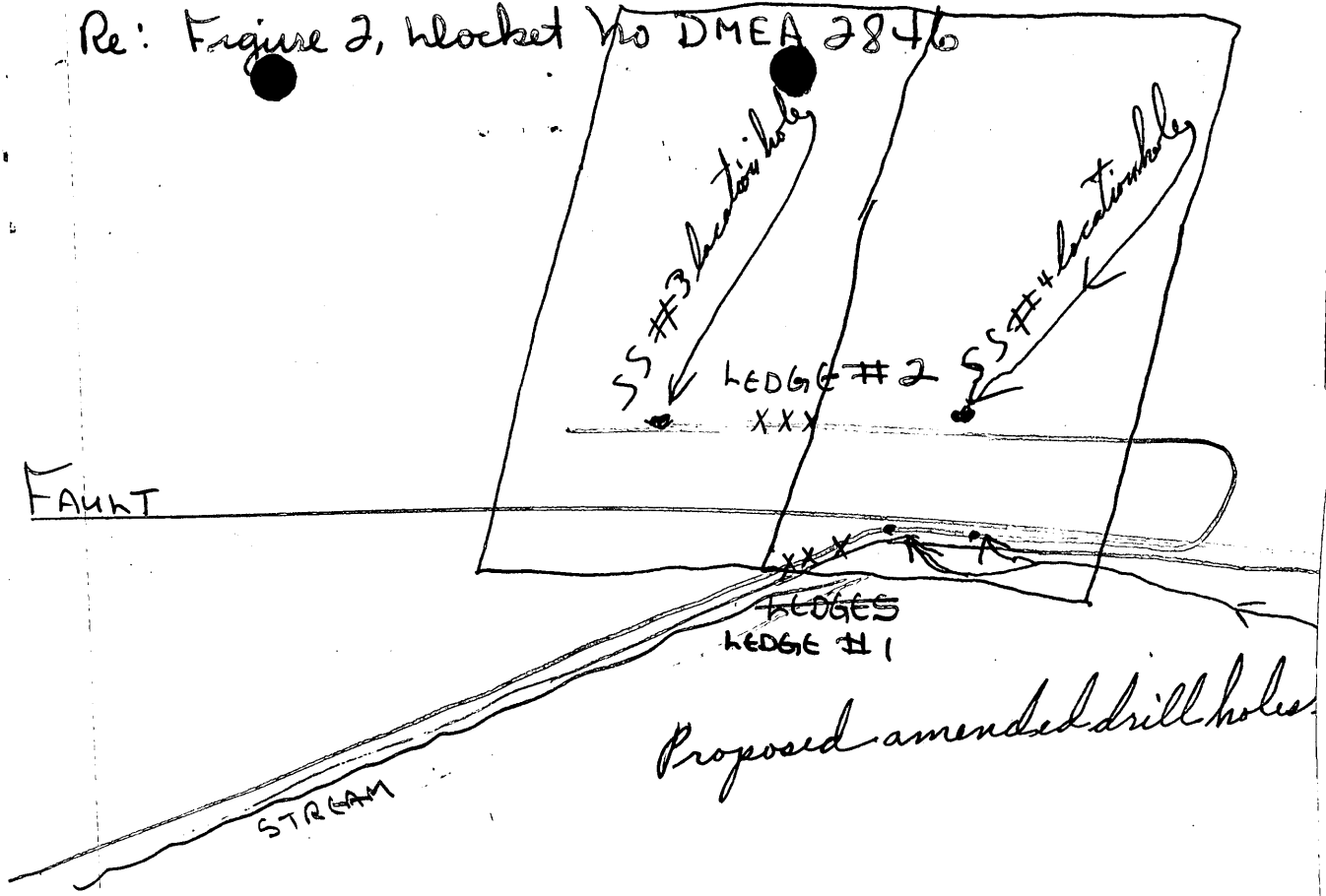
Dear Sir;

I would like to get an amendment to the contract to change the location of the first two drill holes to take an advantage of information obtained while bulldozing the road. It appears that we crossed the fault before we got ~~the~~ to the switch back with the road, so it seems advisable to drill the first two drill holes just as we crossed the fault as we should save about 100 feet of drilling on each hole from the original plan. This should give us our primary information as to the depth of ore horizon.

I am enclosing a sketch showing the proposed drill holes.

Yours truly,
Woodrow C. Sipe

Re: Figure 2, Docket No DMEA 2846



(2)

Victorita, Colorado
October 10, 1953

W. H. King
U. S. Bureau of Mines
224 Post Customhouse
Denver 2, Colorado

Mining Division
Date Rec'd
OCT 12 1953
BUREAU OF MINES
Denver, Colorado

Dear Sir;

I would like very well if you would make amendment to the drill holes as according to Mr. Mc Clellan's recommendation at least to the two holes he recommended. As these two holes are very important to me as a producer for it is where I will have to make entrance to the mine if we find ore in any of the holes. I would like for them to be the next drilled.

For if we find ore in them I could immediately start the incline. Due to the weather conditions it is very important that I get this incline down and producing ore before the heavy snows set in for it would be too expensive to keep the road open unless we were producing ore. Mr. McBride recommended the holes to be drilled in another position. He said that the information from the holes that he recommended would be more beneficial to you folks. I would like to take as much advantage from this drilling as possible from a practical standpoint. These holes that Mr. McCallum

recommended will not only have a better position from a producers standpoint but will have less depth to the ore horizon. I don't think that it is necessary that we have any more delay to the amendment of the above said holes. The expense of the application which included engineering etc. amounted to $1200 before I got the loan and the ten per cent of the loan and the time that I put in it seems to me that I should have some consideration. If you check closely you will see that the holes that Mrs. McCallum recommended are about the

so me distances from the
fault as those that Mr. Bush
recommended.

Yours truly,
Woodson C. Lipe

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 9, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2846, Contract Idm-E569 (Uranium), W. E. Gripe, San Miguel County, Colorado - Request to change location of first two drill holes

Enclosed are the original and five copies of Russell R. McLellan's memorandum covering a request by W. E. Gripe to change the location of the first two drill holes authorized in Contract Idm-E569.

McLellan recommends the change and submits a sketch (fig. 1) proposing the revised locations. I approve the changes.

W. M. Traver

W. M. Traver

enclosures

WMT/eb

cc: 5
E569
DMEA Chron.

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 9, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: Russell R. McLellan

Subject: DMEA 2846, Contract Idm-E569 (Uranium), W. E. Gripe, San Miguel County, Colorado - Request to change location of first two drill holes

The Gripe property was examined by the writer on August 20, 1953, shortly after the access road was completed to the area proposed for drilling. On that date, the operator indicated that he planned to request a change of the drilling pattern in order to take advantage of information obtained while constructing the road.

Contract Idm-E569 authorizes 2,500 feet of diamond drilling, or approximately nine holes, which will explore the ore horizon adjacent to a major fault. While constructing the road, the fault is believed to have been crossed at a point approximately 100 feet lower in elevation than the collars of the holes that were spotted higher on the hillside. As nearly as can be determined, the road crosses the fault and parallels it on the upthrown block for a distance of approximately 200 feet (fig. 1). The operator wishes to place the first holes along this 200 feet of road. The writer made a rough Brunton compass survey, shown on figure 1, which indicates that the operator probably is correct in assuming that the holes will be on the proper side of the fault and will be approximately 100 feet lower in elevation.

Pending a memorandum report on the subject from Al Busch of the Geological Survey, it is recommended that the first hole be drilled approximately 50 feet up the road from the apparent fault zone. This hole should be inclined -60° on a bearing of approximately N. 52° E., as indicated on figure 1, diamond drill hole No. 1. If the ore horizon is located by this hole, a second hole should be drilled vertically at a site 100 feet up the road from diamond drill hole No. 1, as shown on figure 1, diamond drill hole No. 2.

Russell R. McLellan
Russell R. McLellan
Mining Engineer

enclosures
RRM/cb

cc: 5, E569, DMEA Chron.

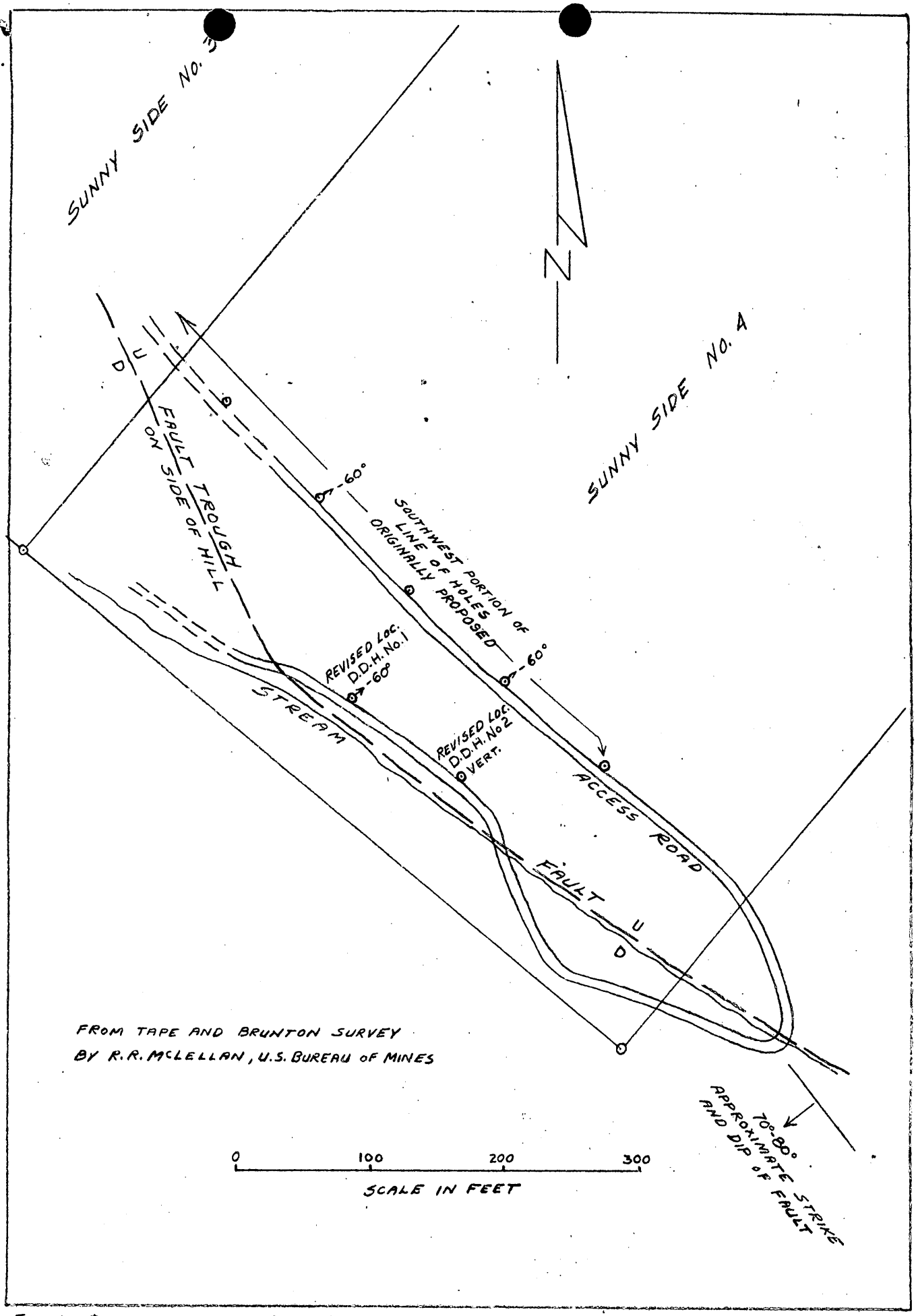


FIG. 1 PROPOSED REVISION OF DRILL PATTERN, GRIPE CLAIMS, D.M.E.A. 2846

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. BOX 360
GRAND JUNCTION, COLORADO

Memorandum October 7, 1953

To: A. H. Koschmann, DMEA Field Team, Region IV G.N.K.

From: A. L. Bush ALB

Subject: Amendments to DMEA Docket 2846 (Uranium), W. E. Gripe, Sunny Side claim group, San Miguel County, Colorado.

1. Revision of number, location, and inclination of diamond-drill holes.

2. Revision of claims covered under DMEA Docket 2846 as now approved.

3. Revision of estimated cost per foot in drilling.

1. The contract, as presently approved, calls for eight diamond-drill holes--four vertical and four at an inclination of 60° to the horizontal--alternately located along a single line, to provide information on the ore-bearing Entrada sandstone along two approximately parallel lines at depth (see fig. 2, DMEA Docket 2846). The original geologic and engineering reports estimate the depth of these holes to be about 100 to 300 feet.

Cursory mapping of the formations exposed at the surface indicates that this depth will be 400 to 450 feet to test the Entrada sandstone. A drill hole, as yet incomplete, substantiates the conclusion. The large increase in depth per hole necessitates revision of the original drilling plans.

A change in the actual locations of the major fault (throw about 180-200 feet) along which drilling was to be done (see fig. 2, DMEA Docket 2846) permits advantage being taken of the steep topography to reach the Entrada sandstone with somewhat shorter holes than would be necessary along the original line of drilling.

Accordingly, drill holes nos. 1 and 2 (see attached sketch map) are retained from the original plan. These holes are 200 feet apart. In addition, holes 3 and 4, 100 feet apart, will be drilled to provide information along a zone roughly parallel to the fault, but sufficiently removed from the fault to avoid shattered ground. The linear relation of these holes is also necessitated by the very steep slope, making drilling possible only along the access road. These holes probably will average between 420 and 440 feet in depth.

The relationship of the road, the stream and the major fault allow two vertical holes to be drilled in the stream bottom, on the upthrown side of the fault. Hole 5 will be about 320 feet deep, and hole 6 will be about 350 feet deep. These holes will provide information on the ore-bearing Entrada sandstone 100 to 200 feet south and southwest of the previous line of holes. This plan will thus provide about as much information on the Entrada sandstone as the original plan, with the expenditure of about the same amount of footage, and despite the greater depths than had been anticipated. Total footage will be 2,350 to 2,500 feet.

The original plan of drilling would test an area of about 200 by 800 feet. The revised plan tests an area of about 600 by 200 feet. The information to be obtained will be comparable. Success in this exploration will probably justify an additional DMA loan--exceptional success might justify sinking of a shaft or incline without further exploration. Lack of success in the present exploration can probably be interpreted to indicate that the ore bodies are small, and will not justify mining at the depth of 350 to 400 feet that would be involved.

2. Adoption of the plan proposed here necessitates the inclusion of the Basin and Basin No. 1 claims under DMEA Docket 2846, in order to cover the ground on which holes 4, 5, and 6 lie. These claims are owned by W. E. Gripe, according to him, and are recorded in book 175, pages 184 (Basin) and 185 (Basin No. 1), Upper San Miguel mining district, San Miguel County, Colo. Gripe, in the field, was unable to supply a map showing the locations of these claims and their relationship to the Sunny Side claim group. The claims are located on the attached sketch map according to his verbal description.

3. As the estimated cost of drilling per foot was undoubtedly based on anticipated depths of 100 to 300 feet, it is suggested that the figure be reconsidered, based on the more accurate estimate of overall average of 400 feet, with four holes that will probably be over 400 feet deep. Gripes present drilling costs, as contracted, are: 0 to 250 feet, $2.75 per foot; 250 to 400 feet, $2.90 per foot; 400 to 600 feet, $3.25 per foot. As the overall average depth will be about 400 feet, it is suggested that a cost of $2.80 to $2.85 per foot is reasonable. May I suggest that this be brought to the attention of the Bureau of Mines representative?

4. As drilling has already begun under the original plan, it will be to the Government's advantage if this revision (items 1 and 2) can be approved before too much progress is made under the original plan.

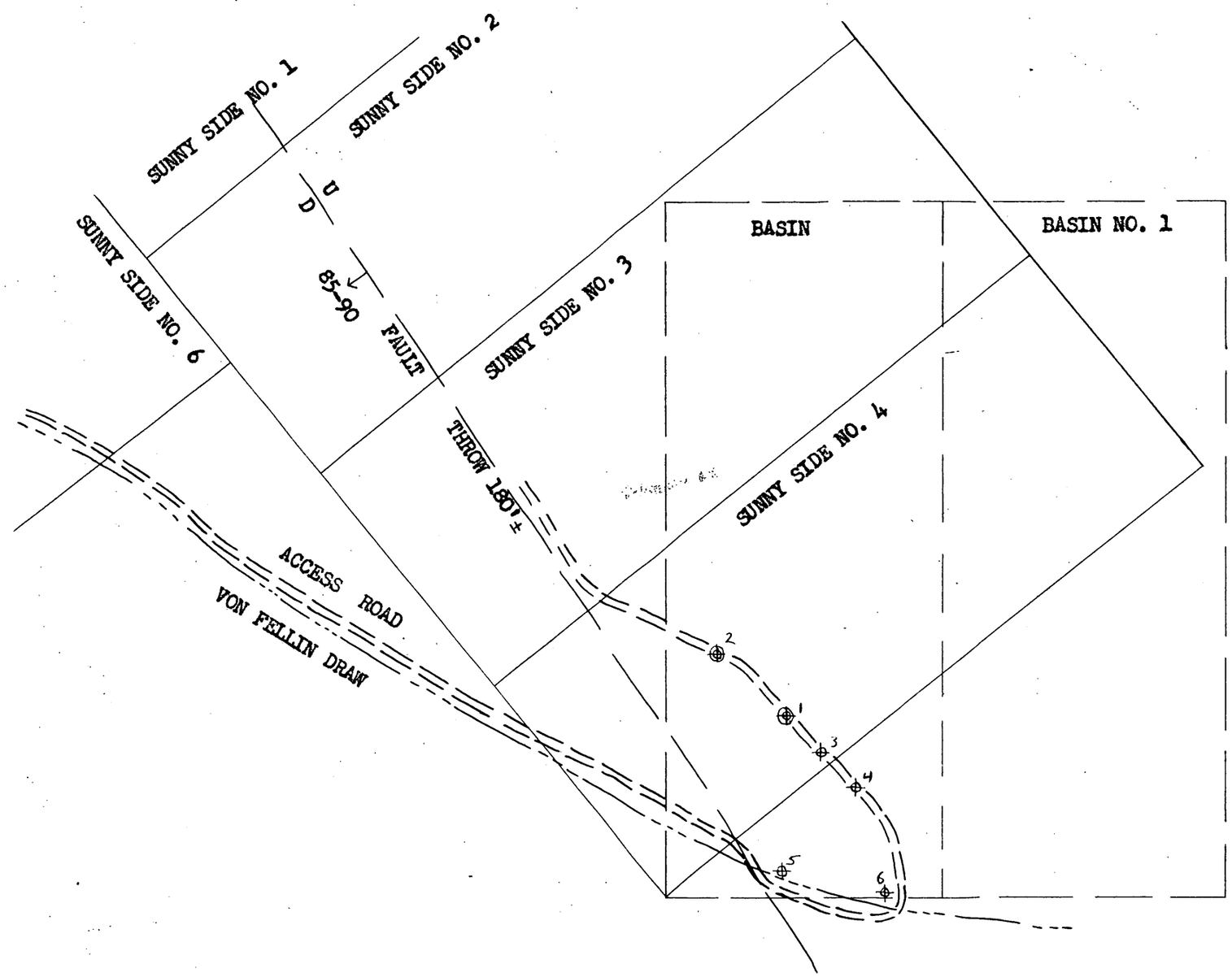
ALB

Alfred L. Bush

cc: A. H. Keschmann (8)

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DMEA DOCKET 2846



EXPLANATION

CLAIMS ORIGINALLY INCLUDED IN DMEA DOCKET 2846, LOCATED ACCORDING TO MAP SUPPLIED BY W. E. GRIPE

CLAIMS TO BE ADDED TO DMEA DOCKET 2846, APPROXIMATELY LOCATED

DIAMOND-DRILL HOLE (VERTICAL) RETAINED FROM ORIGINAL PLAN

DIAMOND-DRILL HOLE (VERTICAL) ADDED UNDER REVISED PLAN

SCALE

300 200 100 0 300 600 Feet

SKETCH MAP OF SUNNY SIDE CLAIM GROUP (FROM MAP SUPPLIED BY W. E. GRIPE, OWNER) SHOWING APPROXIMATE LOCATION OF THE BASIN CLAIM GROUP, TO BE ADDED TO DMEA DOCKET 2846 (URANIUM), AND REVISED LOCATION OF DIAMOND-DRILL HOLES

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 20, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2346, Contract Idm-2569 (Uranium), W. E. Gripe, San Miguel County, Colorado -- Request for revision of drilling pattern, adding claims, and correction of the unit-cost allowance for core drilling

Enclosed are the original and seven copies of W. L. Dare's memorandum recommending a revision of the drilling pattern, the addition of two Basin claims, and correction of the unit-cost recommendation for core drilling on the Gripe project. All recommendations have my approval.

The copy of Bush's memorandum of October 7, transmitted with your memorandum of October 9, 1953, is returned herewith.

W. M. Traver

W. M. Traver

enclosures

WMT/kp

cc 7
2569
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 16, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: W. L. Dare

Subject: DMRA 2846, Contract Idm-E569 (Uranium), W. R. Gripe, San Miguel County, Colorado -- Request for revision of drilling pattern, adding claims, and correction of the unit-cost allowance for core drilling

On August 20, 1953, Woodrow E. Gripe requested an amendment to Contract Idm-E569 to allow for the relocation of the proposed holes, Nos. 1 and 2. This request was based on rather uncertain information concerning the location of the fault outcrop exposed when bulldozing the drill site road. Gripe reasoned that the relocations would permit drilling the two holes at a lower relative elevation resulting in shallower drill hole depths.

McLellan revisited the property, and after checking the surface, approved the relocation of the two holes in his memorandum of September 9, 1953, on the basis that the fault outcrop crosses the road below the proposed new sites, permitting shallower drilling though still remaining within the up-thrown block of the fault. The remaining six holes were to be drilled at their prior approved locations. However, McLellan proposed that one of the new holes be drilled at an

inclination of 60° to the northeast, as were three of the six other holes.

In the original program, four of the eight drill holes were proposed as inclined holes. The steepness of the terrain prohibited bulldozing drill sites northeast of the present road and the angle holes were proposed to explore the extent of mineralization in the dimension perpendicular to and in the up-thrown side of the fault. It was not until the last visit, October 9, 1953, that it was learned Gripe complicated matters by entering into an agreement with a drill contractor whose rig does not permit angle drilling.

A. L. Bush, Geological Survey, knew of this added complication when he submitted his memorandum, and consequently, has modified the original program to allow all vertical holes. His recommendations have taken into consideration two other important factors. One is the depth to the mineralized strata. From available information gained from the Geological Survey files in Grand Junction, it was originally believed that drill hole depths would range between 100 feet to a possible maximum of 300 feet. At the time of the last visit, the first hole in the original proposal was down 350 feet and still an unknown distance above the Entrada formation. Bush estimates that hole No. 1 will have to be 420 feet deep to explore the ore horizon. He believes that the average depth of all holes at his revised locations, will be about 400 feet. Consequently, instead of eight holes, the maximum contract footage will limit the operation to six holes.

The other factor upon which Bush bases his revision is that since the time of the original examination, Gripe has located and filed upon two additional claims, Basin and Basin No. 1, east of Sunnyside No. 4 claim. This additional ground permitted Bush to suggest relocating some of the holes in an area southeast of the original pattern.

The principal question is the location of the fault, as all holes are to be drilled in the up-thrown block. Bush believes that McLellan's revised locations are in the down-thrown block of the fault. This is not thought to be the case. From a mining standpoint, Gripe, in his letter dated October 10, 1953, favors McLellan's locations, although both holes would have to be vertical.

The hole locations will have to conform with the general trend of the road. Additional ground will be incorporated into the contract to cover drilling to the southeast. Drilling as proposed by Bush will be "downhill", lower in elevation, and thus appear more favorable regarding depth to the ore horizon. It is therefore recommended that Bush's pattern be approved with the possible modification of his No. 6 hole. According to Bush, this hole should be located either between holes Nos. 1 and 2, or Nos. 1 and 3, depending upon what is encountered in holes Nos. 2 and 3. From information that will be gained in the field from holes Nos. 4 and 5, relative to the fault and extent of mineralization, it might be better to locate the last hole in the area of McLellan's two revised holes. This hole would give a

lateral picture, perpendicular to the fault, of possible mineralization encountered in holes 1 and 2. Figure 1 attached shows the proposed revision.

Bush is working full time in the immediate area of the project. It is recommended that Bush's pattern be approved but that the field representatives be given authority to give oral approval to modify the pattern where circumstances warrant a change.

In a letter dated September 2, 1953, Gripe requested an increase in the agreed estimated unit cost of drilling. Gripe's subcontract stipulates the following rates: 0 to 250 feet, $2.75 per foot; 250 to 400 feet, $2.90 per foot; and 400 to 600 feet, $3.25 per foot. On the basis that No. 1 hole will be 420 feet deep, the average cost per foot of all holes will be $2.80. This is $0.10 per foot higher than McLellan's original estimate. Because this difference is offset by a cheaper cost for bulldozing than was estimated, the request is recommended for denial instead of approval for $1.00 per foot additional as recommended by memorandum of September 9, 1953.

The Basin claim is recorded in Book 175, page 184, and the Basin No. 1 claim is recorded in the same book, page 185, San Miguel County Courthouse, Tellurdie, Colorado. It is recommended that these claims be added to Article 2 of the contract.

W. L. Dare
W. L. Dare
Mining Engineer

enclosure
WLD/kp
cc 1
E569

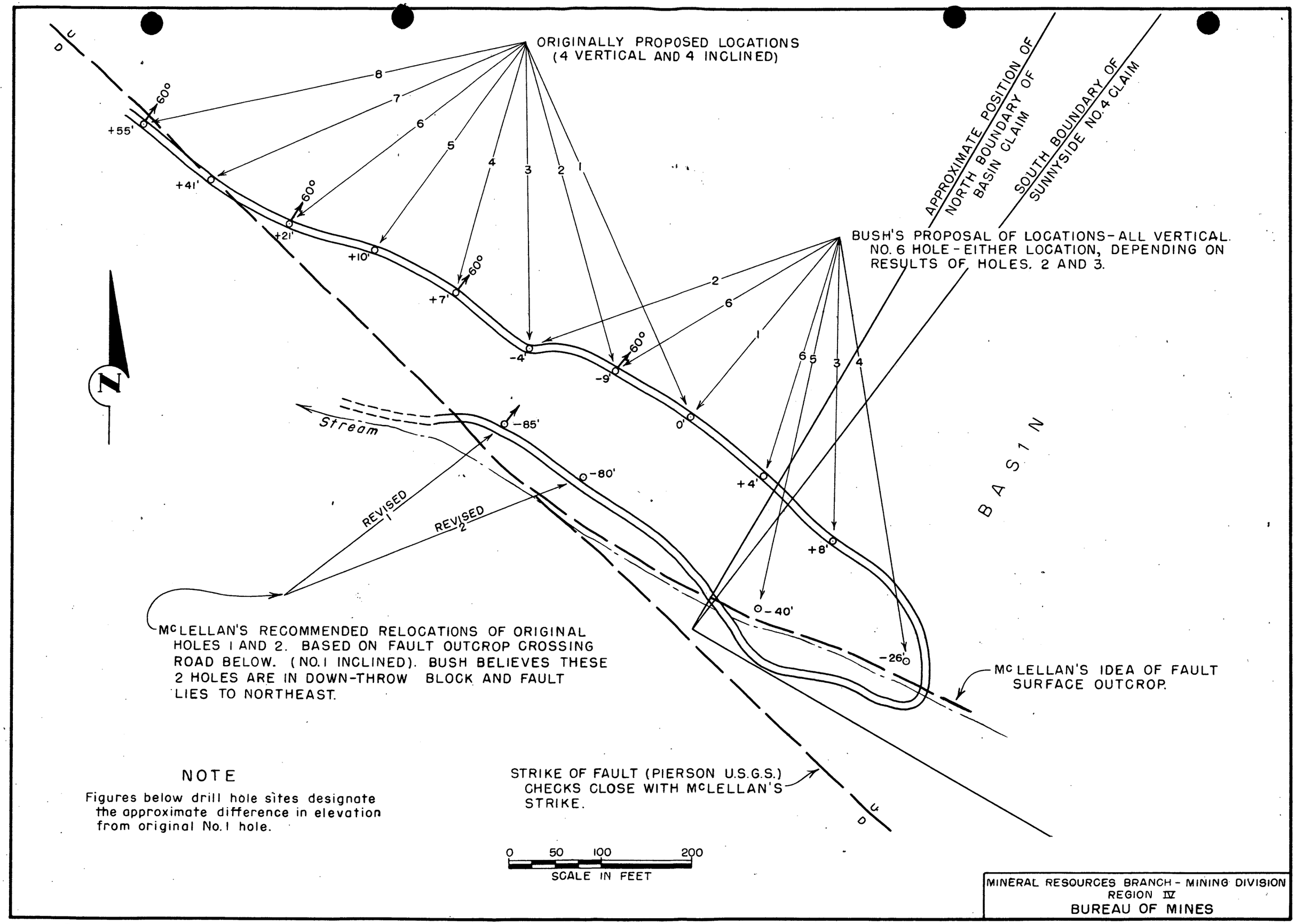


FIGURE 1 - SKETCH OF REVISION OF DRILL PATTERN, GRIPE CLAIMS, SAN MIGUEL COUNTY, COLO. (Idm 569, DMEA 2846)

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

224 New Customhouse
Denver 2, Colorado

November 2, 1953

Mr. Woodrow E. Gripe
Box 225
Naturita, Colorado

Re: Docket No. DMEA 2846 (Uranium)
Contract Idm-E569

Dear Mr. Gripe:

Reference is made to your letter of September 2, 1953 wherein you request an increase of $1.00 per foot in the agreed unit price of diamond drilling described in Contract Idm-E569.

Based on information available to this office it is our opinion that the agreed unit cost as specified in the contract is sufficiently high to cover your costs of performing the diamond drilling, therefore your request for an increase in the agreed unit cost is hereby denied.

Very truly yours,

W. H. King

W. H. King

for E. N. Harshman

A. H. Koschmann

DMEA Field Team, Region IV

JWT:jp
cc Contract
Chron
WMTraver w/copy incoming ltr
AHKoschmann " " "
COMittendorf
JWTownsend

COPY

Naturita, Colorado
September 2, 1953

W. H. King
224 New Customhouse
Denver 2, Colorado

Dear Sir:

I have been unable to get a reliable driller to drill the Sunnyside group for the price that has been allowed in our contract. Wallace H. Rogers is the only one that would take the contract and I checked on him and it seems that his work has been unsatisfactory. I have talked to all of the drillers within this area in regard to this drilling program. Due to the fault they are afraid the blue lime would be cracked up and might be quite expensive as it would cause them to lose the diamonds out of their bits. I believe that I can get this job done if you will raise the price a dollar a foot and fix it where we will only have to case from the blue lime down. Please let me know as soon as possible as the season in this area is short.

Yours truly,

/s/ Woodrow M. Gripe

Extra copies

C
O
P
Y

Naturita, Colorado
August 20, 1953

W. H. King
U. S. Bureau of Mines
224 New Customhouse
Denver 2, Colorado

Dear Sir:

I would like to get an amendment to the contract to change the location of the first two drill holes to take an advantage of information obtained while bulldozing the road. It appears that we crossed the fault before we got to the switchback with the road, so it seems advisable to drill the first two drill holes just as we crossed the fault as we should save about 100 feet of drilling on each hole from the original plan. This should give us our primary information as to the depth of ore horizon.

I am enclosing a sketch showing the proposed drill holes.

Yours truly,

Woodrow E. Gripe

COPY

Naturita, Colorado
October 10, 1953

W. H. King
U. S. Bureau of Mines
224 New Customhouse
Denver 2, Colorado

Dear Sir:

I would like very well if you would make amendment to the drill holes as according to Mr. McClellan's recommendation at least to the two holes he recommended. As these two holes are very important to me as a producer for it is where I will have to make entrance to the mine if we find ore in any of the holes. I would like for them to be the next drilled. For if we find ore in them I could immediately start the incline. Due to the weather conditions it is very important that I get this incline down and producing ore before the heavy snows set in for it would be too expensive to keep the road open unless we were producing ore. Mr. Al Bush recommended the holes to be drilled in another position. He said that the information from the holes that he recommended would be more beneficial to you folks. I would like to take as much advantage from this drilling as possible from a practical standpoint. These holes that Mr. McClellan recommended will not only have a better position from a producers standpoint but will have less depth to the ore horizon. I don't think that it is necessary that we have any more delay to the amendment of the above said holes. The expense of the application which included engineering, etc. amounted to $1200 before I got the loan and the ten percent of the loan and the time that I put in it seems to me that I should have some consideration. If you check closely you will see that the holes that Mr. McClellan recommended are about the same distance from the fault as those that Mr. Bush recommended.

Yours truly,

/s/ Woodrow E. Gripe

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 9, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2846, Contract Idm-E569 (Uranium), W. E. Gripe, San Miguel County, Colorado - Request to change location of first two drill holes

Enclosed are the original and five copies of Russell R. McLellan's memorandum covering a request by W. E. Gripe to change the location of the first two drill holes authorized in Contract Idm-E569.

