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

RECEIVED
JUN 22 1956

224 New Customhouse
Denver 2, Colorado

June 20, 1956

Memorandum

To: Chairman of the Operating Committee
Attention: C. O. Mittendorf, Administrator

From: DMEA Field Team, Region III

Subject: Docket DMEA-3705 (Uranium) Central City Uranium Company, (Spur Daisy group), Gilpin County, Colorado

Attached are two copies of an article clipped from the Sunday edition of the Denver Post. It appeared in a column prepared for the paper daily reporting regional news concerning the uranium and oil industries by a man named Quinn.

You will note the article states that the subject company reported the favorable assays quoted. However, Van R. McKay of Central City Uranium Company claims he did not supply Quinn with the assays and although while he thought he knew the source of Quinn's information, he refused to disclose it to me. The surprising feature of the assays quoted is that they are correct right to the decimal place.

McKay called at J. F. Shaw's office at the Denver Federal Center on Monday afternoon, June 19, and requested the factual information from the examination such as assays of samples taken, any geological or other maps, etc. This we are inclined to interpret as part of a cover up process. Shaw referred him to the Executive Officer and he called on the phone immediately from Shaw's office and was referred to the Administrator with the suggestion that if it was urgent he send his request by night letter, which presumably he did.

Apparently this is another case of an embarrassing leak of DMEA confidential information. The source of the leak is unknown, and probably could not be ascertained even with FBI assistance. We have no reason to suspect personnel of any of our local offices, and the Denver Branch office of the Atomic Energy Commission disclaims

responsibility. The human element is still operative and as difficult as ever to cope with. We have again called the seriousness of the situation to the attention of all those concerned and are in hopes there will not be a recurrence.

DMEA Field Team, Region III

W. M. Traver

By W. M. Traver
Executive Officer

Attachments

JUN 23 1956

Post

Central City Uranium, a closely held Colorado Corp. reported some favorable assays as a result of previous application for a DMEA loan for further exploration on their property on Nigger Hill overlooking Central City, Colo.

Assays were taken by government personnel in the Claire Marie Mine and showed gold values that ranged from a low of .03 ounces of gold per ton to a high of .22 ounces.

One silver assay across the hanging wall indicated values of 101.3 ounces per ton. Lead values were from 6.9 pct. to over 9.5 pct. with zinc from 8.9 to 16.3 pct.

The hanging wall also showed a tremendous uranium assay. Chemical assay of sampling across the vein at this point showed uranium to run 1.15 pct.

Central City Uranium, with offices in Central City, includes Blackhawk businessman Ed Evans as president and Frank L. Jones, well-known Idaho Springs mining lawyer as secretary treasurer.

Firm is reported to plan an immediate development of their mine which lies between other good active producers of base and precious metals in addition to uranium values in the region.

DMEA
3705

Sunday Denver Post 6/17/56
Mining Column.

Surname copy

Murphy
Ellis
Hylman

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

Central City Uranium Company
P. O. Box 246
Central City, Colorado

JUN 20 1956

Re: Docket No. DMEA-3705 (Uranium)
Spur Daisy Group
Gilpin County, Colorado

Gentlemen:

Mr. Van R. McCay in a telegram, dated June 19, 1956, requested release of factual engineering data, assays, and geological maps, relating to the captioned application for Government aid in an exploration project.

Presumably this request is for information compiled and submitted by our Region III Field Team as a result of their investigation of your property. We regret to inform you that this type of information can not be released by this Agency. It is prepared solely for our guidance in arriving at a decision on the proper action to take in regard to an application.

With the thought that we may be mistaken as to the data requested we are enclosing a copy of the supplementary information, a cross-section sketch of the shafts, and a photostat of the claim map, which were submitted with your application. We are retaining duplicate copies for our files.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

FMMurphy/ai 6/19/56
cc to: Docket
Code 700
Mr. Murphy
Admr.'s Reading File
Oper. Comm.
DMEA Field Team, Region III (2)
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm 5224
JOHosted, Rm 3210, GSA

RGH.

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=International Letter Telegram

RECEIVED JUN 19 1956

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

RA104 SA026 KA024

1956 JUN 19 AM 4 17

K DVB768 NL PD=TDDV CENTRAL CITY COLO 18=

C O MITTENDORF=

DEFENSE MINERALS EMERGENCY ADMINISTRATION NEW

INTERIOR BLDG WASHDC=

AT RECOMMENDATION OF TRAVER DENVER REGIONAL DEPARTMENT HEAD WE REQUEST RELEASE OF FACTUAL ENGINEERING DATA ASSAYS AND GEOLOGICAL MAPS ON DOCKET 3705 CENTRAL CITY URANIUM COMPANY CLAIRE MARIE PROPERTY. KINDLY EXCELERATE IN ORDER TO EXPEDITE OUR COMPANY ENGINEER, IN HIS CURRENT EXAMINATION FOR NECESSARY REPORT. THANK YOU AND OBLIDGE=

CENTRAL CITY URANIUM C BY VAN R MCCAY=.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

700

FILE COPY
Surname:
Murphy
Selfridge

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

MAR - 1 1956

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region III
7th New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-3705 (Uranium)
Central City Uranium Company
Spar Daisy group
Gilpin County, Colorado

Dear Mr. Traver:

This is to acknowledge your memorandum, dated February 20, 1956, and the attached joint memorandum, dated February 16, to your office from D. H. Maclaren, USGS, and C. M. Harrer, BSM, relating to the captioned application which was denied on February 7, 1956.

We are enclosing two copies each of a letter, dated February 21, from Representative Donald L. Jackson to Mr. Mittendorf; a note dated February 15, from Gail B. McKay to Mr. Jackson; and Mr. Mittendorf's response, of even date, to Mr. Jackson.

You will note from the above self-explanatory correspondence that your memorandum arrived in Washington at an opportune time.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosures

APPROVED:

P. F. Yopes
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

FMMurphy/izm 2-28-56
cc to: Docket
Code 700
Mr. Murphy
Admr.'s Reading File
Operating Committee
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

R.C.L.

700

FILE COPY
Surname:

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

Mr. W. N. Traver
Executive Officer
DMEA Field Team, Region III
22d New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-3705 (Uranium)
Central City Uranium Company
Spur Daisy group
Gilpin County, Colorado

Dear Mr. Traver:

Enclosed are two copies each a self-explanatory letters, dated February 21, 1956, from Representative Donald L. Jackson to Mr. Mittendorf; a note dated February 15, 1956, from Gail B. McKay to Mr. Jackson; and Mr. Mittendorf's response, of even date, to Mr. Jackson.

Will you kindly refer to our letter, dated February 7, 1956. In this letter we did not request the Field Team to submit additional information until the Applicant submitted an application for lead-zinc exploration. However, you will note in our letter that, although the Field Team suggested that a lead-zinc application should receive consideration, this office did not believe the data available on the subject property indicated that an exploration contract was warranted. With this in mind, we did not wish to advise the Applicant that a lead-zinc project would receive consideration and then later possibly deny such an application.

In order to make a concise reply to Representative Jackson we require additional data which will either substantiate our opinion that the possibility of finding commercially exploitable deposits of uranium-lead-zinc ores is meager, or to sustain the Field Team's suggestion that the property may have potential lead-zinc possibilities.

We would appreciate your reply as soon as you can assemble the necessary information mentioned above and in our letter of February 7, 1956.

Sincerely yours,

Chairman, Operating Committee

Enclosures

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

Messrs. JECrawford, Rm. 3641
THKillsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

FMMurphy/izm 2-27-56
cc to: Docket
Code 700-Mr. Murphy
Adm/mr's. Reading File
Operating Committee

Surname copy

700

Murphy
Yoder
Kiilsgaard
Selfridge
Hyman

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

MAR - 1 1956

Hon. Donald L. Jackson
House of Representatives
Washington 25, D. C.

Re: Docket No. DMEA-3705 (Uranium)
Central City Uranium Company
Spur Daisy group
Gilpin County, Colorado

My dear Mr. Jackson:

Reference is made to your letter of February 21, 1956, and the note attached thereto, dated February 15, from Mr. Gail B. McKay of Los Angeles, California.

The above-docketed application to explore for uranium ores was denied because of the small and low-grade over-all mineral production from the area, the narrowness of the veins examined, the small pod-like occurrences of the uranium ore, and the small size of the lead-zinc ore bodies that have been previously mined on the subject property.

Our field representatives have just informed us that the Central City Uranium Company is presently engaged in rehabilitating the underground workings from the Claire Marie shaft. If this new work discloses evidence which could materially alter our present opinion in regard to the subject property, be assured we will be pleased to consider a new application for exploration aid.

Mr. McKay's note is returned herewith. If we can be of any further help in this matter, please call upon us.

FMMurphy/GCSelfridge/gla
(2-27-56) 2-28-56
cc to: Docket
Code 700, Mr. Murphy
Admr.'s Reading File
DMEA Field Team, Region III (2),
Messrs. JECrawford, Rm. 3641

Sincerely yours,

G. O. Hardwick

Administrator

Enclosure

THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

R.S.S.

DONALD L. JACKSON
16TH DISTRICT, CALIFORNIA

LEOLA R. LONG
SECRETARY

CALIFORNIA ADDRESS:
POST OFFICE BUILDING
SANTA MONICA

700 2-23-56

COMMITTEES:
FOREIGN AFFAIRS
CHAIRMAN, SUBCOMMITTEE:
WESTERN HEMISPHERE

UN-AMERICAN ACTIVITIES

Congress of the United States
House of Representatives
Washington, D. C.

RECEIVED
FEB 23 1956

February 21, 1956

DME A-3705
Central City Uran. Co.
Denied 2/7/56

Honorable C. O. Mittendorf
Administrator, Defense Mineral Exploration
Administration
The Department of the Interior
Washington 25, D.C.

Dear Mr. Mittendorf:

The attached communication from Mr. Gail B. McKay, 11018 W. Pico Boulevard, Los Angeles 64, California, is more or less self-explanatory. Consistent with laws and regulations covering the disclosure of information of this sort, it would be very much appreciated if this office could be furnished with whatever information is available upon which a reply to Mr. McKay could be formulated.

Your courtesy and cooperation in this connection will be very much appreciated.

Sincerely yours,

Donald L. Jackson

Donald L. Jackson, M.C.

DLJ/mg

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

RECEIVED
FEB 27 1956

February 20, 1956

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Chairman, Operating Committee, DMEA

From: Field Team, Region III

Subject: Docket DMEA 3705 (Uranium), Central City Uranium Company, Spur Daisy Group, Gilpin County, Colorado

In reply to your letter of February 7, 1956 enclosed are the original and three copies of a joint memorandum from the field examiners.

The Field Team would not look with favor on an application for base metals on this property. But, should the Operator submit such an application, we would probably recommend another field examination in the event the Operator had completed more work since the last field examination.

DMEA Field Team, Region III

W. M. TRAVER,

W. M. Traver

E. N. Harshman

E. N. Harshman

Enclosures

IN REPLY REFER TO:

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

RECEIVED
FEB 27 1956

DMEA
Date Rec'd
FEB 20 1956
BUREAU OF MINES
Denver, Colorado

February 16, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: E. N. Hartman
J. F. Shaw

From: D. R. MacLaren
C. M. Harrer

Subject: DMEA Docket 3705 (Uranium), Central City Uranium Company, Spur Daisy group, Gilpin County, Colorado

In our report on the subject application we recommended favorable consideration should the applicant wish to explore for lead and zinc. We reluctantly backed into this recommendation because:

1. On the Carroll vein the applicant has found a couple of small ore bodies which he is mining, and there is evidence of an indeterminate amount of stoping in the past;

2. On the Two Sisters vein, as rehabilitation is progressing, evidence of past stoping in indeterminate amount is coming to light, and in one fairly large stope on the 360 level, considerable zinc appears to have been left on the footwall;

3. On the Claire Marie vein, which possibly extends from the Carroll vein to the Two Sisters, there has been an indeterminate amount of stoping in the past;

4. Assays of three samples which we took on the Claire Marie vein contained, respectively, 18.0 percent, 18.2 percent, and 25.8

percent combined lead and zinc as well as 0.03 to 0.22 ounce gold and 3.2 to 101.3 ounces silver per ton. These considerations, if pushed by the applicant, would make denial difficult.

However, because of the small over-all production from the district, the narrowness of the veins we sampled, and the apparent low grade of past production, about 4.0 percent combined lead and zinc, we do not believe that the chance of discovering a large deposit is good, although there may be two or three small shoots to be found. For that reason we did not suggest to the applicant that a lead-zinc application might be considered favorably. Our intent would have been better expressed in our report had we said "...favorable consideration might possibly be indicated" rather than "favorable consideration is recommended."

D R MacLaren
D. R. MacLaren, Geologist

C. M. Harrer
C. M. Harrer, Mining Engineer

DRMacLaren:arh

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

RECEIVED
FEB 27 1956

February 20, 1956

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Chairman, Operating Committee, DMEA

From: Field Team, Region III

Subject: Docket DMEA 3705 (Uranium), Central City Uranium Company, Spur Daisy Group, Gilpin County, Colorado

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DMEA Field Team, Region III

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Enclosures

IN REPLY REFER TO:

DMEA
Date Rec'd.

