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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1953

224 New Customhouse
Denver 2, Colorado

October 26, 1953

REGISTERED

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2959 (Uranium), Contract Idm-E627. H.C. Gamblin and J.M. Knowles, San Miguel County, Colorado

Enclosed are the original and two copies of Contract Idm-E627. 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

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1953

DOCKET NO. DMEA 2959

COMMODITY Uranium

16m-8627

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 21st day of October, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] a partnership consisting of
H. C. Gamblin 1307 Colo. Ave., Grand Junction, Colo.
J. M. Knowles 337 North Ave., Grand Junction, Colo.

hereinafter called the "Operator," as follows: ~~and as set forth in Annex I attached hereto~~ and made a part hereof.

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 Colorado, County of San Miguel, described as follows:[3] Two unpatented mining claims recorded in the County Recorder's Office as follows:

Lee Mack Claim	Book 176	Page 276
Blue Bell Claim	Book 176	Page 277

the Operator represents and undertakes:[4]

[redacted]

None

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

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 (60) sixty days from the date of this contract shall commence work on a project of exploration for[5] Uranium

in or upon the described land; and shall bring the project to completion within a period of Four Months 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 (90) Ninety 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 $1,159.65, which is (90) Ninety percent of $1,288.50, 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: **See Annex I substituted for that part of 6(a) preceding the colon.**

(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

H. C. Gamblin and J. M. Knowles
(Operator)

By H C Gamblin
Jas M Knowles

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1953

ANNEX I

The following provisions are in lieu of all of paragraph (a) of Article 6 which precedes the colon:

If 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 a sufficient, complete, final report and final account referred to in the contract has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development. 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, as follows: (1) Regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification 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 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:

MF-203

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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OCT 28 1953

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of [redacted], County of [redacted], described as follows:1/ [redacted]

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ [redacted]

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ [redacted], or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 10 day of Aug, 195 3.

S M Sisk [Seal]

[Seal]

[Seal]

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

2/ Insert the name of the Operator as it will appear in the exploration project contract.

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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 six 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) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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.)

(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, 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.

(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.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

EXHIBIT A

Description of the Work

The Lee Mack Claim will be explored in two stages by wagon drilling.

Standard sampling equipment must be used and samples taken in all mineralized zones and in all zones where mineralization is likely to be present. Sampling equipment and methods must meet the approval of Defense Mineral Exploration Administration representatives and follow the recognized sampling methods now in use and approved by the Geological Survey and Atomic Energy Commission for wagon drilling on the Colorado Plateau.

STAGE I

Drill two rows of holes on 50-foot centers back from the mine workings identified as 1, 2, 3, and 4 on the attached map. Drill the remaining favorable area with holes on 100-foot centers. The approximate location of all holes and the favorable area is shown on the attached "Sketch map of the Lee Mack and Blue Bell claims" which is made a part of Exhibit A. Two holes will be drilled in the western portion of the claim to check the possible extension of the favorable sand. Approximately 40 holes or 1000 feet of drilling will be required. In addition, approximately 3 hours of bulldozing will be done on the Blue Bell claim at Number 6 pit to further investigate a minor exposure of Uranium mineralization.

STAGE II

500 feet of drilling for offset holes at not less than 25 foot centers will be allowed only with prior written approval of the DMEA representative. The location of these holes to be determined after the completion of Stage I.

Estimated cost of the Project

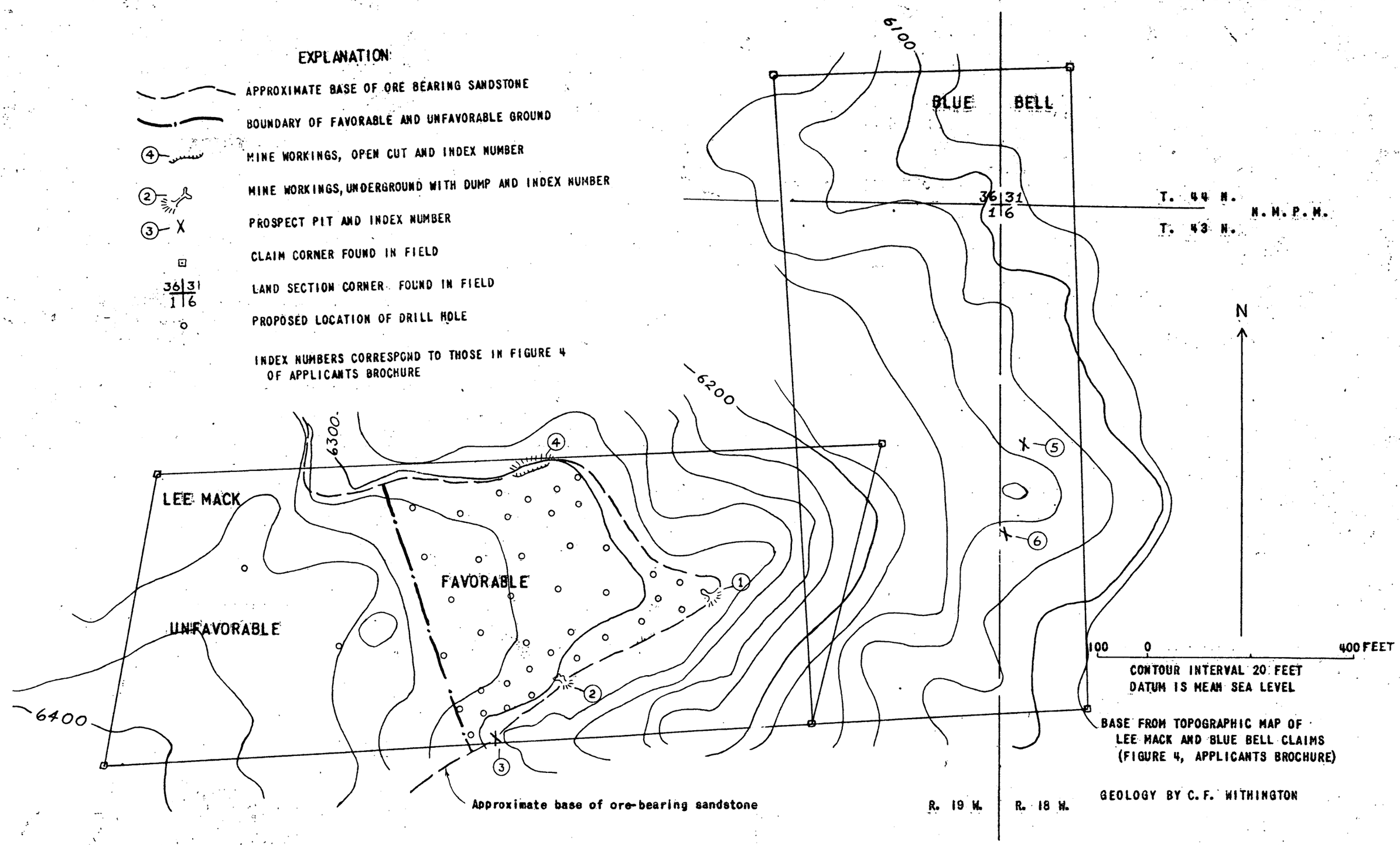
STAGE I

1/	1000 feet of wagon drilling at $0.859 per foot	$859.00
	Government participation at 90%	$773.10

STAGE II

1/	500 feet of wagon drilling at $0.859 per foot	$429.50
	Government participation at 90%	$386.55
	Total Estimated cost of project	$1288.50
	Total Government participation	$1159.65

1/ Includes bulldozer drill-site preparation and exploration, engineering and geological consultant, sampling and any and all other costs incurred in the completion of the work.



SKETCH MAP OF THE LEE MACK AND BLUE BELL CLAIMS, SLICK ROCK DISTRICT, SAN MIGUEL COUNTY, COLORADO, SHOWING THE PROPOSED LOCATIONS OF 40 DRILL HOLES FOR STAGE 1 DRILLING
MAY 1953

5/5/54 gla

E. Wm. Ellis, DMEA Member, Uranium Commodity Committee

Arthur P. Butler, Jr., USGS Member, Uranium Commodity Committee

May 3, 1954

Defense Minerals Administration
MAY 4 - 1954

Final Field Team Report, DMEA Docket 2959 (Uranium), Contract Idm-E 627, H. C. Gamblin and J. M. Knowles, Grand Junction, Colorado, contractors; Lee Mack claim, Sec. 1, T. 43 N., R. 19 W., San Miguel County, Colorado

Wagon drilling of 24 holes in Stage I of the contract at a cost of $524, out of a total estimated cost of $1,268 for two stages, failed to find any uranium ore. The contractor requested termination of the contract. In view of the unfavorable results, the Field Team agreed to its termination and no discovery was made. I concur with the Field Team's decision in terminating the contract.