McLellan recommends the change and submits a sketch (fig. 1) proposing the revised locations. I approve the changes.

W. M. Traver

W. M. Traver

enclosures

WMT/cb

cc: 5
E569
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 9, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: Russell R. McLellan

Subject: DMEA 2846, Contract Idm-E569 (Uranium), W. E. Gripe, San Miguel County, Colorado - Request to change location of first two drill holes

The Gripe property was examined by the writer on August 20, 1953, shortly after the access road was completed to the area proposed for drilling. On that date, the operator indicated that he planned to request a change of the drilling pattern in order to take advantage of information obtained while constructing the road.

Contract Idm-E569 authorizes 2,500 feet of diamond drilling, or approximately nine holes, which will explore the ore horizon adjacent to a major fault. While constructing the road, the fault is believed to have been crossed at a point approximately 100 feet lower in elevation than the collars of the holes that were spotted higher on the hillside. As nearly as can be determined, the road crosses the fault and parallels it on the upthrown block for a distance of approximately 200 feet (fig. 1). The operator wishes to place the first holes along this 200 feet of road. The writer made a rough Brunton compass survey, shown on figure 1, which indicates that the operator probably is correct in assuming that the holes will be on the proper side of the fault and will be approximately 100 feet lower in elevation.

Pending a memorandum report on the subject from Al Busch of the Geological Survey, it is recommended that the first hole be drilled approximately 50 feet up the road from the apparent fault zone. This hole should be inclined -60° on a bearing of approximately N. 52° E., as indicated on figure 1, diamond drill hole No. 1. If the ore horizon is located by this hole, a second hole should be drilled vertically at a site 100 feet up the road from diamond drill hole No. 1, as shown on figure 1, diamond drill hole No. 2.

Russell R. McLellan
Russell R. McLellan
Mining Engineer

enclosures

RRM/cb

cc: 5, E569, DMEA Chron.

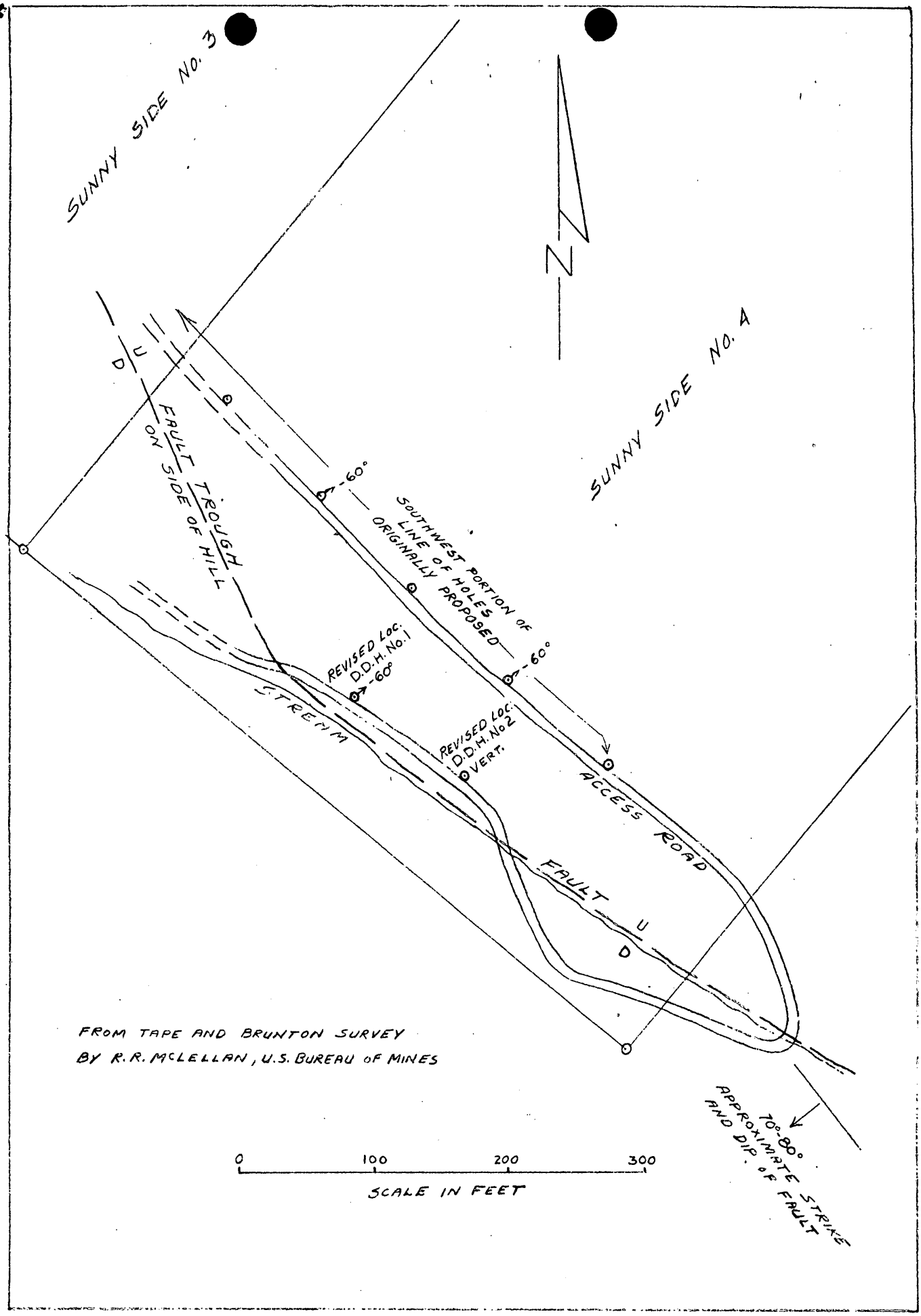


FIG. 1 PROPOSED REVISION OF DRILL PATTERN, GRIPE CLAIMS. D.M.E.A. 2946

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. BOX 360
GRAND JUNCTION, COLORADO

Memorandum

October 7, 1953

To: A. H. Koschmann, DMEA Field Team, Region IV AHK.

From: A. L. Bush ALB

Subject: Amendments to DMEA Docket 2846 (Uranium), W. E. Gripe, Sunny Side claim group, San Miguel County, Colorado.

1. Revision of number, location, and inclination of diamond-drill holes.

2. Revision of claims covered under DMEA Docket 2846 as now approved.

3. Revision of estimated cost per foot in drilling.

1. The contract, as presently approved, calls for eight diamond-drill holes--four vertical and four at an inclination of 60° to the horizontal--alternately located along a single line, to provide information on the ore-bearing Entrada sandstone along two approximately parallel lines at depth (see fig. 2, DMEA Docket 2846). The original geologic and engineering reports estimate the depth of these holes to be about 100 to 300 feet.

Cursory mapping of the formations exposed at the surface indicates that this depth will be 400 to 450 feet to test the Entrada sandstone. A drill hole, as yet incomplete, substantiates the conclusion. The large increase in depth per hole necessitates revision of the original drilling plans.

A change in the actual locations of the major fault (throw about 180-200 feet) along which drilling was to be done (see fig. 2, DMEA Docket 2846) permits advantage being taken of the steep topography to reach the Entrada sandstone with somewhat shorter holes than would be necessary along the original line of drilling.

Accordingly, drill holes nos. 1 and 2 (see attached sketch map) are retained from the original plan. These holes are 200 feet apart. In addition, holes 3 and 4, 100 feet apart, will be drilled to provide information along a zone roughly parallel to the fault, but sufficiently removed from the fault to avoid shattered ground. The linear relation of these holes is also necessitated by the very steep slope, making drilling possible only along the access road. These holes probably will average between 420 and 440 feet in depth.

The relationship of the road, the stream and the major fault allow two vertical holes to be drilled in the stream bottom, on the upthrown side of the fault. Hole 5 will be about 320 feet deep, and hole 6 will be about 350 feet deep. These holes will provide information on the ore-bearing Entrada sandstone 100 to 200 feet south and southwest of the previous line of holes. This plan will thus provide about as much information on the Entrada sandstone as the original plan, with the expenditure of about the same amount of footage, and despite the greater depths than had been anticipated. Total footage will be 2,350 to 2,500 feet.

The original plan of drilling would test an area of about 200 by 800 feet. The revised plan tests an area of about 600 by 200 feet. The information to be obtained will be comparable. Success in this exploration will probably justify an additional DMA loan--exceptional success might justify sinking of a shaft or incline without further exploration. Lack of success in the present exploration can probably be interpreted to indicate that the ore bodies are small, and will not justify mining at the depth of 350 to 400 feet that would be involved.

2. Adoption of the plan proposed here necessitates the inclusion of the Basin and Basin No. 1 claims under DMEA Docket 2846, in order to cover the ground on which holes 4, 5, and 6 lie. These claims are owned by W. K. Gripe, according to him, and are recorded in book 175, pages 184 (Basin) and 185 (Basin No. 1), Upper San Miguel mining district, San Miguel County, Colo. Gripe, in the field, was unable to supply a map showing the locations of these claims and their relationship to the Sunny Side claim group. The claims are located on the attached sketch map according to his verbal description.

3. As the estimated cost of drilling per foot was undoubtedly based on anticipated depths of 100 to 300 feet, it is suggested that the figure be reconsidered, based on the more accurate estimate of overall average of 400 feet, with four holes that will probably be over 400 feet deep. Gripes present drilling costs, as contracted, are: 0 to 250 feet, $2.75 per foot; 250 to 400 feet, $2.90 per foot; 400 to 600 feet, $3.25 per foot. As the overall average depth will be about 400 feet, it is suggested that a cost of $2.80 to $2.85 per foot is reasonable. May I suggest that this be brought to the attention of the Bureau of Mines representative?

4. As drilling has already begun under the original plan, it will be to the Government's advantage if this revision (items 1 and 2) can be approved before too much progress is made under the original plan.

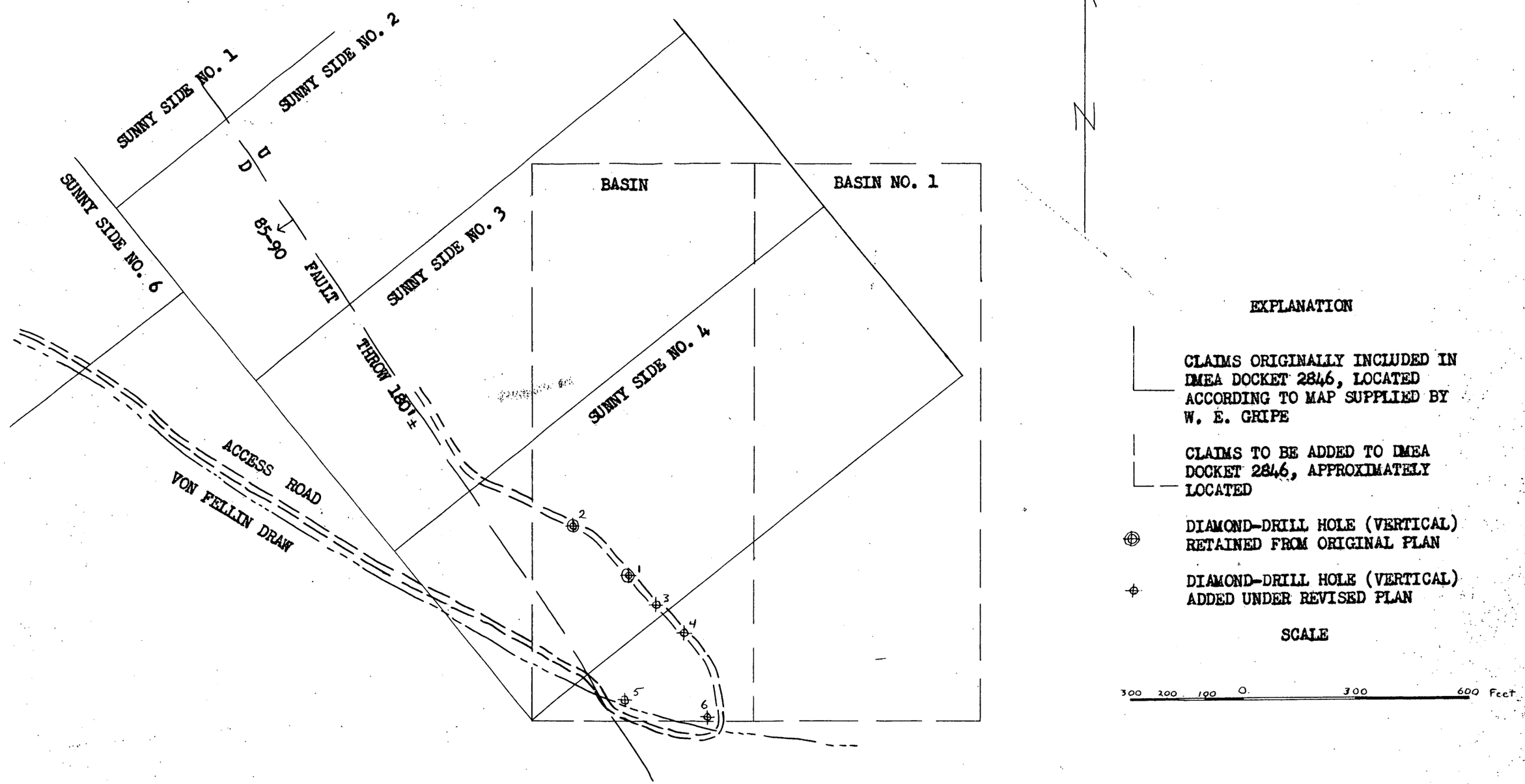
ALD

Alfred L. Bush

cc: A. H. Koschmann (8)

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DMEA DOCKET 2846



SKETCH MAP OF SUNNY SIDE CLAIM GROUP (FROM MAP SUPPLIED BY W. E. GRIPE, OWNER) SHOWING APPROXIMATE LOCATION OF THE BASIN CLAIM GROUP, TO BE ADDED TO DMEA DOCKET 2846 (URANIUM), AND REVISED LOCATION OF DIAMOND-DRILL HOLES

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 20, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: [illegible], Contract [illegible] (Uranium), W. E. Gripe, San Miguel County, Colorado -- Request for revision of drilling pattern, adding claims, and correction of the unit-cost allowance for core drilling

Enclosed are the original and seven copies of W. L. Bush's memorandum recommending a revision of the drilling pattern, the addition of two Basin claims, and correction of the unit-cost recommendation for core drilling on the Gripe project. All recommendations have my approval.

The copy of Bush's memorandum of October 7, transmitted with your memorandum of October 9, 1953, is returned herewith.

W. M. Traver

W. M. Traver

enclosures

WMT/kp

cc 7
2569
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 16, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: W. L. Dare

Subject: DMEA 2846, Contract Idm-2569 (Uranium), W. E. Gripe, San Miguel County, Colorado -- Request for revision of drilling pattern, adding claims, and correction of the unit-cost allowance for core drilling

On August 20, 1953, Woodrow E. Gripe requested an amendment to Contract Idm-2569 to allow for the relocation of the proposed holes, Nos. 1 and 2. This request was based on rather uncertain information concerning the location of the fault outcrop exposed when bulldozing the drill site road. Gripe reasoned that the relocations would permit drilling the two holes at a lower relative elevation resulting in shallower drill hole depths.

McLellan revisited the property, and after checking the surface, approved the relocation of the two holes in his memorandum of September 9, 1953, on the basis that the fault outcrop crosses the road below the proposed new sites, permitting shallower drilling though still remaining within the up-thrown block of the fault. The remaining six holes were to be drilled at their prior approved locations. However, McLellan proposed that one of the new holes be drilled at an

inclination of 60° to the northeast, as were three of the six other holes.

In the original program, four of the eight drill holes were proposed as inclined holes. The steepness of the terrain prohibited bulldozing drill sites northeast of the present road and the angle holes were proposed to explore the extent of mineralization in the dimension perpendicular to and in the up-thrown side of the fault. It was not until the last visit, October 9, 1953, that it was learned Gripe complicated matters by entering into an agreement with a drill contractor whose rig does not permit angle drilling.

A. L. Bush, Geological Survey, knew of this added complication when he submitted his memorandum, and consequently, has modified the original program to allow all vertical holes. His recommendations have taken into consideration two other important factors. One is the depth to the mineralized strata. From available information gained from the Geological Survey files in Grand Junction, it was originally believed that drill hole depths would range between 100 feet to a possible maximum of 300 feet. At the time of the last visit, the first hole in the original proposal was down 350 feet and still an unknown distance above the Entrada formation. Bush estimates that hole No. 1 will have to be 420 feet deep to explore the ore horizon. He believes that the average depth of all holes at his revised locations, will be about 400 feet. Consequently, instead of eight holes, the maximum contract footage will limit the operation to six holes.

The other factor upon which Bush bases his revision is that since the time of the original examination, Gripe has located and filed upon two additional claims, Basin and Basin No. 1, east of Sunnyside No. 4 claim. This additional ground permitted Bush to suggest relocating some of the holes in an area southeast of the original pattern.

The principal question is the location of the fault, as all holes are to be drilled in the up-thrown block. Bush believes that McLellan's revised locations are in the down-thrown block of the fault. This is not thought to be the case. From a mining standpoint, Gripe, in his letter dated October 10, 1953, favors McLellan's locations, although both holes would have to be vertical.

The hole locations will have to conform with the general trend of the road. Additional ground will be incorporated into the contract to cover drilling to the southeast. Drilling as proposed by Bush will be "downhill", lower in elevation, and thus appear more favorable regarding depth to the ore horizon. It is therefore recommended that Bush's pattern be approved with the possible modification of his No. 6 hole. According to Bush, this hole should be located either between holes Nos. 1 and 2, or Nos. 1 and 3, depending upon what is encountered in holes Nos. 2 and 3. From information that will be gained in the field from holes Nos. 4 and 5, relative to the fault and extent of mineralization, it might be better to locate the last hole in the area of McLellan's two revised holes. This hole would give a

lateral picture, perpendicular to the fault, of possible mineralization encountered in holes 1 and 2. Figure 1 attached shows the proposed revision.

Bush is working full time in the immediate area of the project. It is recommended that Bush's pattern be approved but that the field representatives be given authority to give oral approval to modify the pattern where circumstances warrant a change.

In a letter dated September 2, 1953, Gripe requested an increase in the agreed estimated unit cost of drilling. Gripe's subcontract stipulates the following rates: 0 to 250 feet, $2.75 per foot; 250 to 400 feet, $2.90 per foot; and 400 to 600 feet, $3.25 per foot. On the basis that No. 1 hole will be 420 feet deep, the average cost per foot of all holes will be $2.80. This is $0.10 per foot higher than McLellan's original estimate. Because this difference is offset by a cheaper cost for bulldozing than was estimated, the request is recommended for denial instead of approval for $1.00 per foot additional as recommended by memorandum of September 9, 1953.

The Basin claim is recorded in Book 175, page 184, and the Basin No. 1 claim is recorded in the same book, page 185, San Miguel County Courthouse, Telluride, Colorado. It is recommended that these claims be added to Article 2 of the contract.

W. L. Dare
Mining Engineer

enclosure
WLD/kp
cc ✓7
E569

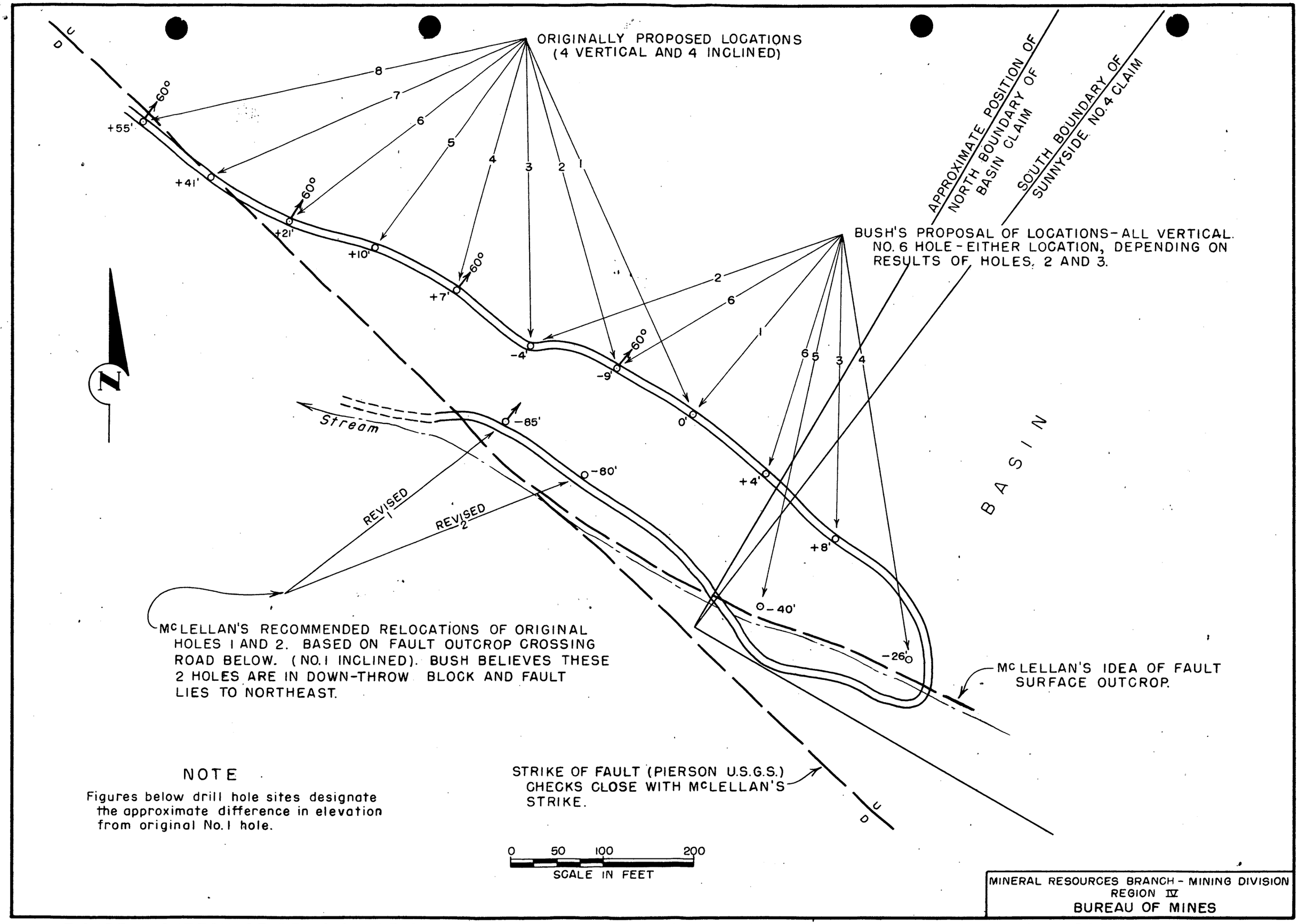


FIGURE 1 - SKETCH OF REVISION OF DRILL PATTERN, GRIPE CLAIMS, SAN MIGUEL COUNTY, COLO. (Idm 569, DMEA 2846)

Extra copies

C
O
P
Y

Naturita, Colorado
August 20, 1953

W. H. King
U. S. Bureau of Mines
224 New Customhouse
Denver 2, Colorado

Dear Sir:

I would like to get an amendment to the contract to change the location of the first two drill holes to take an advantage of information obtained while bulldozing the road. It appears that we crossed the fault before we get to the switchback with the road, so it seems advisable to drill the first two drill holes just as we crossed the fault as we should save about 100 feet of drilling on each hole from the original plan. This should give us our primary information as to the depth of ore horizon.

I am enclosing a sketch showing the proposed drill holes.

Yours truly,

Woodrow E. Gripe

COPY

Naturita, Colorado
October 10, 1953

W. H. King
U. S. Bureau of Mines
224 New Customhouse
Denver 2, Colorado

Dear Sir:

I would like very well if you would make amendment to the drill holes as according to Mr. McClellan's recommendation at least to the two holes he recommended. As these two holes are very important to me as a producer for it is where I will have to make entrance to the mine if we find ore in any of the holes. I would like for them to be the next drilled. For if we find ore in them I could immediately start the incline. Due to the weather conditions it is very important that I get this incline down and producing ore before the heavy snows set in for it would be too expensive to keep the road open unless we were producing ore. Mr. Al Bush recommended the holes to be drilled in another position. He said that the information from the holes that he recommended would be more beneficial to you folks. I would like to take as much advantage from this drilling as possible from a practical standpoint. These holes that Mr. McClellan recommended will not only have a better position from a producers standpoint but will have less depth to the ore horizon. I don't think that it is necessary that we have any more delay to the amendment of the above said holes. The expense of the application which included engineering, etc. amounted to $1200 before I got the loan and the ten percent of the loan and the time that I put in it seems to me that I should have some consideration. If you check closely you will see that the holes that Mr. McClellan recommended are about the same distance from the fault as those that Mr. Bush recommended.

Yours truly,

/s/ Woodrow E. Gripe

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 9, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2846, Contract Idm-E569 (Uranium), W. E. Gripe, San Miguel County, Colorado - Request to change location of first two drill holes

Enclosed are the original and five copies of Russell R. McLellan's memorandum covering a request by W. E. Gripe to change the location of the first two drill holes authorized in Contract Idm-E569.

McLellan recommends the change and submits a sketch (fig. 1) proposing the revised locations. I approve the changes.

W. M. Traver

W. M. Traver

enclosures

WMT/ab

cc: 5
E569
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 9, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: Russell R. McLellan

Subject: DMEA 2846, Contract Idm-E569 (Uranium), W. E. Gripe, San Miguel County, Colorado - Request to change location of first two drill holes

The Gripe property was examined by the writer on August 20, 1953, shortly after the access road was completed to the area proposed for drilling. On that date, the operator indicated that he planned to request a change of the drilling pattern in order to take advantage of information obtained while constructing the road.

Contract Idm-E569 authorizes 2,500 feet of diamond drilling, or approximately nine holes, which will explore the ore horizon adjacent to a major fault. While constructing the road, the fault is believed to have been crossed at a point approximately 100 feet lower in elevation than the collars of the holes that were spotted higher on the hillside. As nearly as can be determined, the road crosses the fault and parallels it on the upthrown block for a distance of approximately 200 feet (fig. 1). The operator wishes to place the first holes along this 200 feet of road. The writer made a rough Brunton compass survey, shown on figure 1, which indicates that the operator probably is correct in assuming that the holes will be on the proper side of the fault and will be approximately 100 feet lower in elevation.

Pending a memorandum report on the subject from Al Busch of the Geological Survey, it is recommended that the first hole be drilled approximately 50 feet up the road from the apparent fault zone. This hole should be inclined -60° on a bearing of approximately N. 52° E., as indicated on figure 1, diamond drill hole No. 1. If the ore horizon is located by this hole, a second hole should be drilled vertically at a site 100 feet up the road from diamond drill hole No. 1, as shown on figure 1, diamond drill hole No. 2.

Russell R. McLellan
Russell R. McLellan
Mining Engineer

enclosures
RRM/cb

cc: 5, E569, DMEA Chron.

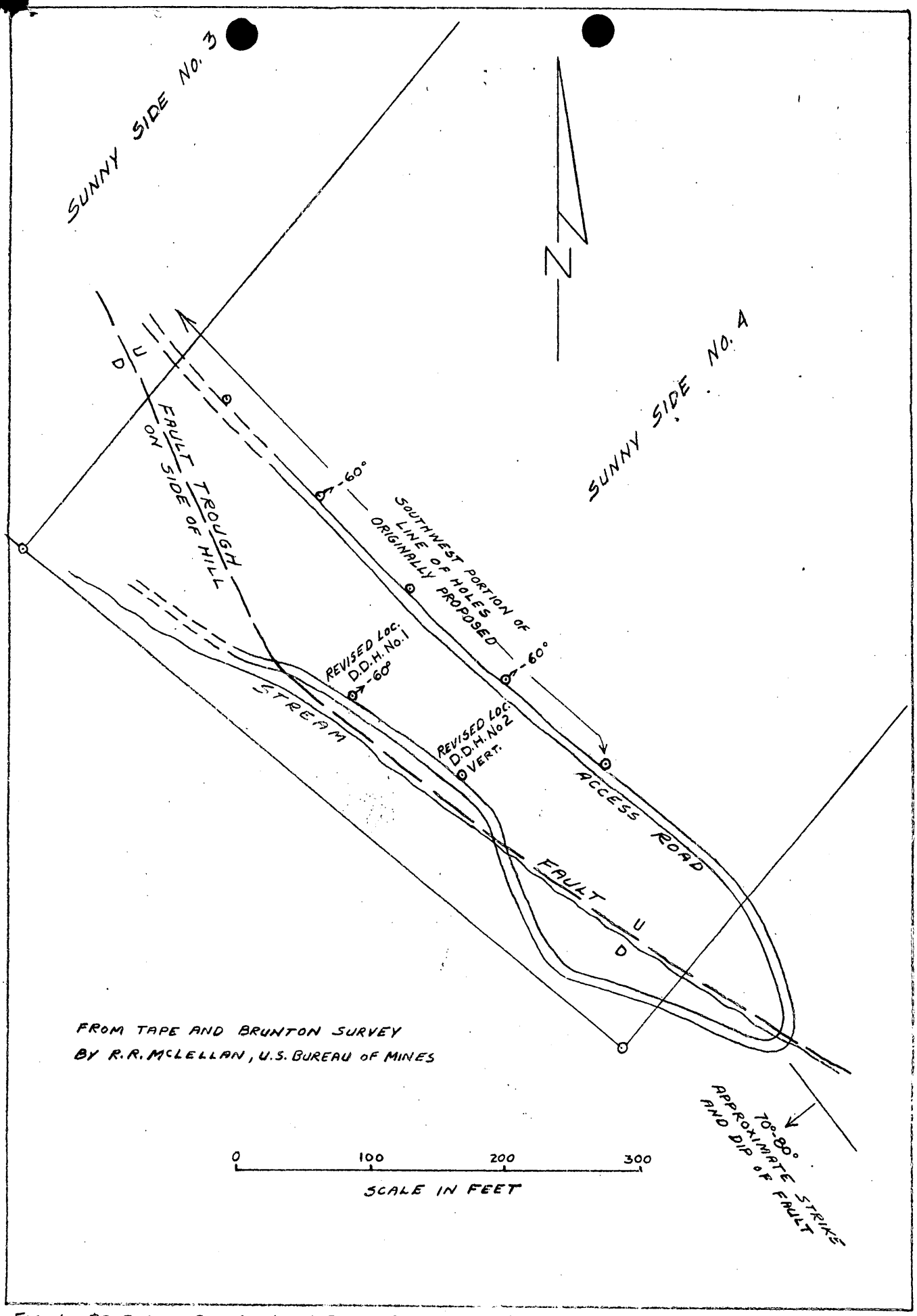


FIG. 1 PROPOSED REVISION OF DRILL PATTERN, GRIPE CLAIMS, D.M.E.A. 2846

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. BOX 360
GRAND JUNCTION, COLORADO

Memorandum October 7, 1953

To: A. D. Koschmann, DMEA Field Team, Region IV A.H.K.

From: A. L. Bush ALB

Subject: Amendments to DMEA Docket 2846 (Uranium), W. K. Gripe, Sunny Side claim group, San Miguel County, Colorado.

1. Revision of number, location, and inclination of diamond-drill holes.

2. Revision of claims covered under DMEA Docket 2846 as now approved.

3. Revision of estimated cost per foot in drilling.

1. The contract, as presently approved, calls for eight diamond-drill holes--four vertical and four at an inclination of 60° to the horizontal--alternately located along a single line, to provide information on the ore-bearing Entrada sandstone along two approximately parallel lines at depth (see fig. 2, DMEA Docket 2846). The original geologic and engineering reports estimate the depth of these holes to be about 100 to 300 feet.

Cursory mapping of the formations exposed at the surface indicates that this depth will be 400 to 450 feet to test the Entrada sandstone. A drill hole, as yet incomplete, substantiates the conclusion. The large increase in depth per hole necessitates revision of the original drilling plans.

A change in the actual locations of the major fault (throw about 100-200 feet) along which drilling was to be done (see fig. 2, DMEA Docket 2846) permits advantage being taken of the steep topography to reach the Entrada sandstone with somewhat shorter holes than would be necessary along the original line of drilling.

Accordingly, drill holes nos. 1 and 2 (see attached sketch map) are retained from the original plan. These holes are 200 feet apart. In addition, holes 3 and 4, 100 feet apart, will be drilled to provide information along a zone roughly parallel to the fault, but sufficiently removed from the fault to avoid shattered ground. The linear relation of these holes is also necessitated by the very steep slope, making drilling possible only along the access road. These holes probably will average between 420 and 440 feet in depth.

The relationship of the road, the stream and the major fault allow two vertical holes to be drilled in the stream bottom, on the upthrown side of the fault. Hole 5 will be about 320 feet deep, and hole 6 will be about 350 feet deep. These holes will provide information on the ore-bearing Entrada sandstone 100 to 200 feet south and southwest of the previous line of holes. This plan will thus provide about as much information on the Entrada sandstone as the original plan, with the expenditure of about the same amount of footage, and despite the greater depths than had been anticipated. Total footage will be 2,350 to 2,500 feet.