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

RECEIVED
FEB 20 1956
FEB 27 1956
BUREAU OF MINES
Denver, Colorado

February 16, 1956

Memorandum

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Through: E. N. Harshman
J. F. Shaw

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C. M. Harrer

Subject: DMEA Docket 3705 (Uranium), Central City Uranium Company, Spur Daisy group, Gilpin County, Colorado

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D R MacLaren
D. R. MacLaren, Geologist

C. M. Harrer
C. M. Harrer, Mining Engineer

Gail F. McKay
11018 W. Pico
Los Angeles 64

Feb. 15 - 56

Dear Don;
It was nice seeing you in Santa Monica last saturday, I am sorry that time did not permit a longer visit.
You undoubtedly are aware of the fact that I am interested in some Uranium property in Colorado, oneof the mines is a producer of a good grade of pitch blende. Adjoining the producing property, we own several claims upon which we applied for an exploratory loan (Government) over a year ago, we have reason to know that the Field report made through the Denver office, A.E.C. and D.M.E.A., plus U.S.G.S., was favorable, so we are rather surprised to learn from Washington that the loan request had been denied. I am wondering if you could get some additional information other than the meager information contrained in their letter, if there is anything in their report that discloses unfavorable possibilities of Commercial Uranium we would like to know about it before spending money to prove the point. The fact that the Engineering report (Independent) discloses that the pitch of the ore vein is toward our property from the property that is now producing, and the properties adjoin, it seems odd that our loan application was denied. The letter denying the loan was signed C. O. Mittendorf, Administrator, Department of Interior, Docket # 3705 (Uranium) Spur Daisy Group, Gilpin County Colorado. I will appreciate any information you can uncover.

Thanks

/s/ Gail

c
o
p
y

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

RECEIVED
FEB 13 1956

February 10, 1956

224 New Customhouse
Denver 2, Colorado

Memorandum

To: J. F. Shaw
E. N. Harshman

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3705 (Uranium), Central City Uranium Company, Spur Daisy group, Gilpin County, Colorado

Enclosed is a copy of a letter from the Chairman of the Operating Committee requesting clarification of all statements regarding lead-zinc possibilities of the subject property. Will you please advise us, so that we may reply to this letter.

Also enclosed is a copy of a letter from the Administrator to the applicant denying the application for uranium exploration, which was the only mineral included by the applicant in his application.

W. M. TRAVER,

W. M. Traver

Enclosures

HMC:ab

cc: Chair. Op. Comm. (2)
Docket 3705
Chron.

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

RECEIVED
FEB 13 1956

February 10, 1956

294 New Customhouse
Denver 2, Colorado

Memorandum

To: J. F. Shaw
E. N. Harshman

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3705 (Uranium), Central City Uranium Company, Spur Daisy group, Gilpin County, Colorado

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W. M. TRAVER,
W. M. Traver

Enclosures

HMC:ab

cc: Chair. Op. Comm. (2)
Docket 3705
Chron.

700

FILE COPY

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

FEB - 7 1956

Mr. Frank L. Jones
Secretary and Treasurer
Central City Uranium Company
Post Office Box 246
Central City, Colorado

Re: Docket No. DMEA-3705 (Uranium)
Spur Daisy Group
Gilpin County, Colorado

Dear Mr. Jones:

Reference is made to your application for Government aid in an exploration project on the above-named property.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although noting a small amount of uranium mineralization on your property, indicates to us that the probability of disclosing significant uranium ore reserves is not sufficiently promising to justify Government participation in an exploration program. We regret to advise you that, under these circumstances, your application for exploration assistance is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

E. O. Mittendorf

Administrator

FMMurphy/izm 2-2-56
cc to: Docket
Code 700
Mr. Murphy
Admr.'s Reading File
Operating Committee
DMEA Field Team, Region III (2)
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

700

Selfridge
JEJ

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

FEB - 7 1956

Mr. W. H. Traver, Executive Officer
DMEA Field Team, Region III
224 New Custom House
Denver, Colorado

Re: Docket No. DMEA-3705, Uranium
Central City Uranium Company
Spur Daisy group
Gilpin County, Colorado

Dear Mr. Traver:

Enclosed are copies of our letter of today to Mr. Frank L. Jones, secretary and treasurer of the subject company. Please note that we have denied the application for uranium, without mentioning lead-zinc, although the Field Team's report stated:

"Should the applicant desire to explore for lead-zinc ore bodies by extending the Claire-Marie 805-level drift to the southwest, favorable consideration is recommended."

Our denial letter did not mention lead-zinc as we were not sure that the report's "favorable consideration" was an unqualified recommendation for a contract; and because if it were, we would like some additional information regarding lead-zinc possibilities.

Should the applicant submit a new application for a lead-zinc project, will you please furnish us the basis for the report's statement "---there is a fair chance of finding a significant amount of these metals (Pb-Zn) on the Claire Marie vein." Are favorable structural or lithological changes anticipated based on present knowledge? Unless they are, past production, small size of present stopes, and narrowness of veins with attendant high-dilution ratio on mining seemingly outweigh any possibility of finding a significant ore body.

To what extent was a lead-zinc application discussed with the applicant?

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

/s/ Robert W. Geehan (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

Enclosures

WSMARTIN
~~FTMurphy~~/GCSelfridge/izm/esf (2/6/56)

cc to: Docket
Code 700
Mr. Murphy
Admr's Reading File
Operating Committee
DMEA Field Team, Region III (2)
Messrs: JECrawford, Rm. 3641, THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA - Mr. Selfridge

R.C.

Docket Copy 700

Murphy
Ellis
Griswold

February 1, 1956

SUMMARY OF PROPOSED PROJECT

Object: Denial of application for exploration aid.

Docket No.: DMEA-3705

Commodity: Uranium

Applicant: Central City Uranium Company
Mr. C. R. McKay, General Manager
P. O. Box 342 } 246
Central City, Colorado

Property: The portion of the Spur Daisy group controlled by the Applicant's 5-year lease is situated in Section 11, T. 3 S., R. 73 W., Gilpin County, Colorado, and consists of parts of the following lode claims:

Claire Marie	Only Boy
Pacific	Spur Daisy No. 16372
Maggie M.	Spur Daisy No. 9041
Idea	Hamilton
Bon Ton	Lille Rose

Date of Application: February 3, 1955

Referred to Region III: March 15, 1955

Field Team Report Forwarded: January 5, 1956

Note: Field Team could not examine property until advice from Applicant, dated November 14, 1955, that the shaft was rehabilitated to the 360-foot level and the mine was accessable. DMEA examination made November 23, 1955.

Amount of Application: $25,375.00

Work Proposed and Costs:

1. Drift on the 350 level southwest along the Claire Marie vein a distance of 425 feet @ $35/ft. $14,875.00

2. Drift on the 350 level northwest along the Maggie M. vein a distance of 300 feet @ $35/ft. $10,500.00

Total Estimated Cost $25,375.00

Excerpts from Field Team Report:

In the Central City district there are two distinct mineral zones, one containing pyritic gold veins, the other containing galena-sphalerite veins. In the zone of transition between the two, pitchblende occurs in many of the veins as small lenses, pods, and streaks in ill-defined and irregularly spaced ore shoots. One such shoot occurs on the Carroll vein not far from the Carroll-Claire Marie junction, and there is evidence that the oxidized portion of another occurs on the Two Sisters vein not far from the Two Sisters-Claire Marie junction. Only on the 205-foot level from the Claire Marie shaft is there any evidence of pitchblende on the Claire Marie vein. Although it has been possible to hand-sort a few hundred pounds of high-grade uranium ore and to make a few tons of good grade concentrate from the shoot on the Carroll vein, nowhere in the district has uranium been found that can be mined alone at a profit.

Lead-zinc ores containing appreciable silver and some gold occurs in considerable amounts on both the Carroll and Two Sisters veins, and there is a fair chance of finding a significant amount of these metals on the Claire Marie vein.

It is concluded that the chance of making a significant discovery of uranium ore on the Claire Marie vein is poor and, therefore, it is recommended that this application be denied. Should the Applicant desire to explore for lead-zinc ore bodies by extending the Claire Marie 205-foot level drift to the southwest, favorable consideration is recommended. Should he desire to explore for lead-zinc ore bodies from the Two Sisters 360-foot level drift shall be driven on the Claire Marie vein from the Two Sisters vein to the property line and preferably after the Claire Marie 205-foot level drift has been extended to the southwest.

Commodity Members' Comments:

USGS, N. E. Nelson, January 20, 1956:

Concurs in Field Team's denial of application with regard to uranium, and suggests a new application for lead-zinc-uranium should receive consideration.

USBM, J. E. Crawford, January 27, 1956:

Concurs in denial for uranium application and recommends consideration of new application for other minerals.

Rare and Miscellaneous Metals Division, F. M. Murphy, February 1, 1956:

The Field Team Report relating to the subject property is well documented and the conclusions reached are amply justified. Therefore, this Division concurs in the Field Team's recommendation to deny the subject application for assistance in exploring for uranium ores and, if the Applicant submits a new application explore for lead-zinc ore deposits it should receive favorable consideration.

Ernest Wm. Ellis

Ernest Wm. Ellis

February 1, 1956

SUMMARY OF PROPOSED PROJECT

Object: Denial of application for exploration aid.

Docket No.: DMEA-3705

Commodity: Uranium

Applicant: Central City Uranium Company
Mr. C. R. McKay, General Manager
P. O. Box 342
Central City, Colorado

Property: The portion of the Spur Daisy group controlled by the Applicant's 5-year lease is situated in Section 11, T. 3 S., R. 73 W., Gilpin County, Colorado, and consists of parts of the following lode claims:

Claire Marie	Only Boy
Pacific	Spur Daisy No. 16372
Maggie M.	Spur Daisy No. 9041
Idea	Hamilton
Bon Ton	Lille Rose

Date of Application: February 3, 1955

Referred to Region III: March 15, 1955

Field Team Report Forwarded: January 5, 1956
Note: Field Team could not examine property until advice from Applicant, dated November 14, 1955, that the shaft was rehabilitated to the 360-foot level and the mine was accessable. DMEA examination made November 23, 1955.

Amount of Application: $25,375.00

Work Proposed and Costs:

1. Drift on the 350 level southwest along the Claire Marie vein a distance of 425 feet @ $35/ft. $14,875.00

2. Drift on the 350 level northwest along the Maggie M. vein a distance of 300 feet @ $35/ft. $10,500.00

Total Estimated Cost $25,375.00

Reviewed by
DMEA OPERATING COMMITTEE

(Date)

Excerpts from Field Team Report:

In the Central City district there are two distinct mineral zones, one containing pyritic gold veins, the other containing galena-sphalerite veins. In the zone of transition between the two, pitchblende occurs in many of the veins as small lenses, pods, and streaks in ill-defined and irregularly spaced ore shoots. One such shoot occurs on the Carroll vein not far from the Carroll-Claire Marie junction, and there is evidence that the oxidised portion of another occurs on the Two Sisters vein not far from the Two Sisters-Claire Marie junction. Only on the 205-foot level from the Claire Marie shaft is there any evidence of pitchblende on the Claire Marie vein. Although it has been possible to hand-sort a few hundred pounds of high-grade uranium ore and to make a few tons of good grade concentrate from the shoot on the Carroll vein, nowhere in the district has uranium been found that can be mined alone at a profit.

Lead-zinc ores containing appreciable silver and some gold occurs in considerable amounts on both the Carroll and Two Sisters veins, and there is a fair chance of finding a significant amount of these metals on the Claire Marie vein.

It is concluded that the chance of making a significant discovery of uranium ore on the Claire Marie vein is poor and, therefore, it is recommended that this application be denied. Should the Applicant desire to explore for lead-zinc ore bodies by extending the Claire Marie 205-foot level drift to the southwest, favorable consideration is recommended. Should he desire to explore for lead-zinc ore bodies from the Two Sisters 360-foot level drift shall be driven on the Claire Marie vein from the Two Sisters vein to the property line and preferably after the Claire Marie 205-foot level drift has been extended to the southwest.

Commodity Members' Comments:

USGS, M. E. Nelson, January 20, 1956:

Concurs in Field Team's denial of application with regard to uranium, and suggests a new application for lead-zinc-uranium should receive consideration.

USBM, J. E. Crawford, January 27, 1956:

Concurs in denial for uranium application and recommends consideration of new application for other minerals.

Rare and Miscellaneous Metals Division, F. M. Murphy, February 1, 1956:

The Field Team Report relating to the subject property is well documented and the conclusions reached are amply justified. Therefore, this Division concurs in the Field Team's recommendation to deny the subject application for assistance in exploring for uranium ores and, if the Applicant submits a new application explore for lead-zinc ore deposits it should receive favorable consideration.

Ernest Wm. Ellis

Ernest Wm. Ellis

FMMurphy/izm ~~Ixfix~~ 2/1/56
cc to: Docket (original)
Code 700
Mr. Murphy
Admr.'s Reading File
Operating Committee

February 1, 1956

SUMMARY OF PROPOSED PROJECT

Object: Denial of application for exploration aid.

Docket No.: DMEA-3705

Commodity: Uranium

Applicant: Central City Uranium Company
Mr. C. R. McKay, General Manager
P. O. Box 342
Central City, Colorado

Property: The portion of the Spur Daisy group controlled by the Applicant's 5-year lease is situated in Section 11, T. 3 S., R. 73 W., Gilpin County, Colorado, and consists of parts of the following lode claims:

Claire Marie	Only Boy
Pacific	Spur Daisy No. 16372
Maggie M.	Spur Daisy No. 9041
Idea	Hamilton
Bon Ton	Lille Rose

Date of Application: February 3, 1955

Referred to Region III: March 15, 1955

Field Team Report Forwarded: January 5, 1956

Note: Field Team could not examine property until advice from Applicant, dated November 14, 1955, that the shaft was rehabilitated to the 360-foot level and the mine was accessable. DMEA examination made November 23, 1955.