Copies to: E. Wm. Ellis (2)

E. Wm. Ellis, DMEA Member, Uranium Commodity Committee

May 3, 1954

Defense

MAY 4 - 1954

Arthur P. Butler, Jr., USGS Member, Uranium Commodity Committee

Final Field Team Report, DMEA Docket 2959 (Uranium), Contract Idm-E 627, H. C. Gamblin and J. M. Knowles, Grand Junction, Colorado, contractors; Lee Mask claim, Sec. 1, T. 43 N., R. 19 W., San Miguel County, Colorado

Wagon drilling of 24 holes in Stage I of the contract at a cost of $524, out of a total estimated cost of $1,288 for two stages, failed to find any uranium ore. The contractor requested termination of the contract. In view of the unfavorable results, the Field Team agreed to its termination and no discovery was made. I concur with the Field Team's decision in terminating the contract.

Copies to: E. Wm. Ellis (2)

700

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

Mr. H. C. Gamblin
1307 Colorado Avenue
Grand Junction, Colorado
and
Mr. J. M. Knowles
337 North Avenue
Grand Junction, Colorado

APR 30 1954

Re: Docket No. DMEA-2959 (Uranium)
Contract No. Idm-E627
Lee Mack-Blue Bell Claims
San Miguel County, Colorado

Gentlemen:

This is with reference to the subject Exploration Contract between you and the Government.

The Auditor's Report of Review of the contract expenditures and the final reports of the Operator and of the Field Team have been received and accepted by this Administration. Of the total amount of $1,288.50 approved under the contract, the sum of $523.99 was expended, 90 percent of which, or $471.59, represented the Government's share. There were no unused materials, supplies or equipment to be disposed of for the joint account of the Operator and the Government. The exploration work was completed in a satisfactory manner.

Because the results of the exploration were unfavorable, it is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to Article 5 (d) of the Contract which requires the Operator to "keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract".

Your interest in the Exploration Program of the Defense Minerals Exploration Administration and your willingness to participate therein are appreciated.

Sincerely yours,

G. O. Mitteadorf

Administrator
MChing/gla 4-27-54 DMEA FT-IV (2)
cc to: Adm. Reading File MChing
Operating Committee APButler, Jr.
Docket JCHosted
Code 700 HDKeiser

3/30/54 gla

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

224 New Customhouse
Denver 2, Colorado

March 25, 1954.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA-2959 (Uranium), Contract No. Idm-E627, a partnership consisting of H. C. Gamblin and J. M. Knowles, 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 December 1953 and January 1954.

Also enclosed are two copies of a memorandum to Mr. T. A. Christensen, dated March 19, 1954, relative to final payment under the terms of the subject contract.

Final payment to the Operator in the amount of $471.59 has now been made in conformance with the final Report of Review by the Contract Administration and Audit Division, dated March 11, 1954.

John F. Shaw
John F. Shaw
For W. H. King

Enclosures

224 New Customhouse
Denver 2, Colorado

March 19, 1954

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2959 (Uranium), Contract Idm-E627, a partnership consisting of H.C. Gamblin and J.M. Knowles, San Miguel County, Colorado - Operator's Monthly Progress Report for the period of December 1953 and January 1954 - FINAL PAYMENT

Enclosed are the original and four copies of Form MF-104 and 104A, operator's narrative report, and inspecting engineer's narrative report for the above period. This report constitutes the operator's final claim for reimbursement under the terms of the contract and is the only report submitted, inasmuch as the work was completed within the stated period.

The contract was terminated by mutual agreement as of March 3, 1954 at the completion of 510 feet of wagon drilling, a portion of the work authorized under Stage I of the contract. The operator has complied with the terms of the contract and final payment is recommended as follows, which is in conformance with the final report of review by the Contract Administration and Audit Division, dated March 11, 1954, which was released to this office March 18, 1954.

<u>Basis for final payment</u>

Total accepted cost..... $523.99

Government participation at 90%..... 471.59

Amount due the operator..... 471.59

JWT:jp

W. H. King

Enclosures
cc Contract - Chron
Sec. to Oper. Comm. (2)
WMTraver
JWTownsend

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 17, 1954

Memorandum

To: Executive Officer, Field Team, Region IV

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

Subject: DMEA 2959, contract Idm-E627 (Uranium), Gamblin and Knowles (Lee Mack and Blue Bell claims), San Miguel County, Colorado - Progress report for December and January

Enclosed are the original and four copies of the above progress report, the initial one--forms MF-104 and MF-104A--with narrative, sketch map, wagon drill logs, and the original and six copies of R. R. McLellan's memorandum covering inspection of the progress and accounting.

DMEA representatives inspections indicated the 24 wagon drill holes had been completed for a total of 610 feet without encountering worthwhile mineralization in any of the holes.

On February 2, 1954, I submitted to you the contractor's request for termination. McLellan in his memorandum recommends such procedure and the recommendation has my approval.

Payment is approved and certified on the MF-104 form of $471.59, or 90 percent of the total $523.99 claimed by the contractor.

W. M. Traver

W. M. Traver

enclosures

cc 4
E627
DMEA Chron.

WMT/pam

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 17, 1954

Memorandum

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

From: Russell R. McLellan

Subject: DMEA 2959, contract Idm-2627 (Uranium), Gamblin and Knowles (Lee Mack and Blue Bell claims), San Miguel County, Colorado - Progress report for December and January

The Lee Mack and Blue Bell project was visited on January 8, 1954, at which time the operator had completed 14 wagon drill holes without encountering uranium mineralization. An additional 10 holes also failed to locate mineralization; consequently, the operator has indicated that he wishes to terminate the contract with a total of 610 feet of drilling completed. Since the 24 holes that were completed are in the areas previously considered to be the most favorable, it is the writer's opinion that the operator's request to terminate is justified. An examination of the cuttings indicates that the ore sand apparently becomes less favorable for ore deposition as the drilling progressed back from the rim exposures. A Geiger counter check of the cuttings from all holes revealed no radioactivity.

The operator has submitted drill hole logs and a map showing the location of the 24 holes totaling 610 feet of drilling from an allowable 1,000 feet in Stage I of the short-form contract.

Pending audit and receipt of final reports, it is recommended that payment be made of $471.59, or 90 percent of the $523.99 claimed.

Russell R. McLellan
Russell R. McLellan
Mining Engineer

cc 6
2627
DMEA Chron.

RRM/pam

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

RECEIVED
FEB 29 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Dec-Jan, 195 3-4 Docket No. DMEA _____ Contract No. Idm-E627

Operator's Name Gamblin and Knowles Minerals Uranium

Address 337 North Ave., Grand Junction, Colo

Contract Amount, $ 1288.50 Government Participation: 90 % Amount, $ 1159.65

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: ~~Total cost Ft. 859~~			~~Total Cost Feet 859~~			
Drilling	~~610~~ 523.99	None	$523.99			
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	~~610~~ 523.99		$523.99	523.99		523.99

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

Date Jan. 16, 1954 *Payee Gamblin and Knowles

Per Jas M Gamblin Title Mgr.

*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:

$ 471.59

Signature _____ (Authorized Certifying Officer)

Date 3/24/54 Vou. No. 54-93

(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. E 627 in accordance with the terms of the contract.

Signature R. R. McLellan 471.59 Title Mining Engineer Date 2/16/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W H Kenney Title Executive Officer Date MAR 19 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
Approval expires 6-30-53.

RECEIVED
JAN 29 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Dec-Jan 195 3-4 Docket No. DMEA 2959 Contract No. Idm-E627
Operator's Name Gamblin and Knowles Minerals Uranium
Address 337 North Ave., Grand Junction, Colo.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising		~~Enter~~	~~Total~~		~~Total~~			
Shafts		~~Total costs~~	~~Post.~~	~~Total cs.~~	~~foot.~~			
Winzes								
Wagon drilling	~~ft.~~	$523.99	610	$523.99	610	.859	1500	.859
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$523.99	610	$523.99				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$523.99	610	$523.99				

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 Jan. 16, 1954 Operator Gamblin and Knowles

Per J. M. Gamblin Title Mgr.

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

REMARKS: Due to the extremely poor showings in holes drilled, the operator concluded it wasn't feasible to continue the contract to its conclusion-this conclusion was concurred in by Mr. Shawe, the inspecting geologist.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Grand Junction, Colo.
January 16, 1954

U.S. Dept. of Interior
D. M. E. A. Bureau of Mines
Denver, Colo.