The original plan of drilling would test an area of about 200 by 800 feet. The revised plan tests an area of about 600 by 200 feet. The information to be obtained will be comparable. Success in this exploration will probably justify an additional DMEA loan--exceptional success might justify sinking of a shaft or incline without further exploration. Lack of success in the present exploration can probably be interpreted to indicate that the ore bodies are small, and will not justify mining at the depth of 350 to 400 feet that would be involved.

2. Adoption of the plan proposed here necessitates the inclusion of the Basin and Basin No. 1 claims under DMEA Docket 2846, in order to cover the ground on which holes 4, 5, and 6 lie. These claims are owned by W. E. Gripe, according to him, and are recorded in book 175, pages 184 (Basin) and 185 (Basin No. 1), Upper San Miguel mining district, San Miguel County, Colo. Gripe, in the field, was unable to supply a map showing the locations of these claims and their relationship to the Sunny Side claim group. The claims are located on the attached sketch map according to his verbal description.

3. As the estimated cost of drilling per foot was undoubtedly based on anticipated depths of 100 to 300 feet, it is suggested that the figure be reconsidered, based on the more accurate estimate of overall average of 400 feet, with four holes that will probably be over 400 feet deep. Gripes present drilling costs, as contracted, are: 0 to 250 feet, $2.75 per foot; 250 to 400 feet, $2.90 per foot; 400 to 600 feet, $3.25 per foot. As the overall average depth will be about 400 feet, it is suggested that a cost of $2.80 to $2.85 per foot is reasonable. May I suggest that this be brought to the attention of the Bureau of Mines representative?

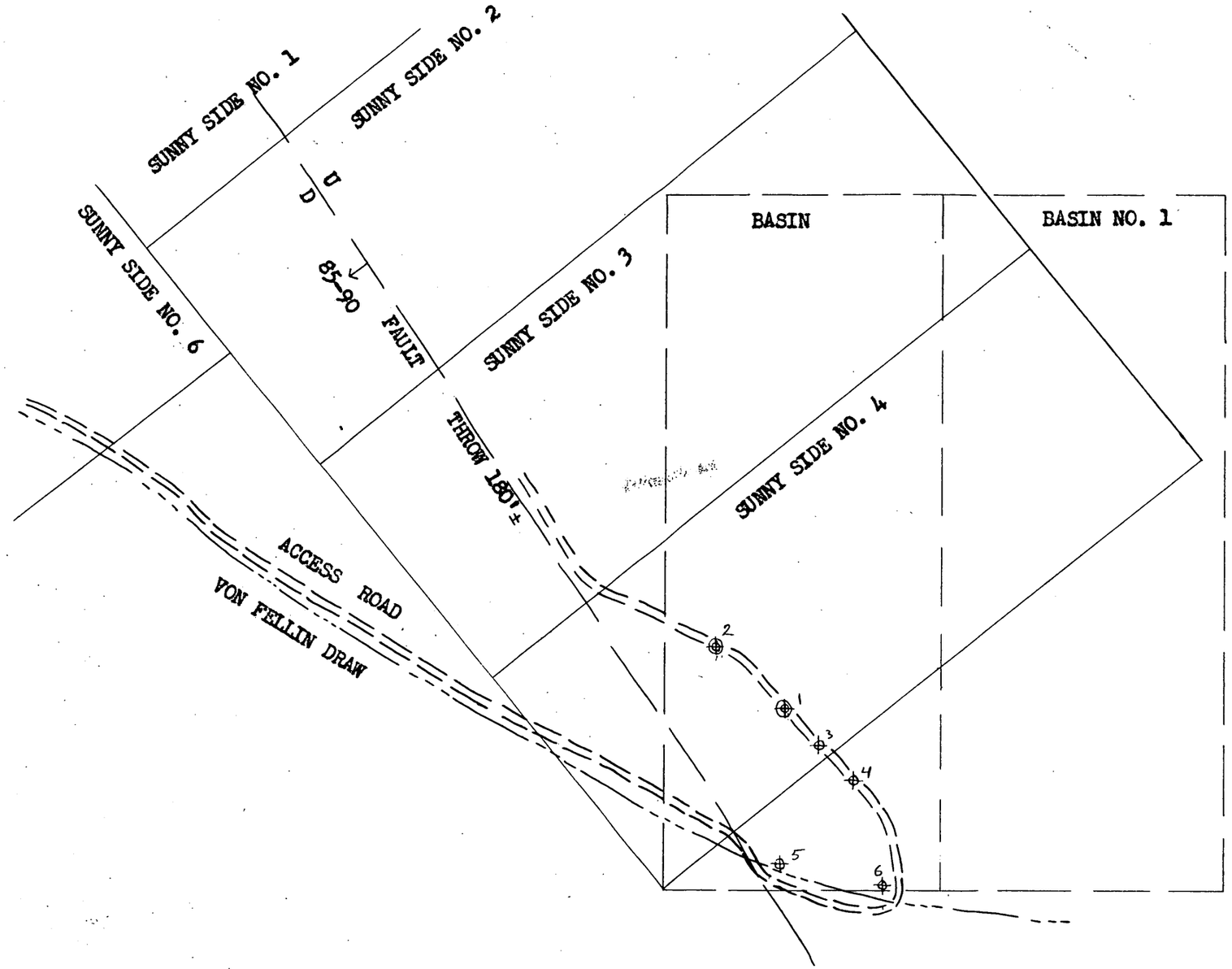
4. As drilling has already begun under the original plan, it will be to the Government's advantage if this revision (items 1 and 2) can be approved before too much progress is made under the original plan.

Alfred L. Bush

cc: A. H. Koschmann (8)

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DMEA DOCKET 2846



N

EXPLANATION

CLAIMS ORIGINALLY INCLUDED IN DMEA DOCKET 2846, LOCATED ACCORDING TO MAP SUPPLIED BY W. E. GRIPE

CLAIMS TO BE ADDED TO DMEA DOCKET 2846, APPROXIMATELY LOCATED

DIAMOND-DRILL HOLE (VERTICAL) RETAINED FROM ORIGINAL PLAN

DIAMOND-DRILL HOLE (VERTICAL) ADDED UNDER REVISED PLAN

SCALE

300 200 100 0 300 600 Feet

SKETCH MAP OF SUNNY SIDE CLAIM GROUP (FROM MAP SUPPLIED BY W. E. GRIPE, OWNER) SHOWING APPROXIMATE LOCATION OF THE BASIN CLAIM GROUP, TO BE ADDED TO DMEA DOCKET 2846 (URANIUM), AND REVISED LOCATION OF DIAMOND-DRILL HOLES

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 20, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMRA 2846, Contract Idm-2569 (Uranium), W. E. Gripe, San Miguel County, Colorado -- Request for revision of drilling pattern, adding claims, and correction of the unit-cost allowance for core drilling

Enclosed are the original and seven copies of W. L. Dare's memorandum recommending a revision of the drilling pattern, the addition of two Basin claims, and correction of the unit-cost recommendation for core drilling on the Gripe project. All recommendations have my approval.

The copy of Bush's memorandum of October 7, transmitted with your memorandum of October 9, 1953, is returned herewith.

W. M. Traver

W. M. Traver

enclosures

WMT/kp

cc 7
2569
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 16, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: W. L. Dare

Subject: DMEA 2846, Contract Idm-2569 (Uranium), W. E. Gripe, San Miguel County, Colorado -- Request for revision of drilling pattern, adding claims, and correction of the unit-cost allowance for core drilling

On August 20, 1953, Woodrow E. Gripe requested an amendment to Contract Idm-2569 to allow for the relocation of the proposed holes, Nos. 1 and 2. This request was based on rather uncertain information concerning the location of the fault outcrop exposed when bulldozing the drill site road. Gripe reasoned that the relocations would permit drilling the two holes at a lower relative elevation resulting in shallower drill hole depths.

McLellan revisited the property, and after checking the surface, approved the relocation of the two holes in his memorandum of September 9, 1953, on the basis that the fault outcrop crosses the road below the proposed new sites, permitting shallower drilling though still remaining within the up-thrown block of the fault. The remaining six holes were to be drilled at their prior approved locations. However, McLellan proposed that one of the new holes be drilled at an

inclination of 60° to the northeast, as were three of the six other holes.

In the original program, four of the eight drill holes were proposed as inclined holes. The steepness of the terrain prohibited bulldozing drill sites northeast of the present road and the angle holes were proposed to explore the extent of mineralization in the dimension perpendicular to and in the up-thrown side of the fault. It was not until the last visit, October 9, 1953, that it was learned Gripe complicated matters by entering into an agreement with a drill contractor whose rig does not permit angle drilling.

A. L. Bush, Geological Survey, knew of this added complication when he submitted his memorandum, and consequently, has modified the original program to allow all vertical holes. His recommendations have taken into consideration two other important factors. One is the depth to the mineralized strata. From available information gained from the Geological Survey files in Grand Junction, it was originally believed that drill hole depths would range between 100 feet to a possible maximum of 300 feet. At the time of the last visit, the first hole in the original proposal was down 350 feet and still an unknown distance above the Entrada formation. Bush estimates that hole No. 1 will have to be 420 feet deep to explore the ore horizon. He believes that the average depth of all holes at his revised locations, will be about 400 feet. Consequently, instead of eight holes, the maximum contract footage will limit the operation to six holes.

The other factor upon which Bush bases his revision is that since the time of the original examination, Gripe has located and filed upon two additional claims, Basin and Basin No. 1, east of Sunnyside No. 4 claim. This additional ground permitted Bush to suggest relocating some of the holes in an area southeast of the original pattern.

The principal question is the location of the fault, as all holes are to be drilled in the up-thrown block. Bush believes that McLellan's revised locations are in the down-thrown block of the fault. This is not thought to be the case. From a mining standpoint, Gripe, in his letter dated October 10, 1953, favors McLellan's locations, although both holes would have to be vertical.

The hole locations will have to conform with the general trend of the road. Additional ground will be incorporated into the contract to cover drilling to the southeast. Drilling as proposed by Bush will be "downhill", lower in elevation, and thus appear more favorable regarding depth to the ore horizon. It is therefore recommended that Bush's pattern be approved with the possible modification of his No. 6 hole. According to Bush, this hole should be located either between holes Nos. 1 and 2, or Nos. 1 and 3, depending upon what is encountered in holes Nos. 2 and 3. From information that will be gained in the field from holes Nos. 4 and 5, relative to the fault and extent of mineralization, it might be better to locate the last hole in the area of McLellan's two revised holes. This hole would give a

lateral picture, perpendicular to the fault, of possible mineralization encountered in holes 1 and 2. Figure 1 attached shows the proposed revision.

Bush is working full time in the immediate area of the project. It is recommended that Bush's pattern be approved but that the field representatives be given authority to give oral approval to modify the pattern where circumstances warrant a change.

In a letter dated September 2, 1953, Gripe requested an increase in the agreed estimated unit cost of drilling. Gripe's subcontract stipulates the following rates: 0 to 250 feet, $2.75 per foot; 250 to 400 feet, $2.90 per foot; and 400 to 600 feet, $3.25 per foot. On the basis that No. 1 hole will be 420 feet deep, the average cost per foot of all holes will be $2.80. This is $0.10 per foot higher than McLallan's original estimate. Because this difference is offset by a cheaper cost for bulldozing than was estimated, the request is recommended for denial instead of approval for $1.00 per foot additional as recommended by memorandum of September 9, 1953.

The Basin claim is recorded in Book 175, page 184, and the Basin No. 1 claim is recorded in the same book, page 185, San Miguel County Courthouse, Telluride, Colorado. It is recommended that these claims be added to Article 2 of the contract.

W. L. Dare
Mining Engineer

enclosure
WLD/kp
cc 7
R569

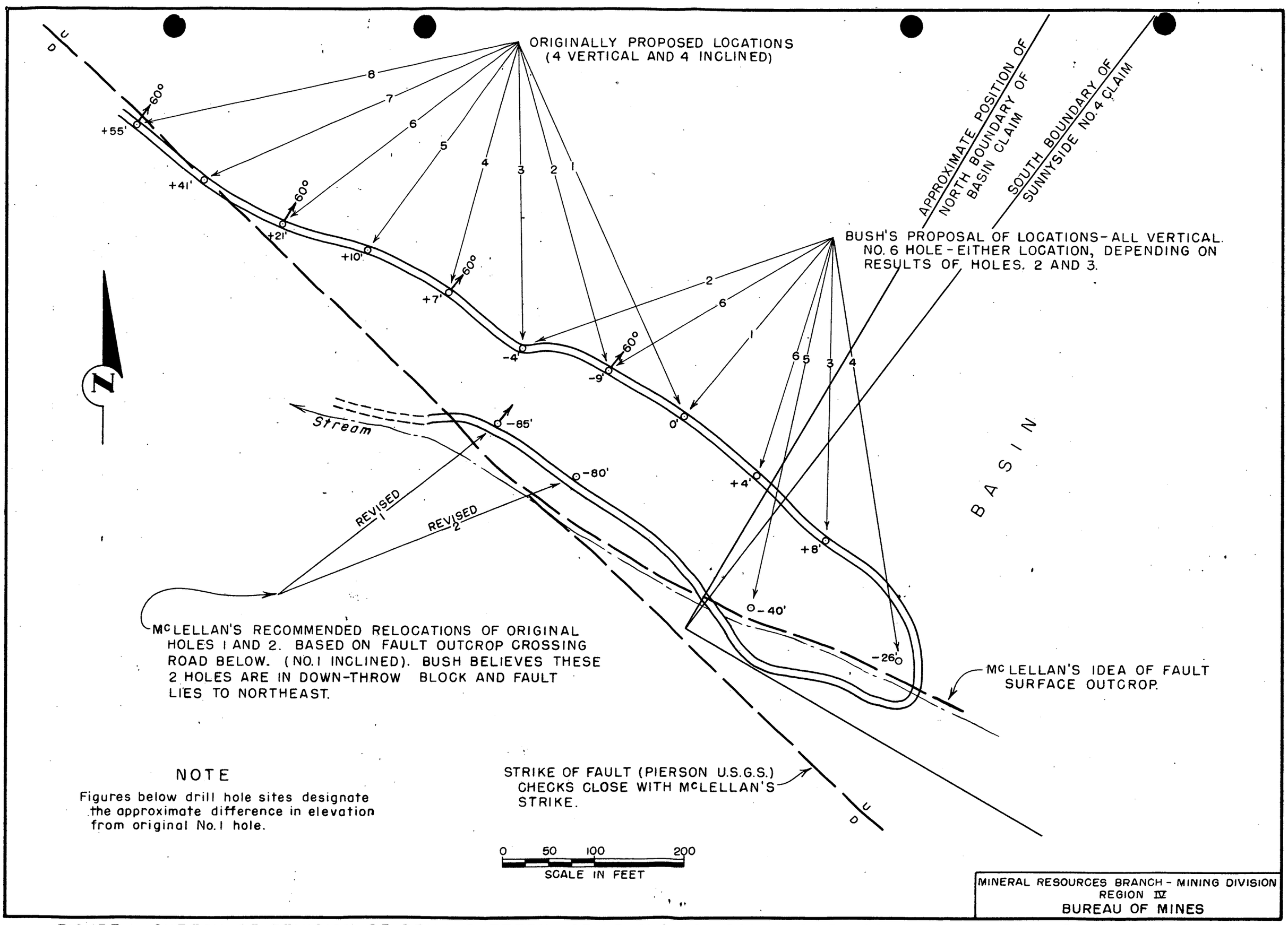


FIGURE 1 - SKETCH OF REVISION OF DRILL PATTERN, GRIPE CLAIMS, SAN MIGUEL COUNTY, COLO. (Idm 569, DMEA 2846)

SEP 21 1953

Mr. L. E. King
Executive Officer
AEC Field Team, Region IV
22k New Customhouse Building
Denver 2, Colorado

Re: Docket No. [illegible] (Uranium)
Contract No. [illegible]
Woodrow E. Gripe
San Miguel County, Colorado

Dear Mr. King:

Reference is made to your memorandum to Mr. Fitzhugh, dated September 3, 1953, enclosing the original and five copies of Amendment No. 1 to the above contract, signed by the Operator.

The amendment has been signed by the Administrator and dated. Three copies are returned herewith for the Operator, the Finance Office and the Field Team.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures 3

ELLIS/gla/db
9-28-53
cc to: Adm. Reading File
Operating Committee
Docket
Messrs: H.D.Kaiser, Rm. 3641
A.P.Butler, Jr., Rm.3212, GSA
Ellis

APPROVED:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

Division Copy

No. 1

AMENDMENT OF CONTRACT: No. Idm-3569

Contract Docket No. DMEA-2846, dated July 13, 1953, between the United States of America and Woodrow R. Gripe, is hereby amended as follows, effective as of the date of said contract:

> Referring to "Article 2. Operator's property rights" of Exploration Project Contract Form MF-200(A), delete the following: "Two unpatented lode mining claims in Sec. 24, T. 43 N., R. 11 W., as follows: Sunnyside No. 3 and Sunnyside No. 4 recorded at the County Courthouse in Telluride in Book Number 175 on pages numbered 180 and 181", and in lieu thereof substitute the following:
>
> "Seven unpatented lode mining claims situated in Section 19, T. 43 N., R. 10 W., and Section 24, T. 43 N., R. 11 W., recorded at the County Courthouse in Telluride, Colorado, as follows:

Claim Name	Book No.	Page No.
Sunny Side	175	179
Sunny Side No. 1	175	179
Sunny Side No. 2	175	180
Sunny Side No. 3	175	180
Sunny Side No. 4	175	181
Sunny Side No. 5	175	181
Sunny Side No. 6	175	182

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated SEP 21 1953

UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense Minerals Exploration Administration

Woodrow R. Gripe, Operator

Pat Hoffland
Alexander

9/17/53 gla

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

224 New Custombouse
Denver 2, Colorado

September 3, 1953

Memorandum

To: C.O. Mittenderf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-2846 (Uranium), Contract Idm-E569, Woodrow E. Gripe, San Miguel County, Colorado

Enclosed are the original and five copies of Amendment No. 1 to Contract Idm-E569 for your signature. This amendment was prepared in this office in accordance with the instructions in the letter from the Chairman of the Operating Committee dated August 18, 1953.

Please retain the original and two copies and return the other three copies to this office for distribution.

W. H. King
W. H. King

Enclosures

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 9/8/53

REFERRED TO:

1. Hazel Berry Room 4624
2. ~~Mr. Selfridge, Rm.~~ 4631
3. ~~Mr. Ellis, Rm. 4640~~
4.

FOR:

---------- Action	---------- Recommendation
---------- Approval	---------- Record of ----------
---------- Comment	
---------- Conference	---------- Referring to ----------
---------- Consideration	
---------- Filing	---------- Reply for signature of ----------
---------- Instructions	
---------- Investigation	---------- Rewriting
---------- Initials	---------- Signature
---------- Mailing	---------- Suggestions
---------- Previous correspondence	---------- Your information

REMARKS: Original of Field letter ret'd to R&R; attached 6 cc proposed Am. #1.

Hazel

OK (Murphy)

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

GPO 16—63815-1

AUG 1 8 1953

Mr. [illegible] L. King
Executive Officer
AEC Field Team, Region IV
223, New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA-2346 (Uranium)
Contract No. [illegible]
[illegible] Gripe
San Miguel County, Colorado

Dear Mr. King:

A copy of the captioned contract dated July 13, 1953, signed by the Operator and by you for the Government, is acknowledged.

We note in Article 2 of this contract that only two claims, the Sunspeide Nos. 3 and 4, are made subject to Government royalty provisions, although all of the seven claims listed in the Owner's application for Government assistance may reasonably be expected to benefit from the proposed exploration work. If there is a reason for excluding these claims, namely the Sunspeide, Sunspeide Nos. 1, 2, 5, and 6, we would appreciate having a statement to that effect for our files. However, if you agree that these claims may be benefited, they should with the Operator's consent be included in an amendment to the contract.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

A [illegible]

J. H. Hedges
Member, Bureau of Mines

Dwn L.
Member, Geological Survey

WSMurphy/db
8-17-53
cc to: Adm. Reading File
Operating Committee
Docket
Messrs. H. D. Reiser, Rm. 3641
A. P. Buhler, Jr., Rm. 3206, GSA
Ellis
Murphy

July 30, 1953

Memorandum

To: Hazel Berry, Operating Committee

From: Grace L. Ault, Rare & Misc. Metals Division

Subject: Docket No. DMEA-2846 (Uranium)
Contract No. Idm-E569
Woodrow E. Gripe
San Miguel County, Colorado

Mr. Murphy reviewed the above contract, dated July 13, 1953, which was finalized by Region IV, as well as the Field Team report dated June 17, 1953, transmitted by Mr. King's memorandum of June 25, and recommends that it be referred to the Legal Division for the following reason:

Contract should include all claims owned by Woodrow E. Gripe. Claims Sunnyside, Sunnyside 1, 2, 5 and 6 should be added since they are contiguous to the claims that will be explored and may benefit thereby as they lie along the same fault strike.

/s/
Grace L. Ault

Date July 22, 1953

Engineer ~~Mr. Knouse~~ Murphy (No Engineer assigned)

Contract finalized by Region IV

DMRA- 2846
Idm-E 569

Attached is ~~Amendment No.~~ ~~to the above~~ contract to be reviewed.

Approval _____

Other Action Refer to Legal - Murphy

Please return this slip to me for my records.

Mrs. Ault

1) contract should include all claims owned by Woodrow E. Cripe. Claims Sunny side, Sunny side 1, 2, 5 and 6 should be added.

7/22/53

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

224 New Customhouse
Denver 2, Colorado

July 15, 1953

REGISTERED

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract No. Idm-E569, Docket DMEA-2846, Woodrow E. Gripe, San Miguel County, Colorado (Uranium)

Enclosed are the original and two copies of Contract Idm-E569. Copies of this contract have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King
W. H. King

Enclosures

I added to menu

since they are contiguous to the claims that will be explored and benefit thereby as they lie along the same fault strike.

MF-200 (A)
(February 1952)

Mineral Resources Branch

Date Rec'd
JUL 6 1953
BUREAU OF MINES
Denver, Colorado

DIST. ENGR.	
EXAMINATION	
DIST. CLERK	
PERSONNEL	
FILES	

DOCKET NO. DMEA [redacted]

COMMODITY [redacted]

Idm-E569

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 20 1953

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 13th day of July, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] [redacted]

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of [redacted], County of [redacted], described as follows: [redacted]

the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: [redacted]

(*b*) [redacted]. The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within [redacted] days from the date of this contract shall commence work on a project of exploration for[5] [redacted]

in or upon the described land; and shall bring the project to completion within a period of [redacted] from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay [redacted] percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $[redacted], which is [redacted] percent of $[redacted], the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or 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 ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* .....

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Woodrow E. Grigg
(Operator)

By W. H. King
Executive Officer, DMEA
Field Team, Region IV

By .....

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

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

EXHIBIT "A"

Description of the Work

Building approximately 1/4 mile of access roads and roads to drill sites on the Sunnyside No. 3 and Sunnyside No. 4 claims.

Starting on the Sunnyside No. 4 claim, diamond drill a single row of holes parallel to and in the footwall side of the fault. The holes are to be spaced at intervals of 100 feet and are to extend through the ore horizon in the upper Entrada sandstone. The holes are to be drilled alternately vertical and inclined to 60 degrees to the northeast to obtain two roughly parallel rows of holes in the ore horizon.

The location of eight proposed holes is shown on Figure 2 which is attached and made a part of this exhibit. If the total authorized footage of 2500 feet has not been used in drilling these eight holes, additional holes may be authorized. The location, depth and inclination of any additional holes must have the prior written approval of the DGMA representative.

Diamond drill holes must not be drilled smaller than AX size.

All drill cores should be split and one-half retained for the use of the DGMA.

Monthly progress reports must be accompanied by certified drill logs.

Estimated Costs of the Project

1/ 2500 feet of diamond drilling through the ore horizon of the Upper Entrada sandstone at an over-all unit cost of $4.10 per foot -	$10,250.00
Total Cost of Project -	$10,250.00
Government Participation at 95% -	$ 9,737.50

1/ Includes access road, roads to drill sites, drill site preparation, and all other costs incurred in the completion of the work.

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

Mr. Woodrow E. Gripe
P. O. Box 225
Naturita, Colorado

OCT 12 1955

Re: Docket No. DMEA-2846 (Uranium)
Contract No. Idm-2569
Durangaide and Basin Claims
San Miguel County, Colorado

Dear Mr. Gripe:

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

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

Your interest in the DMEA exploration program and participation therein are fully appreciated.

Sincerely yours,

Frank E. Johnson

Acting Administrator

MChing/gla
10-11-55
cc to: Admr.'s Reading File
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JoHosted, Rm. 3210, GSA
Contract Adm. & Audit Division
Code 700
Mr. Ching
Mr. Johnson
DMEA Field Team, Region III (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

RECEIVED
SEP 16 1955

September 16, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4445

From: John E. Crawford, Bureau of Mines Member
Uranium Commodity Committee

Subject: Report of examination, DMEA Docket 2846, Woodrow E. Gripe, Sunnyside and Basin Claims, San Miguel County, Colorado

I have reviewed the Field Team report of examination, Sunnyside and Basin Claims, DMEA Docket 2846; and I have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

The Field Team reports that the project did not result in a discovery of uranium ore, and that a certification of discovery or development is not recommendation.

We concur in the recommendation for denial.

The report is being forwarded to the Chief, Division of Minerals, in accordance with the routing slip attached thereto.

John E. Crawford

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

September 16, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4445

From: John K. Crawford, Bureau of Mines Member
Uranium Commodity Committee

Subject: Report of examination, DMEA Docket 2846, Woodrow E. Gripe, Sunnyside and Basin Claims, San Miguel County, Colorado

I have reviewed the Field Team report of examination, Sunnyside and Basin Claims, DMEA Docket 2846; and I have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

The Field Team reports that the project did not result in a discovery of uranium ore, and that a certification of discovery or development is not recommendation.

We concur in the recommendation for denial.

The report is being forwarded to the Chief, Division of Minerals, in accordance with the routing slip attached thereto.

John K. Crawford

9/19/55 gla

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

RECEIVED
SEP 16 1955

224 New Customhouse
Denver 2, Colorado

September 13, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2846 (Uranium), Contract Idm-569, Woodrow E. Gripe, Sunnyside and Basin Claim, San Miguel County, Colorado - FINAL PAYMENT.

Enclosed are two copies of a memorandum to T. A. Christensen, dated September 2, 1955, relative to final payment under the terms of the subject contract.

W. M. Traver

W. M. Traver

Enclosures

UNITED STATES DEPARTMENT OF THE INTERIOR

RECEIVED
SEP 1 1955

224 New Customhouse
Denver 2, Colorado

September 2, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2846 (Uranium), Contract Idm-569, Woodrow E. Orice, Sunnyside and Basin Claim, San Miguel County, Colorado - FINAL PAYMENT.

Reference is made to our memorandum of February 17, 1955, whereby we transmitted the final Form MF-104, Operator's Monthly Progress Report and Voucher for the period of November and December 1954, and instructed you to withhold the amount of $500.00 from reimbursement to the Operator pending receipt of the Operator's final report and release of the final Report of Review by the Contract Administration and Audit Division.

We have received approval from Washington, by letter dated August 29, 1955, to waive the requirement for the Operator's final report. We now recommend that final payment to the Operator be made on the following basis which is in conformance with the Report of Review by the Contract Administration and Audit Division released to this office on August 29, 1955.

Basis for Final Payment

Total Accepted Costs as per Report of Review	$7,724.40
Government Participation at 90 Percent	6,951.96
Total Prior Payments	6,451.96
Due the Operator	$ 500.00

As instructed by the Operator, payment due should be mailed to the First National Bank of Grand Junction, Colorado.

W. M. TRAVER,

W. M. Traver

Paid $500.00
RRC
Randel R. Cooper
Authorized Certifying Officer
9-7-55 DMA-56-24

WD:jy
cc: MF-104 File Idm-E569
Sec. Opr. Comm. (2)
Shaw (2)
Townsend
Chron.

[illegible]
[illegible]

[illegible] New Customhouse
Denver 2, Colorado

September 2, 1955

Mr. Woodrow E. Grigo
P. O. Box 285
Naturita
Colorado

Re: Project NEEA [illegible]
Contract AEc-[illegible]

Dear Mr. Grigo:

In accordance with the authority delegated this office, we hereby waive the requirement stipulated in Article 5(b) of Contract AEc-[illegible], which obligates you to provide the Government with an adequate geological and engineering report in quintuplicate.

Today we processed final payment due you for work completed under the project contract. As requested by you, this payment will be mailed to The First National Bank of Grand Junction, Colorado.

Very truly yours,

W. M. TRAVER

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

WMT:prl
cc: Secretary, Operating Committee (2)
Shaw (2)
Harshman
Hasler
Townsend
Corres. E-569
Chron.

Waiver Opr.'s final report

8/25/55 gla

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

AUG 23 1955

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

Re: Woodrow E. Gripe
Docket No. DMEA-2846 (Uranium)
Contract No. Ida-2569

Dear Mr. Finch:

The Monthly Work Load Reports for May, June, and July have indicated that your Report of Review in lieu of a final audit, covering the referenced project contract, was being held for additional information.

It has been presumed that the additional information required was the confirmation by the Field Team of the acceptable units of work performed. However, a memorandum dated August 19, 1955, addressed to the Chairman of the Operating Committee by the Executive Officer states that the final Geological Survey report and the final Bureau of Mines report were received on February 1 and March 8, respectively. This memorandum further indicates that this Division is withholding release of the Report of Review pending receipt or waiver of the Operator's final engineering and geological report.

In this connection your attention is invited to Mr. Chambers' letter of December 8, 1953, addressed to Mr. George Mavor, DMEA Auditor, in reference to contract Ida-2455, docket DMEA-1953, Frank Bullock. This letter, a copy of which was furnished all DMEA auditors for their instruction and guidance, states in part:

> "It is, however, not your responsibility to enforce submission by the Operator of his final report, which serves no purpose in your audit. This responsibility is with the Executive Officer of the DMEA Field Team."

Mr. Chambers' letter further advises that, in releasing Reports of Review, both the Executive Officer and the Certifying Officer should be advised to withhold complete payment until all contractual requirements are fulfilled.

Accordingly, it appears that this Report of Review should be released for normal distribution.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

EDTalbert/wb 8/23/55

Copy to: Docket
Admr. Reading File
Mr. Ellis
Mr. Chambers

700

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

AUG 2 9 1955

Mr. [illegible] Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. [illegible]-2646 (Grading)
Contract No. Idm-1569
Andrew S. Gripe
Sunnyside and Basin Claims
San Miguel County, Colorado

Dear Mr. Traver:

Reference is made to your memorandum, dated August 19, 1955, regarding closing out the subject contract.

Since the Administrator's letter of April 7, to the Operator's attorney we have had no further word from the Operator regarding an appeal from your decision disallowing payment on work not covered by the contract. We agree that a final report by the Operator will contribute little to the information already on hand and suggest that you waive such report and close out the contract in the manner outlined in your memorandum.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

P. F. Yopes
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

MChing:am
8-24-55

cc to: Admr. Reading File
Operating Committee
Docket

Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5222
J. C. Hosted, Rm. 3210, GSA
Code 700
Mr. Ching

8/23/55 gla

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

224 New Customhouse
Denver, Colorado

August 19, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

RECEIVED AUG 2 1955

Subject: Docket DMEA 2846 (Uranium), Contract Idm-E569, WoOdrow E. Gripe, Sunnyside and Basin Claims, San Miguel County, Colorado

Contract Idm-E569 was terminated by notice on June 15, 1955. The justification for termination was that in the opinion of the Government completed work did not indicate the probability of making any worth while discovery and additional work was not considered justified. The operator's final monthly report and voucher for the period of November and December 1954 were processed by this office on February 17, 1955. Payment of Government participation in approved work completed during this period was made with the exception of $500.00. The operator was notified that this amount was withheld until his final report and the final Audit Certificate and Report of Review by the Contract Administration and Audit Division were received. The operator, through his attorney, later indicated his intentions of appealing a disallowance made from money claimed in his final monthly voucher. This disallowance was recommended by this office as the work it represented was not considered as in agreement with the work provisions of the contract. We have heard nothing of this proposed appeal since April 11, 1955 when we received a copy of the Administrator's letter to the operator's attorney, dated April 7, 1955, in which theAdministrator stated the circumstances relative to the disallowance.

The final geologic report by the Geologic Survey was received in this office on February 1, 1955 and the final engineering report by the Bureau of Mines was received on March 8, 1955. We have written the operator requesting his final report but he has not given the slightest indication that he intends to cooperate. The final Audit Certificate and Report of Review will be released to us by the Contract Administration and Audit Division when a course of action for closing out this project has been agreed upon. To permit closing out this contract we wish to waive the operator's requirement for a final report, and upon receipt of the Audit Certificate and Report of Review, release the $500.00 which was earlier approved as due him. The final engineering and geologic reports fully cover work completed under the contract and although this waiver

is interpreted to be within our delegated authority, according to DMEA Memorandum 14, dated February 4, 1953, we would like to clear this matter with you in order to avoid conflict with any pending action relative to the operator's appeal for reinstating the disallowance.