Amount of Application: $25,375.00

Work Proposed and Costs:

1. Drift on the 350-level southwest along the Claire Marie vein a distance of 425 feet @ $35/ft. $14,875.00

2. Drift on the 350 level northwest along the Maggie M. vein a distance of 300 feet @ $35/ft. $10,500.00

Total Estimated Cost $25,375.00

Excerpts from Field Team Report:

In the Central City district there are two distinct mineral zones, one containing pyritic gold veins, the other containing galena-sphalerite veins. In the zone of transition between the two, pitchblende occurs in many of the veins as small lenses, pods, and streaks in ill-defined and irregularly spaced ore shoots. One such shoot occurs on the Carroll vein not far from the Carroll-Claire Marie junction, and there is evidence that the oxidized portion of another occurs on the Two Sisters vein not far from the Two Sisters-Claire Marie junction. Only on the 205-foot level from the Claire Marie shaft is there any evidence of pitchblende on the Claire Marie vein. Although it has been possible to hand-sort a few hundred pounds of high-grade uranium ore and to make a few tons of good grade concentrate from the shoot on the Carroll vein, nowhere in the district has uranium been found that can be mined alone at a profit.

Lead-zinc ores containing appreciable silver and some gold occurs in considerable amounts on both the Carroll and Two Sisters veins, and there is a fair chance of finding a significant amount of these metals on the Claire Marie vein.

It is concluded that the chance of making a significant discovery of uranium ore on the Claire Marie vein is poor and, therefore, it is recommended that this application be denied. Should the Applicant desire to explore for lead-zinc ore bodies by extending the Claire Marie 205-foot level drift to the southwest, favorable consideration is recommended. Should he desire to explore for lead-zinc ore bodies from the Two Sisters 360-foot level drift shall be driven on the Claire Marie vein from the Two Sisters vein to the property line and preferably after the Claire Marie 205-foot level drift has been extended to the southwest.

Commodity Members' Comments:

USGS, N. E. Nelson, January 20, 1956:

Concurs in Field Team's denial of application with regard to uranium, and suggests a new application for lead-zinc-uranium should receive consideration.

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Concurs in denial for uranium application and recommends consideration of new application for other minerals.

Rare and Miscellaneous Metals Division, F. M. Murphy, February 1, 1956:

The Field Team Report relating to the subject property is well documented and the conclusions reached are amply justified. Therefore, this Division concurs in the Field Team's recommendation to deny the subject application for assistance in exploring for uranium ores and, if the Applicant submits a new application explore for lead-zinc ore deposits it should receive favorable consideration.

Ernest Wm. Ellis

Ernest Wm. Ellis

FMurphy/izm ~~xxfix~~ 2/1/56
cc to: Docket (original)
Code 700
Mr. Murphy
Admr.'s Reading File
Operating Committee

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

This letter should have been permitted to go out! Ernest H. Ellis

Mr. Frank L. Jones
Secretary and Treasurer
Central City Uranium Company
Post Office Box 246
Central City, Colorado

Re: Docket No. DMEA-3705 (Uranium)
Spur Daisy Group
Gilpin County, Colorado

Dear Mr. Jones:

Reference is made to your application for Government aid in an exploration project on the above-named property.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although noting a small amount of uranium mineralization on your property, indicates to us that the probability of disclosing significant uranium ore reserves is not sufficiently promising to justify Government participation in an exploration program. We regret to advise you that, under these circumstances, your application ~~for assistance in exploration for uranium ores~~ for exploration assistance is denied. ~~However, if you wish to submit a new application for assistance in exploration for lead-zinc ores on the subject property, be assured that such an application would receive prompt consideration.~~

We wish to advise you that, in the exploration for lead-zinc ores, the Government's participation is 50 percent of the total cost of the project, not 75 percent as is the case in uranium projects.

In the event a new application is submitted then, in order to expedite its processing, we suggest that you forward the following exhibits to this office as soon as possible thereafter:

1. Copies of all leases pertaining to the subject property, i.e., chain of ownership showing your rights to possession; and

2. Six executed copies of the Owner's or Owners' Consent to Lien.

Enclosed are five (5) copies of the application form MF-103 (1 extra) and six (6) copies of Consent to Lien form MF-203. If extra copies of these forms are required, please contact Mr. W. M. Traver, Executive Officer, DMEA Region III, 224 New Customhouse Building, Denver 2, Colorado, who will be able to supply the needed forms.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

Administrator

~~Enclosures~~

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

Mr. Frank L. Jones
Secretary and Treasurer
Central City Uranium Company
Post Office Box 246
Central City, Colorado

Re: Docket No. [illegible]-3705 (Uranium)
Spur Daisy Group
Gilpin County, Colorado

Dear Mr. Jones:

Reference is made to your application for Government aid in an exploration project on the above-named property.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

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We wish to advise you that, in the exploration for lead-zinc ores, the Government's participation is 50 percent of the total cost of the project, not 75 percent as is the case in uranium projects.

In the event a new application is submitted then, in order to expedite its processing, we suggest that you forward the following exhibits to this office as soon as possible thereafter:

1. Copies of all leases pertaining to the subject property, i.e., chain of ownership showing your rights to possession; and

2. Six executed copies of the owner's or owners' consent to lien.

Enclosed are five (5) copies of the application form [illegible]-103 (1 extra) and six (6) copies of Consent to Lien form [illegible]-203. If extra copies of these forms are required, please contact Mr. W. M. Traver, Executive Officer, DMEA Region III, 994 New Customhouse Building, Denver 2, Colorado, who will be able to supply the needed forms.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

Administrator

Enclosures

FMMurphy/iam 2-1-56

cc to: Docket
Code 700
Mr. Murphy
Admr.'s Reading File
Operating Committee
DMEA Field Team, Region III (2)
Messrs. JECrawford, Rm. 3641
THKillegeard, Rm. 5224
JCHested, Rm. 3210, GSA

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

Mr. Frank L. Jones
Secretary and Treasurer
Central City Uranium Company
Post Office Box 364
Central City, Colorado

Re: Contract No. DMEA-3705 (Uranium)
Spur Daisy Group
Gilpin County, Colorado

Dear Mr. Jones:

Reference is made to your application for Government aid in an exploration project on the above-named property.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although noting a small amount of uranium mineralization on your property, indicates to us that the probability of disclosing significant uranium ore reserves is not sufficiently promising to justify Government participation in an exploration program. We regret to advise you that, under these circumstances, your application for assistance in exploration for uranium ores is denied. However, if you wish to submit a new application for assistance in exploration for lead-zinc ores on the subject property, be assured that such an application would receive prompt consideration.

We wish to advise you that, in the exploration for lead-zinc ores, the Government's participation is 50 percent of the total cost of the project, not 75 percent as is the case in uranium projects.

In the event a new application is submitted then, in order to expedite its processing, we suggest that you forward the following exhibits to this office as soon as possible thereafter:

1. Copies of all leases pertaining to the subject property, i.e., chain of ownership showing your rights to possession; and

2. Six executed copies of the Owner's or Owners' Consent to Lien.

Enclosed are five (5) copies of the application form DF-103 (1 extra) and six (6) copies of Consent to Lien form DF-203. If extra copies of these forms are required, please contact Mr. W. M. Traver, Executive Officer, DMEA Region III, 224 New Customhouse Building, Denver 2, Colorado, who will be able to supply the needed forms.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

Administrator

Enclosures

FMMurphy/iam 2-1-56

cc to: Docket
Code 700
Mr. Murphy
Admr.'s Reading File
Operating Committee
DMEA Field Team, Region III (2)
Messrs. JECrawford, Rm. 3641
THKillingsaard, Rm. 5224
JOHested, Rm. 3210, GSA

FILE COPY
Surname:
Murphy
Ellis
Gehan
Kulegard

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

Mr. Frank L. Jones
Secretary and Treasurer
Central City Uranium Company
Post Office Box 246
Central City, Colorado

Re: Docket No. DMEA-3705 (Uranium)
Spur Daisy Group
Gilpin County, Colorado

Dear Mr. Jones:

Reference is made to your application for Government aid in an exploration project on the above-named property.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although noting a small amount of uranium mineralization on your property, indicates to us that the probability of disclosing significant uranium ore reserves is not sufficiently promising to justify Government participation in an exploration program. We regret to advise you that, under these circumstances, your application for assistance in exploration for uranium ores is denied. However, if you wish to submit a new application for assistance in exploration for lead-zinc ores on the subject property, be assured that such an application would receive prompt consideration.

We wish to advise you that, in the exploration for lead-zinc ores, the Government's participation is 50 percent of the total cost of the project, not 75 percent as is the case in uranium projects.

In the event a new application is submitted then, in order to expedite its processing, we suggest that you forward the following exhibits to this office as soon as possible thereafter:

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Enclosed are five (5) copies of the application form MF-103 (1 extra) and six (6) copies of Consent to Lien form MF-203. If extra copies of these forms are required, please contact Mr. W. M. Traver, Executive Officer, DMEA Region III, 224 New Customhouse Building, Denver 2, Colorado, who will be able to supply the needed forms.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

Administrator

Enclosures

FMMurphy/izm 2-1-56

cc to: Docket
Code 700
Mr. Murphy
Admr.'s Reading File
Operating Committee
DMEA Field Team, Region III (2)
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

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

Mr. Frank L. Jones
Secretary and Treasurer
Central City Uranium Company
Post Office Box 246
Central City, Colorado

Re: Docket No. DMEA-3705 (Uranium)
Spur Daisy Group
Gilpin County, Colorado

Dear Mr. Jones:

Reference is made to your application for Government aid in an exploration project on the above-named property.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although noting a small amount of uranium mineralization on your property, indicates to us that the probability of disclosing significant uranium ore reserves is not sufficiently promising to justify Government participation in an exploration program. We regret to advise you that, under these circumstances, your application for assistance in exploration for uranium ores is denied. However, if you wish to submit a new application for assistance in exploration for lead-zinc ores on the subject property, be assured that such an application would receive prompt consideration.

We wish to advise you that, in the exploration for lead-zinc ores, the Government's participation is 50 percent of the total cost of the project, not 75 percent as is the case in uranium projects.

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We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

Administrator

Enclosures

FMMurphy/izm 2-1-56

cc to: Docket
Code 700
Mr. Murphy
Admr.'s Reading File
Operating Committee
DMEA Field Team, Region III (2)
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

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

Mr. Frank L. Jones
Secretary and Treasurer
Central City Uranium Company
Post Office Box 246
Central City, Colorado

Re: Docket No. DMEA-3705 (Uranium)
Spar Daisy Group
Gilpin County, Colorado

Dear Mr. Jones:

Reference is made to your application for Government aid in an exploration project on the above-named property.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although noting a small amount of uranium mineralization on your property, indicates to us that the probability of disclosing significant uranium ore reserves is not sufficiently promising to justify Government participation in an exploration program. We regret to advise you that, under these circumstances, your application for assistance in exploration for uranium ores is denied. However, if you wish to submit a new application for assistance in exploration for lead-zinc ores on the subject property, be assured that such an application would receive prompt consideration.

We wish to advise you that, in the exploration for lead-zinc ores, the Government's participation is 50 percent of the total cost of the project, not 75 percent as is the case in uranium projects.

In the event a new application is submitted then, in order to expedite its processing, we suggest that you forward the following exhibits to this office as soon as possible thereafter:

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We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

Administrator

Enclosures

FMMurphy/ism 2-1-56

cc to: Docket
Code 700
Mr. Murphy
Admr.'s Reading File
Operating Committee
DMEA Field Team, Region III (2)
Messrs. JECrawford, Rm. 3641
THKillegaard, Rm. 5224
JCHested, Rm. 3210, GSA

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

Mr. Frank L. Jones
Secretary and Treasurer
Central City Uranium Company
Post Office Box 246
Central City, Colorado

Reviewed by
DMEA OPERATING COMMITTEE

_____
(date)

Re: Docket No. DMA-3705 (Uranium)
Spur Daisy Group
Gilpin County, Colorado

Dear Mr. Jones:

Reference is made to your application for Government aid in an exploration project on the above-named property.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although noting a small amount of uranium mineralization on your property, indicates to us that the probability of disclosing significant uranium ore reserves is not sufficiently promising to justify Government participation in an exploration program. We regret to advise you that, under these circumstances, your application for assistance in exploration for uranium ores is denied. However, if you wish to submit a new application for assistance in exploration for lead-zinc ores on the subject property, be assured that such an application would receive prompt consideration.

We wish to advise you that, in the exploration for lead-zinc ores, the Government's participation is 50 percent of the total cost of the project, not 75 percent as is the case in uranium projects.