Gentlemen:

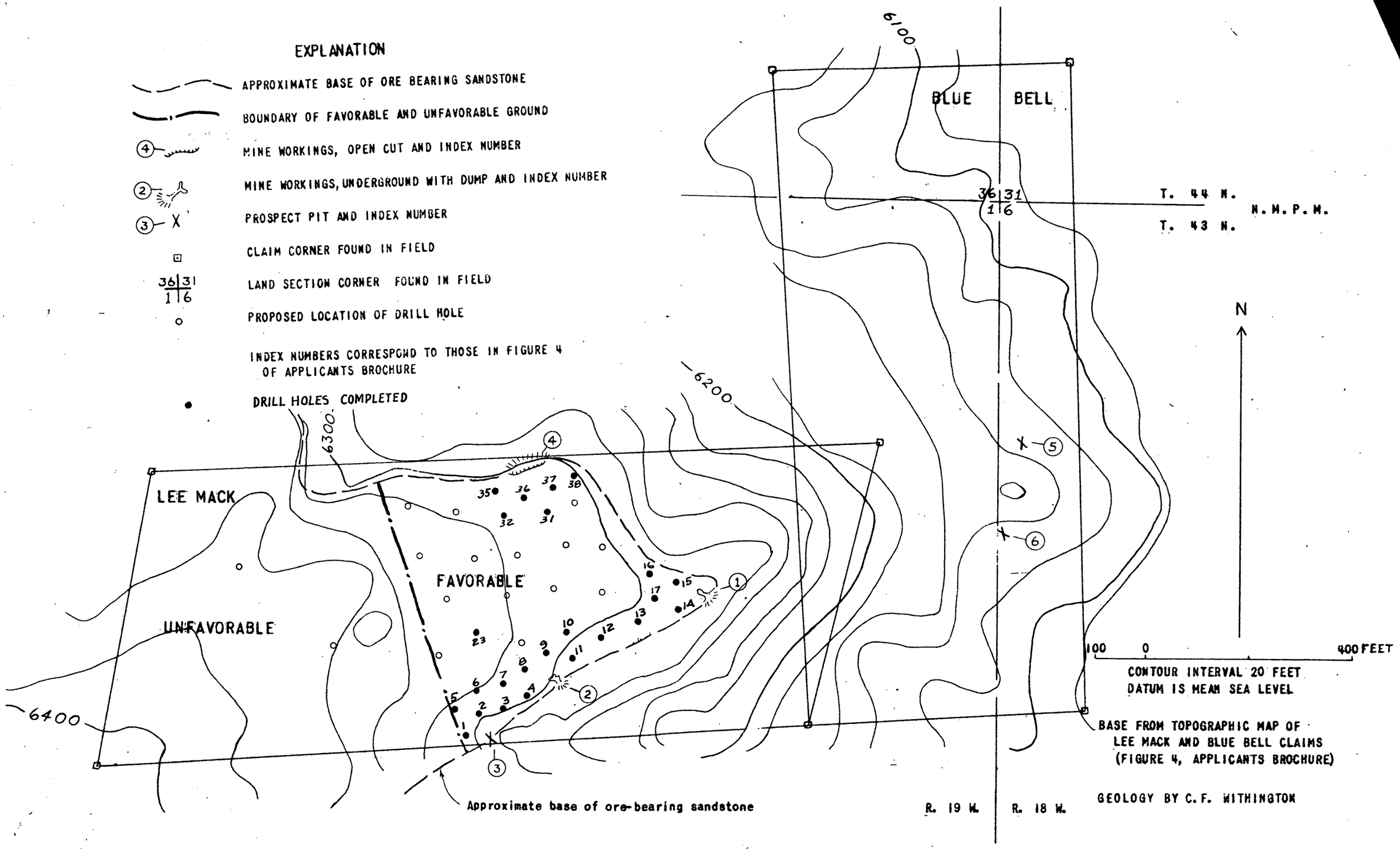
The following is a narrative report on the D. M. E. A. #2959 just terminated by Gamblin and Knowles in the Slick Rock Area.

The operator drilled all of the close holes around the outcroppings and old workings, and a few holes out away from them, a total of 24 holes, as you will see by the accompanying logs, and was justified in terminating the operation without finishing it. There is very little of the ore formation left, and what is left shows so very little evidence of the conditions that make for deposition that there was no chance of finding anything of value; so, upon conferring with Mr. Mc Lellan of your office, and Mr. Fischer down here, it was concluded we terminate the contract. Mr. Shawe, Geological Survey Geologist, upon examination, concurred.

Sincerely,

Gamblin and Knowles

By Jas M Knowles, Mgr



SKETCH MAP OF THE LEE MACK AND BLUE BELL CLAIMS, SLICK ROCK DISTRICT, SAN MIGUEL COUNTY, COLORADO, SHOWING THE PROPOSED LOCATIONS OF 40 DRILL HOLES FOR STAGE 1 DRILLING

MAY 1953

Date Oct. 29, 1953

Engineer Mr.Ellis (Contract finalized by Region IV)

DMEA- 2959 H. C.Gamblin and J. M. Knowles
Idm-E627

Attached is ~~Amendment~~ Contract No. Idm-E627, dated Oct. 21, 1953

~~to the above contract~~ to be reviewed.

Approval _____

Other action _____

Please return this slip to me for my records.

Grace Ault

October 29, 1953

Memorandum

To: Hazel Berry, Operating Committee

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

Subject: Contract finalized by Region IV

Mr. Ellis reviewed and approved Contract No. Idm-E627, dated October 21, 1953, Docket DMEA-2959, H. C. Gamblin and J. M. Knowles, a partnership.

Grace L. Ault

3/25/54 gla

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

H. C. Gamblin
J. M. Knowles
A Partnership
1307 Colorado Avenue
Grand Junction, Colorado

pertaining to Exploration Project Contract No. Idm-E627, Docket No. DMEA 2959, for the months of December, 1953, and January, 1954, covering a project for exploration of Uranium, located in San Miguel County, Colorado, commonly known as the Mack Mine.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of costs claimed with the contract and pertinent schedules, consultation with the Government representative who visited and examined the project, 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:

The contract provides for payment by the operator 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		$523.99
Exceptions:		
By DMEA Finance Officer	-0-	
Herewith	-0-	
Total Accepted Cost		$523.99

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 Four Hundred Seventy One and 59/100ths Dollars

- $471.59 -

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.

Date: March 11, 1954.

T. H. Brading, Auditor

Report of Review
dated March 11, 1954

C
O
P
Y

Grand Junction, Colorado
February 1, 1954

Mr. W. H. King, Executive Officer,
DMEA Field Team Region 4,
224 New Custom House,
Denver 2, Colorado.

Dear Mr. King:

Owing to the poor showing on the 610 feet drilled on DMEA Contract Idm--E627, I wish to terminate the aforesaid exploration contract by agreement after commencement but before completion.

Sincerely yours,

/s/ J. M. Knowles, Mgr.

Gamblin & Knowles

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Mines

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 2, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 2959, Contract Idm-E627 (Uranium), Gamblin and Knowles (Lee Mack and Blue Bell claims), Slick Rock district, San Miguel County, Colo.

There are enclosed six copies of a request by the operator of the subject contract for termination of the project by agreement after commencement but before completion.

The request accompanied their claim for 610 feet of wagon drilling, and the progress report will be processed as soon as the inspecting engineer, R. R. McLellan, returns from the Plateau. On the date of his inspection in January, the work was virtually completed and he stated that in his opinion contract should be terminated.

/s/ W. M. Traver

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DIVISION COPY

TERMINATION OF EXPLORATION PROJECT CONTRACT BY AGREEMENT
AFTER COMMENCEMENT BUT BEFORE COMPLETION OF THE WORK

It is agreed this 3rd day of March, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and a partnership consisting of H. C. Gamblin and J. M. Knowles, hereinafter called the "Operator", parties to that certain Exploration Project Contract Idm-E627, Docket No. DMEA-2959, dated October 21, 1953, that said contract shall be and is hereby terminated at the completion of 610 feet of wagon drilling, which is a part of the work described under Stage I of Exhibit "A" attached thereto and made a part of said contract.

Any work prosecuted or costs incurred by the Operator after the date first above written shall be for the sole account of the Operator, except for (a) such necessary and reasonable costs and expenses as may be incurred in preserving and disposing of any facilities, buildings, fixtures, equipment, or other items, to the cost of which the Government has contributed and in which the Government has an equity, and (b) the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

The undersigned Operator hereby releases and agrees to save harmless the Government from all claims and demands under or arising out of said Exploration Project Contract, except as herein expressly otherwise provided.

Witness the following signatures as of the day and year first above written.