When clearance has been received from you, we will close out this contract and remit the $500.00 to the First National Bank of Grand Junction, Colorado, acting under power of attorney for the operator.

W. M. Traver

W. M. Traver

UNITED STATES DEPT. OF INTERIOR
Defense Minerals Exploration Administration
Washington 25, D.C.

224 New Customhouse
Denver, Colorado

August 1, 1955

Mr. Woodrow E. Gripe
P. O. Box 225
Naturita, Colorado

Re: Docket DMEA 2846
Contract IDm-R569

Dear Mr. Gripe:

As required by Article 5(b) in Contract IDm-R569, and as stipulated in the Notice of Termination sent to you, dated June 15, 1955, you are obligated to prepare and submit five copies of a final report covering work completed under the project contract. We would very much appreciate receiving this report for it would permit us to process the $500.00 still due you which was withheld until your report is received.

Very truly yours,

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

WLD:dja

cc: Sec.Op.Comm.(3)
Shaw (2)
Marshman
Hasler
Townsend
Subject
Chron

JUN - 9 1955

Mr. W. M. Trever
Executive Officer
DMEA Field Team, Region III
23d New Customhouse Building
Denver 2, Colorado

Re: Docket No. D054-2846 (Uranium)
Contract No. Ida-5569
Woodrow E. Gripe
Sunnyside and Main Claims
San Miguel County, Colorado

Dear Mr. Trever:

In connection with your memorandum of May 19, 1955 concerning termination of the subject contract we are forwarding the original and five copies of a Notice of Termination prepared for your dating and signature.

Upon execution of the notice please make the usual distribution.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

APPROVED:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

HChing:sm
6-7-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, OSA
Code 700
Mr. Ching

709

5/24/55 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

WASHINGTON 25, D. C.

May 19, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2846 (Uranium), Contract Idm-E569, Woodrow E. Gripe, Sunnyside No. 3 and 4 claims, San Miguel County, Colorado

By your teletype of December 15, 1954 you authorized us to terminate the subject contract under the provisions of Article 8(c) of the contract form after completion of the fifth hole.

We have deferred the issuance of a formal termination notice because of developments in the matter which are indicated by the Administrator's letter of April 7, 1955 to Mr. Samuel C. Polk, Attorney at Law, Nucla, Colorado.

We will appreciate your advice as to whether we should prepare a termination notice under the provisions of Article 8(c) and forward it on to the operator or if, in view of problems that have arisen since your teletype of December 15, you wish to prepare the termination notice in the Washington office.

W. M. Traver

W. M. Traver

original sent to Legal w/ docket under route slip for attention 5/25/55 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR 140
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

APR - 7 1955

Mr. Samuel C. Polk
Attorney at Law
Nucla, Colorado

Re: Docket No. DMEA-2846 (Uranium)
Contract No. Idm-2569
Woodrow E. Gripe, Operator

Dear Mr. Polk:

This is in reply to your letter of February 25 to the field office of this administration at Denver, Colorado, attention of Mr. W. M. Traver, Executive Officer, enquiring as to the procedure for appealing from his decision disallowing your claim for contribution to the costs of drilling hole No. 2-B. In this connection you remark upon Mr. Traver's failure to "comment upon the explanation of the circumstances of the change in the hole location which Mr. Gripe gave in his letter dated January 15, 1955."

An examination of the docket in this matter reveals that:--

1. The hole in question was not located as specified in the contract.

2. The failure to conform with the requirements of the contract with respect to spotting the hole was intentional.

3. In the opinion of the Government the location of the hole is unsatisfactory, and the work performed in drilling it did not aid in carrying out the purposes of the contract.

4. No authority of the Government for departing from the location specified in the contract was sought or given before the hole was spotted.

Nothing in Mr. Gripe's letter of January 15 controverts any of the above statements. Accepting what Mr. Gripe says about the situation, the most that can be made from it is

that in a casual conversation about the spotting of the hole, Mr. Bush (the DMEA representative) did not say anything to the contrary when Mr. Gripe "mentioned the possibility that we should go either way from the hole No. 2-A--westerly or easterly along the road--and he did not say that we should not go westerly because the map did not so provide." Mr. Bush has stated that he did not visit the property until after the hole was some tens of feet deep; that he did not then realize it had been incorrectly spotted, and that as soon as he did realize it, he so notified you.

If in spite of the foregoing you still wish to appeal from the decision of the Field Team Executive Officer there are attached hereto, pursuant to your request, a copy of DMEA Order No. 1, and a copy of the regulations of the Board of Contract Appeals of the Department of the Interior.

Sincerely yours,

C. O. Mittendorf

Administrator

Attachments (2)

JLHofflund:gjb 4/5/55

Copy to: DMEA Docket
Sol. Docket
Adm. R. File
T. H. Kiilsgaard (GS)
J. E. Crawford (BM)
E. W. Ellis
DMEA Field Team, Reg. III (2)
J. L. Hofflund
Chron. File
Pending File
Operating Committee

March 30, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

From: Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-2886 (Uranium)
Contract No. Ldm-1569
Woodrow E. Grigg
Sunnyside and Basin Claims
San Miguel County, Colorado

Reference is made to your memorandum to the Administrator, dated March 28, 1955, concerning the disallowance of a hole drilled at an unauthorized location under the subject contract.

Applying the test suggested by you, the Government definitely would not have accepted the unauthorized location at the outset if the contractor had requested it. This stand is based on the fact that the drilling plan as shown on Figure No. 1, attached to Amendment No. 2, was drawn up with the idea of locating the holes as far to the south and east as possible in order to take advantage of the topography and minimize the depth of the holes. The location of the unauthorized hole is further to the northwest than any of the holes shown on the map and considered objectionable because it is inconsistent with an important objective of the drilling plan.

In another instance, due to the Operator's tendency to disregard the specifications of the contract, hole No. 6 was drilled before hole No. 5 without the approval of the [illegible] Team, and the work was terminated before the latter hole was drilled. In this latter case the Government is willing to waive the departure from specifications since it is considered unimportant.

Ernest Wm. Ellis

MChing/gla
Copy to: Docket
Code 700
Mr. Ching

3/29/55 gla

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

APR 1955

Memorandum

To: The Administrator, DMEA
Attention: E. W. Ellis

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-2846 (Uranium), Contract No. Idm-E569, Woodrow E. Gripe, San Miguel County, Colorado

Mr. Ching discussed with me informally a letter dated February 5 from Samuel C. Polk, attorney, to DMEA concerning the disallowance by the field team of the cost of drilling one hole which is said to be at a location different from that specified in the contract. I agreed with Mr. Ching that this office should prepare a reply, but I do not find sufficient information in the docket file from which to come to a conclusion as to what the reply should be.

It seems to me that work should not be disallowed merely because it fails to conform with the specifications of the contract; it should be disallowed rather if it fails both to conform and also fails to accomplish the purpose of the specification which was violated. Of course, once a hole is put down in a wrong location without finding anything, it can be contended that if it had been put down in the location specified it might have found something. The correct test, it seems to me, is whether the hole completed in the wrong location would have been acceptable to the Government at the outset if the contractor had sought the Government's consent.

The Government may waive departures from specifications which it deems unimportant. I need to know whether this departure from specifications is deemed to have been objectionable, or whether it was harmless and should be waived.

JLHofflund:gjb 3/28/55

J. L. Hofflund

Copy to: DMEA Docket
Sol. Docket
E. W. Ellis
J. L. Hofflund
Chron. File

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

3/15/55 gla

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

224 New Customhouse
Denver 2, Colorado

INTERIOR DEPT.
MAR 22 1955
SOLICITOR

March 10, 1955

AIRMAIL
SPECIAL DELIVERY

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2846 (Uranium), Contract Idm-E569, Woodrow E. Gripe, San Miguel County, Colorado

In response to your teletype of March 8, 1955, there are enclosed the original and three copies of a memorandum by A. L. Bush, U.S.G.S., answering your inquiries concerning the various contentions of Gripe and Cassity regarding the drill hole in question on the subject property.

Apparently Bush made no comment to the drill foreman with respect to the location of the drill hole but did inform Gripe by telephone that it was being drilled in the wrong location. He also warned Gripe during the time the hole was in progress that payment might not be approved and restated that possibility again after the hole had been completed.

It is the opinion of this office that according to Contract Amendment No. 2 diamond drill holes were to be drilled consecutively at locations shown on the map Figure (1) attached to the amendment.

There is no justification for the contractor's appeal of the disallowance of his claim for reimbursement.

W. M. Traver

W. M. Traver

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
Date Rec'd.
MAR 1? 1955
BUREAU OF MINES
DENVER, COLORADO

Colorado Plateau District
P. O. Box 360
Grand Junction, Colorado

March 9, 1955

Air Mail, Special Delivery

Memorandum

To: W. M. Traver, U. S. Bureau of Mines, Denver

From: A. L.Bush

Subject: Memorandum regarding letter of W. E. Gripe, January 15, 1955, to W. M. Traver on DMEA 2846, contract Idm-E 569

In the matter of statements made regarding drill hole WG-2 (see map attached to final geologic report of January 27, 1955), drill hole WG-2 was started in late September, 1954. As I am employed by the Geological Survey, and not by W. E. Gripe, I was not present to spot the drill hole, nor to approve its location. It should be pointed out that Gripe had a copy of the drill hole plan map.

I first visited the site when drilling was some tens of feet deep. Because the approved drilling plan called for 2 holes 100-feet apart, I did not immediately realize that hole WG-2 should have been drilled 100 feet east, rather than 100 feet west of the original hole. On my second visit,a few days later, I noticed the error. No comment was made to the driller, who is a contractor to W. E. Gripe - not to the USGS or to A. L. Bush. The hole at this time was about 200 feet deep. That evening I contacted Gripe by phone; asked him if he had a copy of the map and if he realized the hole was drilled at an unapproved location. He said he had not realized it. I pointed out to him the possibility that no payment might be made for the hole. This date was about September 24; I have a record of a phone call to Gripe on the 24th, but the call was a report charge - indicating that Gripe was not at home. It is my recollection that he returned my call, and the charge was put on his own phone bill.

Specifically, of course, Gripe was never entitled to wait for me to spot a hole - that was solely his responsibility; nor can he expect to have me give orders to his contractor. My responsibility ended with the statement to Gripe that the drill hole was not at a point previously approved in the drill plan. He had entire discretion and right to tell his contractor to drill wherever he desired.

My statement in regard to approval of the hole was made while the hole was being drilled. This is meant to be a direct refutation of the statement in paragraph 6 of Gripe' letter to Traver of January 15, 1955, and I quote: "The first time that Bush said anything about disallowing hole 2-B was after it and hole No. 1 had been completed, and No. 1 had been probed with no showing of ore. At that time I wanted Bush to recommend dropping back half way toward No. 2 from No. 1, and he refused in spite of my urging. He then said, for the first time, that he would not approve hole 2-B." Gripe asked me, upon completion of hole WG-2, if it would be approved, and I told him that I did not approve or disapprove the holes, but that I saw no reason to recommend its approval.

Gripe's letter of January 15 states: "While hole No. '2-A' was still being drilled, I talked with Bush about the location of the next hole, and I mentioned the possibility that we should go either way from hole No. 2-A--westerly or easterly along the road-- and he did not say that we could not go westerly because the map did not so provide." This is partly true. I did not say that he could not go easterly or westerly along the road because the map did not so provide. This is because, to the best of my recollection, the subject was never discussed.

A. L. Bush (R)

A. L. Bush, Geologist

ALB/klr

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
Rec'd
MAR 1? 1955
BUREAU OF MINES
Denver, Colorado

Colorado Plateau District
P. O. Box 360
Grand Junction, Colorado

March 9, 1955

Air Mail, Special Delivery

Memorandum

To: W. M. Traver, U. S. Bureau of Mines, Denver

From: A. L. Bush

Subject: Memorandum regarding letter of W. E. Gripe, January 15, 1955, to W. M. Traver on DMEA 2846, contract Idm-E 569

In the matter of statements made regarding drill hole WG-2 (see map attached to final geologic report of January 27, 1955), drill hole WG-2 was started in late September, 1954. As I am employed by the Geological Survey, and not by W. E. Gripe, I was not present to spot the drill hole, nor to approve its location. It should be pointed out that Gripe had a copy of the drill hole plan map.

I first visited the site when drilling was some tens of feet deep. Because the approved drilling plan called for 2 holes 100-feet apart, I did not immediately realize that hole WG-2 should have been drilled 100 feet east, rather than 100 feet west of the original hole. On my second visit, a few days later, I noticed the error. No comment was made to the driller, who is a contractor to W. E. Gripe - not to the USGS or to A. L. Bush. The hole at this time was about 200 feet deep. That evening I contacted Gripe by phone; asked him if he had a copy of the map and if he realized the hole was drilled at an unapproved location. He said he had not realized it. I pointed out to him the possibility that no payment might be made for the hole. This date was about September 24; I have a record of a phone call to Gripe on the 24th, but the call was a report charge - indicating that Gripe was not at home. It is my recollection that he returned my call, and the charge was put on his own phone bill.

Specifically, of course, Gripe was never entitled to wait for me to spot a hole - that was solely his responsibility; nor can he expect to have me give orders to his contractor. My responsibility ended with the statement to Gripe that the drill hole was not at a point previously approved in the drill plan. He had entire discretion and right to tell his contractor to drill wherever he desired.

My statement in regard to approval of the hole was made while the hole was being drilled. This is meant to be a direct refutation of the statement in paragraph 6 of gripe's letter to Traver of January 15, 1955, and I quote: "The first time that Bush said anything about disallowing hole 2-B was after it and hole No. 1 had been completed, and No. 1 had been probed with no showing of ore. At that time I wanted Bush to recommend dropping back half way toward No. 2 from No. 1, and he refused in spite of my urging. He then said, for the first time, that he would not approve hole 2-B." Gripe asked me, upon completion of hole WG-2, if it would be approved, and I told him that I did not approve or disapprove the holes, but that I saw no reason to recommend its approval.

Gripe's letter of January 15 states: "While hole No. '2-A' was still being drilled, I talked with Bush about the location of the next hole, and I mentioned the possibility that we should go either way from hole No. 2-A--westerly or easterly along the road--and he did not say that we could not go westerly because the map did not so provide." This is partly true. I did not say that he could not go easterly or westerly along the road because the map did not so provide. This is because, to the best of my recollection, the subject was never discussed.

A. L. Bush, Geologist

ALB/mlr

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
Date Rec'd
MAR 10 1955
BUREAU OF MINES
Denver, Colorado

Colorado Plateau District
P. O. Box 360
Grand Junction, Colorado

March 9, 1955

Air Mail, Special Delivery

Memorandum

To: W. M. Traver, U. S. Bureau of Mines, Denver

From: A. L. Bush

Subject: Memorandum regarding letter of W. E. Gripe, January 15, 1955, to W. M. Traver on DMEA 2846, contract Idm-E 569

In the matter of statements made regarding drill hole WG-2 (see map attached to final geologic report of January 27, 1955), drill hole WG-2 was started in late September, 1954. As I am employed by the Geological Survey, and not by W. E. Gripe, I was not present to spot the drill hole, nor to approve its location. It should be pointed out that Gripe had a copy of the drill hole plan map.

I first visited the site when drilling was some tens of feet deep. Because the approved drilling plan called for 2 holes 100-feet apart, I did not immediately realize that hole WG-2 should have been drilled 100 feet east, rather than 100 feet west of the original hole. On my second visit, a few days later, I noticed the error. No comment was made to the driller, who is a contractor to W. E. Gripe - not to the USGS or to A. L. Bush. The hole at this time was about 200 feet deep. That evening I contacted Gripe by phone; asked him if he had a copy of the map and if he realized the hole was drilled at an unapproved location. He said he had not realized it. I pointed out to him the possibility that no payment might be made for the hole. This date was about September 24; I have a record of a phone call to Gripe on the 24th, but the call was a report charge - indicating that Gripe was not at home. It is my recollection that he returned my call, and the charge was put on his own phone bill.

Specifically, of course, Gripe was never entitled to wait for me to spot a hole - that was solely his responsibility; nor can he expect to have me give orders to his contractor. My responsibility ended with the statement to Gripe that the drill hole was not at a point previously approved in the drill plan. He had entire discretion and right to tell his contractor to drill wherever he desired.

My statement in regard to approval of the hole was made while the hole was being drilled. This is meant to be a direct refutation of the statement in paragraph 6 of gripe's letter to Traver of January 15, 1955, and I quote: "The first time that Bush said anything about disallowing hole 2-B was after it and hole No. 1 had been completed, and No. 1 had been probed with no showing of ore. At that time I wanted Bush to recommend dropping back half way toward No. 2 from No. 1, and he refused in spite of my urging. He then said, for the first time, that he would not approve hole 2-B." Gripe asked me, upon completion of hole WS-2, if it would be approved, and I told him that I did not approve or disapprove the holes, but that I saw no reason to recommend its approval.

Gripe's letter of January 15 states: "While hole No. '2-A' was still being drilled, I talked with Bush about the location of the next hole, and I mentioned the possibility that we should go either way from hole No. 2-A--westerly or easterly along the road--and he did not say that we could not go westerly because the map did not so provide." This is partly true. I did not say that he could not go easterly or westerly along the road because the map did not so provide. This is because, to the best of my recollection, the subject was never discussed.

A. L. Bush, Geologist

ALB/mlr

MAR 8 - 1955 Department of the Interior

DPRA

Mining(OL) Revolving Fund,
Defense Production Act, Interior
(Allocated Working Fund to the Office of
the Secy.)

XXXXXXX

Mr. M. Weaver, Executive Officer
DPRA Field Team, Region XIX
DPA New Customhouse Building
Denver 2, Colorado

RESPONSE PERTINENT TO WOODROW S. GRIFF DOCKET 2846

SECTION MEMORANDUM FROM A. L. BUSH CONCERNING OR REFUTING THE VARIOUS CONTENTIONS OF GRIFF AND CASSITY TAKEN LETTERS JANUARY 25 REGARDING BUILDING NOTE 2-B. DID NOT EXPRESS DISAPPROVAL OR HAVE OF DISALLOWANCE AT TIME OF VISITS I EXPRESS AND AFTER NOTE WAS STAMPED.

George C. Selfridge

GEORGE C. SELFRIDGE
CHAIRMAN, OPERATING COMMITTEE

MChing/gka 3-8-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3414
T. H. Killingsord, Rm. 5224
J. O. Rosted, Rm. 3210, OSA
Code 700
Mr. Ching
Confirmation to Region III FT

224 New Customhouse
Denver 2, Colorado

February 28, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA 2846 (Uranium), Contract Idm-E569, Woodrow E. Gripe (Sunnyside Nos. 3 and 4 Claims), San Miguel County, Colorado

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data pertaining to work under the subject contract for the months of November and December, 1954.

W. M. TRAVER

W. M. Traver

Enclosures

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

Administrative Audit Difference Statement

Date: February 23, 1955
Payee's
Reference: Contract No. 2Gs 1969

Rev. 6 Dec. 1954

First National Bank
Grand Junction, Colo.

Gentlemen:

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

Amount Claimed	$ 4,032.50
Difference	$
Amount Approved	$ * 3,607.27

The reason for the difference was due to:

* $360.00 withheld pending receipt of final report and the report of review by the DCAA auditor.

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

Very sincerely yours,

N.E.Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

February 17, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 2846 (Uranium), Contract Idm-E569, Woodrow E. Gripe (Sunnyside Nos. 3 and 4 Claims), San Miguel County, Colorado -- Operator's Monthly Progress Report for the period November and December 1954

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

An amount of $500.00 is to be withheld from payment to the operator pending receipt of the operator's final report and release of the final Report of Review by the Contract Administration and Audit Division. Driller's logs submitted will be retained in this office.

Remarks:

Date of Report.....Jan. 14, 1955
Date Received in Field Office.....Jan. 17, 1955
Date Received in Region Office....Feb. 14, 1955

ENCLS.
RDB:jp
cc Subject
Chron
Sec. to Op. Comm. (2)
Shaw
Townsend

W. M. Traver

DMEA
Date Rec'd
FEB 14 1955
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
February 11, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw

From: Glen Walker

Subject: DMEA 2846, Contract Idm-E569 (Uranium) Woodrow E. Gripe (Sunnyside Nos. 3 and 4 claims) San Miguel County, Colorado - Progress report for November and December 1954

On January 4, 1955, the operator was contacted by phone to learn the whereabouts of cores from No. 4 and 5 holes. He stated that although he had met the drill crew on the highway moving the rig he did not know where the cores were. A. L. Bush, of the U. S. Geological Survey, stated by phone that he had taken the cores to his office in Grand Junction and was in the process of examining them.

Information from both the operator and Bush indicated that drilling of the last hole (No. 5) was completed on December 17, 1954, to a total depth of 530 feet. The operator's statement that hole No. 4 was finished in the "Red Beds" at 453 feet is corroborated by the driller's log, which also showed that coring started at 325 feet in Hole No. 4, and No. 5 was cored from 250 feet to the bottom.

The operator states that both holes were probed radiometrically with negative results.

When the drill rig was removed from theproject on December 18, 1954, a total of 2,348 feet had been drilled; however, 464 feet included in hole 2"B" was disallowed by the Government, which makes an allowable total of 1,884 feet.

The footage and cost shown on MF-104 for November and December 1954 appear correct from available information. The figure under "Cost to Date" is incorrect by the amount disallowed by the Government in the previous period.

It is recommended that payment in the amount of $3,627.27, which is 90 percent of that claimed, be made to the operator, contingent upon authorization of the Region III Field Team.

cc 6

Glen Walker
Glen Walker
Mining Engineer

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 November 4 to December 17, 1954 Docket No. DMEA 2846 Contract No. Idm-E569

Operator's Name Woodrow E. Gripe Minerals Uranium

Address Box 225, Naturita, Colorado

Contract Amount, $10,250.00 Government Participation: 90 % Amount, $9,225.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling 983 feet	4030.30	5,596.50	9,626.80			
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):						
TOTALS	4030.30	5,596.50	9,626.80	4030.30	5596.50	9626.80
					* 1902.40	1902.40
					3694.10	7724.40

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

Date 1-14-55 *Payee Woodrow E. Gripe

Per _____ Title _____

*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 $3127.27

Signature Rudell R. Cooper (Authorized Certifying Officer)

Date 2-24-55 Vou. No. DMA-55-65

(See other side)

* Previous disallowance

** 500.00 withheld this report

(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. DMEA 569 in accordance with the terms of the contract.

Signature G. Walker, $3627.27 GH Title Manager Date 2/9/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Clerk.

Signature W. M. Mauer Title Executive Officer Date FEB 17 1955

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 Nov. 4 to Dec. 17, 1954 Docket No. DMEA 2846 Contract No. Idm-E569

Operator's Name Woodrow E. Gripe Minerals Uranium

Address Box 225, Naturita, Colo.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes				7724.40	1884			
Drilling: Core	Ft.	4030.30	983	~~9,626.80~~	~~2,348~~	4.10	2500	4.10
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		4030.30		7724.40 ~~9,626.80~~				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		4030.30		7724.40 ~~9,626.80~~				10,250.00

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 1-14-55 Operator Woodrow E. Gripe

Per ..... Title .....

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

DMEA 2846
Contract No. Idm-E569
- Uranium

NARRATIVE REPORT
Nov. 4 to Dec. 17, 1954

Hole No. 4

Location: As on map, Figure No. 1
Dates: Begun Nov. 4; finished Nov. 20
Depth: 453 feet.
Formations: (According to 11/20 drill report)
425-440 Entrada sandstone
440-453 "red beds"

Comment: Probed, but no showing of ore.
Cores taken 11/15 to 11/20 -- see drill reports.

Hole No. 5

Location: No. 6 on map, Figure No. 1
Dates: Nov. 21 to Dec. 17, 1954
Depth: 530 feet.
Formations: 12/15 drill report--"red beds" at 530 ft.

Comment: I think this hole was across the fault line from the previous hole, and that they never got down to the Entrada sandstone. I was there when they cored 505 to 515 feet, which did not look to me like Entrada sandstone. I have not had a chance to see the cores from there on down, but would like to do so for my own information, if you will please tell me where I could see them.

This hole was probed, but there was no showing of ore.

Dated January 14, 1955

Woodrow E. Gripe
Operator

3/4/55 gla

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

224 New Customhouse
Denver 2, Colorado

February 28, 1955

Air Mail

Memorandum

To: Chairman, Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2846 (Uranium), Contract Idm-E569, Woodrow E. Gripe, Sunnyside No. 3 and 4 claims, San Miguel County, Colorado

In conjunction with the matter discussed in our memorandum of December 6, 1954, and your teletype advice of December 15, 1954, we are enclosing the original and three copies of a letter from Samuel C. Polk, Attorney at Law, Nucla, Colorado.

A copy of our letter of February 17, 1955, with attachments referred to by Mr. Polk was forwarded to you. However, to facilitate your review we are enclosing four additional copies of the letter with attachments.

We will appreciate prompt advice in this matter for our forwarding to Mr. Polk.

W. M. TRAVER,

W. M. Traver

Enclosures

JWT:ld

Copy to: E. M. Harshman
J. F. Shaw
J. V. Townsend
Subject
Chron

SAMUEL C. POLK
ATTORNEY AT LAW
NUCLA, COLORADO

FEB 28 1955
BUREAU OF MINES
Denver, Colorado

February 25, 1955

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

Attention: Mr. W. M. Traver, Executive Officer,
Field Team, Region III

Re: Docket DMEA 2846 (Uranium)
Contract Idm-E569
Woodrow E. Gripe, Operator

Dear Mr. Traver:

Mr. Woodrow E. Gripe has referred to me your letter dated February 17, 1955, in which you indicated that the reimbursement for the cost of drilling hole No. 2-B would be disallowed, citing the terms of the contract, with no comment upon the explanation of the circumstances of the change in the hole location which Mr. Gripe gave in his letter dated January 15, 1955.

You further state that if he wishes to protest this disallowance, he is at liberty to take up the matter with the Administrator of the DMEA in Washington. I would like to enquire whether the DMEA regulations, which I do not have at present, fail to provide for any administrative hearing on questions of this sort in your regional office. If so, Mr. Gripe naturally intends to pursue such administrative remedy, as he must under the law. As a practical first step in clearing this matter up, might I suggest a deposition to be taken either here or in Grand Junction, from Mr. Gripe, Mr. Al Bush, and the foreman of Minerals Engineering Company crew who was in charge at the time the hole in question was commenced.

Upon receipt of a copy of the DMEA regulations and rules for administrative appeals, I will, of course, proceed according to those rules in Mr. Gripe's behalf.

Yours very truly,

Sam C. Polk

dbp

224 New Customhouse
Denver 2, Colorado

February 17, 1955

Mr. Woodrow E. Gripe
P. O. Box 225
Naturita, Colorado

Re: Docket DMEA 2846 (Uranium)
Contract Idm-E569

Dear Mr. Gripe:

Receipt is acknowledged of Form MF-104 Operator's Monthly Report and Voucher for the period November 4 through December 17, 1954, which constitutes your final accounting report under the terms of the contract.

Inasmuch as it is your final accounting report the sum of $500 will be withheld from reimbursement to you pending receipt of your final engineering and geologic report in conformance with Article 5(b) of the contract and until release to this office of a Report of Review of contract expenditures by the Contract Administration and Audit Division.

In reference to your reclaim of reimbursement for the cost of drilling hole No. 2-B, Amendment No. 2 established definite locations of all holes to be drilled under the contract, therefore the costs of holes drilled at other locations are not reimbursable under the terms of the contract.

Should you wish to further protest the disallowance of hole No. 2-B you are at liberty to take the matter up with the Administrator, DMEA, Washington.

In reference to "Comment", last paragraph of your narrative report accompanying the November-December accounting report, we understand that the core of hole No. 5 was taken to the Grand Junction office of the U.S. Geological Survey and may be examined there at your convenience.

JWF:jp
cc Subject
Chron
Harshman } w/copy
Williams } opr's
Shaw } ltr
Townsend } 1/15/55
Chairman, Op. Comm.

Very truly yours,

W. H. Traver
Executive Officer, DMEA
Field Team, Region IIX

Date Rec'd
JAN 1 7 1955
BUREAU OF MINES
Denver, Colorado

DIST. ENGS.
EXAMIN

Woodrow E. Gripe
P. O. Box 225
Naturita, Colorado
January 15, 1955

U. S. Department of the Interior
Bureau of Mines, Region IV
Building 20, Room 137
Denver Federal Center
Denver 14, Colorado

Att'n: Mr. W. M. Traver, Chief
Mineral Resources Branch
Mining Div'n, Region IV

Re: DMEA 2846, Contract Idm-E569
Deduction for Hole No. "2-B", report
for Sept., Oct., & Nov. 1-3, 1954

Gentlemen:

I am in receipt of a deduction notice, which is enclosed herewith, deducting $1,902.40 for hole No. "2-B" which I reported on in my last report.

It is true that this hole was not drilled at a location provided for in the map. But when the previous hole No. "2-A" was completed and I ran a probe down it, the U.S.G.S. geologist, Al Bush, was not there to tell me or the crew where to drill next.

The reason I thought it was a good idea to drill No. "2-B" where we did was to bracket hole No. "2-A", as I said in my report. While hole No. "2-A" was still being drilled, I talked with Bush about the location of the next hole, and I mentioned the possibility that we should go either way from hole No. 2-A--westerly or easterly along the road--and he did not say that we could not go westerly because the map did not so provide. I knew that his recomendation on changing the plan would most likely be followed by your office, as I had been informed.

So, rather than wait for Bush at a cost of $11. per hour for standby time, I told the crew to drill 100 feet westerly from hole 2-A.

Bush came back some time after drilling had been started on 2-B, and did not say anything to the crew or to me about not allowing this hole, or disapproving of its location. I am enclosing a copy of a letter I have from the crew foreman, Orval W. Cassity, to that effect.

The first time that Bush said anything about disallowing hole ~~2nd~~ 2-B was after it and hole No. 1 had been completed, and No. 1 had been probed with no showing of ore. At that time I wanted Bush to recommend dropping back halfway toward No. 2 from No. 1, and he refused in spite of my urging. He then said, for the first time, that he would not approve hole 2-B.

In view of these circumstances, I feel that it would be very unfair to me for your office to disallow hole 2-B, and not in keeping with the practical necessities of this type of operation, which the DMEA loans are supposed to encourage.

If this letter is not sufficient to cause you to allow payment of the $1,902.40 for hole 2-B, I would like to follow the appropriate administrative procedures to obtain a decision on this, and will appreciate your telling me what to do to that end.

Yours very sincerely,

Woodrow C. Geyer

(COPY)

Information on hole 2. that I drill on Mr Gripe claims.

There never was any thing said about the hole not to be drilled.

Mr. Bush was up the__ several times while I was drilling he never did mention a thing about the hole not to be drilled

He was there when I was about 200' deep and at other depths in the same hole

/s/ Orval W Cassity

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 1 - 1955

224 New Customhouse
Denver 2, Colorado

February 28, 1955

Mr. Samuel C. Polk
Attorney at Law
Nucla, Colorado

Re: Docket DMEA 2840 (Uranium)
Contract Idm-E569
Woodrow E. Gripe, Operator

Dear Mr. Polk:

Receipt is acknowledged of your letter of February 25, 1955, concerning the matter discussed in our letter to Mr. Woodrow E. Gripe dated February 17, 1955.

Your letter has been referred to the Washington office, DMEA, for appropriate advice in the matter, upon receipt of which you will be advised.

Yours very truly,

W. M. TRAVER,

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

JWF:ld

Copy to: Chairman, Operating Committee (4)
J. F. Shaw
E. N. Harshman
J. W. Townsend
Docket
Chron

SAMUEL C. POLK
ATTORNEY AT LAW
NUCLA, COLORADO

DMEA
Date Rec'd.
FEB 28 1955
BUREAU OF MINES
Denver, Colorado

February 25, 1955

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

Attention: Mr. W. M. Traver, Executive Officer,
Field Team, Region III

Re: Docket DMEA 2846 (Uranium)
Contract Idm-E569
Woodrow E. Gripe, Operator

Dear Mr. Traver:

Mr. Woodrow E. Gripe has referred to me your letter dated February 17, 1955, in which you indicated that the reimbursement for the cost of drilling hole No. 2-B would be disallowed, citing the terms of the contract, with no comment upon the explanation of the circumstances of the change in the hole location which Mr. Gripe gave in his letter dated January 15, 1955.

You further state that if he wishes to protest this disallowance, he is at liberty to take up the matter with the Administrator of the DMEA in Washington. I would like to enquire whether the DMEA regulations, which I do not have at present, fail to provide for any administrative hearing on questions of this sort in your regional office. If so, Mr. Gripe naturally intends to pursue such administrative remedy, as he must under the law. As a practical first step in clearing this matter up, might I suggest a deposition to be taken either here or in Grand Junction, from Mr. Gripe, Mr. Al Bush, and the foreman of Minerals Engineering Company crew who was in charge at the time the hole in question was commenced.

Upon receipt of a copy of the DMEA regulations and rules for administrative appeals, I will, of course, proceed according to those rules in Mr. Gripe's behalf.