In the event a new application is submitted then, in order to expedite its processing, we suggest that you forward the following exhibits to this office as soon as possible thereafter:

1. Copies of all leases pertaining to the subject property, i.e., chain of ownership showing your rights to possession; and

2. Six executed copies of the Lessor's or Owners' Consent to Lien.

Enclosed are five (5) copies of the application form MF-103 (1 extra) and six (6) copies of Consent to Lien form MF-203. If extra copies of these forms are required, please contact Mr. W. M. Traver, Executive Officer, DMEA Region III, 224 New Customhouse Building, Denver 2, Colorado, who will be able to supply the needed forms.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

Administrator

Enclosures

FMMurphy/izm 2-1-56

cc to: Docket
Code 700
Mr. Murphy
Admr.'s Reading File
Operating Committee
DMEA Field Team, Region III (2)
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

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

Mr. Frank L. Jones
Secretary and Treasurer
Central City Uranium Company
Post Office Box 246
Central City, Colorado

Re: Project No. [illegible]-3705 (Uranium)
Spur Daisy Group
Gilpin County, Colorado

Dear Mr. Jones:

Reference is made to your application for Government aid in an exploration project on the above-named property.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although showing a small amount of uranium mineralization on your property, indicates to us that the probability of disclosing significant uranium ore reserves is not sufficiently promising to justify Government participation in an exploration program. We regret to advise you that, under these circumstances, your application for assistance in exploration for uranium ores is denied. However, if you wish to submit a new application for assistance in exploration for lead-zinc ores on the subject property, be assured that such an application would receive prompt consideration.

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2. Six executed copies of the lessor's or owners' consent to lien.

Enclosed are five (5) copies of the application form #F-103 (1 extra) and six (6) copies of Consent to Lien form #F-203. If extra copies of these forms are required, please contact Mr. W. H. Traver, Executive Officer, DMEA Region III, 224 New Customhouse Building, Denver 2, Colorado, who will be able to supply the needed forms.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

Administrator

Enclosures

FHMurphy/iam 2-1-56

cc to: Docket
Code 700
Mr. Murphy
Admr.'s Reading File
Operating Committee
DMEA Field Team, Region III (2)
Messrs. JECrawford, Rm. 3641
THKillingsgard, Rm. 5224
JCHasted, Rm. 3210, GSA

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

Mr. Frank L. Jones
Secretary and Treasurer
Central City Uranium Company
Post Office Box 216
Central City, Colorado

Re: Project No. [illegible]-37-5 (Uranium)
Spur Lainy Group
Gilpin County, Colorado

Dear Mr. Jones:

Reference is made to your application for Government aid in an exploration project on the above-named property.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

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We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

Administrator

Enclosures

FMMurphy/izm 2-1-56

cc to: Docket
Code 700
Mr. Murphy
Admr.'s Reading File
Operating Committee
DMEA Field Team, Region III (2)
Messrs. JECrawford, Rm. 3641
THKillingsworth, Rm. 5224
JCHosted, Rm. 3210, GSA

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

Mr. Frank L. Jones
Secretary and Treasurer
Central City Uranium Company
Post Office Box 246
Central City, Colorado

Re: Account No. [illegible]-3705 (Uranium)
Spur Mary Group
Gilpin County, Colorado

Dear Mr. Jones:

Reference is made to your application for Government aid in an exploration project on the above-named property.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

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In the event a new application is submitted hereon, in order to expedite its processing, we suggest that you forward the following exhibits to this office as soon as possible thereafter:

1. Copies of all leases pertaining to the subject property, i.e., chain of ownership showing your rights to possession; and

2. Six executed copies of the Lessor's or Lessors' consent to lien.

Enclosed are five (5) copies of the application form MF-103 (1 extra) and six (6) copies of Consent to Lien form MF-203. If extra copies of these forms are required, please contact Mr. W. M. Irever, Executive Officer, DMEA Region III, 724 New Customhouse Building, Denver 2, Colorado, who will be able to supply the needed forms.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

Administrator

Enclosures

FMMurphy/ism 2-1-56

cc to: Docket
Code 700
Mr. Murphy
Admr.'s Reading File
Operating Committee
DMEA Field Team, Region III (2)
Messrs. JECrawford, Rm. 3641
THKillingsard, Rm. 5224
JCMested, Rm. 3210, GSA

1/30/56 gla

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

RECEIVED
JAN 30 1956

January 27, 1956

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 3705, Central City Uranium Company, Spur-Daisy group, Gilpin County, Colorado

I have reviewed the report of examination of Central City Uranium Company, DMEA Docket 3705, dated January 5 and received in this office January 24. I have also discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

Central City Uranium Company requested DMEA assistance in exploring for uranium on the Spur-Daisy group of claims, which contains a lead-zinc-silver mine in Gilpin County, Colorado.

Examination by a DMEA Field Team revealed that there was little possibility of finding a significant amount of uranium on the property. The Field Team recommends that the application be denied.

We concur in the recommendation of the Field Team that the application for uranium exploration be denied. Inasmuch as other minerals make a good showing on the Claire Marie vein, perhaps the applicant may be desirous of submitting an application for the other minerals. Mining for the uranium alone could not possibly be an economic operation.

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

John E. Crawford
John E. Crawford

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

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John E. Crawford

1-20-56 Lgm

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
JAN 20 1956

January 20, 1956

Re: DMEA 3705
Central City Uranium Co.
Spur Daisy Group
Gilpin County, Colorado
$25,375.00 - Uranium, Lead, Zinc

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team report.

The applicant requested aid in exploring lead-zinc veins for uranium at an estimated cost of $25,375.00. The production of the lead-zinc-silver-gold mines of the immediate area (Nigger Hill area) is reported to be about $200,000.00. The production from 1904 to date of four mines in the Spur Daisy group is estimated at 1,726 tons, valued at present metal prices:--

Metal	Price	Quantity	Gross value
Lead	16½ ¢ #	86,941 #	$14,345.27
Zinc	13½ ¢ #	56,601 #	7,641.14
Copper	43 ¢ #	1,094 #	470.42
Silver	90½ ¢ oz.	3,068 oz.	2,776.54
Gold	$35.00 oz.	1,317 oz.	46,095.00
			$71,328.37 or $41.40/ton = 2 oz.

The recent uranium production is valued at $2,600.00. The examiners conclude:-- "None of the uranium occurrences found in the Central City district can be mined at a profit for uranium alone." Little specific information concerning the ores of the individual veins is available, but for the immediate area the ore probably cannot be mined for the lead, zinc and uranium alone. If, as recommended by the examiners, the access drift on the 360 level of the Two Sisters shaft is driven and the Claire Marie vein thus explored is shown to be ore-bearing, a lead-zinc-uranium application should receive consideration.

I concur with the recommendation of the examiners and the Field Team that this uranium application be denied.

N. E. Nelson

N. E. Nelson

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
JAN 20 1956

January 20, 1956

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I concur with the recommendation of the examiners and the Field Team that this uranium application be denied.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-1/20/56

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3) ✓
Docket file
J. E. Crawford, 3641
J. O. Hosted, 3210

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
JAN 20 1956

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I concur with the recommendation of the examiners and the Field Team that this uranium application be denied.

H. E. Nelson

H. E. Nelson

HENelson:iml
G-1/20/56

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641
J. O. Hosted, 3210

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
JAN 30 1956

January 20, 1956

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HENelson:iml
G-1/20/56

cc: Director's reading, 4212
Branch reading, 4212
RMRA (3)✓
Docket file
J. M. Crawford, 3641
J. O. Rested, 3210

1-16-56 dgm

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

January 5, 1956

224 New Customhouse
Denver 2, Colorado

RECEIVED
JAN 9 1956

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Field Team, Region III

Subject: Joint Report of Examination, DMEA Docket 3705 (Uranium), Central City Uranium Company, (Spur-Daisy group), Gilpin County, Colorado

Enclosed are the original and three copies of the report pertaining to the above application.

The examiners believe that the chance of making a significant discovery of uranium ore on the Claire Marie vein is poor and they recommend the application be denied. We concur.

Should the applicant request DMEA assistance to explore for lead-zinc ores by extending the Claire Marie 205-foot level drift to the southwest, we would recommend that proper consideration be given such a request.

DMEA Field Team, Region III

W. M. Traver

By W. M. Traver
Executive Officer

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
1-18-56
(date)

DMEA
Date Rec'd.

JAN 5 1956

BUREAU OF MINES
Denver, Colorado

Region XIII

Building 20
Denver Federal Center
Denver 2, Colorado
January 4, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

TRANSMITTED

JAN 5 1956

From: John F. Shaw
E. N. Harshman

Subject: Examination Report, docket DMEA 3705 (Uranium) Central City Uranium Co. (Spur Daisy group) Gilpin County, Colorado

Enclosed are the original and nine copies of a Joint Engineering and Geologic Report by D. R. MacLaren, Geologist, and C. M. Harrar, Mining Engineer, covering docket DMEA 3705.

Central City Uranium Co. applied for exploration assistance to explore the Claire Marie and Maggie M. veins for uranium from the 360-foot level of the Two Sisters shaft. The property was examined on November 23, 1955, by D. R. MacLaren, Geologist, and C. M. Harrar, Mining Engineer. The property is essentially a lead-zinc-silver mine. The examining team concluded that there was little possibility of finding a significant amount of uranium on the property, but that there is a fair chance of finding lead, zinc, and silver on the Claire Marie vein.

It is recommended that the application for uranium be denied; however, if the applicants should desire to explore for lead-zinc ore bodies, a revised proposal would be considered.

John F. Shaw
John F. Shaw
Supervising Mining Engineer

E. N. Harshman
E. N. Harshman
Member, Field Team

Enclosures

cc 9:
Hilbershman
DMEA 3705
Garen

JFS/en

Reviewed by
DMEA OPERATING COMMITTEE
1-18-56
(Date)

1-10-56 [illegible]

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

JAN 9 1956

January 5, 1956

224 New Customhouse
Denver 2, Colorado

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DMEA Field Team, Region III

W. M. Traver

By W. M. Traver
Executive Officer

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
1-13-56
(date)

DMEA
Doc. Rec'd.
JAN 5 1956

RECEIVED
JAN 9 1956

Region III

BUREAU OF MINES
Denver, Colorado

Building 20
Denver Federal Center
Denver 2, Colorado
January 4, 1956

TRANSMITTED
JAN 5 1956

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Supervising Mining Engineer

E. N. Harshman
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Member, Field Team

Enclosures

cc 9
EHarshman
DMEA 3705
Chron

JFS/em

Reviewed by
DMEA OPERATING COMMITTEE
1-13-56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

TRANSMITTED

JAN 5 1956

DMEA 3705

Spur Daisy Group

Central City Uranium Co.

Gilpin County, Colorado

Lead-Zinc-Uranium

Joint Geologic and Engineering Report

by

D. R. MacLaren, Geologist
Geological Survey

C. M. Harrer, Mining Engineer
Bureau of Mines

Released by
Legal Division, U.S. Geological Survey
1-13-56
(Date)

December 29, 1955

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DMEA 3705

CENTRAL CITY URANIUM CO.
SPUR DAISY GROUP
GILPIN COUNTY, COLORADO

SUMMARY

Central City Uranium Co., of Central City, Colorado has applied for Defense Minerals Exploration Administration assistance to explore for uranium ore on the Claire Marie and Maggie M. veins from the 360-foot level of the Two Sisters shaft. They propose to explore the Claire Marie vein between the south side line of the Two Sisters claim and the north side line of the Carroll claim with 425 feet of drift thereon (fig. 2). They also propose to explore the Maggie M., and Pacific veins with 300 feet of drift (fig. 2). The cost of the project is estimated at $55.00 per foot or a total expenditure of $25,375.00.

Central City Uranium Company has leased the Spur Daisy group of claims on Bigger Hill under a 5-year agreement dated May 1, 1954. The claims are in the Eureka-Quartz Valley mining district, 1 mile northwest of Central City, Colorado. (fig. 1)

The property was examined on November 23, 1955, accompanied by Van McKay, superintendent for the applicant company.