GAMBLIN AND KNOWLES

By H. C. Gamblin
H. C. Gamblin, Partner

By Jas M Knowles
J. M. Knowles, Partner

UNITED STATES OF AMERICA

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

4/5/54 gla

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

224 New Customhouse
Denver 2, Colorado

March 11, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA-2959 (Uranium), Contract Idm-E627, Gamblin and Knowles, San Miguel County, Colorado

Enclosed are the original and two copies of "Termination of Exploration Project Contract by Agreement After Commencement But Before Completion of the Work" which we prepared and have had executed in conformance with authorization from you by teletype dated February 25, 1954. Also enclosed are three sets of data relevant to the termination agreement.

Copies of this agreement 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

Termination Notice
March 3, 1954

C O P Y

Contract Idm-E627
Docket DMEM 2959 (Uranium)

Gamblin & Knowles

Final Engineering & Geologic Report.

The drill logs showed that the formation in the area covered by this contract was too shallow -- too nearly completely eroded - to expect economical ore bodies unless they would be found around the outcrops. All of these outcrops were well offset with no ore showings. To drill the intermediate area was not-in the operator's opinion-economically feasible hence the request for a termination of the contract before completion agreement.

There are no ore reserves on the property.

Sincerely,

/s/ Jas. M. Knowles - Operator

C O P Y

Grand Jct., Colo.

3/15/54

DMEx 2959
Contract Idm-E027

Mr. Waring
Executive Officer DMEx
Field Team, Region IV

Dear Mr. Ring:

Enclosed find my final report on the above contract. This may not be acceptable in that I am neither an engineer or Geologist. However owing to the simplicity of the findings I am taking the privelege of making the report.

Very sincerely yours,

/s/ Jas. . . Knowles

Operator's Final
Report recd. 4/20/54

CONCLUSIONS

It is concluded that sufficient drilling has been completed on the Lee Mack and Blue Bell claims to eliminate the possibility of making a significant discovery.

RECOMMENDATIONS

It is recommended that the project be terminated by agreement after commencement but before completion of the work, in accordance with Defense Minerals Exploration Administration Circular 22. Certification of discovery is not recommended.

/kp

Hole No.	Feet drilled From	To	Description
37	0	6	Brown and white sandstone
	6	10	Sandstone with iron stain and clay nodules
	10	25	Calcite (limy sandstone?) with blue clay streaks
38	0	10	Sandstone with iron stain
	10	12	Blue clay
	12	24	Calcite (limy sandstone?) and shale
	24	25	Red shale

EXPENDITURES

The operators completed 610 feet of wagon drilling at an over-all unit cost of $0.859 per foot for a total expenditure of $523.99, Government participation 90 percent or $471.59. No other costs were authorized by the short-form contract.

EFFICIENCY OF OPERATIONS

The project, being small, was easily supervised by J. M. Knowles who resided at the property while drilling was in progress. Drilling commenced during the last week of December 1953 and was terminated at the close of the first week of January 1954. The sampling procedure was not particularly efficient; however, adequate cuttings were obtained to permit close visual inspections and Geiger counter testing. Since indications of uranium or vanadium mineralization were not encountered, no chemical assays were made of the cuttings.

EQUIPMENT

Exploration was conducted under a short-form contract; therefore, the Government has no equity in equipment or in materials and supplies.

Hole No.	Feet drilled From	Feet drilled To	Description
13	0	7	Brown sandstone
	7	13	Red sandstone
	13	15	Blue clay
	15	18	Calcite (limy sandstone?)
	18	22	Gray shale
	22	25	Red and gray shale
14	0	12	Sandstone with iron stain
	12	20	Calcite (limy sandstone?)
	20	25	Red and gray shale
15	0	5	Sandstone with iron stain
	5	23	Red, gray, and brown shale with calcite streaks
	23	25	Red shale
16	0	8	Sandstone with iron stain
	8	18	Brown sandstone with gray shale and calcite
	18	23	Blue and brown clay
	23	25	Red shale
17	0	14	Sandstone with iron stain
	14	22	Red to brown sandstone with calcite
	22	25	Blue clay
23	0	18	Sandstone with iron stain
	18	24	Brown and red sandstone with calcite
	24	27	Blue clay
	27	28	Blue clay with calcite
31	0	16	Sandstone with iron and manganese stain
	16	25	Red and gray shale
32	0	18	Sandstone with iron and manganese stain
	18	24	Red and gray shale
	24	26	Blue clay
	26	28	Red and gray shale
35	0	10	Sandstone with iron stain
	10	12	Blue clay
	12	24	Shale and calcite (limy sandstone?)
	24	25	Red shale
36	0	2	Overburden
	2	7	Sandstone with iron stain
	7	8	Blue clay
	8	14	Sandstone with iron stain
	14	18	Blue clay
	18	19	Calcite (limy sandstone?)
	19	25	Blue shaly clay

Hole No.	Feet drilled From	To	Description
3	0	13	White to brown sandstone with some iron and manganese stain and clay nodules
	13	16	Blue clay
	16	25	Red and gray shale
4	0	13	Sandstone with iron and manganese stain and trace of carbon
	13	18	Blue clay
	18	25	Red and gray shale
5	0	16	Sandstone with iron stain
	16	22	Blue to gray clay
	22	24	Calcite (limy sandstone?)
	24	25	Red and gray shale
6	0	12	Sandstone with iron and manganese stain
	12	18	Blue clay
	18	23	Red shaly sandstone
	23	25	Calcite (limy sandstone?)
	25	26	Red shale
7	0	8	Sandstone with iron stain
	8	26	Shale with calcite streaks
8	0	6	Sandstone with manganese stain
	6	11	Blue clay
	11	20	Sandstone with iron and manganese stain
	20	26	Red and gray shale
9	0	10	Sandstone with iron stain
	10	18	Red and blue shale
	18	21	Brown sandstone with calcite and blue clay
	21	25	Red sandstone with calcite
	25	26	Red shale
10	0	8	Sandstone with iron stain
	8	14	Red shaly sandstone
	14	16	Red and blue clay
	16	20	Blue clay
	20	25	Sandstone grading into red shale
11	0	6	Sandstone with iron stain
	6	12	Red shaly sandstone
	12	17	Blue clay
	17	25	Shale and sandstone with calcite
12	0	10	Sandstone with iron and manganese stain
	10	14	Blue clay
	14	20	Brown sandstone with blue clay
	20	25	Red to brown sandstone and shale with calcite

The operator completed 24 holes (fig. 2) for a total of 610 feet of drilling in Stage I of the contract. Visual and Geiger counter examinations of the cuttings failed to detect any trace of uranium mineralization. Since the holes were so completely unfavorable, the operators became discouraged and requested that the project be terminated by mutual consent. In reviewing the results of the drilling on 50-foot centers, the Geological Survey field geologist, Dan Shawe, and the writer are in agreement that Gamblin and Knowles are justified in requesting termination of the project.

The operators submitted a single progress map (fig. 2) and single copies of drill hole logs which probably show the major changes of formations fairly accurately. It should be noted that Knowles assigned numbers to all the proposed holes prior to drilling, and since all the holes were not drilled, the log numbers beyond No. 17 are not in consecutive order.

Following are the drill hole logs as submitted by Knowles:

Hole No.	Feet drilled From	To	Description
1	0	8	Sandstone with iron stain
	8	12	Sandstone with iron and manganese stain
	12	16	Blue clay
	16	20	Brown to red sandstone
	20	24	Calcite (limy sandstone?)
	24	25	Red shale with calcite streaks
2	0	13	Brown to pink sandstone
	13	18	Blue to gray clay
	18	20	Red shale
	20	22	Calcite (limy sandstone?)
	22	25	Red shale

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 18, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

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

Subject: DMEA 2959, Contract Ida-M627 (Uranium), Gamblin and Knowles (Lee Mack and Blue Bell claims), San Miguel County, Colorado

Transmitted herewith are the original and ten copies of Russell R. McLellan's final engineering report on the above docket.

As a result of unfavorable showings in 24 wagon drill holes totaling 610 feet of the allowed 1,000 feet of drilling authorized under Stage I of the contract, the operator requested termination by agreement after commencement but before completion of the work. McLellan recommends the termination. I concur.

After a Report of Review by an auditor representative of the Contract Administration and Audit Division, the project can be closed in the usual manner.