Yours very truly,

Sam C. Polk

dbp

224 New Customhouse
Denver 2, Colorado

February 17, 1955

Mr. Woodrow E. Gripe
P. O. Box 225
Naturita, Colorado

Re: Docket DMEA 2846 (Uranium)
Contract Idm-E569

Dear Mr. Gripe:

Receipt is acknowledged of Form MF-104 Operator's Monthly Report and Voucher for the period November 4 through December 17, 1954, which constitutes your final accounting report under the terms of the contract.

Inasmuch as it is your final accounting report the sum of $500 will be withheld from reimbursement to you pending receipt of your final engineering and geologic report in conformance with Article 5(b) of the contract and until release to this office of a Report of Review of contract expenditures by the Contract Administration and Audit Division.

In reference to your reclaim of reimbursement for the cost of drilling hole No. 2-B, Amendment No. 2 established definite locations of all holes to be drilled under the contract, therefore the costs of holes drilled at other locations are not reimbursable under the terms of the contract.

Should you wish to further protest the disallowance of hole No. 2-B you are at liberty to take the matter up with the Administrator, DMEA, Washington.

In reference to "Comment", last paragraph of your narrative report accompanying the November-December accounting report, we understand that the core of hole No. 5 was taken to the Grand Junction office of the U.S. Geological Survey and may be examined there at your convenience.

Very truly yours,

W. M. Traver
Executive Officer
Field Team, [illegible]

JWT:jp
cc Subject
Chron
Harshman } w/copy
Williams } opr's
Shaw } ltr
Townsend } 1/15/55
Chairman, Op. Comm.

Date Rec'd
JAN 1955
BUREAU OF MINES
Denver, Colorado

DIST. ENGR.
EXAMIN
DIST.
FORSON

Woodrow E. Gripe
P. O. Box 225
Naturita, Colorado
January 15, 1955

U. S. Department of the Interior
Bureau of Mines, Region IV
Building 20, Room 137
Denver Federal Center
Denver 14, Colorado

Att'n: Mr. W. M. Traver, Chief
Mineral Resources Branch
Mining Div'n, Region IV

Re: DMEA 2846, Contract Idm-E569
Deduction for Hole No. "2-B", report
for Sept., Oct., & Nov. 1-3, 1954

Gentlemen:

I am in receipt of a deduction notice, which is enclosed herewith, deducting $1,902.40 for Hole No. "2-B" which I reported on in my last report.

It is true that this hole was not drilled at a location provided for in the map. But when the previous hole No. "2-A" was completed and I ran a probe down it, the U.S.G.S. geologist, Al Bush, was not there to tell me or the crew where to drill next.

The reason I thought it was a good idea to drill No. "2-B" where we did was to bracket hole No. "2-A", as I said in my report. While hole No. "2-A" was still being drilled, I talked with Bush about the location of the next hole, and I mentioned the possibility that we should go either way from hole No. 2-A--westerly or easterly along the road--and he did not say that we could not go westerly because the map did not so provide. I knew that his reccomendation on changing the plan would most likely be followed by your office, as I had been informed.

So, rather than wait for Bush at a cost of $11. per hour for standby time, I told the crew to drill 100 feet westerly from hole 2-A.

Bush came back some time after drilling had been started on 2-B, and did not say anything to the crew or to me about not allowing this hole, or disapproving of its location. I am enclosing a copy of a letter I have from the crew foreman, Orval W. Cassity, to that effect.

The first time that Bush said anything about disallowing hole ~~xxx~~ 2-B was after it and hole No. 1 had been completed, and No. 1 had been probed with no showing of ore. At that time I wanted Bush to recommend dropping back halfway toward No. 2 from No. 1, and he refused in spite of my urging. He then said, for the first time, that he would not approve hole 2-B.

In view of these circumstances, I feel that it would be very unfair to me for your office to disallow hole 2-B, and not in keeping with the practical necessities of this type of operation, which the DMRA loans are supposed to encourage.

If this letter is not sufficient to cause you to allow payment of the $1,902.40 for hole 2-B, I would like to follow the appropriate administrative procedures to obtain a decision on this, and will appreciate your telling me what to do to that end.

Yours very sincerely,

Woodrow C. Geiger

(COPY)

Information on hole 2. that I drill on Mr Gripe claims.

There never was any thing said about the hole not to be drilled.

Mr. Bush was up the__ several times while I was drilling he never did mention a thing about the hole not to be drilled

He was there when I was about 200' deep and at other depths in the same hole

/s/ Orval W Cassity

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 1 - 1955

224 New Customhouse
Denver 2, Colorado

February 28, 1955

Mr. Samuel C. Polk
Attorney at Law
Nucla, Colorado

Re: Docket DMEA 2640 (Uranium)
Contract Idm-2569
Woodrow E. Gripe, Operator

Dear Mr. Polk:

Receipt is acknowledged of your letter of February 25, 1955, concerning the matter discussed in our letter to Mr. Woodrow E. Gripe dated February 17, 1955.

Your letter has been referred to the Washington office, DMEA, for appropriate advice in the matter, upon receipt of which you will be advised.

Yours very truly,

W. M. TRAVER

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

JWT:ld

Copy to: Chairman, Operating Committee (4)
J. F. Shaw
E. N. Harshman
J. W. Townsend
Docket
Chron

SAMUEL C. POLK
ATTORNEY AT LAW
NUCLA, COLORADO

DMEA
Date Rec'd.
FEB 28 1955
BUREAU OF MINES
Denver, Colorado

February 25, 1955

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

Attention: Mr. W. M. Traver, Executive Officer,
Field Team, Region III

Re: Docket DMEA 2846 (Uranium)
Contract Idm-E569
Woodrow E. Gripe, Operator

Dear Mr. Traver:

Mr. Woodrow E. Gripe has referred to me your letter dated February 17, 1955, in which you indicated that the reimbursement for the cost of drilling hole No. 2-B would be disallowed, citing the terms of the contract, with no comment upon the explanation of the circumstances of the change in the hole location which Mr. Gripe gave in his letter dated January 15, 1955.

You further state that if he wishes to protest this disallowance, he is at liberty to take up the matter with the Administrator of the DMEA in Washington. I would like to enquire whether the DMEA regulations, which I do not have at present, fail to provide for any administrative hearing on questions of this sort in your regional office. If so, Mr. Gripe naturally intends to pursue such administrative remedy, as he must under the law. As a practical first step in clearing this matter up, might I suggest a deposition to be taken either here or in Grand Junction, from Mr. Gripe, Mr. Al Bush, and the foreman of Minerals Engineering Company crew who was in charge at the time the hole in question was commenced.

Upon receipt of a copy of the DMEA regulations and rules for administrative appeals, I will, of course, proceed according to those rules in Mr. Gripe's behalf.

Yours very truly,

Sam C. Polk

224 New Customhouse
Denver 2, Colorado

February 17, 1955

Mr. Woodrow E. Gripe
P. O. Box 225
Naturita, Colorado

Re: Docket DMEA 2846 (Uranium)
Contract Idm-E569

Dear Mr. Gripe:

Receipt is acknowledged of Form MF-104 Operator's Monthly Report and Voucher for the period November 4 through December 17, 1954, which constitutes your final accounting report under the terms of the contract.

Inasmuch as it is your final accounting report the sum of $500 will be withheld from reimbursement to you pending receipt of your final engineering and geologic report in conformance with Article 5(b) of the contract and until release to this office of a Report of Review of contract expenditures by the Contract Administration and Audit Division.

In reference to your reclaim of reimbursement for the cost of drilling hole No. 2-B, Amendment No. 2 established definite locations of all holes to be drilled under the contract, therefore the costs of holes drilled at other locations are not reimbursable under the terms of the contract.

Should you wish to further protest the disallowance of hole No. 2-B you are at liberty to take the matter up with the Administrator, DMEA, Washington.

In reference to "Comment", last paragraph of your narrative report accompanying the November-December accounting report, we understand that the core of hole No. 5 was taken to the Grand Junction office of the U.S. Geological Survey and may be examined there at your convenience.

Very truly yours,

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

JWT:jp
cc Subject
Chron
Harshman } w/copy
Williams } opr's
Shaw } ltr
Townsend } 1/15/55
Chairman, Op. Comm.

Date Rec'd
JAN 19 1955
BUREAU OF MINES
Denver, Colorado

DIST. ENGR.
EXAMINATION
PERSONNEL

Woodrow E. Gripe
P. O. Box 225
Naturita, Colorado
January 15, 1955

U. S. Department of the Interior
Bureau of Mines, Region IV
Building 20, Room 137
Denver Federal Center
Denver 14, Colorado

Att'n: Mr. W. M. Traver, Chief
Mineral Resources Branch
Mining Div'n, Region IV

Re: DMRA 2846, Contract Idm-E569
Deduction for Hole No. "2-B", report
for Sept., Oct., & Nov. 1-3, 1954

Gentlemen:

I am in receipt of a deduction notice, which is enclosed herewith, deducting $1,902.40 for Hole No. "2-B" which I reported on in my last report.

It is true that this hole was not drilled at a location provided for in the map. But when the previous hole No. "2-A" was completed and I ran a probe down it, the U.S.G.S. geologist, Al Bush, was not there to tell me or the crew where to drill next.

The reason I thought it was a good idea to drill No. "2-B" where we did was to bracket hole No. "2-A", as I said in my report. While hole No. "2-A" was still being drilled, I talked with Bush about the location of the next hole, and I mentioned the possibility that we should go either way from hole No. 2-A--westerly or easterly along the road--and he did not say that we could not go westerly because the map did not so provide. I knew that his reccomendation on changing the plan would most likely be followed by your office, as I had been informed.

So, rather than wait for Bush at a cost of $11. per hour for standby time, I told the crew to drill 100 feet westerly from hole 2-A.

Bush came back some time after drilling had been started on 2-B, and did not say anything to the crew or to me about not allowing this hole, or disapproving of its location. I am enclosing a copy of a letter I have from the crew foreman, Orval W. Cassity, to that effect.

The first time that Bush said anything about disallowing hole ~~2-A~~ 2-B was after it and hole No. 1 had been completed, and No. 1 had been probed with no showing of ore. At that time I wanted Bush to recommend dropping back halfway toward No. 2 from No. 1, and he refused in spite of my urging. He then said, for the first time, that he would not approve hole 2-B.

In view of these circumstances, I feel that it would be very unfair to me for your office to disallow hole 2-B, and not in keeping with the practical necessities of this type of operation, which the DMEAloans are supposed to encourage.

If this letter is not sufficient to cause you to allow payment of the $1,902.40 for hole 2-B, I would like to follow the appropriate administrative procedures to obtain a decision on this, and will appreciate your telling me what to do to that end.

Yours very sincerely,

Woodrow C. Geyer

(COPY)

Information on hole 2. that I drill on Mr Gripe claims.

There never was any thing said about the hole not to be drilled.

Mr. Bush was up the__ several times while I was drilling he never did mention a thing about the hole not to be drilled

He was there when I was about 200' deep and at other depths in the same hole

/s/ Orval W Cassity

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

224 New Customhouse
Denver 2, Colorado

January 6, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2846 (Uranium), Contract Idm-E569, Woodrow E. Gripe, San Miguel County, Colorado

Enclosed are two copies of the Operator's Monthly Progress Report, MF-104 and 104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data pertaining to work under the subject contract for the period August 1, 1954 through November 3, 1954.

W. H. King

Encls.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 10 1955

Administrative Audit Difference Statement

Date: Dec. 26, 1954
Payee's
Reference: Sept., Oct., &
Nov. 1954

Woodrow D. Grigg
Box 285
Saguache, Colo.
Mn-3-369

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

Amount Claimed	$ 5,996.50
Difference	$ 1,902.10
Amount Approved	$ 3,094.40

The reason for the difference was due to:

Drill hole # 2 not drilled at the location specified in the contract - 45h feet at $4.10 per foot. $1,902.10

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

Very sincerely yours,

N.E.Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

December 16, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2846 (Uranium), Contract Idm-F569, Woodrow E. Gripe, Sunnyside Nos. 3 & 4 claims, San Miguel County, Colorado. Operator's Monthly Progress Report for the period August 1, 1954, through November 3, 1954.

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

Only a portion of the work reported by the Operator has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 per cent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report, except for the following disallowance:

Disallowance	
Drill hole #2-B not drilled at the location specified in the contract--464 feet at $4.10 per foot - - - - - - - - - - - - -	$1,902.40

Remarks	
Date of Operator's report	11-22-54
Date report received in B.O.M. Branch Office	11-26-54
Date report received in Regional office	12-1-54

Note - Operator's check is to be sent to the First National Bank, Grand Junction, Colorado.

W. H. King

Enclosures

JWT:dm
cc: Sec. to Oper. Comm. (2)
Subject
WMTraver JWTownsend Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
November 30, 1954

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2846, Contract Idm-E569 (Uranium), Woodrow E. Gripe (Sunnyside Nos. 3 and 4 claims), San Miguel County, Colorado - Progress reports for August, September, October and November 1-3, 1954

Enclosed are the original and 4 copies of the subject progress report, the initial one, forms MF 104 and MF 104A with narrative, one copy of sub-contractor's drill logs and the original and 6 copies of Glen Walker's memorandum covering inspections of project work and review of the reporting forms. The contract is unit cost on short-form MF 200(A) and documentation is not required.

Walker's memorandum is definite and detailed regarding project operations and you are also receiving a memorandum from Al Bush of the Geological Survey with further information on the subject.

The report was returned to the operator for revision by my transmittal letter of November 16, 1954, of which you have a copy. That letter also instructed him regarding change of program and extension of the expiration date, if desired. His report is now correct insofar as entries, narrative, etc., are concerned.

If the contract is interpreted literally, there is probably no basis for a claim for reimbursement by the contractor for any of the work performed. However, as a result of radiometric logging by the Geological Survey, the objectives of the program are partly attained, although they are negative.

Whether reimbursement should be made is considered an Administrative problem, and this office is certifying the MF 104 forms, subject to approval by the Region IV Auditors and the Field Team. The amount certified is $5,036.85 or 90 percent of the total $5,596.50 claimed by the contractor.

W. M. Traver

WMT/dj
cc: 5
E569
Chron
enclosures

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
November 29, 1954

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: Glen Walker

Subject: DMEA 2846, Contract Idm-2569 (Uranium), Woodrow E. Gripe (Sunnyside Nos. 3 and 4 claims), San Miguel County, Colorado - Progress reports for August, September, October and November 1-3, 1954.

On September 8, 1954, contact was made with the core drilling operation on the subject property. The first hole drilled by the new sub-contractor (Minerals Engineering Co.) was reported to be 316 feet deep. No attempt had been made to save core, although drilling was reported to be with a coring bit. Circulation had been lost two days prior to the inspection; none was noted at that time of inspection and advance was very slow.

On another inspection, October 6, 1954, the drill operator reported that hole No. 1 was bottomed at 505 feet and although he cored from 460 feet to the bottom, no core was saved, as it was all in the "Red Beds" which are below the ore horizon. At the time, hole No. 2 was 297 feet deep. It was drilled approximately 100 feet northwest of hole No. 1 at a location not indicated on the map included with Exhibit "A" of the contract. Mr. Gripe's home was contacted by phone and instructions left for No. 2 hole to be cored beginning at 350 feet and No. 3 to be cored from the collar.

On November 3, 1954, Mr. Gripe had a U.S.G.S. recording scintillometer rig probe the first three holes. Hole No. 3 was completed on November 2, 1954, at a depth of 396 feet in the "Red Beds". Hole No. 2 was reported to be 464 feet deep. Hole No. 1 showed some radioactivity from 407-1/2 to 409 feet and No. 2 had 8 inches of slight activity at 394 feet; hole No. 3 showed no radioactivity. Hole No. 2 was cored from 400 feet to the bottom and hole No. 3 was cored from about 100 feet to the bottom, according to the drill operator. One copy of the daily driller's logs are enclosed.

Although the total footage and the cost indicated on the MF-104 appear by the driller's reports to be correct and have been approved, it should again be pointed out that hole No. 2 was not located in its proper position in accordance with Exhibit "A" of the contract.

It is recommended that payment in the amount of $5,036.85, which is 90 percent of the amount claimed, be made to the contractor, contingent upon review of information available and authorization by the Region IV Field Team.

Glen Walker

Glen Walker
Mining Engineer

GW/dj

cc: 6
E569
Chron

Form MF-10 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, October, and November 1-3, 1954; Docket No. DMEA 2846; Contract No. Idm-2569

Operator's Name Woodrow D. Gripe; Minerals Uranium

Address Box 225, Naturita, Colo.

Contract Amount, $ 10,250.00; Government Participation: 90 %; Amount, $ 9,225.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling 1,365 ft.	5,596.50	- 0 -	5,596.50			
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):						
TOTALS	5596.50	- 0 -	5,596.50	5,596.50		5,596.50

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

Date 11-22-54 *Payee Woodrow D. Gripe

Per _____ Title _____

*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)

1,902.40 1,902.40

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: 3,694.10 3 694.10

$ 3324.69

Signature Randall R. Cooper
(Authorized Certifying Officer)

Date 12-17-54 Vou. No. DMA-JJ-41

(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. dm E569 in accordance with the terms of the contract.

Signature G Walker $5036 85 Wmt Title Manager Date 11/29/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W H King Title Executive Officer Date DEC 16 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

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 September, October, and Nov. 1-3 195 4 Docket No. DMEA 2846 Contract No. Idm-E569

Operator's Name Woodrow E. Cripe Minerals Uranium

Address Box 225, Naturita, Colo.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Ft.	5596.50	1,365	5,596.50	1,365	4.10	2500	4.10
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		5596.50		5,596.50				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		5596.50		5,596.50				10,250.00

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 11-22-54 Operator Woodrow E. Cripe

Per ..... Title .....

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

DMEA 2846
Contract No. Idm-E569
- Uranium

NARRATIVE REPORT
FOR September, October, and
November 1-3, 1954

Hole No. "2-A"

Location: 10 ft. East of No. 2 hole on map (Figure No. 1)
Dates: begun Aug. 26; finished Sept. 19.
Depth: 505 ft.
Depth of formation tops: (according to drill reports, unless cores indicated) 63 "sandstone"; 93 "red-blue mud"; 130 "___ rusty sandstone"; etc. ... 402 "ore-bearing rock"; 409 Entrada SS; 460 "red beds" (core) (Wingate?)

Comment: When the original hole No. 2 was drilled by Leon Whatley of Norwood, under contract with me, to a depth of 470 feet in October, 1953, the last core was taken at 455 ft. while Mr. Al Bush of the U.S.G.S. was present, helping to supervise the drilling. That hole was abandoned when Whatley quit drilling for me, at 470 ft., with no core taken. So we didn't know we had reached the red beds under the Entrada -- the Wingate formation? For this reason, I had the Minerals Eng'g Co. drill this offset hole; and because we assumed that adequate cores had been taken from the original hole down to 455 ft., no cores were taken down to that depth. The first core we took, 455 to 465, showed the top of the red beds at 460 ft.; and in order to be sure the Entrada had been passed, drilling was continued to 505 ft., all in the red beds, and Al Bush OK'd stopping there.

A probe showed .07% uranium ore from 404 to 411 ft., and the AEC has since, about Nov. 1, run a Barnaby on it, and are supposed to send you a copy.

Hole No. "2-B"

Location: about 100 ft. WNW of No. 2 hole on map (Fig. 1)
Dates: begun Sept. 20; finished Oct. 13.
Depth: 464 ft.
Formation top depths: 400' - Entrada; 454 - "red beds"
Comment: When the drill crew finished the previous hole, No. "2-A", Mr. Al Bush was not available to consult as to the best location of the next hole; so I had them drill this one to the West of No. 2 in order to bracket No. 2, with No. 1, because of the ore showing in No. 2-A.

The AEC also ran a Barnaby on this and will send you a copy.

Hole No. 1

Location: as on map, Figure No. 1
Dates: begun Oct. 18; uncompleted as of Nov. 3.
Depth: 396 ft. on Nov. 3.
Formation top depths: 356 - Entrada ss.; 386 - "red beds"

Drill Reports on all three holes are enclosed herewith.

November 9, 1954

Woodrow E. Gripe, Operator

DEC 15 1954

T E L E T Y P E

MChing

DMEA-Department of the Interior

14X4401(01)Revolving Fund, Defense Production Act (Interior) (Allocated Working Fund to the Office of the Secretary)

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

W. H. KING, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION IV
724 NEW CUSTOMHOUSE BUILDING
DENVER 2 COLORADO

REURMEMO DECEMBER 6 AND TELETYPE DECEMBER 10 WOODROW R. GRIPE DOCKET 2846

YOU AUTHORIZED TERMINATE UNDER ARTICLE 8(C) OF CONTRACT AFTER COMPLETION

FIFTH HOLE. DISALLOW COST OF HOLE NO. 7 ONLY.

George C. Selfridge
George C. Selfridge, Chairman
Operating Committee

MChing:am
12-14-54
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
F. H. Killsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Ching

12/13/54 gla

file

C
O
P
Y

DN 235 BUREAU MINES 12-10-54 3-52 PM

CHAIRMAN, OPERATING COMMITTEE
DMEA

REFERENCE DOCKET 2846, CONTRACT IDM-E569, WOODROW E. GRIPE,

MATERIAL FORWARDED BY OUR MEMORANDUM OF DECEMBER 6, 1954. WE

WILL APPRECIATE ADVICE REQUESTED AT YOUR EARLIEST CONVENIENCE.

W H KING

12/13/54

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 9 1954

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

224 New Customhouse
Denver 2, Colorado

December 6, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2846 (Uranium), Contract Idm-E569, Woodrow E. Gripe, Sunny Side No. 3 and 4 Claims, San Miguel County, Colorado

Enclosed is the following material relative to work performed under the subject contract:

1. Original and three copies of memorandum dated November 30, 1954 from A.H. Koschmann which is in conjunction with material under the following item 2.

2. Original and three copies of memorandum dated November 29, 1954 from A. L. Bush, Geologist, U. S. Geological Survey.

3. Four copies of letter dated November 23, 1954 from Woodrow E. Gripe, and Field Team, Region IV, reply of December 6, 1954.

1 set only for file.

In addition we are enclosing one copy of Forms MF-104 and 104A, operator's report, engineer's report, and transmittal thereof from the Chief, Minerals Resources Branch, Mining Division, Region IV, relative to work performed during the month of August, September and October, and to November 3, 1954.

To clarify the variation in hole numbers as referred to in the various reports and as shown on "Figure 1" attached to Amendment No. 2, there follows a reconciliation:

"Figure 1"	Gripe Report	Walker Memo	Bush Memo
Hole No. 1	1	3	1 (WG-3) 396
Hole No. 2	2-A	2 1	2 (WG-1) 505
Hole No. 3	Not drilled	--	--
Hole No. 4	-- 4	-- 4	4 (WG-4) 453
Hole No. 5	--	--	6 1354
Hole No. 6	-- 6	-- 5	5 (WG-5)
--	2-B	-- 2	7 (WG-2) 434 464

We interpret Amendment No. 2 that the drilling should have been started with Hole No. 1 and progress in numerical sequence as indicated on Figure 1 attached to the amendment, and that Hole No. 6 at its indicated location should not be drilled until after Hole No. 5 was completed and only then if sufficient unexpended footage remained to guarantee completion of the hole to its objective. Field interpretation of Amendment No. 2 attaches no significance to the order in which the holes were to be drilled but only as to their location.

The fifth hole currently in progress (Hole No. 6, Figure 1, Hole No. 5 referred to by Bush in his memorandum under item 2) would not be an allowable charge in which the Government would participate according to our interpretation. However, Bush by telephone advice December 3 indicated that geologically he prefers the location of Hole No. 6 on Figure 1 to that of Hole No. 5 as the fifth hole to be drilled.

Hole No. 7 referred to by Bush was drilled at a nonapproved location, therefore is deemed not allowable as a charge to the project.

Bush in his memorandum under item 2 of the enclosed material recommends that the contract be terminated by the Government upon the completion of the fifth hole referred to above, in which we concur.

Because of the unsatisfactory manner in which the work has been performed as commented on by the engineer and geologist in their memoranda, and before initiating action relative to disallowing the costs of Hole No. 7 and possibly the fifth hole (No. 6 on Figure 1), we will appreciate your review of the matter and advice to us as to how we should proceed.

W. H. King

W. H. King

Enclosures

IN REPLY REFER TO:

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 9 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

November 30, 1954

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann E.M.H. for A.H.K.

Subject: Summary of operations on Contract Idr-6369, Woodrow E. Gripe, San Miguel County, Colorado

The accompanying memorandum by A. L. Bush, U. S. Geological Survey, summarizes the results of exploration completed to date under Contract Idr-6369.

In a telephone conversation on November 22, 1954, Bush recommended to me that the contract be terminated at the earliest possible date for there seemed to be no chance to discover significant reserves of uranium ore by continued exploration and the work completed by the contractor had not been done in a satisfactory or workmanlike manner. At the time of the conversation with Bush, drilling was starting on the fifth hole and about 1800 feet of drilling had been completed out of 2300 feet allowed under the contract. In a discussion with Townsend, it was concluded that it would be impossible to terminate the work before considerable drilling was completed on the fifth hole and that completion of this hole should be allowed.

As a result of the conversation with Bush the accompanying memorandum was prepared by him and it appears that serious consideration by the Field Team should be given to disallowance of payment for a portion of the work done under Contract Idr-6369.

The cost estimate detailed in the engineer's examination report includes items totalling $1,[illegible] (@ 13% of the total project cost) for sampling and supervision, yet it appears that little or no supervision has been given the project. Core is not stored in boxes as required by the contract (Amendment No. 2) but is piled here and there on the ground around the drill-rig. Holes have not been cored throughout their entire length as implied in the contract and requested verbally by the inspecting engineer. As a result, Bush reports that much of the recovered core has become so misplaced that an accurate interpretation of even the broad geologic features of the area drilled will be impossible.

One drill hole, No. 7 on the map accompanying the Bush memorandum, has been drilled at a location unauthorized under the contract. Core was recovered from a depth of 488 feet to the bottom of the hole an interval somewhat below the ore horizon in the Entrada sandstone. The value of this hole is therefore questioned as is the propriety of Government participation in the expense of drilling it.

Based on the geologic data obtained from the first 4 holes completed by the contractor, and due to the unfortunate manner in which the project has been run, it appears that it would be in the best interest of the Government to terminate the contract upon completion of the fifth hole now being drilled.

November 29, 1954

DEPARTMENT OF THE INTERIOR
Bureau Mines (4)
RECEIVED
DEC 9 1954

Memorandum

To: Mr. A. H. Nussbaum

From: A. L. Bush

Subject: Summary of operations on, and recommended termination for DMEA Docket 2844, Contract 16r-4388, Theodore E. Gripe, San Miguel County, Colorado

This DMEA exploration contract was undertaken to explore for uranium concentrations, above 0.105 U$_3$O$_8$, in the thin but essentially continuous uranium-vanadium layer in the Entrada sandstone in the Placerville district, San Miguel County, Colorado. In the original DMEA report of June 28, 1953, the Entrada sandstone of the area suggested for exploration (the Sunny Side and Basin claim groups on Van Fintle Draw) was reported to lie 100 to 300 feet below the surface. A contract was approved for exploration using this depth as one of its postulates. It is pointed out in my memorandum of October 7, 1953, that the depth of drilling required to test the Entrada would be far greater than that originally anticipated, averaging about 400 feet, requiring the holes to bottom between 400 and 450 feet.

At the present time 4 drill holes have been completed. These are numbered on the accompanying sketch map as follows: 1, 2, 4, and 7. This numbering agrees with that used on the map that accompanied my memo of October 7, 1953, when this revised location of drill holes was proposed. It is to be specifically noted that the hole numbered 7 does not appear on that map of the holes to be drilled. Holes 7 (DG-2) and 2 (DG-1) contain less than 0.0005 oz/ft U$_3$O$_8$ and 0.0125 oz/ft U$_3$O$_8$ respectively. Holes 1 (DG-3) and 4 (DG-4) are barren. Available data indicate that the radioactive layer is displaced by 24 feet between holes 7 and 2; that the

Entrada itself is displaced by about 80 feet between holes 1 and 3, and by about 30 feet between holes 3 and 4. In addition, in holes 7 and 2, the radioactive zones are less than 2 feet thick. They lie from 391 to 417 feet below the surface.

In general, the uranium-vanadium layer of the Placerville district contains from 0.04 to 0.006 percent U_3O_8. Drilling to date indicates very strongly that the area of investigation is underlain at least partly by a barren spot in the uranium-vanadium layer, and further, suggests that the average grade of uranium in this area will be no higher than the average grade for the district, and very probably may be lower.

In view of the depth to the ore horizon, the faulted ground - perhaps more accurately described as shattered (displacements of 25 to 30 feet apparently are very common), the low grade of uranium indicated by the radiometric logging, and the presence of barren ground, it is concluded that the prospect of making a uranium discovery of commercial grade (0.10% U_3O_8 or higher) and mineability is practically nil. It is therefore recommended that the DMEA contract be terminated before any further drilling is done.

SUMMARY OF OPERATIONS

Drilling began in the fall of 1953. Two holes were partially drilled, but not bottomed, and the contract between Mr. Gripe and the driller was abrogated. However, core information from a drill hole 10 feet from the one numbered 2 (DD-1) on the accompanying sketch map, indicated the presence of the Salt Wash sandstone in place at a depth of about 300-400 feet.

Drilling was resumed in August 1954. Drilling began at hole number 2. On the basis of the hole drilled the previous fall (mentioned

above) coring was started at 400 feet, and the hole was bottomed at 505 feet. Stratigraphic measurements at the closest nearby outcrops indicated that the top of the Entrada sandstone was about 80 feet below the base of the Salt Wash sandstone. The first core taken proved to be from the Dolores red beds, which underlie the Entrada. Radiometric logging showed the uranium-vanadium layer to be at about 408 feet, about 1 feet thick, 0.012% eU_3O_8. This location suggests that the top of the Entrada is at about 400 feet, plus or minus perhaps 5 feet. A minimum displacement of about 30 feet is indicated here between hole 2 and the hole drilled the preceding fall. Later drilling for which core is available indicated that the Salt Wash-Entrada interval is on the order of 45 to 50 feet thick.

The attached map shows that the next hole should have been drilled 200 feet to the west of the location of hole 1. Instead, a hole was drilled approximately 100 feet west of hole 2. This hole, numbered 7 on the attached sketch map, was drilled without prior authorization for a change of drill-hole plan. It is believed that the hole was drilled by error, rather than by deliberate non-compliance with the drill-hole plan. Mr. Glenn Walker, DMEA representative from the U. S. Bureau of Mines, informed me that he contacted Mr. Gripe's residence by phone, and left word for Mr. Gripe that the coring of drill hole 7 should be started at 300 feet. Gripe informs me that he (Gripe) had previously instructed the driller to core at 300 feet. He did not inform the driller of Walker's request to start the coring at 300 feet. The driller made an error in measuring the depth of the hole, and as a result, coring was actually started at 400 feet, and bottomed at 434 feet. The first core taken was found to be in the Entrada, below the location of the uranium-vanadium

layer (9 feet below the radioactive zone). There is therefore no stratigraphic or economic information available in the drill core from these first two holes, except the depth of the Entrada-Chinle contact in hole 7.