In the Central City district there are two distinct mineral zones, one containing pyritic gold veins, the other containing galena-sphalerite veins. In the zone of transition between the two, pitchblende occurs in many of the veins as small lenses, pods, and streaks in ill-defined and irregularly spaced ore shoots. One such

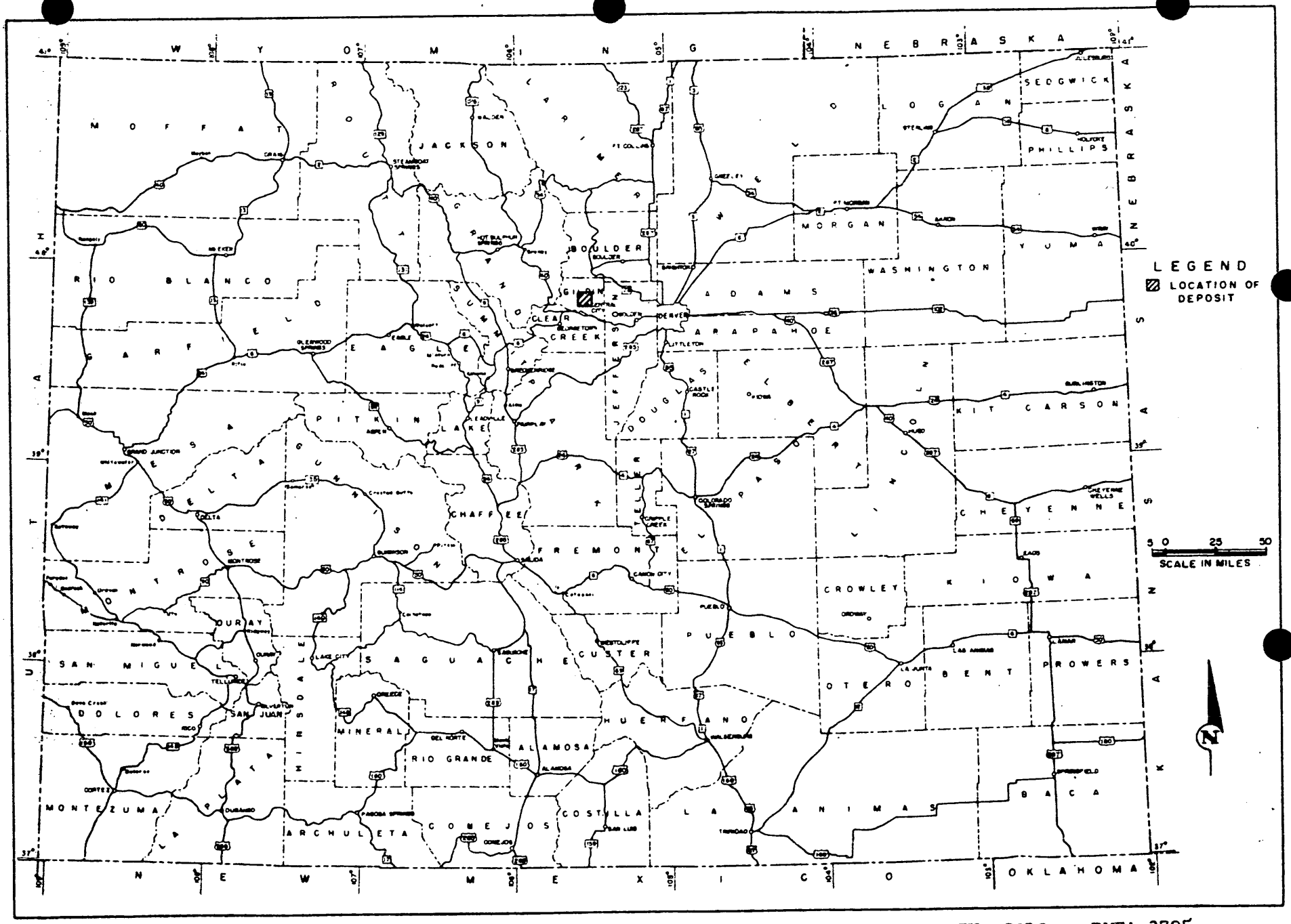


FIGURE 1 - LOCATION MAP, CENTRAL CITY URANIUM CO., SPUR DAISY GROUP, GILPIN COUNTY, COLO. DMEA 3705

shoot occurs on the Carroll vein not far from the Carroll-Claire Marie junction, and there is evidence that the oxidized portion of another occurs on the Two Sisters vein not far from the Two Sisters-Claire Marie junction. Only on the 205-foot level from the Claire Marie shaft is there any evidence of pitchblende on the Claire Marie vein. Although it has been possible to hand-sort a few hundred pounds of high grade uranium ore and to make a few tons of good grade concentrate from the shoot on the Carroll vein, nowhere in the district has uranium been found that can be mined alone at a profit. Lead-zinc ore containing appreciable silver and some gold occurs in considerable amounts on both the Carroll and the Two Sisters veins, and there is a fair chance of finding a significant amount of these metals on the Claire Marie vein. It is concluded that the chance of making a significant discovery of uranium ore on the Claire Marie vein is poor and, therefore, it is recommended that this application be denied. Should the applicant desire to explore for lead-zinc ore bodies by extending the Claire Marie 205-foot level drift to the southwest, favorable consideration is recommended. Should he desire to explore for lead-zinc ore bodies from the Two Sisters 360-foot level, it is recommended that consideration be given only after the 360-foot level drift shall be driven on the Claire Marie vein from the Two Sisters vein to the property line and preferably after the Claire Marie 205-foot level drift has been extended to the southwest.

INTRODUCTION

Central City Uranium Company of Central City, Colorado, has asked the Defense Minerals Exploration Administration for aid to explore for uranium in the Eureka-Quartz Valley mining district 1 mile northwest of Central City, Gilpin County, Colorado. The property is on the north slope of Nigger Hill at the head of Eureka Gulch in secs. 2 and 11, T. 3 S., R. 73 W., at an altitude of about 9,000 feet. The applicants propose to explore the Claire Marie vein by driving a drift 425 feet long southwesterly from the south boundary of the Two Sisters claim toward the north boundary of the Carroll claim, and to explore the Pacific and Maggie M. veins by driving 300 feet of drift northwesterly from the proposed Claire Marie drift. It is proposed to use the Two Sisters shaft and a drift, believed to exist on the Claire Marie vein (on the Two Sisters 360-foot level) as an access to the project. The applicant estimates that the proposed project will cost $25,375.00 of which the Government's share will be 75 percent or $19,031.25.

The application was received by the Field Team, DMEA Region III, on February 23, 1955, and an attempt was made to examine the property on April 5, 1955. On that occasion the Claire Marie shaft and the Two Sisters shaft below a depth of 40 feet were inaccessible. Van McKay, superintendent for the applicant company, was advised that before an examination could be made, at least the Claire Marie

shaft and the Two Sisters shaft and 360-foot level workings on the Claire Marie vein would have to be made accessible. He estimated that this could be accomplished in about a month and a half. On August 4, 1955, the Executive Officer of the Field Team wrote to the applicant to learn whether or not he wished the application to remain in force. The applicant replied on August 12, 1955, with the statement "We will be happy to have your Engineering representative examine our property at your earliest convenience." An immediate telephone call to the applicant to set a date for an examination resulted in a request by the applicant for further delay in the examination. On September 21, 1955, the Executive Officer again wrote to the applicant stating that should the property not be ready for examination by October 15, 1955, the docket would be closed and a new application could be submitted at such time as the property might be ready for examination. The applicant replied that the Two Sisters shaft was open to the 280-foot level, that they were trying to get it ready for examination by October 15. The Executive Officer by letter to the applicant extended the time for examination to October 21, 1955. On October 22 the applicant stated by letter of that date that a bad water condition had developed just above the 550-foot level and requested more time. The Executive Officer again extended the examination date to November 15, 1955. The applicant notified the Field Team by letter dated November 14, 1955, that the Two Sisters shaft was accessible to the 360-foot level and provided access to the workings.

An examination was finally made on November 23, 1955, in the company of Van McKay, Superintendent.

It is concluded that small pods of uranium ore, scattered in ill-defined shoots may be found, but that the chance of discovering a uranium ore body of significant size is poor. Therefore, it is recommended that this application be denied. Should the applicant request assistance to explore for lead-zinc ore bodies either by extending the 205-foot level drift to the southwest from the Claire Marie shaft, or by drifting westerly on the Two Sisters 360-foot level, providing the access drift is first driven to the property line and shows that ore bodies may extend to that level, it is recommended that the request be considered.

ACKNOWLEDGMENTS

Data on the property was obtained by personal observations, from material submitted in the application and by consultation with Paul Sims of the Geological Survey. The Denver Branch of the Atomic Energy Commission was consulted. Mr. V. R. McKay served as guide over the property.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The applicant's property comprises part of the Spur Daisy group of patented lode claims. It is on the north slope of Bigger Hill in the Eureka-Quartz Valley mining district, 1 mile northwest of Central City, Gilpin County, Colorado. The property is at the head of Eureka Gulch in sec's 2 and 11, T. 3 S., R. 73 W., at an

altitude of about 9,000 feet. The property is easily accessible throughout most of the year. Central City is 40 miles from Denver over paved state and federal roads. Explosives, timber, and general supplies are obtainable locally. Water for mining purposes is available and electrical power is available at most of the shafts in the area and on the property.

Topography is typical of the eastern slope of the Colorado Front Range. At the property the slopes are steep and rocky. The climate is cool in summer and severe in winter.

HISTORY AND PRODUCTION

Mines in the Nigger Hill area, which include those controlled by Central City Uranium Company, have produced galena-sphalerite-gold-silver ore from moderate depths dating back to the 1860's. The presence of uranium in the veins apparently was not recognized prior to 1953 although the occurrences on Quartz Hill and elsewhere are described in the literature. Total production from the Nigger Hill area in lead, gold, and silver is reported to be about $200,000.00. Production from the Spur Daisy group, which includes the Maggie M., Spur Daisy, Claire Marie, and Two Sisters patented claims for the period 1904 to date was 1,786 tons from which were produced 86,941 pounds of lead, 1,094 pounds of copper, 56,601 pounds of zinc, 1,317 ounces of gold, and 3,068 ounces of silver.

The only production of uranium in the vicinity was from the Carroll mine and the Two Sisters mine dump, owned by United Mining

and Leasing Corporation. The ore was valued at about $2,600.00. The only known production from the Two Sisters claim was 500 pounds of torbernite and kasolite ore assaying 1.8 percent U_3O_8. This ore was sorted from a dump during October 1954. During 1954, the Carroll mine produced 12.54 tons of pitchblende ore assaying 0.49 percent U_3O_8. During 1955 the Carroll mine produced 4.87 tons of ore assaying 1.19 percent U_3O_8 and 0.01 percent V_2O_5. In addition, 11.11 tons of concentrates assaying 0.45 percent U_3O_8 and 0.02 percent V_2O_5 were produced by milling Carroll mine ore. None of the uranium occurrences found in the Central City district can be mined at a profit for uranium alone. At the Carroll and the Two Sisters mines the pay ore is lead-zinc and the accompanying silver, with the gold and uranium content having a value only as by-products.

OWNERSHIP

Central City Uranium Company of Central City, Colorado controls part of the Spur Daisy group of patented lode claims under a 5 year lease agreement with Joseph F. Hughes. The lease was negotiated by Edward L. Evans, president of the applicant company, and signed on May 1, 1954. The leased ground is described as follows, and shown on figure 2.

All that part of the Ben Tom claim (survey No. 9041), beginning at corner 1 thereof, thence N 22°-09' W. 150 feet;

thence N. 67°-51' E., 502.51 feet; thence S. 36°-40' E., 13.15 feet; thence S. 40°-11' E., 143.09 feet; thence S. 67°-51' W., 549.6 feet, to the point of beginning.

All that part of the Idea claim (survey No. 9041), beginning at corner 2 thereof, thence N. 44°-27' E., 168.88 feet; thence S. 84°-41' E., 41.69 feet; thence S. 36°-40' E., 27.01 feet; thence S. 40°-11' E., 158.25 feet; thence N. 84°-41' W., 279.21 feet, to the point of beginning.

All that part of the Gold lode claim (survey No. 9041) beginning at corner 2 thereof, thence N. 44°-27' E., 174.04 feet; thence S. 84°-41' E., 25.03 feet; thence S. 40°-11' E., 83.46 feet; thence S. 48°-13' E., 128.7 feet; thence N. 84°-41' W., 297.92 feet, to the place of beginning.

All that part of the Two Sisters lode claim (survey No. 8062), beginning at corner 2 thereof, thence N. 5°-19' E., 150 feet; thence S. 84°-41' E., 592.52 feet; thence S. 48°-13' E., 194.47 feet; thence S. 59°-26' E., 80.7 feet; thence N. 84°-41' W., 821.9 feet; to the point of beginning.

All that part of the Pacific lode claim (survey No. 9041), beginning at corner 4 thereof, thence N. 82°-25' E., 224.1 feet; thence S. 84°-41' E., 821.9 feet; thence S. 59°-26' E., 351.64 feet; thence N. 84°-41' W., 1123.02 feet; thence S. 82°-25' W., 241.3 feet; thence N. 5°-19' E., 153.9 feet, to the place of beginning.

All that part of the Maggie M. lode claim (survey No. 8732), beginning at corner 4 thereof, thence N. 23°-11' E., 152.31 feet; thence S. 76°-49' E., 495.8 feet; thence S. 66°-49' E., 444.94 feet; thence S. 48°-13' E., 77.38 feet; thence S. 59°-06' E., 442.85 feet; thence S. 44°-27' W., 76.91 feet; thence N. 66°-49' W., 915.36 feet; thence N. 76°-49' W., 509.12 feet, to the point of beginning.

All that part of the Claire Marie lode claim (survey No. 8732) beginning at corner 6 thereof, thence S. 15°-11' E., 85.32 feet; thence S. 5°-19' W., 5.42 feet; thence N. 84°-41' W., 213.55 feet; thence N. 71°-45' E., 213.92 feet; to the point of beginning. Also, all that part of the Claire Marie claim beginning at a point on line 1-2, whence corner 1 bears N. 71°-45' E., 237.19 feet; and corner 1 of the Two Sisters claim bears S. 84°-41' E., 181.79 feet; thence S. 71°-45' W., 191.81 feet; thence S.74°-49' W., 1071.6 feet; thence N. 15°-11' W., 150 feet; thence N. 74°-49' E., 888.72 feet; thence S. 84°-41' E., 399.1 feet, to the point of beginning.

All that part of the Lilly Rose lode claim (survey No. 9041), beginning at corner 5 thereof, thence N. 65°-58' E., 43.7 feet; thence S. 45°-33' E., 158.97 feet; thence S. 65°-58' W., 89.83 feet; thence S. 58°-38' W., 790 feet; thence N. 28°-42' W., 150 feet; thence N. 58°-38' E., 750 feet, to the point of beginning.