W. M. Traver

W. M. Traver

enclosure

WMT/ky

cc: 10
M627
Chron

Reviewed by
DMEA OPERATING COMMITTEE

(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

FINAL ENGINEERING REPORT

DMEA 2959, Exploration Project Contract Idm-2687

Lee Hook and Blue Bell Claims

Gunnlin and Knowles

San Miguel County, Colorado

Uranium

Russell R. McLellan, Mining Engineer
Bureau of Mines

February 17, 1954

Reviewed by
DMEA OPERATING COMMITTEE

_____
(date)

DMEA 2959, Contract Idm-2627

LEE MACK AND BLUE BELL CLAIMS
GAMBLIN AND KNOWLES
SAN MIGUEL COUNTY, COLORADO

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ILLUSTRATIONS

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2. Sketch map of Lee Mack and Blue Bell claims, Gamblin and Knowles, San Miguel County, Colo.	3

DMEA 2959, Contract I4m-2627

LEE MACK AND BLUE BELL CLAIMS
GAMBLIN AND KNOWLES
SAN MIGUEL COUNTY, COLORADO

FINAL ENGINEERING REPORT

By

Russell E. McLellan

SUMMARY AND INTRODUCTION

On October 21, 1953, H. G. Gamblin and J. M. Knowles of Grand Junction, Colo., entered into an exploration agreement with the Defense Minerals Exploration Administration whereby the applicants would prospect for uranium by wagon drilling on the Lee Mack and Blue Bell claims, San Miguel County, Colo. The contract (I4m-2627) authorized a total of 1,500 feet of wagon drilling to be completed in two Stages at an overall unit cost of $0.859 per foot or a total cost of $1,288.50, Government participation 90 percent or $1,159.65.

At the completion of 24 holes or 610 feet of Stage I drilling in the more favorable areas, the results were so unfavorable that in January 1954 the operator requested permission to terminate the project by mutual agreement. No uranium mineralization was encountered, and the ore-bearing horizon appeared to become less favorable back from the rim exposures. All parties concerned were in agreement that project termination was warranted.

LOCATION, HISTORY, PRODUCTION, OWNERSHIP

The Lee Mack and Blue Bell claims are about 1,000 feet north of Colorado State Highway 80 at a point 1.3 miles southwest of Slick Rock, Colo., sec. 1, T. 43 N., R. 19 W. and sec. 36, T. 44 N., R. 19 W., New Mexico principal meridian, San Miguel County, Colo. (fig. 1).

The Lee Mack and Blue Bell claims were located in 1940 by S. M. Sisk, Edna Sisk, and W. C. Berry of Dove Creek, Colo. It is reported that lessee operations produced a total of 300 tons of ore previous to 1947. Undoubtedly most of the production came from the Lee Mack claim as there is little field evidence to indicate that any production came from the Blue Bell claim.

Both claims are owned by S. M. Sisk of Dove Creek, Colo., and are leased to Gamblin and Knowles.

DESCRIPTION OF DEPOSIT

The ore deposits discovered to date on the Lee Mack claim are in the Salt Wash member of the Morrison formation and are small tabular bodies not exceeding 50 feet in length, 25 feet in width, and 2 feet in thickness. They were mined for the vanadium content only; consequently, no record of uranium content is available. According to Gamblin and Knowles, the V_2O_5 content ranged from 2.5 to 3 percent, and the U_3O_8 content is estimated to have been 0.40 percent. No additional deposits were located as a result of the Defense Minerals Exploration Administration project, and no minable ore reserve is considered to exist on the claims.

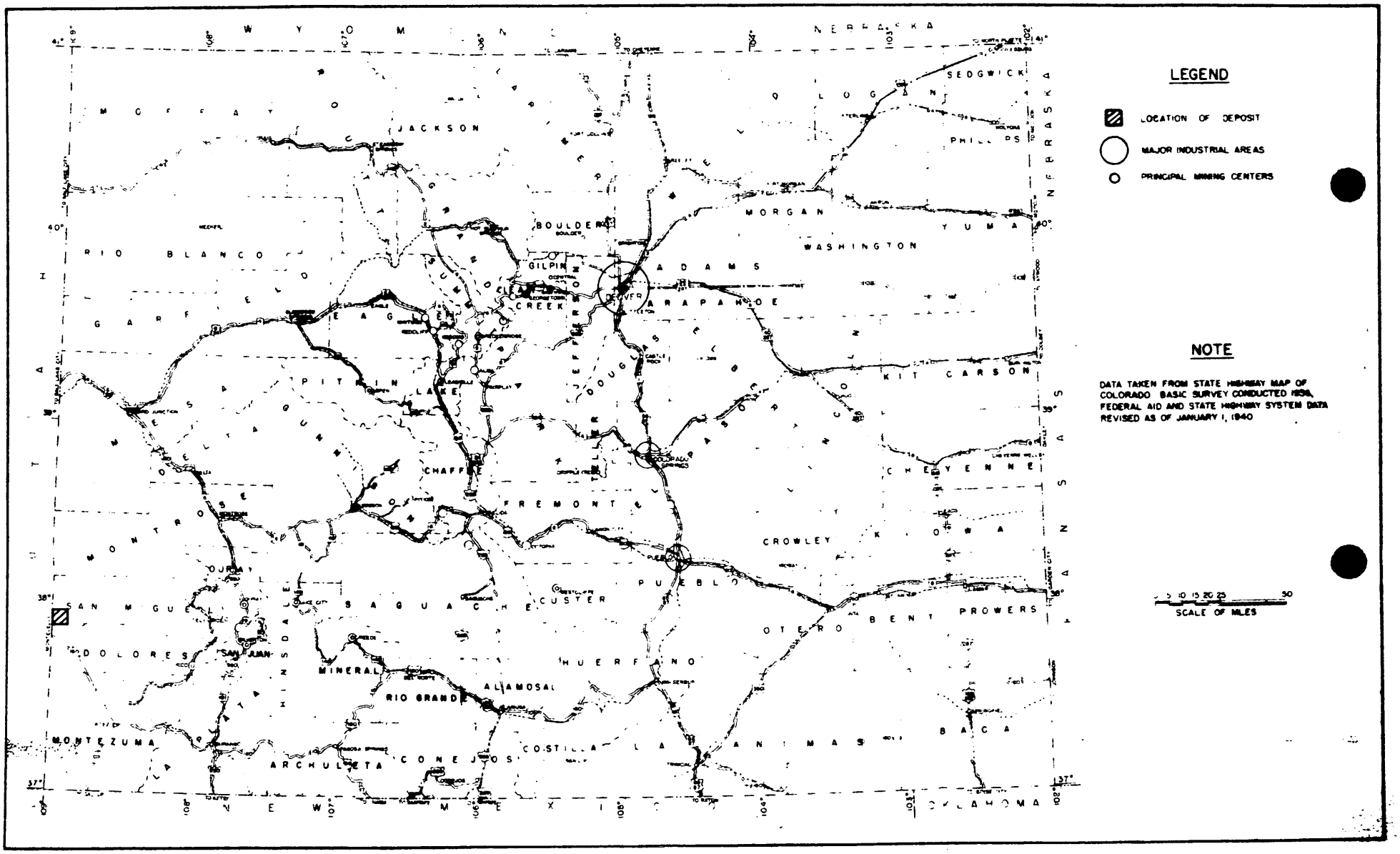


FIGURE 1. - LOCATION MAP, LEE MACK AND BLUE BELL CLAIMS, SAN MIGUEL COUNTY, COLO. (DMEA 2959).
Contract Idm-E627

WORK COMPLETED UNDER CONTRACT

The contract authorized the following two Stages of exploration by wagon drilling:

STAGE I

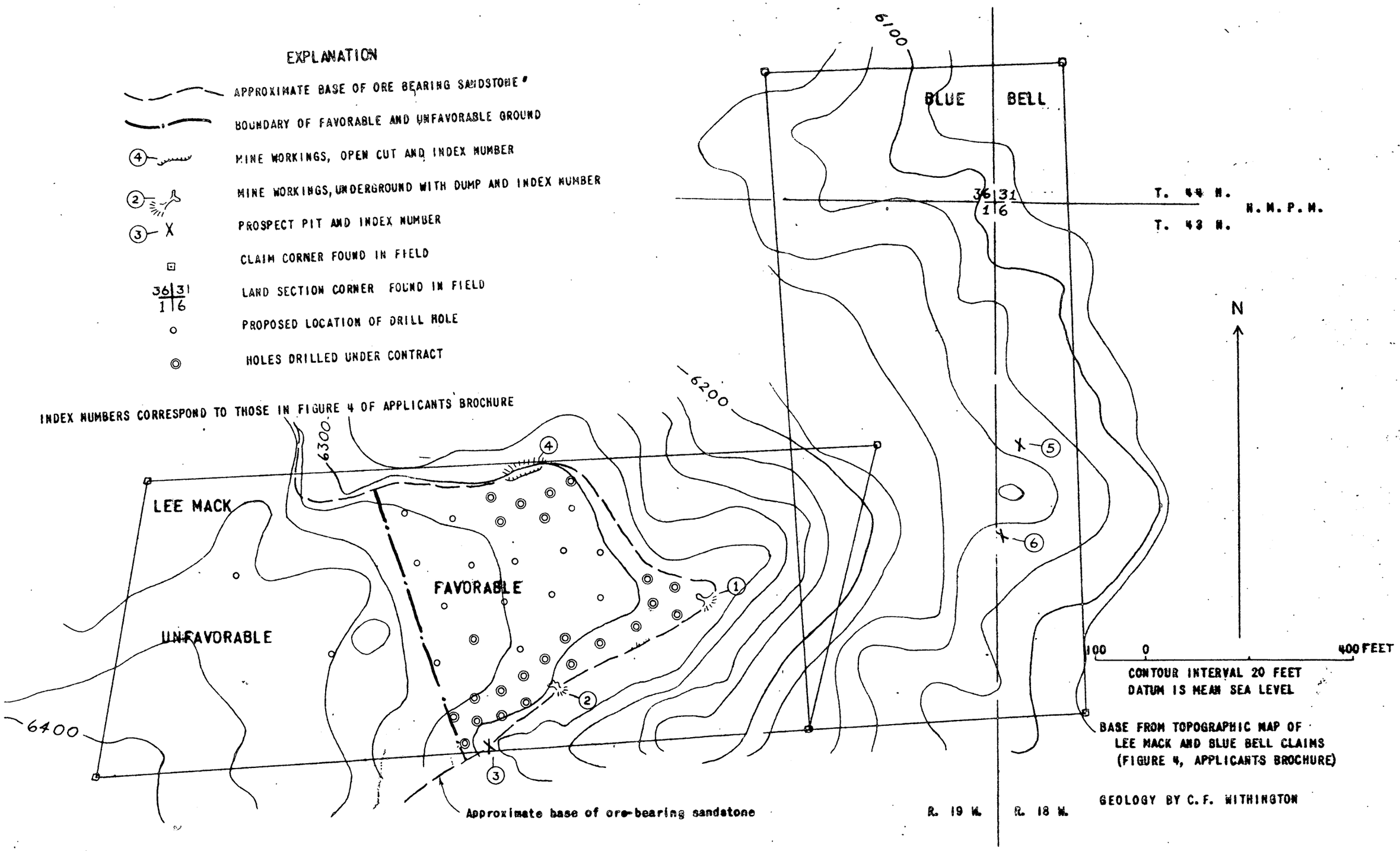
Drill two rows of holes on 50-foot centers back from the mine workings. Drill the remaining favorable area with holes on 100-foot centers. Drill two holes in the western portion of the Lee Mack claim to check the possible extension of the favorable sand. Utilize approximately 3 hours of bulldozing to investigate a minor exposure of uranium mineralization at pit No. 6 on the Blue Bell claim. Approximately 40 holes or 1,000 feet of drilling will be required at an over-all unit cost of $0.859 per foot or a total of $859.00.

STAGE II

Five hundred feet of drilling offset holes at not less than 25-foot centers to be allowed only with prior written approval of the Defense Minerals Exploration Administration representative. Stage II holes to be determined after the completion of Stage I. Five hundred feet of wagon drilling at an over-all unit cost of $0.859 per foot or a total cost of $429.50.

The total estimated cost of the project was $1,288.50, Government participation 90 percent or $1,159.65.

As shown on figure 2, the most favorable area for prospecting was believed to be near the existing shallow mine workings along the rim. The operator drilled the two rows of holes on 50-foot centers at the predetermined locations and encountered no trace of uranium or vanadium mineralization. One hole was drilled about 200 feet from the rim, and it also encountered unfavorable ground.



SKETCH MAP OF THE LEE MACK AND BLUE BELL CLAIMS, SLICK ROCK DISTRICT, SAN MIGUEL COUNTY, COLORADO, SHOWING
THE PROPOSED LOCATIONS OF 40 DRILL HOLES FOR STAGE 1 DRILLING
AND THE HOLES DRILLED UNDER CONTRACT Idm-E627
APRIL 1954

[X] Audited

[ ] Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 12-2-54
Incl. Voucher for Jan., 1954

[ ] Actual Cost

[X] Agreed Unit Costs

Name H.C. Gamblin & J. M. Knowles

Docket No. 2959

State Colorado

Commodity Uranium

Idn-E No. 627

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) Wagon	1500	1288.50	610	523.99	523.99
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		1,288.50		523.99	523.99

Prepared by Michael Ching

Project Summary Review

By: M. Ching April 27, 1954

1. Docket No. DMEA-2959 (Uranium)
Contract No. Idm-E627
Property - Lee Mack-Blue Bell Claims
San Miguel County, Colorado

Operator - H. C. Gamblin and J. M. Knowles
Grand Junction, Colorado

Operator's Property Rights - Lessee of the unpatented Lee Mack and Blue Bell claims. Owner's Consent to Lien dated August 10, 1953, signed by S. M. Sink

2. Contract dated October 21, 1953

Work authorized (Unit Cost Basis)

Stage I -	Wagon drilling 40 holes, 1,000 ft. at $0.859 per ft.	$ 859.00
Stage II -	Wagon drilling 500 ft. at $0.859 per ft.	429.50
	Total estimated cost of project	$1,288.50
	Government participation at 90%	$1,159.65

Amendments - None

Work completed -

Stage I -	Wagon drilling, 24 holes, 610 ft. at $0.859 per ft.	$ 523.99
Stage II -	No work done	-
	Total	$ 523.99
	Government participation at 90%	$ 471.59

Work commenced the last week of December, 1953, and was terminated in January, 1954.

3. Auditor's Report of Review, dated March 11, 1954.

Total cost as billed by Operator	$ 523.99
Exceptions	None
Total Accepted Cost	$ 523.99
Government participation at 90%	$ 471.59

4. Certification - none

5. Comments -

The project was designed to explore the top sandstone bed of the Salt Wash member of the Jurassic Morrison formation in the eastern and central parts of the Big Black claim. The sandstone in this area was considered favorable for ore and consists of beds of light-brown sandstone 12 to 25 feet thick which could be explored by wagon drilling.

Past production from this property was reported as totaling 300 tons of ore containing 2.5 to 3.0% V_2O_5 and an estimated 0.35% U_3O_8. The ore came from four shallow mine workings along the rim.

The subject project provided for drilling two rows of holes on 50-foot centers behind each of the four mine workings, and drilling the remainder of the favorable area on 100-foot centers. If mineralization was encountered offset holes on 25-foot centers could be drilled.

Operator drilled 23 holes, in two rows, on 50-foot centers as outlined above, and 1 hole about 200 feet from the rim. Visual and Geiger counter examinations of the cuttings failed to show any mineralization; consequently, Operator requested that the project be terminated by mutual consent. The Field Team agreed that further drilling was not justified and the contract was terminated by agreement on March 3, 1954.

The Operator conducted the operation in a satisfactory manner, and the final progress map, drill hole logs and final report submitted were adequate.

/s/ Michael Ching

Michael Ching

Copies to: Admr. Reading File
Docket (original)
Code 700 contract file ✓
Mr. Ching

4/26/54 gla

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

COPY

224 New Customhouse
Denver 2, Colorado

April 14, 1954

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region IV

Subject: Docket DMEA 2959 (Uranium), Contract Idm-E627, a partnership consisting of H. C. Gamblin and J. M. Knowles, San Miguel County, Colorado.

Enclosed are the following final reports pertaining to work under the subject contract:

1. Original and one copy of the operator's final report.

2. Original and two copies of the final geologic report by the U. S. Geological Survey.

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

Final payment to the operator was processed by this office March 19, 1954, in conformance with the final report of review by the Contract Administration and Audit Division dated March 11, 1954, which was released to this office March 18, 1954.

The contract was terminated by mutual agreement as of March 3, 1954, at the completion of 610 feet of wagon drilling, a portion of the work authorized under Stage I of the contract. The total accepted cost of the work amounted to $523.99 in which the Government participated to the extent of 90 percent or an amount of $471.59.

The results of the 610 feet of wagon drilling indicated that further exploration work was not warranted. No uranium ore was discovered as a result of the exploration work, therefore a certification of discovery or development is not recommended.

/s/ W. H. King

/s/ A. H. Koschmann

Encls.

Reviewed by
DMEA OPERATING COMMITTEE
4-23-54

Field Team's final report recd. 4/26/54

IN REPLY REFER TO:

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

April 12, 1954

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2959, Contract Idm-E627, Lee Mack and Blue Bell claims, San Miguel County, Colorado

Enclosed are 11 copies of the final geologic report by D. R. Shawe of the U. S. Geological Survey covering the above docket.

Termination of the contract was recommended and approved.

A. H. Koschmann

A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (11)

Reviewed by
DMEA OPERATING COMMITTEE
4-23-54
(date)

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 360
GRAND JUNCTION, COLO.