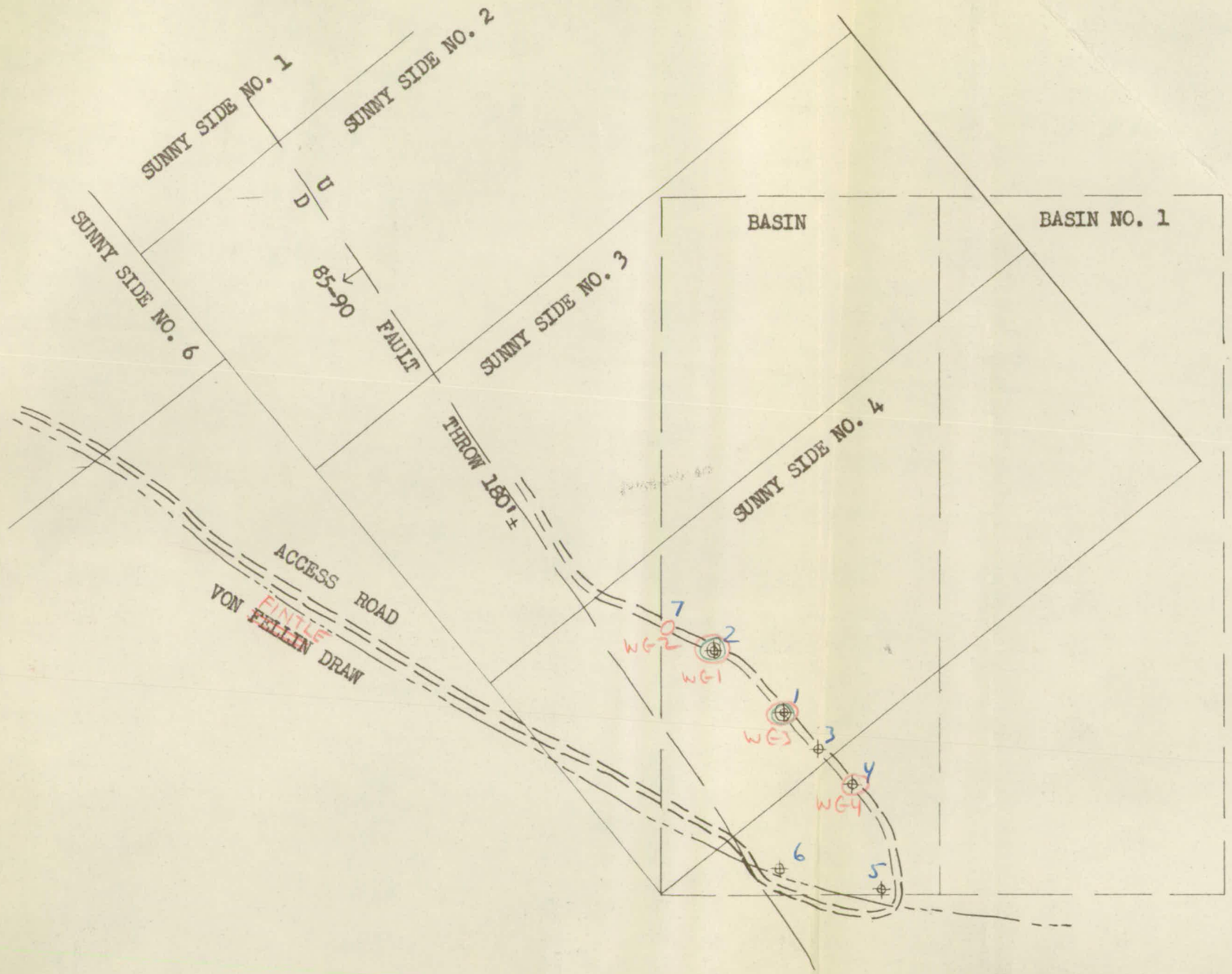
The drill hole numbered 1 (NM-3) was drilled next, cored from 120 feet, bottomed at 305 feet. Core recovery was poor, estimated to be about 50 to 60 percent, but reasonably good contacts were obtainable for the base of the Salt Wash, Tenmile, Slick Rock, Navajo Sandstone, and Entrada horizons. The hole was barren of both uranium and vanadium. Drill hole 4 was cored from 325 feet, and bottomed at 423 feet. Core recovery is estimated to be between 60 and 70 percent, basal contacts are obtainable from the core. Again the hole is barren. Drilling began on drill hole 5 on November 21. At that time about 1600 feet of drilling had been completed, of an anticipated total of 2000 feet.

Only one core box was available at the drill rig for the core from drill holes 7 and 2. Core from drill hole 1 was stacked on the ground for several weeks, and reported by the driller to have been evidently disturbed, considerably decreasing its reliability. On November 22 there were still insufficient core boxes for the first four holes completed, and there were no core box tops. The core could therefore not be transported from the drill rigs, even that portion already in boxes, and some of the core was still stacked on the ground. The reliability of the core is therefore open to question, particularly in detail but also partially in general, and it has been impossible to make a detailed study of the core.

It is suggested that further details of this operation may be obtained from Mr. Glenn Walker, USGS representative, U. S. Bureau of Mines, Denver, Colorado.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DMEA DOCKET 2846



EXPLANATION

CLAIMS ORIGINALLY INCLUDED IN DMEA DOCKET 2846, LOCATED ACCORDING TO MAP SUPPLIED BY W. E. GRIPE

CLAIMS TO BE ADDED TO DMEA DOCKET 2846, APPROXIMATELY LOCATED

DIAMOND-DRILL HOLE (VERTICAL) RETAINED FROM ORIGINAL PLAN

DIAMOND-DRILL HOLE (VERTICAL) ADDED UNDER REVISED PLAN

SCALE

300 200 100 0 300 600 Feet

O Holes drilled 1953

O " " 1954

SKETCH MAP OF SUNNY SIDE CLAIM GROUP (FROM MAP SUPPLIED BY W. E. GRIPE, OWNER) SHOWING APPROXIMATE LOCATION OF THE BASIN CLAIM GROUP, TO BE ADDED TO DMEA DOCKET 2846 (URANIUM), AND REVISED LOCATION OF DIAMOND-DRILL HOLES

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

224 New Customhouse
Denver 2, Colorado

December 6, 1954

Mr. Woodrow E. Gripe
P. O. Box 225
Naturita, Colorado

Re: Docket DMEA 2846 (Uranium)
Contract Idm-E569

Dear Mr. Gripe:

Reference is made to your letter of November 23, 1954 wherein you request an extension of the period for completion of the project work under Contract Idm-E569 until December 31, 1954 and request that funds involved in a contemplated nonperformance of 235 feet of drilling be made available for cleaning out and probing the original Hole No. 2 which is some 15 feet distant from the second Hole No. 2.

Relative to the extension period of the project work, we will prepare an amendment extending the completion period as you have requested.

Relative to the cleaning out and probing of the original Hole No. 2, because of the closeness of the two holes it is not deemed to be in the best interests of the Government to expend funds in cleaning out and probing the original Hole No. 2. Therefore, that portion of your request of November 23, 1954 is hereby denied.

Your attention is directed to the provisions of Amendment No. 2, caption "Description of the Work", item 1, wherein it is stipulated that Hole No. 6 will not be started if there is insufficient unexpended footage of drilling to guarantee completion of the hole to its objective.

Very truly yours,

W. H. King

W. H. King

E. N. Harshman

E. N. Harshman, for
A. H. Koschmann

DMEA Field Team, Region IV

JWT:jp
cc Subject
Chron
Traver
Brokaw
Koschmann
Chairman, Op. Comm. (4)
Townsend

Box 225, Naturita, Colo.
November 23, 1954

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

DMEA 2846, Contract Idm-L569
(Uranium)

Dear Mr. King:

This is to request an extension of time on this contract until December 31, 1954, which additional time will be necessary to complete the project.

I would also like to request that the remaining footage allowed under the contract, after completion of hole No. 6 (Figure No. 1) be applied to cleaning out and casing the original hole No. 2 (Figure No. 1), mentioned in the first paragraph of my ~~xxxxx~~ narrative report dated November 9, 1954, which was never probed nor a Barnaby run on it. In view of the showing of ore at 404 to 411 feet in hole No. "2-A", I believe it would be worthwhile probing this original hole which is 15 feet away. And there was also a showing of ore in hole "2-B", 100 feet west.

The report of November 9, 1954 shows 1365 feet of drilling completed. Since then, hole No. 4 has been completed, and hole No. 6 started. Assuming each goes to about 450 feet, that would make 2265 feet, leaving 235 feet under the contract for a total of 2500 feet.

I will appreciate hearing from you on this by return mail if possible, or as soon as possible, so the crew can know what to do after hole No. 6.

Yours very truly,

Woodrow C. Grigg

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
November 30, 1954

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2846, Contract Idm-E569 (Uranium), Woodrow E. Gripe (Sunnyside Nos. 3 and 4 claims), San Miguel County, Colorado - Progress reports for August, September, October and November 1-3, 1954

Enclosed are the original and 4 copies of the subject progress report, the initial one, forms MF 104 and MF 104A with narrative, one copy of sub-contractor's drill logs and the original and 6 copies of Glen Walker's memorandum covering inspections of project work and review of the reporting forms. The contract is unit cost on short-form MF 200(A) and documentation is not required.

Walker's memorandum is definite and detailed regarding project operations and you are also receiving a memorandum from Al Bush of the Geological Survey with further information on the subject.

The report was returned to the operator for revision by my transmittal letter of November 16, 1954, of which you have a copy. That letter also instructed him regarding change of program and extension of the expiration date, if desired. His report is now correct insofar as entries, narrative, etc., are concerned.

If the contract is interpreted literally, there is probably no basis for a claim for reimbursement by the contractor for any of the work performed. However, as a result of radiometric logging by the Geological Survey, the objectives of the program are partly attained, although they are negative.

Whether reimbursement should be made is considered an Administrative problem, and this office is certifying the MF 104 forms, subject to approval by the Region IV Auditors and the Field Team. The amount certified is $5,036.85 or 90 percent of the total $5,596.50 claimed by the contractor.

W. M. Traver

WMT/dj
cc: 5
E569
Chron
enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
November 29, 1954

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: Glen Walker

Subject: DMEA 2846, Contract Ida-2569 (Uranium), Woodrow L. Gripe (Sunnyside Nos. 3 and 4 claims), San Miguel County, Colorado - Progress reports for August, September, October and November 1-3, 1954.

On September 8, 1954, contact was made with the core drilling operation on the subject property. The first hole drilled by the new sub-contractor (Minerals Engineering Co.) was reported to be 316 feet deep. No attempt had been made to save core, although drilling was reported to be with a coring bit. Circulation had been lost two days prior to the inspection; none was noted at that time of inspection and advance was very slow.

On another inspection, October 6, 1954, the drill operator reported that hole No. 1 was bottomed at 505 feet and although he cored from 460 feet to the bottom, no core was saved, as it was all in the "Red Beds" which are below the ore horizon. At the time, hole No. 2 was 297 feet deep. It was drilled approximately 100 feet northwest of hole No. 1 at a location not indicated on the map included with Exhibit "A" of the contract. Mr. Gripe's home was contacted by phone and instructions left for No. 2 hole to be cored beginning at 350 feet and No. 3 to be cored from the collar.

On November 3, 1954, Mr. Gripe had a U.S.G.S. recording scintillometer rig probe the first three holes. Hole No. 3 was completed on November 2, 1954, at a depth of 396 feet in the "Red Beds". Hole No. 2 was reported to be 464 feet deep. Hole No. 1 showed some radioactivity from 407-1/2 to 409 feet and No. 2 had 8 inches of slight activity at 394 feet; hole No. 3 showed no radioactivity. Hole No. 2 was cored from 400 feet to the bottom and hole No. 3 was cored from about 100 feet to the bottom, according to the drill operator. One copy of the daily driller's logs are enclosed.

Although the total footage and the cost indicated on the NF-104 appear by the driller's reports to be correct and have been approved, it should again be pointed out that hole No. 2 was not located in its proper position in accordance with Exhibit "A" of the contract.

It is recommended that payment in the amount of $5,036.85, which is 90 percent of the amount claimed, be made to the contractor, contingent upon review of information available and authorization by the Region IV Field Team.

Glen Walker

Glen Walker
Mining Engineer

GW/dj

cc: LG
E569
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION, BUREAU OF MINES

OPERATOR'S MONTHLY REPORT AND VOUCHER

September, October, etc.
Month of November 1953 Docket No. DMEA 2846 Contract No. 3Sm-3569
Operator's Name Mineral Exploration Corp.
Address Box 225, Natrona, Pa. Mineral Operation
Contract Amount, $10,250.00 Government Participation: 90 % Amount, $9,225.00

Items of Costs	For Operator's Use: Monthly Total	Monthly Previously Reported	Totals To Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
Contracts:						
Drilling 3,365 59%	5,596.50	- 0 -	5,596.50			
Mobilization						
Demobilization						
Drilling						
Labor and Supervision:						
Labor						
Supervision						
Working Crews						
General Maintenance Expense:						
Vehicles						
Equipment						
Plant						
Tools						
Operating Supplies:						
Fuel						
Tools						
Transportation						
Other Miscellaneous Expense						
Geological Services						
Miscellaneous:						
Miscellaneous Equipment						
Equipment and Analysis						
Travel Expense						
Miscellaneous Expense						
Other Costs (Specify):						
Totals	5596.50	- 0 -	5,596.50			

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

Date Signature

Title

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

$

Signature

Contracting Officer

Form MIP-10M
(Rev. 1-55)

Budget Bureau No. 40-R115.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

September, October, and

Month of Nov. 1-3 195 4 Docket No. DMEA 2846 Contract No. 10-3569

Operator's Name Woodrow E. Carlyo Minerals [illegible]

Address Box 225, Kamiah, Idaho.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							UNITS	UNIT COSTS
Drifting								
Cross-cutting								
Raising								
Shaft								
Winze								
Drilling: Core	FT.	338.50	[illegible]	2,396.50	[illegible]	[illegible]	2500	[illegible]
Churn								
Auger								
Sampling								
Tonnage								
Timbering								
Other Work								
[illegible]		[illegible]		[illegible]				[illegible]
[illegible]								
[illegible]								
[illegible]								

Remarks

(Instructions on reverse)

(For Government use only)

Date Rec'd
NOV 26 1954
BUREAU OF MINES
Denver, Colorado

DMEA 2846
Contract No. Idm-E569
- Uranium

NARRATIVE REPORT
FOR September, October, and
November 1-3, 1954

Date Rec'd
NOV 12 1954
BUREAU OF MINES
Denver, Colorado

Hole No. "2-A"

Location: 10 ft. East of No. 2 hole on map (Figure No. 1)
Dates: begun Aug. 26; finished Sept. 19.
Depth: 505 ft.
Depth of formation tops: (according to drill reports, unless cores indicated) 63 "sandstone"; 93 "red-blue mud"; 130 "___ rusty sandstone"; etc. ... 402 "ore-bearing rock"; 409 Entrada SS; 460 "red beds" (core) (Wingate?)

Comment: When the original hole No. 2 was drilled by Leon Whatley of Norwood, under contract with me, to a depth of 470 feet in October, 1953, the last core was taken at 455 ft. while Mr. Al Bush of the U.S.G.S. was present, helping to supervise the drilling. That hole was abandoned when Whatley quit drilling for me, at 470 ft., with no core taken. So we didn't know we had reached the red beds under the Entrada -- the Wingate formation? For this reason, I had the Minerals Eng'g Co. drill this offset hole; and because we assumed that adequate cores had been taken from the original hole down to 455 ft., no cores were taken down to that depth. The first core we took, 455 to 465, showed the top of the red beds at 460 ft.; and in order to be sure the Entrada had been passed, drilling was continued to 505 ft., all in the red beds, and Al Bush OK'd stopping there.

A probe showed .07% uranium ore from 404 to 411 ft., and the AEC has since, about Nov. 1, run a Barnaby on it, and are supposed to send you a copy.

Hole No. "2-B"

Location: about 100 ft. WNW of No. 2 hole on map (Fig. 1)
Dates: begun Sept. 20; finished Oct. 13.
Depth: 464 ft.
Formation top depths: 400' - Entrada; 454 - "red beds"
Comment: When the drill crew finished the previous hole, No. "2-A", Mr. Al Bush was not available to consult as to the best location of the next hole; so I had them drill this one to the West of No. 2 in order to bracket No. 2, with No. 1, because of the ore showing in No. 2-A.

The AEC also ran a Barnaby on this and will send you a copy.

Hole No. 1

Location: as on map, Figure No. 1
Dates: begun Oct. 18; uncompleted as of Nov. 3.
Depth: 396 ft. on Nov. 3.
Formation top depths: 356 - Entrada ss.; 386 - "red beds"

Drill Reports on all three holes are enclosed herewith.

November 9, 1954

Woodrow E. Gripe, Operator

12/13/54

Mr. Ching:

When the TT came in, we had not yet received the material referred to. I checked it thru M&F, then Hazel Berry. She brought it down, stating that Mr. Selfridge has not seen it.

As to the material: I have separated the various letters and memorandum into three sets. The set under the route slip, also containing the 1 set of MF-104 and MF-104A for work August thru November 3, 1954, is for our Division contract file.

There are two sets of correspondence for USGS and USBM Commodity members, lacking a copy of Mr. King memo December 6. If you want those sets to be complete with copies of Mr. King's transmittal letter Dec. 6, for distribution to USGS and USBM for comments, then we will have to type two copies and attach before distribution is made.

gla

Distribution for comments not necessary.

MC.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 9 1954

November 30, 1954

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Kaschmann E.M.H. for A.H.K.

Subject: Summary of operations on Contract Idm-8369, Hendren E. Grips, San Miguel County, Colorado

The accompanying memorandum by A. L. Bush, U. S. Geological Survey, summarizes the results of exploration completed to date under Contract Idm-8369.

In a telephone conversation on November 22, 1954, Bush recommended to me that the contract be terminated at the earliest possible date for there seemed to be no chance to discover significant reserves of uranium ore by continued exploration and the work completed by the contractor had not been done in a satisfactory or workmanlike manner. At the time of the conversation with Bush, drilling was starting on the fifth hole andabout 1800 feet of drilling had been completed out of 2500 feet allowed under the contract. In a discussion with Townsend, it was considered that it would be impossible to terminate the work before considerable drilling was completed on the fifth hole and that completion of this hole should be allowed.

As a result of the conversation with Bush the accompanying memorandum was prepared by him and it appears that serious consideration by the Field Team should be given to disallowance of payment for a portion of the work done under Contract Idm-8369.

The cost estimate detailed in the engineer's examination report includes items totalling $1,600 (8 1% of the total project cost) for sampling and supervision, yet it appears that little or no supervision has been given the project. Core is not stored in boxes as required by the contract (Amendment No. 2) but is piled here and there on the ground around the drill-rig. Holes have not been cored throughout their entire length as implied in the contract and requested verbally by the inspecting engineer. As a result, Bush reports that much of the recovered core has become so mingled that an accurate interpretation of even the broad geologic features of the area drilled will be impossible.

One drill hole, No. 7 on the map accompanying the Bank memorandum, has been drilled at a location unauthorized under the contract. Core was recovered from a depth of 400 feet to the bottom of the hole an interval consisted below the ore horizon in the Entrada sandstone. The value of this hole is therefore questioned as to the propriety of Government participation in the expense of drilling it.

Based on the geologic data obtained from the first 4 holes completed by the contractor, and due to the unfortunate manner in which the project has been run, it appears that it would be in the best interest of the Government to terminate the contract upon completion of the fifth hole now being drilled.

November 29, 1954

DEPARTMENT OF THE INTERIOR
Bureau Mines Administration
RECEIVED
DEC 9 1954

Memorandum

To: Mr. R. H. Nussbaum

From: A. L. Bush

Subject: Summary of operations on, and recommended termination for DMEA Docket 2066, Contract 16r-2368, Maudrue E. Grips, San Miguel County, Colorado

This DMEA exploration contract was undertaken to explore for uranium concentrations, above 0.10% U_3O_8, in the thin but essentially continuous uranium-vanadium layer in the Entrada sandstone in the Placerville district, San Miguel County, Colorado. In the original DMEA report of June 23, 1953, the Entrada sandstone at the area suggested for exploration (the Sunny Side and Sunin claim groups on Van Fintle Bruce) was reported to lie 100 to 300 feet below the surface. A contract was approved for exploration using this depth as one of its postulates. It is pointed out in my memorandum of October 7, 1953, that the depth of drilling required to test the Entrada would be far greater than that originally anticipated, averaging about 400 feet, requiring the holes to bottom between 400 and 450 feet.

At the present time 4 drill holes have been completed. These are numbered on the accompanying sketch map as follows: 1, 2, 4, and 7. This numbering agrees without that used on the map that accompanied my memo of October 7, 1955, when this revised location of drill holes was proposed. It is to be specifically noted that the hole numbered 7 does not appear on that map of the holes to be drilled. Holes 7 (DG-2) and 2 (DG-1) contain less than 0.0025 U_3O_8 and 0.0125 U_3O_8 respectively. Holes 1 (DG-3) and 4 (DG-4) are barren. Available data indicate that the radioactive layer is displaced by 24 feet between holes 7 and 2; that the

Entrada itself is displaced by about 60 feet between holes 1 and 3, and by about 30 feet between holes 3 and 4. In addition, in holes 7 and 2, the radioactive zones are less than 2 feet thick. They lie from 301 to 417 feet below the surface.

In general, the uranium-vanadium layer of the Placerville district contains from 0.06 to 0.006 percent U_3O_8. Drilling to date indicates very strongly that the area of investigation is underlain at least partly by a barren spot in the uranium-vanadium layer, and further, suggests that the average grade of uranium in this area will be no higher than the average grade for the district, and very probably may be lower.

In view of the depth to the ore horizon, the faulted ground - perhaps more accurately described as shattered (displacements of 25 to 30 feet apparently are very common), the low grade of uranium indicated by the radioactric logging, and the presence of barren ground, it is concluded that the prospect of making a uranium discovery of commercial grade (0.10% U_3O_8 or higher) and mineability is practically nil. It is therefore recommended that the DMEA contract be terminated before any further drilling is done.

SUMMARY OF OPERATIONS

Drilling began in the fall of 1953. Two holes were partially drilled, but not bottomed, and the contract between Mr. Grips and the driller was abrogated. However, core information from a drill hole 10 feet from the one numbered 2 (DG-1) on the accompanying sketch map, indicated the presence of the Salt Wash sandstone in place at a depth of about 300-400 feet.

Drilling was resumed in August 1954. Drilling began at hole number 2. On the basis of the hole drilled the previous fall (mentioned

shovel coring was started at 400 feet, and the hole was bottomed at 305 feet. Stratigraphic measurements at the closest nearby outcrops indicated that the top of the Entrada sandstone was about 20 feet below the base of the Salt Wash sandstone. The first core taken proved to be from the Dolores red beds, which underlie the Entrada. Radiometric logging showed the uranium-vanadium layer to be at about 405 feet, about 1 foot thick, 0.0135 alpha. This location suggests that the top of the Entrada is at about 400 feet, plus or minus perhaps 5 feet. A minimum displacement of about 30 feet is indicated here between hole 2 and the hole drilled the preceding fall. Later drilling for which core is available indicated that the Salt Wash-Entrada interval is on the order of 45 to 55 feet thick.

The attached map shows that the next hole should have been drilled 200 feet to the east of the location of hole 1. Instead, a hole was drilled approximately 100 feet west of hole 2. This hole, numbered 7 on the attached sketch map, was drilled without prior authorization for a change of drill-hole plan. It is believed that the hole was drilled by error, rather than by deliberate non-compliance with the drill-hole plan. Mr. Glenn Walker, RMRA representative from the U. S. Bureau of Mines, informed me that he contacted Mr. Gripe's residence by phone, and left word for Mr. Gripe that the coring of drill hole 7 should be started at 200 feet. Gripe informs me that he (Gripe) had previously instructed the driller to core at 300 feet. He did not inform the driller of Walker's request to start the coring at 200 feet. The driller made an error in measuring the depth of the hole, and as a result, coring was actually started at 400 feet, and bottomed at 424 feet. The first core taken was found to be in the Entrada, below the location of the uranium-vanadium

layer (9 feet below the radioactive zone). There is therefore no stratigraphic or economic information available in the drill core from these first two holes, except the depth of the Entrada-Chinle contact in hole 7.

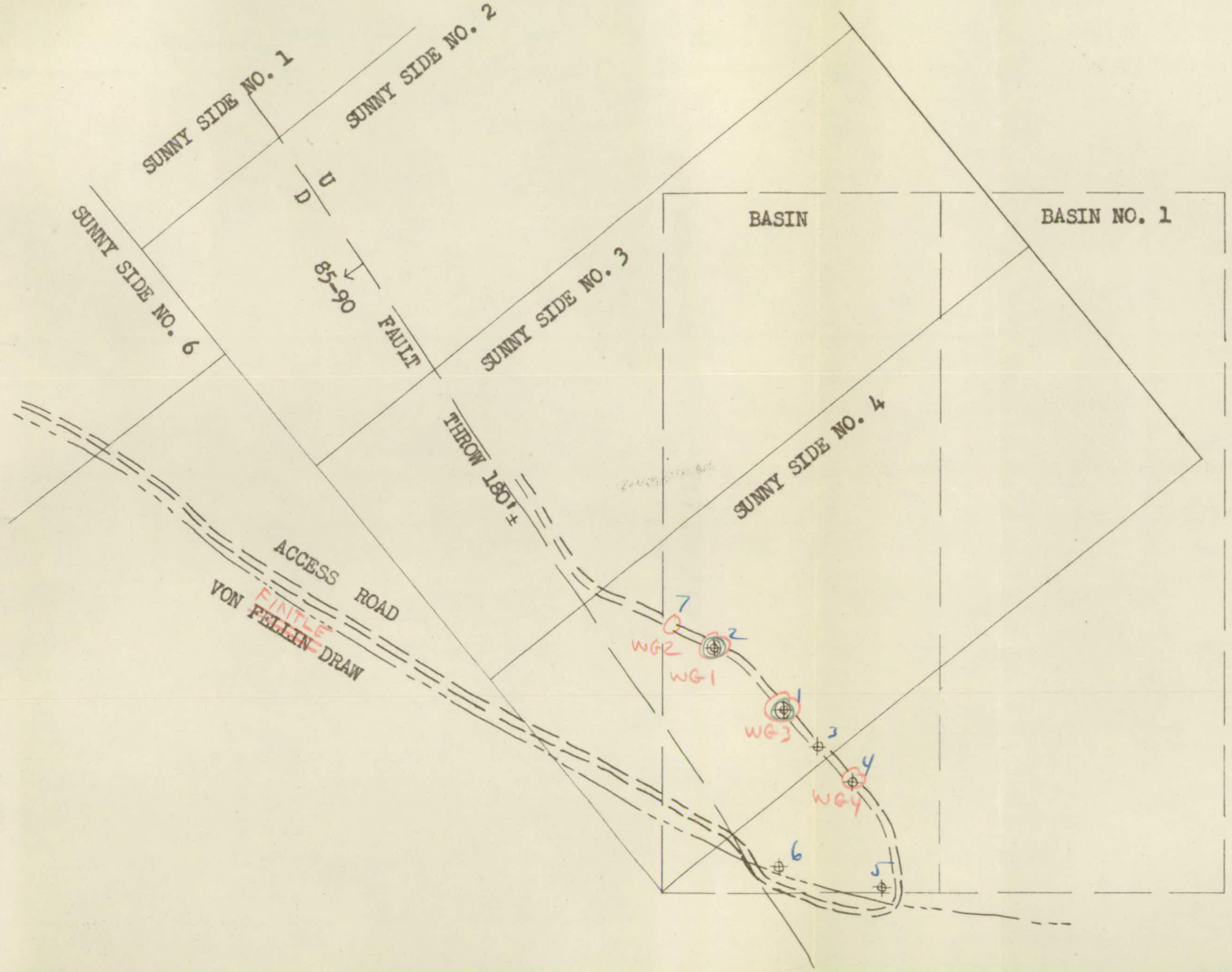
The drill hole numbered 1 (DH-2) was drilled next, cored from 130 feet, bottomed at 326 feet. Core recovery was poor, estimated to be about 50 to 60 percent, but reasonably good contacts were obtainable for the base of the Salt Wash, Navajoh, Silk Creek, Pony Express, and Entrada horizons. The hole was barren of both uranium and vanadium. Drill hole 4 was cored from 325 feet, and bottomed at 433 feet. Core recovery is estimated to be between 60 and 70 percent, basal contacts are obtainable from the core. Again the hole is barren. Drilling began on drill hole 5 on November 21. At that time about 1300 feet of drilling had been completed, of an authorized total of 2500 feet.

Only one core box was available at the drill rig for the core from drill holes 7 and 2. Core from drill hole 1 was stacked on the ground for several weeks, and reported by the driller to have been evidently disturbed, considerably decreasing its reliability. On November 22 there were still insufficient core boxes for the first four holes completed, and there were no core box tops. The core could therefore not be transported from the drill rigs, even that portion already in boxes, and some of the core was still stacked on the ground. The reliability of the core is therefore open to question, particularly in detail but also partially in general, and it has been impossible to make a detailed study of the core.

It is suggested that further details of this operation may be obtained from Mr. Glenn Walker, AEC representative, U. S. Bureau of Mines, Denver, Colorado.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DMEA DOCKET 2846



N

EXPLANATION

CLAIMS ORIGINALLY INCLUDED IN DMEA DOCKET 2846, LOCATED ACCORDING TO MAP SUPPLIED BY W. E. GRIPE

CLAIMS TO BE ADDED TO DMEA DOCKET 2846, APPROXIMATELY LOCATED

DIAMOND-DRILL HOLE (VERTICAL) RETAINED FROM ORIGINAL PLAN

DIAMOND-DRILL HOLE (VERTICAL) ADDED UNDER REVISED PLAN

SCALE

300 200 100 0 300 600 Feet

O Holes drilled 1953

O " " 1954

SKETCH MAP OF SUNNY SIDE CLAIM GROUP (FROM MAP SUPPLIED BY W. E. GRIPE, OWNER) SHOWING APPROXIMATE LOCATION OF THE BASIN CLAIM GROUP, TO BE ADDED TO DMEA DOCKET 2846 (URANIUM), AND REVISED LOCATION OF DIAMOND-DRILL HOLES

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

224 New Customhouse
Denver 2, Colorado

December 6, 1954

Mr. Woodrow E. Gripe
P. O. Box 225
Naturita, Colorado

Re: Docket DMEA 2846 (Uranium)
Contract Idm-E569

Dear Mr. Gripe:

Reference is made to your letter of November 23, 1954 wherein you request an extension of the period for completion of the project work under Contract Idm-E569 until December 31, 1954 and request that funds involved in a contemplated nonperformance of 235 feet of drilling be made available for cleaning out and probing the original Hole No. 2 which is some 15 feet distant from the second Hole No. 2.

Relative to the extension period of the project work, we will prepare an amendment extending the completion period as you have requested.

Relative to the cleaning out and probing of the original Hole No. 2, because of the closeness of the two holes it is not deemed to be in the best interests of the Government to expend funds in cleaning out and probing the original Hole No. 2. Therefore, that portion of your request of November 23, 1954 is hereby denied.

Your attention is directed to the provisions of Amendment No. 2, caption "Description of the Work", item 1, wherein it is stipulated that Hole No. 6 will not be started if there is insufficient unexpended footage of drilling to guarantee completion of the hole to its objective.

Very truly yours,

W. H. King

W. H. King

E. N. Harshman

E. N. Harshman, for
A. H. Koschmann

DMEA Field Team, Region IV

JWT:jp
cc Subject
Chron
Traver
Brokaw
Koschmann
Chairman, Op. Comm. (4)
Townsend

Box 225, Naturita, Colo.
November 23, 1954

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

DMEA 2846, Contract Idm-L569
(Uranium)

Dear Mr. King:

This is to request an extension of time on this contract until December 31, 1954, which additional time will be necessary to complete the project.

I would also like to request that the remaining footage allowed under the contract, after completion of hole No. 6 (Figure No. 1) be applied to cleaning out and casing the original hole No. 2 (Figure No. 1), mentioned in the first paragraph of my ~~xxxxx~~ narrative report dated November 9, 1954, which was never probed nor a Barnaby run on it. In view of the showing of ore at 404 to 411 feet in hole No. "2-A", I believe it would be worthwhile probing this original hole which is 15 feet away. And there was also a showing of ore in hole "2-B", 100 feet west.

The report of November 9, 1954 shows 1365 feet of drilling completed. Since then, hole No. 4 has been completed, and hole No. 6 started. Assuming each goes to about 450 feet, that would make 2265 feet, leaving 235 feet under the contract for a total of 2500 feet.

I will appreciate hearing from you on this by return mail if possible, or as soon as possible, so the crew can know what to do after hole No. 6.

Yours very truly,

Woodrow E. Gripe

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 9 1954

November 30, 1954

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Sandmann *E.H. for AHK*

Subject: Summary of operations on Contract Idr-6300, Vandrew E. Grigg, San Miguel County, Colorado

The accompanying memorandum by A. L. Bush, U. S. Geological Survey, summarizes the results of exploration completed to date under Contract Idr-6300.

In a telephone conversation on November 22, 1954, Bush recommended to me that the contract be terminated at the earliest possible date for there seemed to be no chance to discover significant reserves of uranium ore by continued exploration and the work completed by the contractor had not been done in a satisfactory or workmanlike manner. At the time of the conversation with Bush, drilling was starting on the fifth hole and about 1000 feet of drilling had been completed out of 2000 feet allowed under the contract. In a discussion with Tompsed, it was concluded that it would be impossible to terminate the work before considerable drilling was completed on the fifth hole and that completion of this hole should be allowed.

As a result of the conversation with Bush the accompanying memorandum was prepared by him and it appears that serious consideration by the Field Team should be given to disallowance of payment for a portion of the work done under Contract Idr-6300.

The cost estimate detailed in the engineer's examination report includes items totalling $1,000 or 12% of the total project cost for sampling and supervision, yet it appears that little or no supervision has been given the project. Core is not stored in boxes as required by the contract (Amendment No. 2) but is piled here and there on the ground around the drill-rig. Holes have not been cored throughout their entire length as implied in the contract and requested verbally by the inspecting engineer. As a result, Bush reports that much of the recovered core has become so mixed that an accurate interpretation of even the broad geologic features of the area drilled will be impossible.

One drill hole, No. 7 on the map accompanying the Bush memorandum, has been drilled at a location unauthorized under the contract. Core was recovered from a depth of 400 feet to the bottom of the hole an interval assumed below the ore horizon in the Entrada sandstone. The value of this hole is therefore questioned as to the propriety of Government participation in the expense of drilling it.

Based on the geologic data obtained from the first 4 holes completed by the contractor, and due to the uncertainties under in which the project has been run, it appears that it would be in the best interest of the Government to terminate the contract upon completion of the fifth hole now being drilled.