All that part of the Spur Daisy lode claim (survey No. 9041), beginning at corner 1 thereof, thence N. 78°-32' W., 417.78 feet; thence N. 35°-07' W., 35.32 feet; thence N. 64°-44' E., 210.85

feet; thence S. 78°-32' E., 258.76 feet; thence S. 5°-19' W., 130.86 feet, to the point of beginning.

All of the Hamilton lode claim (survey No. 9041).

An undivided one half of the Only Boy lode claim (survey no. 16372).

The lease has no provisions for renewal after May 1, 1959.

The east half of the Two Sisters lode (U. S. Surv. 8062), east 400 feet of the Pacific lode (U. S. Surv. 9041), and the east 675 feet of the Claire Marie lode (U. S. Surv. 8732) are owned by V. R., and C. R. McKay of Central City and are leased to the United Mining and Leasing Corporation.

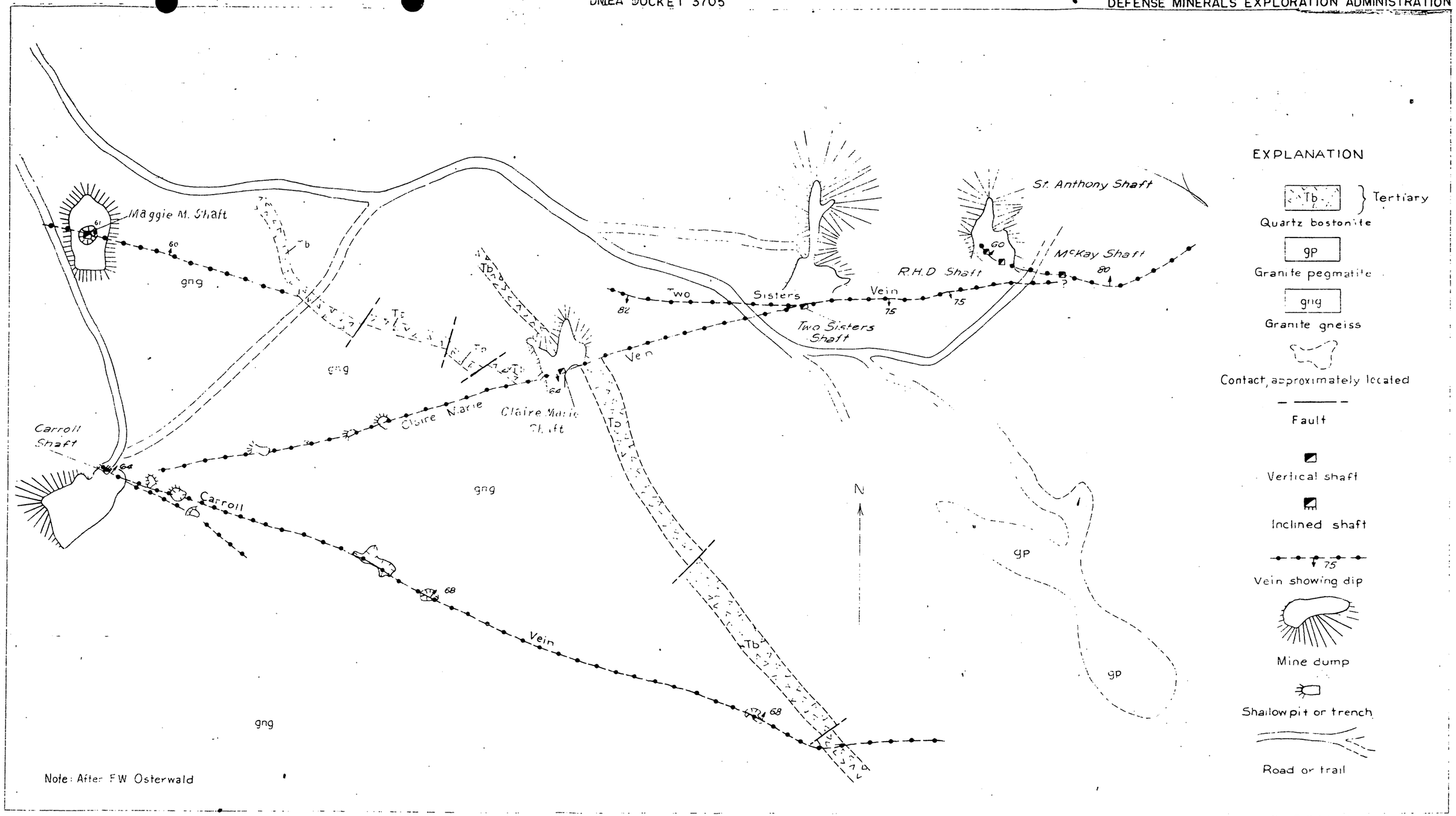
The proposed exploration would benefit the above claim fractions of the United Mining and Leasing Corporation, and that part of the Gurrell claim crossing the Claire Marie; and these should be subordinated if an exploration program is approved. Since the Central City Uranium Company and the United Mining and Leasing Corporation, are closely affiliated, this should not be difficult.

GEOLOGY

The geology of the Central City district is described in U. S. Geological Survey Professional Paper 285 by Lovering and Goddard (1950). A broad, open, upright anticline trending northwest exposes a core of Precambrian granite gneiss flanked on both sides by

schist of the Precambrian Idaho Springs formation. Both the granite gneiss and the schist are cut by numerous dikes, sills, and irregular masses of Precambrian granite and pegmatite, and dikes of Tertiary bostonite. The earliest fractures, formed during the Laramide revolution, are northwesterly faults of the breccia reef type. Later faults strike northeast to east and contain most of the productive veins. The veins have a distinct zonal arrangement. Those of the inner zone are of the pyritic gold type and locally contain argentite, and those of the outer zone are of the galena-sphalerite type. The uranium deposits are in the area of transition from pyritic gold veins to galena-sphalerite veins on and about Quartz Hill. They are for the most part small lenses and pods of pitchblende, more or less confined to irregular zones within the veins. The absence of secondary uranium minerals in the Quartz Hill area is attributed to the high acidity of the mine waters.

The Eureka Gulch area is described in U. S. Geological Survey Bulletin 1032-A by Sims, Osterwald, and Tucker (1955). Nigger Hill, on the north slope of which are the applicant's claims, is in the zone of galena-sphalerite veins. The rocks are granite-gneiss and granite-pegmatite of Precambrian age and bostonite dikes of Tertiary age (fig. 3). There are three major veins in the area: the Carroll vein which strikes N. 55° to 70° W. and dips 64° to 68° NE, the Two Sisters vein which strikes from N. 82° E. to slightly north of west and dips from 75° to 88° S., and the Claire Marie vein



By D.R. MacLaren, May 1954

FIGURE 3.—PLAN SHOWING SURFACE GEOLOGY, CENTRAL CITY URANIUM CO., GILPIN COUNTY, COLORADO.

which strikes N. 76° E. and dips 64° to 77° SE. The Carroll vein is south and the Two Sisters vein is north of the applicant's claims. A line of pits between the Carroll shaft and the Claire Marie shaft suggests that the Claire Marie vein joins the Carroll vein near the Carroll shaft, although the junction has not been found in the Carroll workings where rehabilitation and mining operations are in progress. East of the Claire Marie shaft the mine workings apparently connect with those from the Two Sisters shaft. The Claire Marie vein, at most places where it could be seen (fig. 4), contains gouge with some quartz and pyrite. Locally it contains lenses of galena, sphalerite, some pyrite and a small amount of chalcopyrite. The only evidence of uranium on the Claire Marie vein was on the 205-foot level. About 12 feet southwest of the Claire Marie shaft the geiger counter showed 0.12 MR/hr and a sample cut by the examiners over a width of 0.25 feet assayed 0.18 ounces gold and 5.2 ounces silver per ton, 6.9 percent lead, 11.3 percent zinc, and 0.181 percent U_3O_8. From the southwest breast of the 205-foot level drift for about 30 feet easterly, the geiger counter showed up to 1.0 MR/hr. Two samples were taken by the examiners at the breast of the drift: one sample, cut over a width of 0.4 feet on the foot wall, assayed 0.22 ounces gold and 17.3 ounces silver per ton, 9.5 percent lead, 16.3 percent zinc, and 0.089 percent U_3O_8; the second sample cut over a width of 0.5 feet on the hanging wall, assayed 0.03 ounces gold and 101.3 ounces silver per ton, 9.1 percent lead, 8.9 percent zinc, and 1.15 percent

U_3O_8. A sample of the mine dump taken by Donato L. Russell, consultant for the applicant, assayed 0.10 ounces gold and 7.10 ounces silver per ton, 21.70 percent lead, 13.40 percent zinc, and 0.014 percent U_3O_8. Mr. Russell describes another sample as: "There is no doubt that sample No. 3 was taken out when a hitch for a stull was cut at the 190-foot level". This sample assayed 0.26 ounces gold and 18.62 ounces silver per ton, 37.80 percent lead, 18.10 percent zinc, and 0.011 percent U_3O_8.

No records of the amount and grade of ore shipped from the Claire Marie vein can be found. Production from the entire Nigger Hill area, from 1904 to date is reported to be 1,726 tons of ore containing 1,317 ounces of gold, 3,068 ounces of silver, 86,941 pounds of lead, 56,601 pounds of zinc, and 1,094 pounds of copper. From the size of the stopes it is inferred that a large part of the production came from the Carroll and Two Sisters veins. Between September 28, 1954, and November 1, 1955, the United Mining and Leasing Company has shipped from the Carroll mine 108 tons of precious and base metal concentrates that contained 48.943 ounces of gold, 1,356.233 ounces of silver, 51,894 pounds of lead and 23,227 pounds of zinc. Of this total shipment 36 tons were reported to contain 482 pounds of copper. Also from the Carroll mine during the same period shipments were made of pitchblende ore comprising 17.4 tons of crude ore containing 138.91 pounds of U_3O_8 and 11.1 tons of concentrates containing 100.05 pounds of U_3O_8. At the other end of the Claire Marie vein, a shipment was made from the Two Sisters

dump amounting to 1/4 of a ton of torbernite-autunite ore containing 9 pounds of U_3O_8. There is no evidence that any of the uranium ore came from the Claire Marie vein. On the Carroll vein pitchblende occurs as small pods and thin streaks within an ill-defined area near the Carroll shaft. On the Two Sisters vein there is a zone west of the shaft and the Claire Marie junction on the 360-foot level within which radioactivity on the level is fairly high. Stopes above the zone are not accessible, but it is probable that this is the source of some if not all, of the material shipped from the dump. The Maggie M. shaft is about 550 feet on a bearing of N. 74° W. from the Claire Marie shaft. The Maggie M. shaft is caved and inaccessible, but in an undated mining engineer's report furnished by the applicant, A. M. Miller mentions a sample taken "50 feet depth in shaft and stope of Maggie M." over a width of 18 inches that assayed 0.12 ounce gold and 9.12 ounces silver per ton, 16.2 percent lead, and 13.8 percent zinc. On the surface the Maggie M. vein trends S. 74° E. and dips 60° NE. It may be traced for about 230 feet toward the Claire Marie vein to a bostonite dike (fig. 3). While it may continue along the dike as far as the Claire Marie vein, no evidence was found to indicate that it does so. No records of production from the Maggie M. vein are available.

MINABLE ORE RESERVES

There are no known reserves of uranium ore on the property and no reserves of lead-zinc-gold-silver ore were calculable from the few accessible exposures.

PRESENT STATUS

Exploration and Development

The Claire Marie vein has been partially explored and developed through two shafts (fig. 4). On the applicant's Claire Marie claim the Claire Marie shaft has been sunk on the vein to a depth of approximately 225 feet, and drifts have been turned at depths of 125 feet and 205 feet. On the 125-foot level the northeast drift extends about 60 feet connecting with an old caved stope, and the southwest drift extends 99 feet, beyond which it is caved. On the 205-foot level the northeast end of the shaft station is tightly lagged, and it cannot be determined whether or not there is a caved drift in that direction. The southwest drift on the 205-foot level extends about 100 feet from the shaft. On the 125-foot level there are three stopes, one at the end of the northeast drift is at least 25 feet long and not more than 15 feet high, one from 36 to 47 feet southwest of the shaft is about 10 feet high, and one at the end of the southwest drift is at least 25 feet long and about 15 feet high. The only known stope from the 205-foot

level is from 12 to 60 feet southwest of the shaft and is not more than 20 feet high. The Two Sisters shaft has been sunk on the Two Sisters vein to a depth of more than 360 feet and levels have been turned at depths of 115, 178, and 360 feet. Only a few feet of the 115-foot level drift expose the Claire Marie vein and its junction with the Two Sisters vein. On the 178-foot level a drift has been driven southwesterly along the Claire Marie vein for a distance of about 82 feet. The breast of this drift is about 130 feet northeast of the applicant's property line. On the 360-foot level the Claire Marie vein is exposed for about 50 feet from its junction with the Two Sisters vein in a drift driven along the Two Sisters vein westerly from the shaft. Approximately 150 feet of drift along the Claire Marie vein is necessary to reach the boundary of the applicant's property. It has not been driven. About 20 feet from the shaft, on the 178-foot level, a raise on the Claire Marie vein has been driven 45 feet on an incline of 45°, and about 30 feet vertically. Only the inclined portion of the raise could be entered, but there is no doubt that some stoping has been done from the top of the vertical section. It is reported that the ground between the top of the raise and the northeast end of the Claire Marie 125-foot level has been stoped. Because there is a slight passage of air between the raise and the end of the 125-foot level drift, because these two locations are only 100 feet apart, and because the workings from each end are headed towards each

other, it is inferred that the workings are connected, but the extent of stoping in the interval cannot be determined.