April 9, 1954

Memorandum

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

From: R. P. Fischer, Supervisor, Colorado Plateau District

Subject: Final geologic report, DMEA 2959, Idm-E627, Lee Mack and Blue Bell claims, San Miguel County, Colo.

Transmitted herewith are eleven copies of the final geologic report on the subject project. This report is prepared by D. R. Shawe.

After 24 holes were drilled of the 40 planned for Stage I drilling, and no mineralized material was cut in these holes, the operator requested that the contract be terminated. Termination was recommended and approved.

No more exploration is recommended on these claims.

R. P. Fischer

R. P. Fischer

RPF/mlr

Enclosures 11

Reviewed by
DMEA OPERATING COMMITTEE
4-23-54
(date)

UNITED STATES DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT BY FIELD TEAM
REGION IV

DMEA 2959, Lee Mack and Blue Bell claims

Slick Rock district

San Miguel County, Colorado

Uranium

Final geologic report

By: D. R. Shawe
U. S. Geological Survey

April 9, 1954

Reviewed by
DMEA OPERATING COMMITTEE
4-23-54
(date)

LEE MACK AND BLUE BELL CLAIMS
SLICK ROCK DISTRICT, SAN MIGUEL COUNTY, COLORADO

INTRODUCTION, SUMMARY, AND RECOMMENDATION

Mr. H. C. Gamblin and Mr. J. M. Knowles, lessees of the Lee Mack and Blue Bell claims, applied (Docket 2959) to the Defense Minerals Exploration Administration for a loan to explore for uranium on the Lee Mack and Blue Bell claims, Slick Rock district, San Miguel County, Colo.

The claims were examined on April 21, 1953, by C. F. Withington, geologist, U. S. Geological Survey, in company with R. R. McLellan, engineer, U. S. Bureau of Mines, and J. M. Knowles, lessee and applicant.

The applicant proposed to do 6,400 feet of wagon drilling and 2,280 feet of diamond drilling and a small amount of bulldozer work to prepare drill sites. Drilling was proposed in three phases, each subsequent phase contingent on results of the previous phase. Total cost was estimated to be $10,770.

As a result of the field examination, some modification of the applicant's proposal was suggested by C. F. Withington. This change was agreed upon by R. R. McLellan and was acceptable to J. M. Knowles. The suggested program, described in this report, consisted of 1,500 feet of wagon drilling, to be done in two stages, and a small amount of work with a bulldozer and other work. The total cost was calculated to be $1,288.50, of which the Government's share would be $1,159.65.

It was concluded that the suggested work might yield some minable ore and, therefore, it was recommended that a contract be prepared and approved.

Under the terms of the contract (Idm-E627), 24 holes of the 40 proposed were drilled. As no ore or mineralized rock was cut in these holes, the operator requested termination of the contract. Following a field examination, D. R. Shawe, geologist, USGS, recommended termination in a memorandum report dated January 15, 1954; the contract was subsequently terminated.

No more work is recommended.

GEOLOGY

The exposed rocks on the Lee Mack and Blue Bell claims consist of the Salt Wash member of the Jurassic Morrison formation. The Salt Wash member here is about 300 feet thick, and consists of three or more massive light-brown and red-brown sandstone beds or lenses, which range from a few feet to more than 30 feet in thickness. These lenses are separated by red-brown mudstone beds up to 40 feet thick. Some gray-green mudstone is present directly under the sandstone lenses. The exposed rocks strike about N. 40° W., and dip 7° to 8° NE.

In the Lee Mack area, only the top sandstone bed of the Salt Wash member contains mineralized material of economic grade and thickness. This bed is called the "ore-bearing sandstone". Some scattered showings of mineralized material, however, are found in the lower sandstone beds.

The ore-bearing sandstone is present only on the Lee Mack claim, as erosion has removed it from the Blue Bell claim. All the ore produced from the Lee Mack claim has come from the ore-bearing sandstone. No ore, apparently, has been produced from the Blue Bell claim, although there are two prospects which contain traces of mineralized material. These showings are in gray-green mudstone associated with a sandstone bed that is about 70 feet stratigraphically below the ore-bearing sandstone. On the basis of outcrop examination, the sandstone in the eastern and central parts of the Lee Mack claim is considered favorable for ore. The sandstone on the western part of the claim is classed as unfavorable. The favorable sandstone consists of beds of light-brown sandstone 12 to 25 feet thick, underlain in places by gray-green mudstone up to 6 inches thick. Some carbonaceous material is present in the sandstone. The unfavorable sandstone consists of beds of light-red sandstone 10 to 12 feet thick, underlain by red-brown mudstone.

ORE DEPOSITS

The deposits on the Lee Mack claim consist of thin tabular bodies which thicken locally to form NE trending "rolls". No fossil logs were noted but some carbonaceous material is present in the deposits. The color of the mudstone underlying the deposits is gray-green. The minerals in the deposits are typical of those of the carnotite deposits of the Colorado Plateau. The mineralized targets on the Lee Mack claim average from 35 to 50 feet in diameter. The sizes of the ore-bodies on the Lee Mack claim are from a few tons to about 100 tons each. They are from about 4 to 25 feet wide, 10 to 50 feet long, and from a foot to 2 feet thick. The grade of the ore is estimated to average about 0.25 percent U_3O_8 and 2.0 percent V_2O_5.

The applicants reported that previous to 1947, the production from the Lee Mack claim had been 125 short tons and that from the Blue Bell claim had been 175 tons. However, there are no workings on the Blue Bell claim from which ore has been mined. The statement probably was made because the applicants had mis-located workings No. 4 (located approximately on the accompanying map), and placed them on the Blue Bell claim. No ore has been produced since that time and no reserves are present in the workings. No record of the grade of the uranium is available, but the grade of the vanadium has been reported to be 2.5 to 3.0 percent V_2O_5. Assuming a ratio of uranium to vanadium of about 1:8, the grade of the uranium is estimated at about 0.35 percent U_3O_8.

The mineralized material on the Blue Bell claim consists of nodules of copper- and uranium-bearing material associated with a gray-green mudstone. No estimate is given for the size of these deposits, though they are probably of no consequence economically.

PROPOSED EXPLORATION

The applicants proposed exploration by both wagon and diamond drilling. Although the proposal was basically sound, some modification was suggested. Only the ore-bearing sandstone in the central and eastern part of the Lee Mack claim warranted exploration, as this sandstone probably contains the only deposits of economic size and grade. This sandstone could be explored by wagon drill.

It was recommended that the exploration program should be divided into two stages. Stage 1 drilling should be completed before Stage 2 starts, as Stage 2 is dependent upon Stage 1.

Stage 1: Wagon drilling should be carried out within the favorable ground in the center and eastern part of the Lee Mack claim. Two rows of holes should be drilled on 50-foot centers behind each of the four workings. The remainder of the ground in the favorable area should be drilled on 100-foot centers (see attached map). Two holes should be drilled in the western part of the Lee Mack claim on the small chance that favorable ground might extend farther west than expected. Stage 1 drilling would require 40 holes.

Stage 2: Holes should be drilled on 25-foot centers to offset any Stage 1 hole that yielded a sample containing more than about 0.02 percent U_3O_8 or 0.2 percent V_2O_5. It was thought that about 20 holes might be required for this stage.

The depths of the 60 holes to be drilled in both Stages 1 and 2 would be from 10 to 40 feet and would average about 25 feet deep. This would require a total of 1,500 feet of drilling. It was recommended that a duclone sample collector be used to collect the samples from the drilling, and a careful log of each hole should be made.

In addition, about 3 hours of bulldozer work was planned to expose the mineralized material showing on the Blue Bell claim. About 5 hours of bulldozer work was planned to prepare the area for drilling.

TERMINATION OF CONTRACT

The above-outlined drilling proposal was approved and the applicants commenced the proposed drilling. After drilling 24 holes of the proposed 40 of Stage 1 on the Lee Mack claim, and encountering no mineralized rock, the operators requested that the drilling contract be terminated.

In the company of J. M. Knowles, D. R. Shawe examined the property on January 15, 1954, after the 24 holes had been drilled (see attached map). Drill cuttings from the 24 drilled holes were examined and these indicated that none of the holes cut mineralized rock. In addition, the cuttings showed that the ore-bearing sandstone which crops out on the rim at the south side of the Lee Mack claim thins considerably a few tens of feet north of the rim, and is hence unfavorable for ore. It was thus recommended that the DMEA drilling contract 2959 be terminated in accord with the request of the operators.

The operators' request for termination of the drilling contract DMEA 2959 was subsequently approved.