November 29, 1954

Defense Minerals Administration
RECEIVED
DEC 9 1954

Memorandum

To: Mr. A. H. Kaufmann

From: A. L. Bush

Subject: Summary of operations on, and recommended termination for DMA Budget 2866, Contract 16r-2300, Meadows E. Grips, San Miguel County, Colorado

This DMA exploration contract was undertaken to explore for uranium concentrations, above 0.10% UO_2, in the thin but essentially continuous uranium-carrying layer in the Entrada sandstone in the Pinnacville district, San Miguel County, Colorado. In the original DMA report of June 25, 1953, the Entrada sandstone of the area suggested for exploration (the Sunny Side and Basin claim groups on Van Fleet Creek) was reported to lie 150 to 300 feet below the surface. A contract was approved for exploration using this depth as one of its postulates. It is pointed out in my memorandum of October 7, 1953, that the depth of drilling required to test the Entrada would be far greater than that originally anticipated, averaging about 400 feet, requiring the holes to bottom between 400 and 450 feet.

At the present time 4 drill holes have been completed. These are numbered on the accompanying sketch map as follows: 1, 2, 4, and 7. This numbering agrees without exact on the map that accompanied my memo of October 7, 1953, when this revised location of drill holes was proposed. It is to be specifically noted that the hole numbered 7 does not appear on that map of the holes to be drilled. Holes 7 (DD-2) and 2 (DD-1) contain less than 0.005% UO_2 and 0.012% UO_2 respectively. Holes 1 (DD-3) and 4 (DD-4) are barren. Available data indicate that the radioactive layer is displaced by 24 feet between holes 7 and 2; that the

intrusion itself is displaced by about 60 feet between holes 1 and 3, and by about 30 feet between holes 3 and 4. In addition, in holes 7 and 2, the radioactive zones are less than 2 feet thick. They lie from 301 to 417 feet below the surface.

In general, the uranium-vanadium layer of the Pleasanville district contains from 0.04 to 0.006 percent U_3O_8. Drilling to date indicates very strongly that the area of investigation is underlain at least partly by a barren spot in the uranium-vanadium layer, and further, suggests that the average grade of uranium in this area will be no higher than the average grade for the district, and very probably may be lower.

In view of the depth to the ore horizon, the faulted ground - perhaps more accurately described as shattered displacements of 25 to 30 feet apparently are very common, the low grade of uranium indicated by the radioactric logging, and the presence of barren ground, it is concluded that the prospect of making a uranium discovery of commercial grade (0.10% U_3O_8 or higher) and mineability is practically nil. It is therefore recommended that the DMEA contract be terminated before any further drilling is done.

SUMMARY OF OPERATIONS

Drilling began in the fall of 1955. Two holes were partially drilled, but not bottomed, and the contract between Mr. Grigs and the driller was abrogated. However, core information from a drill hole 10 feet from the one numbered 2 DDH-11 on the accompanying sketch map, indicated the presence of the Salt Wash sandstone in place at a depth of about 300-400 feet.

Drilling was resumed in August 1956. Drilling began at hole number 2. On the basis of the hole drilled the previous fall transferred

shown) coring was started at 400 feet, and the hole was bottomed at 505 feet. Stratigraphic measurements at the closest nearby outcrops indicated that the top of the Entrada sandstone was about 80 feet below the base of the Salt Wash sandstone. The first core taken proved to be from the Dolores red beds, which underlie the Entrada. Radiometric logging showed the uranium-vanadium layer to be at about 408 feet, about 1 foot thick, 0.012% dig/g. This location suggests that the top of the Entrada is at about 400 feet, plus or minus perhaps 5 feet. A minimum displacement of about 30 feet is indicated here between hole 2 and the hole drilled the preceding fall. Later drilling for which core is available indicated that the Salt Wash-Entrada interval is on the order of 45 to 50 feet thick.

The attached map shows that the next hole should have been drilled 200 feet to the east of the location of hole 1. Instead, a hole was drilled approximately 100 feet west of hole 2. This hole, numbered 7 on the attached sketch map, was drilled without prior authorization for a change of drill-hole plan. It is believed that the hole was drilled by error, rather than by deliberate non-compliance with the drill-hole plan. Mr. Glenn Walker, DMEA representative from the U. S. Bureau of Mines, informed me that he contacted Mr. Grigo's residence by phone, and left word for Mr. Grigo that the coring of drill hole 7 should be started at 300 feet. Grigo informs me that he (Grigo) had previously instructed the driller to core at 300 feet. He did not inform the driller of Walker's request to start the coring at 300 feet. The driller made an error in measuring the depth of the hole, and as a result, coring was actually started at 400 feet, and bottomed at 434 feet. The first core taken was found to be in the Entrada, below the location of the uranium-vanadium

layer 19 feet below the radioactive zone. There is therefore no stratigraphic or economic information available in the drill core from these first two holes, except the depth of the Entrada-Dolores contact in hole 7.

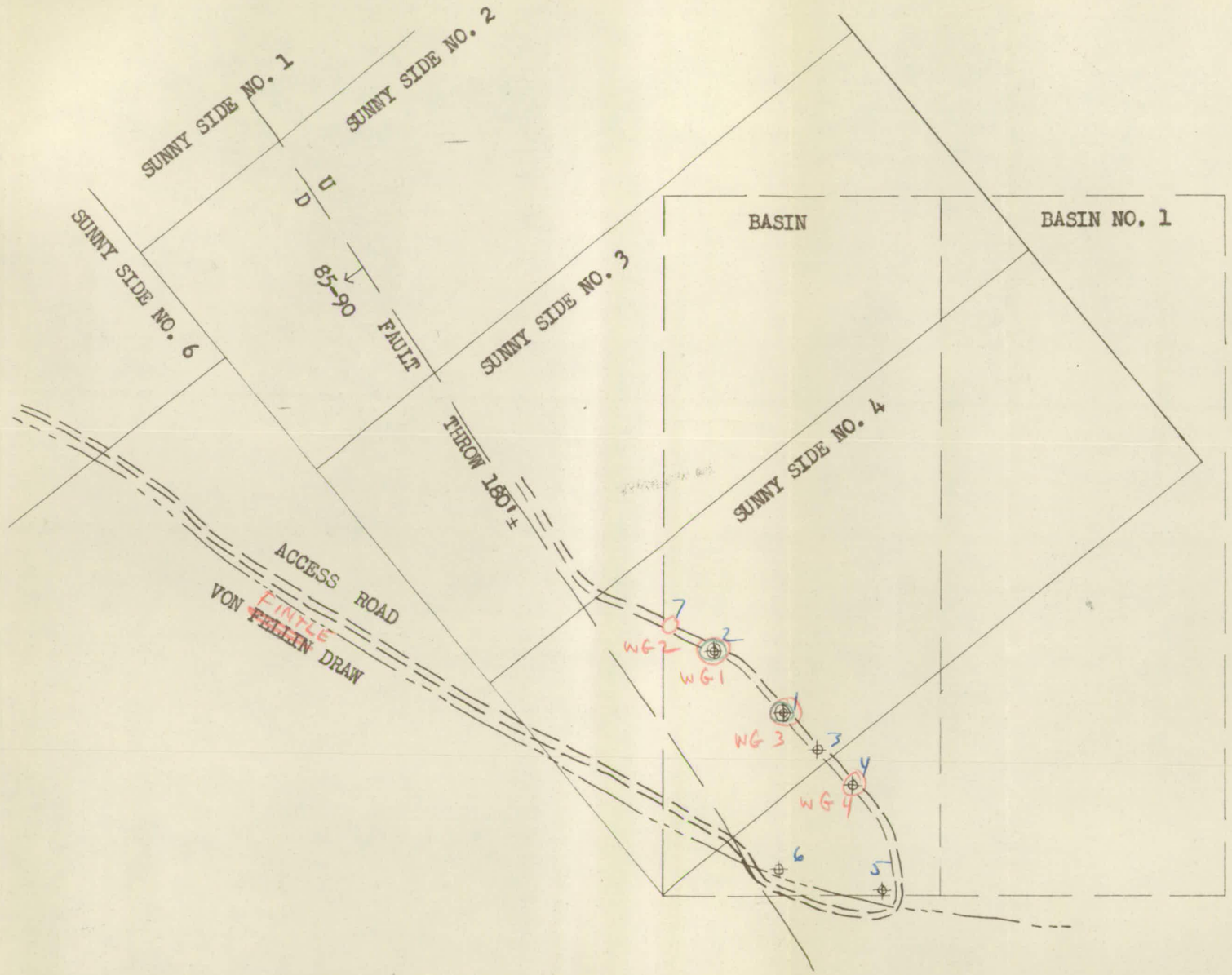
The drill hole numbered 1 (US-2) was drilled next, cored from 120 feet, bottomed at 326 feet. Core recovery was poor, estimated to be about 50 to 60 percent, but reasonably good contacts were obtainable for the base of the Salt Wash, Brushy, Slim Creek, Foxy Canyon, and Entrada horizons. The hole was barren of both uranium and vanadium. Drill hole 4 was cored from 325 feet, and bottomed at 425 feet. Core recovery is estimated to be between60 and 70 percent, basal contacts are obtainable from the core. Again the hole is barren. Drilling began on drill hole 5 on November 21. At that time about 1000 feet of drilling had been completed, of an estimated total of 2500 feet.

Only one core box was available at the drill rig for the core from drill holes 7 and 2. Core from drill hole 1 was stacked on the ground for several weeks, and reported by the driller to have been evidently disturbed, considerably decreasing its reliability. On November 22 there were still insufficient core boxes for the first four holes completed,and there were no core box tops. The core could therefore not be transported from the drill rigs, even that portion already in boxes, and some of the core was still stacked on the ground. The reliability of the core is therefore open to question, particularly in detail but also partially in general, and it has been impossible to make a detailed study of the core.

It is suggested that further details of this operation may be obtained from Mr. Glenn Walker, [illegible] representative, U. S. Bureau of Mines, Denver, Colorado.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DMEA DOCKET 2846



N

EXPLANATION

CLAIMS ORIGINALLY INCLUDED IN DMEA DOCKET 2846, LOCATED ACCORDING TO MAP SUPPLIED BY W. E. GRIPE

CLAIMS TO BE ADDED TO DMEA DOCKET 2846, APPROXIMATELY LOCATED

DIAMOND-DRILL HOLE (VERTICAL) RETAINED FROM ORIGINAL PLAN

DIAMOND-DRILL HOLE (VERTICAL) ADDED UNDER REVISED PLAN

SCALE

300 200 100 0 300 600 Feet

O Holes drilled 1953
O " " 1954

SKETCH MAP OF SUNNY SIDE CLAIM GROUP (FROM MAP SUPPLIED BY W. E. GRIPE, OWNER) SHOWING APPROXIMATE LOCATION OF THE BASIN CLAIM GROUP, TO BE ADDED TO DMEA DOCKET 2846 (URANIUM), AND REVISED LOCATION OF DIAMOND-DRILL HOLES

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

224 New Customhouse
Denver 2, Colorado

December 6, 1954

Mr. Woodrow E. Gripe
P. O. Box 225
Naturita, Colorado

Re: Docket DMEA 2846 (Uranium)
Contract Idm-E56

Dear Mr. Gripe:

Reference is made to your letter of November 23, 1954 wherein you request an extension of the period for completion of the project work under Contract Idm-E56 until December 31, 1954 and request that funds involved in a contemplated nonperformance of 255 feet of drilling be made available for cleaning out and probing the original Hole No. 2 which is some 15 feet distant from the second Hole No. 2.

Relative to the extension period of the project work, we will prepare an amendment extending the completion period as you have requested.

Relative to the cleaning out and probing of the original Hole No. 2, because of the closeness of the two holes it is not deemed to be in the best interests of the Government to expend funds in cleaning out and probing the original Hole No. 2. Therefore, that portion of your request of November 23, 1954 is hereby denied.

Your attention is directed to the provisions of Amendment No. 2, caption Description of the Work , item 1, wherein it is stipulated that Hole No. 6 will not be started if there is insufficient unexpended footage of drilling to guarantee completion of the hole to its objective.

Very truly yours,

W. H. King

W. H. King

E. N. Harshman

E. N. Harshman, for
A. H. Koschmann

DMEA Field Team, Region IV

JWT: jp
cc Subject
Chron
Traver
Brokaw
Koschmann
Chairman, Op. Comm. (4)
Townsend

Box 225, Naturita, Colo.
November 23, 1954

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

DMEA 2846, Contract Idm-E569
(Uranium)

Dear Mr. King:

This is to request an extension of time on this contract until December 31, 1954, which additional time will be necessary to complete the project.

I would also like to request that the remaining footage allowed under the contract, after completion of hole No. 6 (Figure No. 1) be applied to cleaning out and casing the original hole No. 2 (Figure No. 1), mentioned in the first paragraph of my ~~xxxx~~ narrative report dated November 9, 1954, which was never probed nor a Barnaby run on it. In view of the showing of ore at 404 to 411 feet in hole No. "2-A", I believe it would be worthwhile probing this original hole which is 15 feet away. And there was also a showing of ore in hole "2-B", 100 feet west.

The report of November 9, 1954 shows 1365 feet of drilling completed. Since then, hole No. 4 has been completed, and hole No. 6 started. Assuming each goes to about 450 feet, that would make 2265 feet, leaving 235 feet under the contract for a total of 2500 feet.

I will appreciate hearing from you on this by return mail if possible, or as soon as possible, so the crew can know what to do after hole No. 6.

Yours very truly,

Woodrow E. Griffin

9/24/54 gla

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

224 New Customhouse
Denver 2, Colorado

September 22, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2846 (Uranium), Contract Idm-E569, Woodrow E. Gripe, San Miguel County, Colorado

Enclosed for your records are the original and two copies of a Power of Attorney executed by Woodrow E. Gripe in favor of the First National Bank of Grand Junction, Colorado to act as his attorney to receive, endorse, and collect checks payable to the order of Woodrow E. Gripe, pertaining to reimbursement from the Government under the terms of Contract Idm-E569.

W. H. King

Enclosures

POWER OF ATTORNEY BY INDIVIDUAL FOR THE COLLECTION OF CHECKS DRAWN
DMEA 2846, (I.D.M. E-569) (URANIUM) GRIPE CLAIM, SAN MIGUEL
COUNTY, COLORADO, UNITED STATES DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, Woodrow E. Gripe, of Naturita, Colorado, do

hereby appoint First National Bank, of Grand Junction, Colorado, as his

attorney to receive, endorse, cash and collect checks payable to the or
of the undersigned, drawn on DMEA 2846 (I.D.M. E-569), for whatever acc
and to execute in the name and on behalf of the undersigned, all bonds,
nities, applications, or other documents, which may be required by law
tion to secure the issuance of substitutes for such checks, and to give
discharge for same, granting to said attorney full power of substitutio
revocation, hereby ratifying and confirming all that said attorney, or
substitute, shall lawfully do or cause to be done by virtue hereof.

WITNESS the signature and seal of the undersigned, this 14th

of September, 19 54.

Woodrow E. Gripe

Woodrow E. Gripe

Personally appeared before me the above-named Woodrow E. Gripe
known or proved to me to be the same person who executed the foregoing
and acknowledged to me that he executed the same as his free act and de

WITNESS my signature, official designation, and seal.

Signature of attesting offic

Notary Public
(Official designation)

Dated at Grand Junction Colo, this 14 day of September,

My commission expires My Commission expires Octob,

[illegible] MChing

[redacted]

P.A - Department of the Interior
14.411(02) Revolving Fund,
Defense Production Act,
Interior (Allocated Within
Funds to the Office of the
Secy.)

JUL 8 - 1954

V. B. KING, [illegible] OFFICER
IMPA FIELD TEAM, REGION IV
[illegible] CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

[illegible] 7 [illegible] 2116 [illegible] 1954

[illegible] 1 AND

[illegible] 13, 1954.

George C. Selfridge

GEORGE C. SELFRIDGE, CHAIRMAN
[illegible] DIRECTOR

MChing/gla
7-8-54
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. A.P.Butler, Jr. Rm. 3212, GSA
J.T.Hosted, Rm. 3210
H.D.Kelsey, Rm. 3641
Code 700
M.Ching
Confirmation to Region IV

SENT
JUL 9 1954
Clerical Service Section

7/8/54 gla

BUR MINES DN 235 7-7-54 4-12

GEORGE C SELFRIDGE

REFERENCE DOCKET 2846, CONTRACT IDM-E569, WOODROW E. GRIPE. OPERATOR ADVISES THAT WORK CANNOT BE STARTED UNTIL SOMETIME WITHIN 30 DAYS AFTER EXPIRATION OF RECESS ENDING JULY 1, 1954. THIRTY DAY EXTENSION OF RECESS RECOMMENDED. PLEASE TELETYPE ADVICE AS TO HOW WE SHOULD PROCEED.

W H KING

DENVER, COLO.

T E L E T Y P E

MChing/gla

[redacted]

DSA - Department of the Interior
$1,000,000(Oil) Revolving Fund, Defense
Production Act, Interior
(Allocated Working Fund to the
Office of the Secy.)

W. H. KING, [illegible] OFFICER
DSA FIELD [illegible], R O GR IV
[illegible] NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

YOU ARE AUTHORIZED TO
REQUEST APRIL 22 DOCKET [illegible] WORKING [illegible]/[illegible] NEED CONTRACT

TO PROVIDE FOR THE EXTENSION OF THE PERIOD JULY 1 & 2 COMPLETION
BY OCTOBER 13, 1954.

C. O. Mittenden

f

C. O. WITTENGUP, ADMINISTRATOR

MChing/gla
cc to: Admr. Reading File
Docket
Messrs. APButler, Jr., Rm. 3212, OSA
HDKeiser, Rm. 3641
Code 700
MChing
Confirmation to Region IV

SENT
APR 26 1954
Clerical Service Section

4/23/54 vgla

C
O
P
Y

TELETYPE

DN 235 BUREAU MINES 4-22-54 4-19 PM

C O MITTENDORF

REFERENCE DOCKET DMEA 2846, /URANIUM/ CONTRACT IDM-E569, WOODROW E. GRIPE, SAN MIGUEL COUNTY, COLORADO. OPERATOR REQUEST EXTENSION OF RECESS PERIOD TO MAY 15, 1954 TO PROVIDE TIME TO OBTAIN SERVICES OF DRILLING CONTRACTOR AND RESOLVE MATTERS RELEVANT TO HIS NEGOTIATION FOR LEASE ON ADDITIONAL GROUND. IF HE CAN OBTAIN THE LEASE HE INDICATES THAT HE MAY WISH TO CHANGE THE EXPLORATION WORK FROM DRILLING TO DRIFTING. OUR EXPERIENCE WITH THIS PARTICULAR OPERATOR INDICATES THAT THE EXTENSION REQUESTED WILL BE INADEQUATE THEREFORE RECOMMEND EXTENSION WITH WORK TO BE RESUMED ON OR BEFORE JULY 1, 1954. PLEASE TELETYPE INSTRUCTIONS IN THE MATTER.

W. H. KING

700

FEB 10 1954

Mr. [illegible] H. King
Executive Officer
DMEA Field Team, Region IV
424 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2846 (Uranium)
Contract No. [illegible]
Woodrow W. Shipe
San Miguel County, Colorado

Dear Mr. King:

In accordance with your memorandum of February 3, 1954, to Mr. Mittendorf, we are returning the Finance Office copy of Amendment No. 2, dated November 23, 1953, signed by the Administrator. This copy and the Division copy of the amendment were prepared by your office to replace the copies misplaced by the Operator.

This will also confirm the following teletype which was sent to you by the Administrator concerning proposed Amendment No. 3:

HURLEY FEBRUARY 3, 1954, DOCKET 2846 WOODROW W. SHIPE
PLEASE PREPARE PROPOSED AMENDMENT NO. 3 WITH RECESS
AS REQUESTED AND EXTENSION OF COMPLETION DATE TO
JULY 13, 1954.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosure

MChing/gla
2-9-54
cc to: Adm. Reading File
Operating Committee
Docket
Messrs. HDKeiser, Rm.3641
APButler, Jr. Rm.3212, GSA
Code 700
Mr. Ching
DMEA Field Team, Region IV

APPROVED:

J. H. Hedges
Member, Bureau of Mines

D. M. Larrabee
Member, Geological Survey

MChing/gla 2-9-54

DMPA - Department of the Interior

14X3923.970 Working Fund
DMIA

MR. W. H. KING, EXECUTIVE OFFICER
DMPA FIELD TEAM, REGION IV
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

RECEIPT FEBRUARY 3, 1954, DOCKET 2846 WOODROW E. GRIFF PLEASE PREPARE

PROPOSED AMENDMENT NO. 3 WITH RECESS AS REQUESTED AND EXTENSION OF

COMPLETION DATE TO JULY 13, 1954.

C. O. Mittenhoff

C. O. MITTENHOFF, ADMINISTRATOR

MChing/gla
cc to: Adm.Reading File
Docket
Messrs. HDKeiser, Rm. 3641
APButler, Jr. Rm. 3213, GSA
Code 700
Mr. Ching
Confirmation to Region IV

SENT
FEB 10 1954
Clerical Service Section

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

224 New Customhouse
Denver 2, Colorado

February 3, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2846 (Uranium), Contract Idm-E569, Woodrow E. Gripe, San Miguel County, Colorado

Enclosed are the Government and Docket copies of Amendment No. 2 to Contract Idm-E569 executed by you and the operator. Also enclosed are the Division and Finance Office copies of the amendment which were prepared by this office to replace the copies misplaced by the operator. In that matter you are referred to our letter to the operator dated January 27, 1954, a copy of which was forwarded to the Chairman of the Operating Committee.

Please sign the Finance Office copy and return it to this office.

In addition to the foregoing we are enclosing the original and three copies of a letter from Woodrow E. Gripe dated January 29, 1954 wherein he requests authorization for a recess of operations from November 3, 1953 to on or before April 1, 1954 and an extension of the period for completion of the work from February 13, 1954 to on or before July 1, 1954. Please teletype advice as to whether or not you concur in our preparing the amendment to authorize the recess and extend the completion period.

For your information concerning the project work, the operator commenced operations under the contract within the time specified, however the drilling consisted of three holes which were not completed to the extent whereby the Government could participate in the costs of the work.

W H King
W. H. King

Enclosures

-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 2/8/54

REFERRED TO:

1. code 700
2. Mr. Ching
3.
4.

DMEA-2846
Idm-E569

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	
..... Conference	..... Referring to .....
..... Consideration	
..... Filing	..... Reply for signature of .....
..... Instructions	
..... Investigation	..... Rewriting
..... Initials	..... Signature
..... Mailing	..... Suggestions
..... Previous correspondence	..... Your information

REMARKS: As a matter of fact, the Division copy should be initialed by Legal and Mr. Chambers to conform to the Docket copy, and both the Finance and Division copies should be signed by theAdministrator. gla

Check (X) before the items needing attention.

Initials of sender.

GPO 16—63815-1

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

COPY

224 New Customhouse
Denver 2, Colorado

February 3, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2846 (Uranium), Contract Idm-E569, Woodrow E. Gripe, San Miguel County, Colorado.

Enclosed are the Government and Docket copies of Amendment No. 2 to Contract Idm-E569 executed by you and the operator. Also enclosed are the Division and Finance Office copies of the amendment which were prepared by this office to replace the copies misplaced by the operator. In that matter you are referred to our letter to the operator dated January 27, 1954, a copy of which was forwarded to the Chairman of the Operating Committee.

Please sign the Finance Office copy and return it to this office.

In addition to the foregoing we are enclosing the original and three copies of a letter from Woodrow E. Gripe dated January 29, 1954 wherein he requests authorization for a recess of operations from November 3, 1953 to on or before April 1, 1954 and an extension of the period for completion of the work from February 13, 1954 to on or before July 1, 1954. Please teletype advice as to whether or not you concur in our preparing the amendment to authorize the recess and extend the completion period.

For your information concerning the project work, the operator commenced operations under the contract within the time specified, however the drilling consisted of three holes which were not completed to the extent whereby the Government could participate in the costs of the work.

/s/ W. H. King

Enclosures

COPY

January 29, 1954

W.H.King
224 New Customhouse
Denver 2, Colorado

Dear Sir:

Please authorize a recess of operations from Nov. 3, 1953 to on or before April 1, 1954. Please give me an extension period for completion of work from Feb. 13, 1954 to on or before July 1, 1954. Please find enclosed signed dockets.

Yours truly,

/s/ Woodrow E. Gripe

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

REFERRED TO: DATE FEB 9 1954

1. ~~Mr. Selfridge, Rm. 4631~~
2. Mr. Ellis, Rm. 4640
3.
4.

FOR:

- ---------- Action
- ---------- Approval
- ---------- Comment
- ---------- Conference
- ---------- Consideration
- ---------- Filing
- ---------- Instructions
- ---------- Investigation
- ---------- Initials
- ---------- Mailing
- ---------- Previous correspondence
- ---------- Recommendation
- ---------- Record of ----------
- ---------- Referring to ----------
- ---------- Reply for signature of ----------
- ---------- Rewriting
- ---------- Signature
- ---------- Suggestions
- ---------- Your information

REMARKS: Original FT ltr. & original ltr. fm. Operator ret'd to M&R. Attached cy FT ltr. & 2 cc ltr. fm. Operator--only original and 2 cc of Operator ltr. rec'd by me. Hazel

Check (X) before the items needing attention.

George C. Selfridge
Initials of sender.

GPO 16—63815-1

COPY

January 29, 1954

W.H.King
224 New Customhouse
Denver 2, Colorado

Dear Sir:

Please authorize a recess of operations from Nov. 3, 1953 to on or before April 1, 1954. Please give me an extension period for completion of work from Feb. 13, 1954 to on or before July 1, 1954. Please find enclosed signed dockets.

Yours truly,

/s/ Woodrow E. Gripe

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

224 New Customhouse
Denver 2, Colorado

~~DOCKET COPY~~

January 27, 1954

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2846 (Uranium), Contract Idm-E569, Woodrow E. Gripe, San Miguel County, Colorado

In conjunction with our letter of January 20, 1954 to the operator, a copy of which was furnished to you, and prior correspondence relative to nonreturn by the operator of Amendment No. 2 and his eventual return of the amendment short the Division and Finance Office copies, we are enclosing a copy of the operator's letter of January 23 and our reply to him of January 27, 1954.

W. H. King

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB - 1 1954

224 New Customhouse
Denver 2, Colorado

January 27, 1954

Mr. Woodrow E. Gripe
Naturita, Colorado

Re: Docket DMEA 2846
Contract Idm-E569

Dear Mr. Gripe:

Reference is made to your letter of January 23, 1954, in reply to our letter of January 20, 1954 relative to your nonreturn of the Division and Finance Office copies of Amendment No. 2 forwarded to you for signature by our letter of December 4, 1953. You advise that you have evidently misplaced the two copies of the amendment. In addition you request authorization of a recess of operations from February 12, 1954 to on or before April 1, 1954.

We are enclosing two replacement copies of the amendment for your signature. Please sign and return them by return mail. Amendments to your contract are important legal documents and should not be carelessly handled. However, in this case the amendment would not be a valid legal document until return of all copies is acknowledged by forwarding you your copy, in conformance with instructions contained in our letter of December 4, 1953.

Every effort should be made to locate the missing Division and Finance Office copies of the amendment inasmuch as they have been signed by the Administrator, DMEA, for the Government. The necessity of preparing duplicate copies will involve a delay in forwarding you your copy of the amendment inasmuch as the duplicate copies must be forwarded to Washington for the Administrator's signature.

In your letter of January 23, 1954 you request a recess of operations from February 12, 1954 to April 1, 1954. Those dates do not appear to be appropriate for a recess of operations inasmuch as operations under the contract were evidently recessed a considerable time prior to February 12, 1954.

Please resubmit your request for a recess of operations stating the date actual operations were suspended and the date on or before which you agree to resume operations. In addition you should request an extension period for completion of work under the contract from February 13, 1954 to such time in advance of the resumption of operations to permit you to complete the project work.

JWT:jp
cc: Contract - Chron
Wm.Traver-AHKoschmann
Chairman, Operating Committee
JWTownsend

Very truly yours,

W. H. King
Executive Officer, DMEA
Field Team, Region IV

COPY

Naturita, Colorado
January 23, 1954

W.H.King
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 2846
Contract Idm-E569

Dear Sir:

I am sorry about misplacing some of the forms and if you would send them to me I would return them signed immediately as we would like to get this contract extended as stated in the other letter. In addition I would like for you to authorize a recess of operations from Feb. 12, 1954 to on or before April 1, 1954. You mentioned the cancellation of the contract before any obligations are incurred by either party concerned. We have built the access roads and I have spent most of my time on it last summer one way or the other and Leon Whately has sued me $2389 for the uncompleted holes. I would like very well to complete this drilling program as I have been out so much on it already.

Yours truly,

/s/ Woodrow E. Gripe

1/14/54 gla

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

224 New Customhouse
Denver 2, Colorado

January 11, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2846 (Uranium), Contract Idm-E569, Woodrow E. Gripe, San Miguel County, Colorado

Enclosed for your information are copies of the following correspondence relative to work under the subject contract:

1. Letter from this office to the operator dated December 4, 1953, transmitting the original and four copies of Amendment No. 2.

2. Letter from the operator dated January 9, 1954, requesting an extension of time from the 1st of April to the 1st of July.

3. Letter from this office to the operator dated January 11, 1954, acknowledging the operator's letter of January 9, 1954, and requesting compliance with instructions in our letter of December 4, 1953.

W. H. King

W. H. King

Enclosures

December 4, 1953

224 New Customhouse
Denver 2, Colorado

Mr. Woodrow E. Gripe
Naturita
Colorado

Re: Docket DMEA-2846
Contract Idm-E569

Dear Mr. Gripe:

Enclosed are the original and four copies of Amendment No. 2 to Contract Idm-E569 which was prepared in Washington and has been executed by the Administrator for the Government. This amendment authorizes inclusion of the Basin and Basin No. 1 mining claims under article 2 of the contract, amends article 3 of the contract to extend the period for completion of the project work from four months to seven months, amends article 6 of the contract by inclusion of Annex I, and amends Exhibit "A" attached to the contract relative to the location and extent of diamond drilling. The amendment was prepared in conformance with your letters of August 20, 1953 and October 10, 1953.

The original and four copies of the amendment should be signed by you and returned to this office, upon receipt of which we will forward you your copy of the amendment.

Regarding the matter of an increase in the estimated cost of performing the diamond drilling under the terms of the contract, as requested by your letter of November 17, 1953, the matter must be forwarded to our Washington office for their consideration and appropriate action, which will involve a delay of approximately 30 days before you can be advised in the matter.

Very truly yours,

/s/ W. H. King
Executive Officer, DMEA
Field Team, Region IV

Enclosures

C
O
P
Y

Naturita, Colorado
Jan. 9, ,954

W. H. King
224 Customhouse
Denver 2, Colorado

Exploration Project Contract No. Idm-E569
Docket No. DMEA-2846

Dear Sir:

Due to the weather conditions this time of the year it is impossible to complete the drilling until spring. I would like to have an extension of time from the 1st of April to the last of July.

Very truly yours,

Woodrow E. Gripe

C
O
P
Y

224 New Customhouse
Denver 2, Colorado

January 11, 1954

REGISTERED

Re: Docket DMEA-2846
Contract Idm-E569

Dear Mr. Gripe:

Receipt is acknowledged of your letter dated January 9, 1954, wherein you request an extension of time from the 1st of April to the 1st of July.

In the matter of amending Contract Idm-E569, reference is made to our letter of December 4, 1953, whereby we forwarded the original and four copies of Amendment No. 2 which was prepared in Washington and was executed by the Administrator for the Government to add additional ground under article 2 of the contract, extend the period for completion of the project work from four months to seven months, amend article 6 of the contract by inclusion of Annex I, and amend Exhibit "A" attached to the contract relative to the location and extent of diamond drilling.

The records in this office indicate that you have not returned the signed original and four copies of the amendment as instructed in our letter of December 4. Amendment No. 2 extended the period for completion of the project work from four months to seven months, or to a completion date of February 13, 1954. Without amendment No. 2 the contract would expire November 13, 1953. Before any action can be taken by this office relative to further extending the completion period of the contract it is necessary that Amendment No. 2 be signed by you and returned to this office. In addition, your request for a further extension of the completion period should conform to the dates established by Amendment No. 2. In support of a further extension please submit a statement as to the extent of work completed under the contract to date.

Very truly yours,

W. H. King
Executive Officer, DMEA
Field Team, Region IV

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

DIVISION COPY

Mr. Woodrow B. Gripe
P. O. Box 225
Naturita, Colorado

NOV 3 1953

Re: Docket No. DMEA-2046 (Uranium)
Contract No. Ion-1569
Sunnyside Claims
San Miguel County, Colorado

Dear Mr. Gripe:

Reference is made to your above-named Exploration Project Contract for uranium. You are probably aware that in some similar cases it has been found that some part or all of the land which is the subject of the exploration project contract consists of claims located on land which was subject to prior Federal oil and gas leases. The validity of such claims is doubtful, and in some cases the Atomic Energy Commission has issued a lease to the land for whatever benefit that may afford in curing the invalidity as far as uranium is concerned.

By the recent act of Congress approved August 12, 1953 (Public Law 250, 83d Cong.), mining claims located between July 31, 1939, and January 1, 1953, on United States Lands which were then subject to oil and gas leases, may be validated by the owners of such claims, if, not later than December 10, 1953, they

> ".... post on such claim in the manner required for posting notice of location of mining claims and file for record in the office where the notice or certificate of location of such claim is of record an amended notice of location of such claim, stating that such notice is filed pursuant to the provisions of this Act and for the purpose of obtaining the benefits thereof."