Mining, Milling and other Facilities

The Claire Marie and Two Sisters shafts are equipped with headframes, electric hoists, compressors, pumps, and shops for small operations. Electric power is available at both shafts.

United Mining and Leasing Corporation has rehabilitated the old Beodle Mill, about 1/2 mile distant, to concentrate the ore from the Carroll mine into a lead-gold-silver concentrate and a uranium concentrate.

The nearest market for lead-gold-silver ores is at the American Smelting and Refining Company at Leadville, Colorado, about 100 miles distant. The company expects to mill its ore at the Beodle Mill about one half mile from the property.

Uranium ores from the Front Range area are being shipped to the Salt Lake City, Utah, plant of the Vitro Uranium Company, operated for the Atomic Energy Commission. Ore with a minimum of 0.2 percent U_3O_8 in carload lots of 40 tons or more is currently being purchased by the Commission, which pays a hauling charge of 6 cents per ton mile to the nearest railroad siding, and the freight to the buying station. In this case the nearest rail point is the Denver and Rio Grande Western Railroad at Rollinsville, Colorado, about 15 miles distant.

Mine labor is readily available in the Central City area under established rates of $1.60 to $1.75 per hour with time and one half for all work over 40 hours per week.

APPLICANT'S PROJECT PROPOSAL AND COSTS

Central City Uranium Company proposes to explore the Claire Marie, Maggie M., and Pacific veins with 725 feet of drift on the 360-foot level from the Two Sisters shaft. The applicant has an agreement with the United Mining and Leasing Corporation, owners of the Two Sisters shaft, granting them access to the proposed work. The applicant, at his own expense, will rehabilitate the Two Sisters shaft to the 360-foot level, and the Claire Marie drift on that level. If necessary, he will also extend the Claire Marie drift to the south side line of the Two Sisters claim which is the start of the proposed exploration.

With DMEA assistance, he proposes to drift 425 feet southwesterly along the Claire Marie vein and 300 feet northwesterly along the Maggie M. vein as shown on figure 2.

The cost of the 7 X 5-foot drifts are estimated at $35.00 per foot, which is reasonable for the project. The costs are based on the company's experience under exploration contract DMA 744, contract Idm-8 109.

Total estimated cost of the project would be $25,375.00 and Government participation of 75 percent would be $19,031.25.

CONCLUSIONS AND RECOMMENDATIONS

It is concluded that uranium found in the area can only be mined as a by-product of other ores and that the chance of making a significant discovery of uranium ore on the Claire Marie vein is poor. Therefore, it is recommended that this application be denied. However, there is a fair chance of finding significant amounts of lead and zinc ores. Should the applicant request Government assistance to explore for lead-zinc ores by extending the Claire Marie 205-foot level drift to the southwest, it is recommended that the application be favorably considered. Should he desire to explore for lead-zinc ores from the Two Sisters 360-foot level, consideration should not be given until a drift on that level has been driven along the Claire Marie vein from the Two Sisters drift to the north property line of the Claire Marie claim, and preferably not until the Claire Marie 205-foot level drift has been extended to the southwest.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

TRANSMITTED

JAN 5 1956

DMEA 3705

Spur Daisy Group

Central City Uranium Co.

Gilpin County, Colorado

Lead-Zinc-Uranium

Joint Geologic and Engineering Report

by

D. R. MacLaren, Geologist
Geological Survey

C. M. Harrer, Mining Engineer
Bureau of Mines

December 29, 1955

Reviewed by
DMEA OPERATING COMMITTEE
1-13-56

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DMEA 3705

CENTRAL CITY URANIUM CO.
SPUR DAISY GROUP
GILPIN COUNTY, COLORADO

SUMMARY

Central City Uranium Co., of Central City, Colorado has applied for Defense Minerals Exploration Administration assistance to explore for uranium ore on the Claire Marie and Maggie M. veins from the 360-foot level of the Two Sisters shaft. They propose to explore the Claire Marie vein between the south side line of the Two Sisters claim and the north side line of the Carroll claim with 425 feet of drift thereon (fig. 2). They also propose to explore the Maggie M., and Pacific veins with 300 feet of drift (fig. 2). The cost of the project is estimated at $35.00 per foot or a total expenditure of $25,375.00.

Central City Uranium Company has leased the Spur Daisy group of claims on Nigger Hill under a 5-year agreement dated May 1, 1954. The claims are in the Eureka-Quartz Valley mining district, 1 mile northwest of Central City, Colorado. (fig. 1)

The property was examined on November 23, 1955, accompanied by Van McKay, superintendent for the applicant company.

In the Central City district there are two distinct mineral zones, one containing pyritic gold veins, the other containing galena-sphalerite veins. In the zone of transition between the two, pitchblende occurs in many of the veins as small lenses, pods, and streaks in ill-defined and irregularly spaced ore shoots. One such

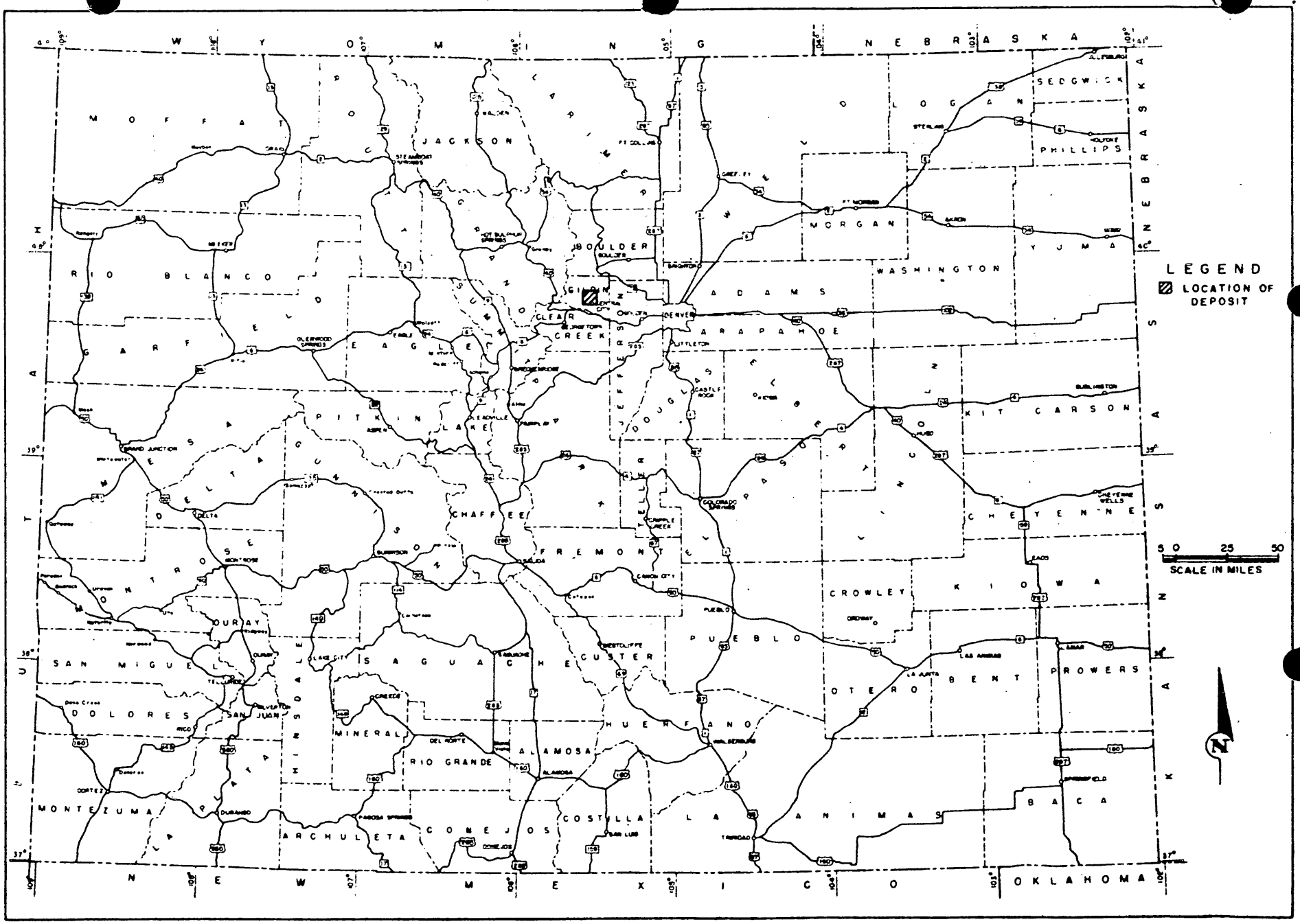

FIGURE 1 - LOCATION MAP, CENTRAL CITY URANIUM CO., SPUR DAISY GROUP, GILPIN COUNTY, COLO. DMEA 3705

shoot occurs on the Carroll vein not far from the Carroll-Claire Marie junction, and there is evidence that the oxidized portion of another occurs on the Two Sisters vein not far from the Two Sisters-Claire Marie junction. Only on the 205-foot level from the Claire Marie shaft is there any evidence of pitchblende on the Claire Marie vein. Although it has been possible to hand-sort a few hundred pounds of high grade uranium ore and to make a few tons of good grade concentrate from the shoot on the Carroll vein, nowhere in the district has uranium been found that can be mined alone at a profit. Lead-zinc ore containing appreciable silver and some gold occurs in considerable amounts on both the Carroll and the Two Sisters veins, and there is a fair chance of finding a significant amount of these metals on the Claire Marie vein. It is concluded that the chance of making a significant discovery of uranium ore on the Claire Marie vein is poor and, therefore, it is recommended that this application be denied. Should the applicant desire to explore for lead-zinc ore bodies by extending the Claire Marie 205-foot level drift to the southwest, favorable consideration is recommended. Should he desire to explore for lead-zinc ore bodies from the Two Sisters 360-foot level, it is recommended that consideration be given only after the 360-foot level drift shall be driven on the Claire Marie vein from the Two Sisters vein to the property line and preferably after the Claire Marie 205-foot level drift has been extended to the southwest.

INTRODUCTION

Central City Uranium Company of Central City, Colorado, has asked the Defense Minerals Exploration Administration for aid to explore for uranium in the Eureka-Quartz Valley mining district 1 mile northwest of Central City, Gilpin County, Colorado. The property is on the north slope of Nigger Hill at the head of Eureka Gulch in secs. 2 and 11, T. 3 S., R. 73 W., at an altitude of about 9,000 feet. The applicants propose to explore the Claire Marie vein by driving a drift 425 feet long southwesterly from the south boundary of the Two Sisters claim toward the north boundary of the Carroll claim, and to explore the Pacific and Maggie M. veins by driving 300 feet of drift northwesterly from the proposed Claire Marie drift. It is proposed to use the Two Sisters shaft and a drift, believed to exist on the Claire Marie vein (on the Two Sisters 360-foot level) as an access to the project. The applicant estimates that the proposed project will cost $25,375.00 of which the Government's share will be 75 percent of $19,031.25.

The application was received by the Field Team, DMEA Region III, on February 23, 1955, and an attempt was made to examine the property on April 5, 1955. On that occasion the Claire Marie shaft and the Two Sisters shaft below a depth of 40 feet were inaccessible. Van McKay, superintendent for the applicant company, was adivsed that before an examination could be made, at least the Claire Marie

shaft and the Two Sisters shaft and 360-foot level workings on the Claire Marie vein would have to be made accessible. He estimated that this could be accomplished in about a month and a half. On August 4, 1955, the Executive Officer of the Field Team wrote to the applicant to learn whether or not he wished the application to remain in force. The applicant replied on August 12, 1955, with the statement "We will be happy to have your Engineering representative examine our property at your earliest convenience." An immediate telephone call to the applicant to set a date for an examination resulted in a request by the applicant for further delay in the examination. On September 21, 1955, the Executive Officer again wrote to the applicant stating that should the property not be ready for examination by October 15, 1955, the docket would be closed and a new application could be submitted at such time as the property might be ready for examination. The applicant replied that the Two Sisters shaft was open to the 280-foot level, that they were trying to get it ready for examination by October 15. The Executive Officer by letter to the applicant extended the time for examination to October 21, 1955. On October 22 the applicant stated by letter of that date that a bad water condition had developed just above the 350-foot level and requested more time. The Executive Officer again extended the examination date to November 15, 1955. The applicant notified the Field Team by letter dated November 14, 1955, that the Two Sisters shaft was accessible to the 360-foot level and provided access to the workings.

An examination was finally made on November 23, 1955, in the company of Van McKay, Superintendent.

It is concluded that small pods of uranium ore, scattered in ill-defined shoots may be found, but that the chance of discovering a uranium ore body of significant size is poor. Therefore, it is recommended that this application be denied. Should the applicant request assistance to explore for lead-zinc ore bodies either by extending the 205-foot level drift to the southwest from the Claire Marie shaft, or by drifting westerly on the Two Sisters 360-foot level, providing the access drift is first driven to the property line and shows that ore bodies may extend to that level, it is recommended that the request be considered.