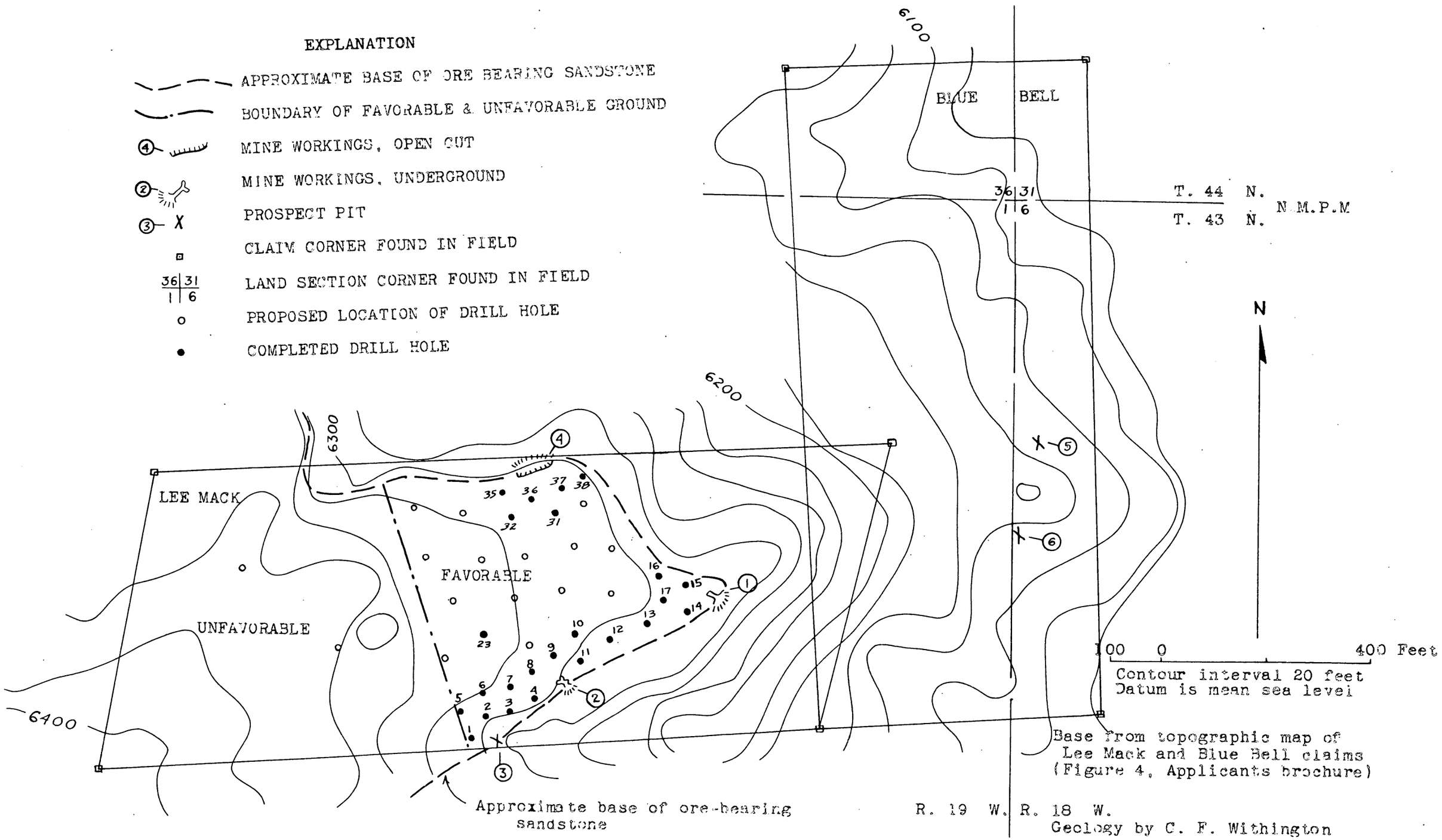


Fig. 2 - Sketch map of Lee Mack and Blue Bell claims, Gamblin & Knowles, San Miguel County, Colorado, DMEA Docket 2959, Contract Idm-E627

MChing/gla 2-24-54

T E L E T Y P E

DMEA - Department of the Interior

14X3923.970 Working Fund, DMEA

Re: Docket No. DMEA-2959 (Premium)
Contract No. Ida-8627
Gamblin & Knowles

W. H. KING, EXECUTIVE OFFICER
DMEA FIELD TEAM, REG ON IV
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REGRET FEBRUARY 23, DOCKET 2959, GAMBLIN AND KNOWLES YOU AUTHORIZED

PREPARE AND EXECUTE TERMINATION AGREEMENT.

A. O. Mittenhof

C. O. MITTENHOFF, ADMINISTRATOR

Copies to:

Administrator's Reading File
Docket
Mr. HHKeiner, Rm. 3641
Mr. APButler, Jr. Rm. 3212, CSA
Code 700
Mr. Ching
Confirmation to Region IV

SENT
FEB 25 1954
Clerical Service Section

COPY

TELETYPE

BUR MINES DN 235 2-23-54 1-31PM

C O MITTENDORF

REFERENCE DOCKET 2959, CONTRACT IDM-E627, GAMBLIN AND KNOWLES. RESULTS OF 610 FEET OF WAGON DRILLING INDICATE THAT FURTHER WORK NOT WARRANTED. OPERATOR REQUESTS THAT THE CONTRACT BE TERMINATED BY MUTUAL AGREEMENT IN WHICH WE CONCUR. PLEASE TELETYPE AUTHORIZATION FOR OUR PREPARATION OF TERMINATION AGREEEMENT.

JOHN F SHAW FOR W H KING

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

RECEIVED
NOV 27 1953

November 25, 1953

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4640

From: H. D. Keiser, Bureau of Mines Member
Uranium Commodity Committee

Subject: Field Team Report, DMEA 2959, Contract Idm-E627, Gamblin and Knowles, San Miguel County, Colorado.

I have reviewed the subject report and discussed it with Joseph O. Hosted, representative of the Atomic Energy Commission.

I concur with the action of the Field Team in granting Government assistance for exploration in the Government's proportional share of a total cost of $1,288.50.

The report has been forwarded to the Chief, Minerals Division, Bureau of Mines, in accord with the routing slip attached thereto.

Signed

H. D. Keiser

11/25/53-dlb.
Original to Docket V

N. Wm. Ellis, DMEA Member, Uranium Commodity Committee

November 19, 1953

Defense Minerals Administration
RECEIVED
NOV 23 1953

Arthur F. Butler, Jr., USGS Member, Uranium Commodity Committee

Field Team Report, DMEA Docket 2939 (Uranium), Contract IBM-2627, J. M. Knowles and H. C. Gamblin, Grand Junction, Colorado, applicants; Lee Mack and Blue Bell Claims, mostly in NE¼ Sec. 1, T. 43 N., R. 19 W., Slick Rock District, San Miguel County, Utah

The Field Team Report recommending Government assistance for exploration at the property identified in the subject above has been reviewed.

Exploration Approved

A modified plan of exploration proposed by the examining members of the Field Team has been approved in Region IV and the contract is in effect.

Drilling will be in two stages as follows:

Stage 1. Two rows of wagon drill holes spaced 50 feet apart back of known mineralized outcrops; holes spaced 100 feet apart within the remainder of favorable ground in east central part of Lee Mack claim; and two holes to verify the westward extent of favorable ground.

Stage 2. Offset holes at distances of 25 feet from stage 1 holes intersecting mineralized rock.

In addition, the extent of mineralized lenses in underlying shale will be determined by a little bulldozer stripping.

About 300 tons of ore have been produced from sandstone of the Salt Wash member of the Morrision formation. Study by the Field Team indicates that the sandstone in the east central part of the Lee Mack claim is favorable for ore bodies, according to criteria developed by the Geological Survey. Although known ore bodies are small, ranging from 4 to 25 feet wide, 10 to 50 feet long, and from 1 to 2 feet thick, the shallow average depth of 25 feet suggests that exploration for even small ore bodies is warranted and may result in finding other minable ore bodies.

Conclusion

I concur with the action of the Field Team in granting Government assistance for exploration in the Government's proportionate share of a total cost of $1,[illegible].50.

Copies to: N. Wm. Ellis (2)

Defense Minerals Administration
RECEIVED
NOV 24 1953

November 18, 1953

E. Wm. Ellis, DMSA Member, Uranium Commodity Committee

Arthur P. Butler, Jr., USGS Member, Uranium Commodity Committee

Field Team Report, DMSA Docket 2939 (Uranium), Contract IDM-2627, J. M. Knowles and H. C. Gamblin, Grand Junction, Colorado, applicants; Lee Mack and Blue Bell Claims, mostly in NE¼ Sec. 1, T. 43 N., R. 19 W., Slick Rock District, San Miguel County, Utah

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Conclusion

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Copies to: E. Wm. Ellis (2)