If any of the land which is the subject of your Exploration Project Contract includes a located claim or claims, the validity of which might be questioned on account of a previous oil and gas lease, the statute cited is called to your attention so that you may validate your rights as above indicated, if you consider this to be in your interest. This Agency deems such validation to be desirable even though the land in question may be covered by a lease from the Atomic Energy Commission.

Sincerely yours,

O. Mittendorf

Administrator

EWEllis/gla
10-30-53
cc to: Docket file
Region IV (2)
Division contract file

50811

August 13, 1953

Docket DMEA-2846
Contract Idm-E569
Woodrow E. Gripe

~~Mr. Ellis~~
Mr. Murphy

This contract was finalized by Region IV. I have sent the original of this memo to Mails & Files to be placed in the docket. Attached are two copies for our contract file.

You will note that Mr. Murphy reviewed the contract originally -- see my clearance memo to Hazel Berry dated July 30.

Since we heard nothing from the Legal review, I checked with their office this morning, and Edna Dames, Mr.Hofflund's secretary, said it cleared their office on August 6 (back to Hazel Berry, presumably, and then to the docket file) by them merely putting on the route slip a note to the following effect:

> Since contract is in effect, it is too late to include them in the contract unless Operator consents to include them in a future amendment.

gla

WSM

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

REFERRED TO: Mr. Lefferts Mr. Martin DATE Aug. 14, 1953

1. ~~Opr. Committee - Rm.4624~~
2. ~~Mr.Mittendorf - Rm.4624~~
3. ~~Mails & Files - Rm.4070~~
4. Code 700 (docket) Rm.4640

DMEA2-846

FOR:

---------- Action	---------- Recommendation
---------- Approval	---------- Record of ----------
---------- Comment	---------- Referring to ----------
---------- Conference	---------- Reply for signature of ----------
---------- Consideration	---------- Rewriting
---------- Filing	X Signature
---------- Instructions	---------- Suggestions
---------- Investigation	---------- Your information
---------- Initials	
X Mailing	
---------- Previous correspondence	

REMARKS: Please surname

Check (X) before the items needing attention.

GPO 16—63815-1

Ernest Wm. Ellis
db *Initials of sender.*

8/13/53 gla

IN REPLY REFER TO:

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

MEMORANDUM

August 7, 1953

TO: E. Wm. Ellis, DMEA Member
Uranium Commodity Committee

FROM: A. P. Butler, Jr., USGS Member
Uranium Commodity Committee

SUBJECT: Field Team Report DMEA Docket 2846 (Uranium) W. E. Gripe, Naturita, Colorado, applicant: Sunny Side Claims, Fall Creek, San Miguel County, Colorado.

I have reviewed the Field Team Report recommending exploration on the property identified in the subject above and discussed it with H. D. Keiser, Bureau of Mines Member, Uranium Commodity Committee.

The report presents rather obscurely some generalized geologic information suggesting that the area selected for exploration may possibly be favorable for the presence of uranium-vanadium deposits. No reasons are given as to why the particular part of the property selected for exploration was chosen instead of some other part. For example, is the apparent elongation of the deposit in the Frazier mine indicative of a possible trend at an angle away from the direction of the fault? Is the distribution of other deposits mentioned in the Engineering Report but not in the Geologic Report such that any area selected at random is as likely to be underlain by a mineralized body as any other?

In the absence of sufficient information in the report to answer questions such as those mentioned above, no recommendation is made with respect to the conclusions and actions of the Field Team.

Arthur P. Butler, Jr.

cc: Ellis (2)

Original to Docket file
8/13/53 gla

IN REPLY REFER TO:

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

MEMORANDUM

August 7, 1953

TO: R. Wm. Ellis, DMEA Member
Uranium Commodity Committee

FROM: A. P. Butler, Jr., USGS Member
Uranium Commodity Committee

SUBJECT: Field Team Report DMEA Docket 2846 (Uranium) W. E. Gripe, Naturita, Colorado, applicant: Sunny Side Claims, Fall Creek, San Miguel County, Colorado.

I have reviewed the Field Team Report recommending exploration on the property identified in the subject above and discussed it with H. D. Keiser, Bureau of Mines Member, Uranium Commodity Committee.

The report presents rather obscurely some generalized geologic information suggesting that the area selected for exploration may possibly be favorable for the presence of uranium-vanadium deposits. No reasons are given as to why the particular part of the property selected for exploration was chosen instead of some other part. For example, is the apparent elongation of the deposit in the Frazier mine indicative of a possible trend at an angle away from the direction of the fault? Is the distribution of other deposits mentioned in the Engineering Report but not in the Geologic Report such that any area selected at random is as likely to be underlain by a mineralized body as any other?

In the absence of sufficient information in the report to answer questions such as those mentioned above, no recommendation is made with respect to the conclusions and actions of the Field Team.

Arthur P. Butler, Jr.

cc: Ellis (2)

7/27/53 gla

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

Department of the INTERIOR
Defense Minerals Administration
RECEIVED
JUL 20 1953

224 New Customhouse
Denver 2, Colorado

July 15, 1953

Memorandum

To: Secretary, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Final Report - Docket No. DMEA 2846 (Uranium), Woodrow E. Gripe, San Miguel County, Colorado

Enclosed are four copies of the final report on Docket No. DMEA 2846. The contract has been prepared in this office and is now in force.

W. H. King

W. H. King

Enclosure

HMC:fwo

cc Contract
Chron

Reviewed by
DMEA OPERATING COMMITTEE
7-24-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

June 25, 1953.

Memorandum

To: Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Final Report, DMEA Docket 2846 (Uranium), Gripe Claims, San Miguel County, Colorado.

Enclosed are ten copies of the final engineering report on the subject docket.

The applicant requested $23,449.00 to diamond drill 6,000 feet of holes and construct an access road.

The examiners recommend 2,500 feet of diamond drilling and an access road at a unit cost of $4.10 per foot of hole drilled for a total cost of $10,250.00.

We concur in this recommendation.

W. H. King

W. H. King

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
7-24-53
(date)

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
June 17, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2846, Gripe claims (Uranium), Woodrow E. Gripe, Applicant, San Miguel County, Colorado

Submitted herewith are the original and ten copies of the "Summary, Conclusions, and Recommendations", by Russell R. McLellan, Bureau of Mines, and D. R. MacLaren, Geological Survey, and of McLellan's engineering report on the subject docket.

McLellan concludes that the proposed exploration, although it represents extending a known ore horizon a distance of 3,000 feet, has reasonably good possibilities for developing uranium-vanadium reserves due to the quality and persistency of the known deposits. He recommends a modified program, agreeable to the applicant, comprising 3/4 mile of access and drill-site road construction and 2,500 feet of surface diamond drilling along the upthrown side of a known fault on the Sunnyside No. 3 and 4 claims. The number of holes are to be limited by their depths and are to be spaced at 100-feet intervals with alternate holes drilled vertical and inclined to result in penetration of the favorable ore zone in two rows of virtually parallel positions. A short-form contract with a unit cost of $4.10 per feet for the 2,500 feet of drilling is suggested to include road construction and all other incidental costs. The total cost of the project will be $10,250.00—Government participation $9,205.00—whereas the applicant requested $23,449.00—Government participation $21,104.10—for a more elaborate proposal.

I concur with McLellan's conclusions and recommendations.

W. M. Traver

W. M. Traver

enclosures

WMT/cb

cc: 10, DMEA 2846, DMEA Chron.

Reviewed by
DMEA OPERATING COMMITTEE
7-24-53
(date)

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

200 New Customhouse
Denver 2, Colo.

June 10, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2846 - Gripe Claims, San Miguel County, Colorado.

Attached are 10 copies of the geological report by D. R. MacLaren covering DMEA Docket 2846 - Gripe Claims, San Miguel County, Colorado.

The applicant proposes to explore for uranium by drilling at an estimated cost of $23,449.00.

Mr. MacLaren has concluded that this is a reasonably good prospect and recommends a modified program of exploration, estimated to cost $10,250.00.

I concur in this recommendation.

A. H. Koschmann
A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (10)

Reviewed by
DMEA OPERATING COMMITTEE
7-24-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 2846, Woodrow E. Gripe

Gripe Claims

San Miguel County, Colorado

Uranium

D. R. MacLaren
Geologist
Geological Survey

and

Russell R. McLellan
Mining Engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
7-24-53
(date)

June 17, 1953

DMEA 2846

WOODROW E. GRIPE
GRIPE CLAIMS
SAN MIGUEL COUNTY, COLORADO

8/17/53

Summary, Conclusions, and Recommendations

By D. R. MacLaren
Geologist
Geological Survey

and

Russell R. McLellan
Mining Engineer
Bureau of Mines

DMEA 2846

WOODROW E. GRIPE
GRIPE CLAIMS
SAN MIGUEL COUNTY, COLORADO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By D. R. MacLaren and Russell R. McLellan

Woodrow E. Gripe, of Naturita, Colo., has requested the Defense Minerals Exploration Administration to participate in a project to explore for uranium on the Sunnyside claims near Fall Creek, San Miguel County, Colo. The applicant originally proposed to construct 1/2 mile of access road and to diamond drill 6,000 feet of holes at an estimated cost of $21,449.00--Government participation 90 percent, or $21,104.10.

The property was investigated in the field during May 1953, by a Defense Minerals Exploration Administration examining team, accompanied by the applicant. The area to be drilled is in a pronounced embayment, or fault trough, at the foot of a high, steep sandstone bluff of the Morrison formation, not far above the Entrada contact. The area is approximately 3,000 feet southeast of the Frazier mine, from which a substantial tonnage of uranium-vanadium ore has been produced. The ore-bearing sandstone does not outcrop in the area to be drilled, but, as nearly as can be determined, is within 100 to 300 feet of the surface, depending upon topographical irregularities. An access and drill-site road totaling about 3/4 mile can be constructed to the area for a reasonable cost and with no work necessary other than straight bulldozing of overburden and talus.

Because of the amount and grade of the ore in the Frazier mine to the northwest and because the ore-bearing sandstone is not too far below the surface, it is concluded that it is a reasonably favorable area in which to explore the ore horizon.

It is recommended that a modified program of exploration be approved in which a total of 2,500 feet of diamond drilling and 3/4 mile of road work are authorized. A single row of holes should commence on the Sunnyside No. 4 claim and drilling continue to the northwest at intervals of 100 feet along the footwall zone of the fault trough. The holes should be drilled alternately vertically and inclined to obtain two roughly parallel rows of holes within the ore horizon. It is estimated that eight to nine holes will be completed, depending upon the depth of the ore horizon.

It is further recommended that the program be prepared as a short-form contract authorizing a total of 2,500 feet of diamond drilling at an over-all unit cost of $4.10 per foot, including the bulldozer road work. The total expenditure will be $10,250.00--Government participation 90 percent, or $9,225.00.

GRIPE CLAIMS

SAN MIGUEL COUNTY, COLORADO

DMEA DOCKET 2846

Geologic Report

By D. R. MacLaren
U. S. Geological Survey

GRIPE CLAIMS
SAN MIGUEL COUNTY, COLORADO

INTRODUCTION

Woodrow E. Gripe of Naturita, Colorado, has requested the Defense Minerals Exploration Administration to participate in a project to explore for uranium near Fall Creek, San Miguel County, Colorado. The applicant proposes to construct half a mile of access road and to diamond drill 6,000 feet of holes at an estimated cost of $23,449.

After consulting with R. P. Fischer of the U. S. Geol. Survey who is in charge of Survey work on the Colorado Plateau, and with A. L. Bush, also of the Survey who has been working in the Placerville area, the property was examined on May 8, 1953, in the company of Mr. Gripe. About 2 miles of poor dirt road, narrow and steep in places, that turns off a fair county road 3 miles up Fall Creek canyon from State Highway 145, leads to the property. This road can be kept open during the winter months only with considerable difficulty.

It is concluded that this is a reasonably good prospect, and it is recommended that a modified program estimated by the Bureau of Mines to cost $10,250 (Government's share 90% or $9,225) be approved.

GEOLOGY

The geology of the area is rather simple. Flat lying sediments of the Cutler, Dolores, Entrada, and Morrison formations, ranging in age from Permian to Cretaceous, have been intruded by a few laccolithic masses of diorite porphyry and numerous basic dikes, 3 to 10 feet thick. High angle

faults of small displacement are common. The Entrada is the only economically important formation, and apparently neither the intrusions nor the faults have any effect on the control of the mineralization.

The Entrada sandstone, called the lower La Plata in early reports of the Geological Survey, is 35 to 70 feet thick, white to buff colored, rather fine grained, soft, and friable. Exposed in well rounded cliffs and steep bare slopes, it is easily distinguished from the underlying redbeds of sandstone, shale, and conglomerate of the Dolores formation, and from the overlying light colored sandstone and red and gray shales of the Wanakah formation (called the La Plata limestone in early reports of the Geological Survey.)

The ore occurs as impregnations of uranium and vanadium minerals in a wavey sandstone layer 1½ to 5 feet thick that is in the upper 25 feet of the Entrada. The ore bearing stratum does not outcrop in the area in which it is proposed to drill, but some 3,000 feet to the north it is seen above a narrow bench formed at the top of the redbeds. From this outcrop the Frazier mine has produced considerable uranium and vanadium ore. Although the complete production figures are not available, partial records furnished by Mr. Bush of the Survey show that at least 880 tons of ore averaging .158% U_3O_8 and 2.9% V_2O_5 have been produced. It is estimated that the ore stratum will be found within 100 to 300 feet of the surface, the depth varying with the topographic relief.

CONCLUSIONS AND RECOMMENDATIONS

Because of the indicated amount and grade of the ore mined from the Frazier mine and because the ore bearing stratum is not very deep in the

area in which it is proposed to explore, it is concluded that this is a reasonably good exploration project, even though there is an element of "wildcatting" involved. It is recommended that the following program, estimated by the Bureau of Mines to cost $10,250 (Government's share 90% or $9,225) be approved.

1. Construction of three quarters of a mile of access road, including drill sites, estimated to cost $1,500.

2. Drilling of 8 holes as shown in figure 2 in the engineering report totaling 2,500 feet, at an estimated cost of $8,750.

DMEA 2846

WOODROW E. GRIPE
GRIPE CLAIMS
SAN MIGUEL COUNTY, COLORADO

Engineering Report

By Russell R. McLellan
Mining Engineer
Bureau of Mines

DMEA 2846

WOODROW E. GRIPE
GRIPE CLAIMS
SAN MIGUEL COUNTY, COLORADO

CONTENTS

Engineering Report	Page
Introduction	1
Acknowledgments	2
Location, topography, and physical features	2
History and production	3
Ownership	4
Description of the deposit	4
Mineable ore reserves	5
Present status	5
Exploration and development	5
Mining and milling equipment and other facilities	5
Project proposals, with costs	6
Summary of costs	8
Conclusions	8
Recommendations	9

ILLUSTRATIONS

Figure	Follows page
1. Location map, Gripe claims, San Miguel County, Colo.	2
2. Proposed diamond drilling, Gripe claims, San Miguel County, Colo.	9

DMEA 2846

WOODROW E. GRIPE
GRIPE CLAIMS
SAN MIGUEL COUNTY, COLORADO

ENGINEERING REPORT

By

Russell R. McLellan

INTRODUCTION

Woodrow E. Gripe, of Naturita, Colo., has applied to the Defense Minerals Exploration Administration for assistance to explore for uranium on the Sunnyside claims in San Miguel County, Colo. The applicant originally proposed to explore for an extension of a vanadium-uranium ore horizon by diamond drilling a total of 6,000 feet of holes adjacent to a major fault that traverses the Sunnyside group of claims. The total cost of the drilling and necessary road construction was estimated by the applicant to be approximately $23,449.00--Government participation 90 percent, or $21,104.10.

Due to snow conditions, an examination of the property was delayed until May of 1953, at which time the property was investigated in the field by a Defense Minerals Exploration Administration examining team, accompanied by W. E. Gripe, the applicant. The area proposed for exploration was found to be geologically favorable for the

occurrence of ore and can be reached by bulldozing about 3/4 mile of road. It is believed that a reduced program of drilling will provide sufficient information to determine whether or not uranium mineralization extends into the area from a known deposit located approximately 3,000 feet to the northwest. The applicant and members of the examining team are in agreement that a reduced program consisting of 2,500 feet of diamond drilling plus road construction and drill-site preparation will be justified at a total cost of $10,250.00—Government participation $9,225.00, or 90 percent.

ACKNOWLEDGMENTS

W. E. Gripe guided the examining team to the property and provided all information pertinent to the proposed exploration.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The Gripe, or Sunnyside claims, are on the east slope of Fall Creek gulch about 3 miles south of the town of Fall Creek, Colo. Fall Creek, on Colorado State Highway 145, is 3.1 miles east of Placerville, Colo., and 13 miles west of Telluride, San Miguel County, Colo., (fig. 1). The area is mountainous and rugged, but is easily accessible by mine roads with the exception of the last 1/2 to 3/4 mile, over which a new road will have to be constructed.

Drill contractors, as well as miners, are available in the area. Equipment and supplies may be obtained at Telluride or Naturita, Colo., distances of 13 miles and 48 miles, respectively. Water

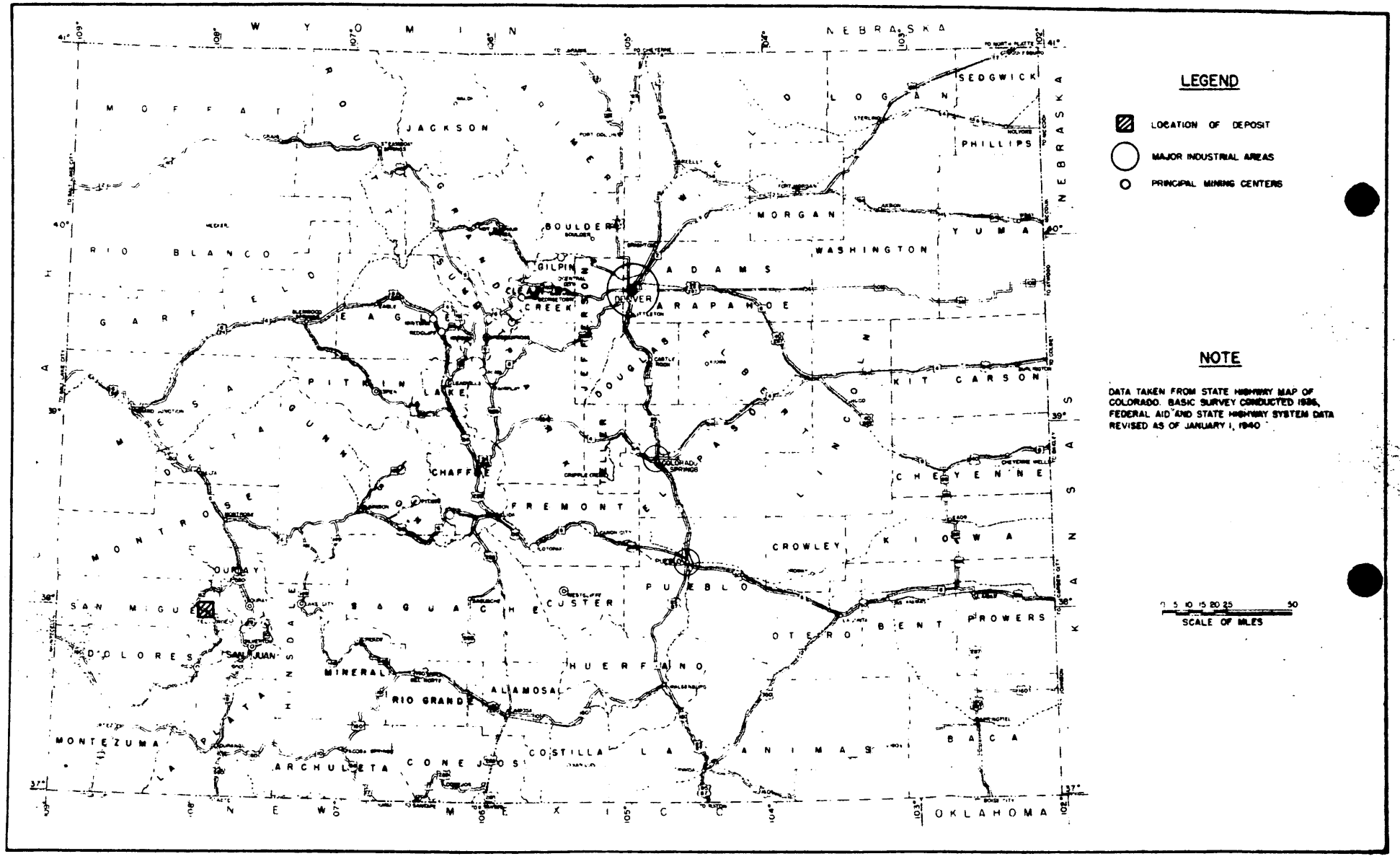


FIGURE 1. - LOCATION MAP, GRIPE CLAIMS, SAN MIGUEL COUNTY, COLO. (DMEA 2846).

for diamond drilling is available near the proposed drill sites. The nearest uranium-vanadium mill is at Naturita. The access roads leading to the area usually are impassible during the winter months due to snow.

HISTORY AND PRODUCTION

The claims were located by W. E. Gripe in July 1952. No production has come from any of the claims as yet; however, the relatively large Frazier mine is about 3,000 feet northwest of the area proposed for exploration (fig. 2). The occurrence of uranium-vanadium ore in the Frazier mine is the sole basis for attempting to locate an extension of the ore zone on the Sunnyside claims. The Frazier mine is adjacent to a major fault, which passes through all but two of the Sunnyside claims, and is reported to have produced vanadium ore having a higher uranium content than most of the nearby mines, which, in general, are classified as vanadium rather than uranium producers. The applicant hopes to encounter similar ore on the Sunnyside claims by drilling adjacent to the fault in the area where the ore horizon should be relatively close to the surface. The Frazier mine is reported to have produced approximately 5,000 tons of ore containing 0.25 percent U_3O_8 and 2.50 V_2O_5; however, information available from A. L. Bush, of the Geological Survey, substantiates only 880 tons of the 5,000 reported by the applicant. Nevertheless, the workings and stopes are extensive and evidence of good uranium-vanadium ore is visible in various places throughout the mine. The mine was not in operation at the time of the examination.

OWNERSHIP

The following unpatented claims, as listed in the application, are owned by W. E. Gripe and are recorded at the county courthouse in Telluride, Colo.

Claim	Book Number	Page Number
Sunnyside	175	179
Sunnyside No. 1	175	179
Sunnyside No. 2	175	180
Sunnyside No. 3	175	180
Sunnyside No. 4	175	181
Sunnyside No. 5	175	181
Sunnyside No. 6	175	182

Portions of Sunnyside No. 3 and 4 may be in conflict with oil and gas leases. The southwest portions of the claims upon which drilling is proposed are clear; the northeast portions, however, which extend into sec. 19, may be in conflict (fig. 2).

DESCRIPTION OF THE DEPOSIT

The uranium-vanadium deposit discovered in the nearby Frazier mine is in a nearly horizontal sandstone bed and is unusually persistent over an area of approximately 700 feet by 400 feet, roughly parallel to the footwall of the previously described fault. The thickness apparently ranges from several inches to 4 or 5 feet. Nearly all the drifts show vanadium mineralization of fair to good grade but of nonmineable widths. Extensive horizontal stoping was done where the zone thickened. The uranium minerals apparently are distributed erratically within the more persistent vanadium zone. Some drifts and stopes show vanadium mineralization that is highly radioactive, while others exhibited only slight radioactivity or none at all. Good carnotite ore is visible in a small roll near the portal of the mine.

The applicant believes that the ore from the Frazier deposit has a comparatively high uranium content and a low lime content, while ore from nearby workings in the downthrown (hanging wall) block have a low uranium content and a high lime content. Although the lower deposits are only slightly radioactive, there is insufficient mining on either side of the fault to determine whether or not there is an actual difference of uranium content from one fault block to the other. As there are no exposures of the ore-bearing sandstone on the Sunnyside claims, the uranium and vanadium content of the favorable sand or, in fact, their existence cannot be determined on these claims except by drilling, sinking, or drifting. Drilling is by far the most economical method of exploring the area.

MINEABLE ORE RESERVES

Since the ore-bearing sandstone is not exposed on the Sunnyside claims and since no exploration or development has been accomplished, no estimate of ore reserves can be made.

PRESENT STATUS

Exploration and Development

No exploration or development of any kind has been done on the claims.

Mining and Milling Equipment and Other Facilities

There was no mining or milling equipment or other facilities on the property on the date of the examination. Any ore resulting from exploration would have to be transported by truck to a custom mill at Naturita, Colo.

PROJECT PROPOSALS, WITH COSTS

In a revised program the applicant proposes to drill 2,500 feet of diamond drill holes along the footwall side of a fault to locate the possible extension of a uranium-vanadium-bearing sandstone exposed in the Frazier mine about 3,000 feet to the northwest (fig. 2). The holes are to be spaced at intervals of 100 feet parallel to the strike of the fault. Alternate holes will be drilled vertically, and the remaining holes will be drilled at an inclination of approximately -60° to the northeast in order to obtain two roughly parallel rows of holes within the ore horizon. The fault scarp is nearly 200 feet high, eliminating the possibility of drilling two rows of vertical holes at a reasonable cost. The single row of holes can be drilled along the footwall side of the pronounced fault trough starting on the Sunnyside No. 4 claim and extending onto the Sunnyside No. 3 claim. The ground surface rises toward the northwest; the depth of the holes, therefore, will increase as drilling progresses along the fault. The depth of the holes probably will range from 100 feet to possibly as much as 300 feet. It is believed that at least nine holes can be completed with a maximum allowable footage of 2,500 feet.

Approximately 1/2 mile of access road and 1/4 mile of drill-site road will have to be constructed (fig. 2). The road work probably will be straight bulldozing of overburden and talus. The project should be completed in 2 months.

The following costs are believed to be adequate and reasonable:

Contract Diamond Drilling			
2,500 feet at an average cost of $2.70 per foot			$ 6,750.00
Bulldozer Work for Road and Drill Sites			
125 hours, including operator and fuel, at $12.00 per hour			1,500.00
Labor and Supervision			
1 sampler, 6 weeks at $1.50 per hour			
240 hours regular time	$360.00		
48 hours overtime	108.00	$468.00	
1 superintendent, 2 months at $450.00 per month		900.00	
1 consulting engineer, 6 days at $40.00 per day		240.00	1,608.00
Operating Materials and Supplies			
25 core boxes at $3.00 each		$ 75.00	
Gas and oil for jeep or pickup truck		80.00	155.00
Operating Equipment			
Depreciation on jeep or pickup truck			40.00
Miscellaneous			
Bookkeeping, $25.00 per month		$ 25.00	
Analyses		75.00	
Social security		24.00	
Workmens' compensation		48.00	197.00
Total cost of project			$10,250.00
Cost per foot of hole			$4.10

If ore is encountered, the applicant is prepared to drive a crosscut into the deposit from a nearby gulch where work can proceed at the level of the ore horizon.

SUMMARY OF COSTS

Contract diamond drilling, 2,500 feet at an average cost of $2.70 per foot	$ 6,750.00
Bulldozer work, 125 hours at $12.00 per hour	1,500.00
Labor and supervision	1,608.00
Operating materials and supplies	155.00
Operating equipment	40.00
Miscellaneous	197.00
Total cost	$10,250.00
Government participation—90 percent	$ 9,225.00
Unit cost per foot for 2,500 feet of drilling	$4.10

CONCLUSIONS

Considering the apparent tonnage and grade of the ore mined from the Frazier mine, and considering the unusual persistency of the vanadium mineralization on both sides of the fault, it is possible that a fair grade of vanadium-uranium ore may be encountered on the Sunnyside No. 3 and 4 claims by exploring the ore-bearing sandstone in the footwall zone of the fault. The ore horizon can be explored by diamond drilling a row of holes along the base of the

fault scarp in the area where the overlying sediments are shallow, as on the Sunnyside No. 3 and 4 claims. The down-faulted block is not considered for exploration due to the estimated 200 feet of vertical displacement and due to the apparent lack of uranium mineralization in the ore-bearing sandstone exposures, which have been explored at several places along the canyon wall.

RECOMMENDATIONS

It is recommended that the following revised program of exploration be approved:

1. Bulldoze approximately 3/4 mile of access and drill-site roads to and on the Sunnyside No. 3 and 4 claims.

2. Starting on the Sunnyside No. 4 claim, drill a single row of holes along the footwall (upthrown) side of the fault. The holes are to be spaced at intervals of 100 feet, and the total footage will not exceed 2,500 feet. If possible, the holes should be drilled alternately vertically and inclined in order to penetrate the ore sand with two nearly parallel rows of holes. A definite number of holes is not specified as the depth to the ore sand cannot be determined accurately until the sandstone is penetrated by a drill hole. It is estimated that approximately eight or nine holes can be completed.

It is further recommended that the program be set up as a short-form contract authorizing the amount of $4.10 as the <u>over-all</u> unit cost per foot for a total of 2,500 feet of diamond drilling. The total expenditure will not exceed $10,250.00--Government participation 90 percent, or $9,225.00.

cb

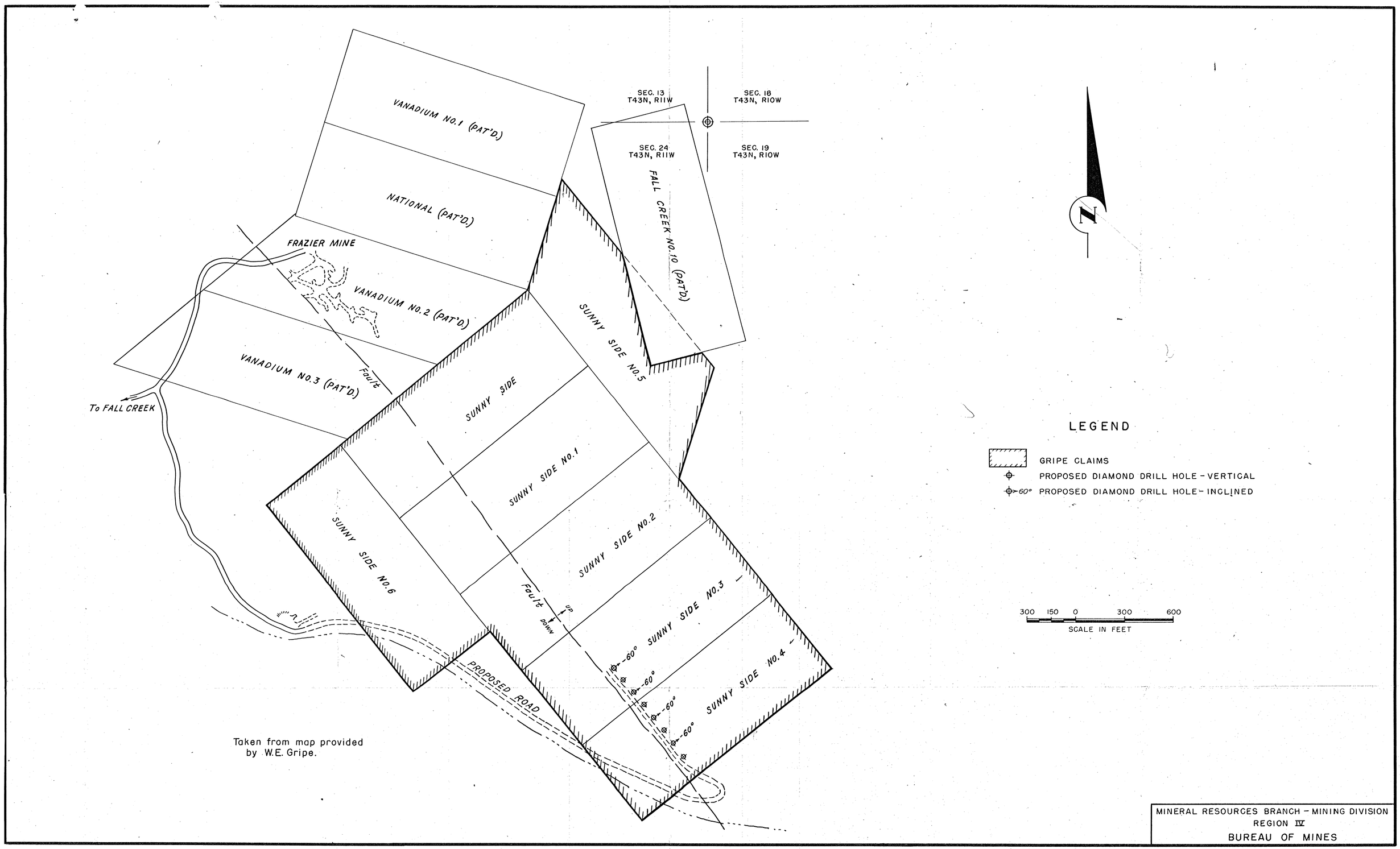


FIGURE 2 - PROPOSED DIAMOND DRILLING, GRIPE CLAIMS, SAN MIGUEL COUNTY, COLO. (DMEA 2846)