ACKNOWLEDGMENTS

Data on the property was obtained by personal observations, from material submitted in the application and by consultation with Paul Sims of the Geological Survey. The Denver Branch of the Atomic Energy Commission was consulted. Mr. V. R. McKay served as guide over the property.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The applicant's property comprises part of the Spur Daisy group of patented lode claims. It is on the north slope of Nigger Hill in the Eureka-Quartz Valley mining district, 1 mile northwest of Central City, Gilpin County, Colorado. The property is at the head of Eureka Gulch in sec's 2 and 11, T. 3 S., R. 73 W., at an

altitude of about 9,000 feet. The property is easily accessible thruout most of the year. Central City is 40 miles from Denver over paved state and federal roads. Explosives, timber, and general supplies are obtainable locally. Water for mining purposes is available and electrical power is available at most of the shafts in the area and on the property.

Topography is typical of the eastern slope of the Colorado Front Range. At the property the slopes are steep and rocky. The climate is cool in summer and severe in winter.

HISTORY AND PRODUCTION

Mines in the Nigger Hill area, which include those controlled by Central City Uranium Company, have produced galena-sphalerite-gold-silver ore from moderate depths dating back to the 1860's. The presence of uranium in the veins apparently was not recognized prior to 1953 although the occurrences on Quartz Hill and elsewhere are described in the literature. Total production from the Nigger Hill area in lead, gold, and silver is reported to be about $200,000.00. Production from the Spur Daisy group, which includes the Maggie M., Spur Daisy, Claire Marie, and Two Sisters patented claims for the period 1904 to date was 1,726 tons from which were produced 86,941 pounds of lead, 1,094 pounds of copper, 56,601 pounds of zinc, 1,317 ounces of gold, and 3,068 ounces of silver.

The only production of uranium in the vicinity was from the Carroll mine and the Two Sisters mine dump, owned by United Mining

and Leasing Corporation. The ore was valued at about $2,600.00. The only known production from the Two Sisters claim was 500 pounds of torbernite and kasolite ore assaying 1.8 percent U_3O_8. This ore was sorted from a dump during October 1954. During 1954, the Carroll mine produced 12.54 tons of pitchblende ore assaying 0.49 percent U_3O_8. During 1955 the Carroll mine produced 4.87 tons of ore assaying 1.19 percent U_3O_8 and 0.01 percent V_2O_5. In addition, 11.11 tons of concentrates assaying 0.45 percent U_3O_8 and 0.02 percent V_2O_5 were produced by milling Carroll mine ore. None of the uranium occurrences found in the Central City district can be mined at a profit for uranium alone. At the Carroll and the Two Sisters mines the pay ore is lead-zinc and the accompanying silver, with the gold and uranium content having a value only as by-products.

OWNERSHIP

Central City Uranium Company of Central City, Colorado controls part of the Spur Daisy group of patented lode claims under a 5 year lease agreement with Joseph F. Pughes. The lease was negotiated by Edward L. Evans, president of the applicant company, and signed on May 1, 1954. The leased ground is described as follows, and shown on figure 2.

All that part of the Bon Ton claim (survey No. 9041), beginning at corner 1 thereof, thence N 22°-09' W. 150 feet;

thence N. 67°-51' E., 502.51 feet; thence S. 36°-40' E., 13.15 feet; thence S. 40°-11' E., 143.09 feet; thence S. 67°-51' W., 549.6 feet, to the point of beginning.

All that part of the Idea claim (survey No. 9041), beginning at corner 2 thereof, thence N. 44°-27' E., 168.88 feet; thence S. 84°-41' E., 41.69 feet; thence S. 36°-40' E., 27.01 feet; thence S. 40°-11' E., 158.25 feet; thence N. 84°-41' W., 279.21 feet, to the point of beginning.

All that part of the Gold lode claim (survey No. 9041) beginning at corner 2 thereof, thence N. 44°-27' E., 174.04 feet; thence S. 84°-41' E., 25.03 feet; thence S. 40°-11' E., 83.46 feet; thence S. 48°-13' E., 128.7 feet; thence N. 84°-41' W., 297.92 feet, to the place of beginning.

All that part of the Two Sisters lode claim (survey No. 8062), beginning at corner 2 thereof, thence N. 5°-19' E., 150 feet; thence S. 84°-41' E., 592.52 feet; thence S. 48°-13' E., 194.47 feet; thence S. 59°-26' E., 80.7 feet; thence N. 84°-41' W., 821.9 feet; to the point of beginning.

All that part of the Pacific lode claim (survey No. 9041), beginning at corner 4 thereof, thence N. 82°-25' E., 224.1 feet; thence S. 84°-41' E., 821.9 feet; thence S. 59°-26' E., 351.64 feet; thence N. 84°-41' W., 1123.02 feet; thence S. 82°-25' W., 241.5 feet; thence N. 5°-19' E., 153.9 feet, to the place of beginning.

All that part of the Maggie M. lode claim (survey No. 8732), beginning at corner 4 thereof, thence N. 23°-11' E., 152.31 feet; thence S. 76°-49' E., 495.8 feet; thence S. 66°-49' E., 444.94 feet; thence S. 48°-13' E., 77.38 feet; thence S. 59°-26' E., 441.25 feet; thence S. 44°-27' W., 76.91 feet; thence N. 66°-49' W., 915.36 feet; thence N. 76°-49' W., 509.12 feet, to the point of beginning.

All that part of the Claire Marie lode claim (survey No. 8732) beginning at corner 6 thereof, thence S. 15°-11' E., 85.52 feet; thence S. 5°-19' W., 5.42 feet; thence N. 84°-41' W., 213.55 feet; thence N. 71°-45' E., 213.92 feet; to the point of beginning. Also, all that part of the Claire Marie claim beginning at a point on line 1-2, whence corner 1 bears N. 71°-45' E., 237.19 feet; and corner 1 of the Two Sisters claim bears S. 84°-41' E., 181.79 feet; thence S. 71°-45' W., 191.21 feet; thence S.74°-49' W., 1071.6 feet; thence N. 15°-11' W., 150 feet; thence N. 74°-49' E., 888.72 feet; thence S. 84°-41' E., 399.1 feet, to the point of beginning.

All that part of the Lilly Rose lode claim (survey No. 9041), beginning at corner 5 thereof, thence N. 63°-58' E., 43.7 feet; thence S. 45°-33' E., 158.97 feet; thence S. 63°-58' W., 89.83 feet; thence S. 58°-38' W., 750 feet; thence N. 28°-42' W., 150 feet; thence N. 58°-38' E., 750 feet, to the point of beginning.

All that part of the Spur Daisy lode claim (survey No. 9041), beginning at corner 1 thereof, thence N. 78°-32' W., 417.78 feet; thence N. 35°-07' W., 35.32 feet; thence N. 64°-44' E., 210.25

feet; thence S. 78°-32' E., 258.76 feet; thence S. 5°-19' W., 150.86 feet, to the point of beginning.

All of the Hamilton lode claim (survey No. 9041).

An undivided one half of the Only Boy lode claim (survey no. 16372).

The lease has no provisions for renewal after May 1, 1959.

The east half of the Two Sisters lode (U. S. Surv. 8062), east 400 feet of the Pacific lode (U. S. Surv. 9041), and the east 675 feet of the Claire Marie lode (U. S. Surv. 8732) are owned by V. R., and C. R. McKay of Central City and are leased to the United Mining and Leasing Corporation.

The proposed exploration would benefit the above claim fractions of the United Mining and Leasing Corporation, and that part of the Carroll claim crossing the Claire Marie; and these should be subordinated if an exploration program is approved. Since the Central City Uranium Company and the United Mining and Leasing Corporation, are closely affiliated, this should not be difficult.

GEOLOGY

The geology of the Central City district is described in U. S. Geological Survey Professional Paper 223 by Lovering and Goddard (1950). A broad, open, upright anticline trending northwest exposes a core of Precambrian granite gneiss flanked on both sides by

schist of the Precambrian Idaho Springs formation. Both the granite gneiss and the schist are cut by numerous dikes, sills, and irregular masses of Precambrian granite and pegmatite, and dikes of Tertiary bostonite. The earliest fractures, formed during the Laramide revolution, are northwesterly faults of the breccia reef type. Later faults strike northeast to east and contain most of the productive veins. The veins have a distinct zonal arrangement. Those of the inner zone are of the pyritic gold type and locally contain argentite, and those of the outer zone are of the galena-sphalerite type. The uranium deposits are in the area of transition from pyritic gold veins to galena-sphalerite veins on and about Quartz Hill. They are for the most part small lenses and pods of pitchblende, more or less confined to irregular zones within the veins. The absence of secondary uranium minerals in the Quartz Hill area is attributed to the high acidity of the mine waters.

The Eureka Gulch area is described in U. S. Geological Survey Bulletin 1032-A by Sims, Osterwald, and Tooker (1955). Nigger Hill, on the north slope of which are the applicant's claims, is in the zone of galena-sphalerite veins. The rocks are granite-gneiss and granite-pegmatite of Precambrian age and bostonite dikes of Tertiary age (fig. 3). There are three major veins in the area: the Carroll vein which strikes N. 55° to 70° W. and dips 64° to 68° NE, the Two Sisters vein which strikes from N. 82° E. to slightly north of west and dips from 75° to 82° S., and the Claire Marie vein

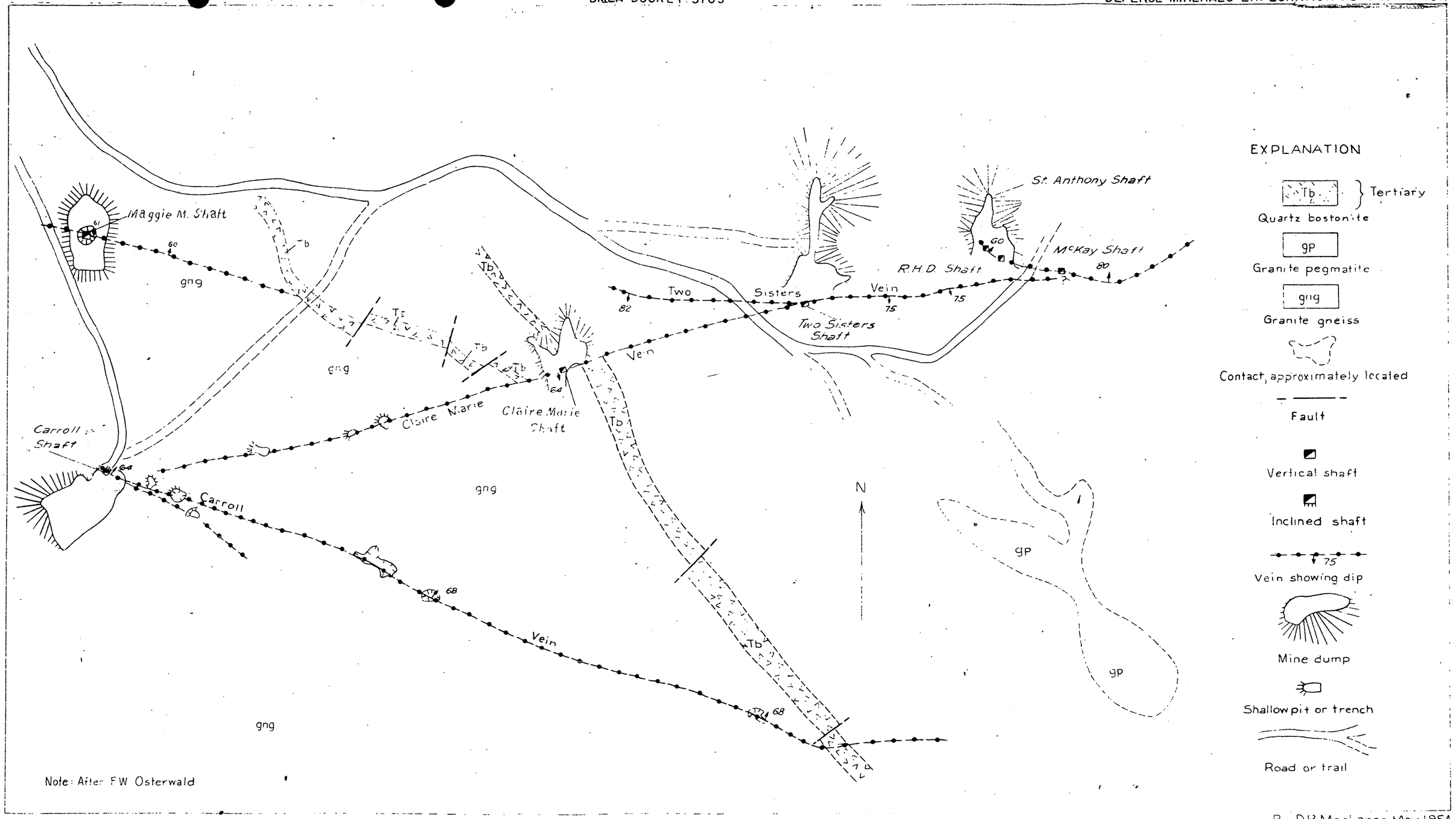

FIGURE 3.—PLAN SHOWING SURFACE GEOLOGY, CENTRAL CITY URANIUM CO., GILPIN COUNTY, COLORADO.

100 0 100 Feet

which strikes N. 76° E. and dips 64° to 77° SE. The Carroll vein is south and the Two Sisters vein is north of the applicant's claims. A line of pits between the Carroll shaft and the Claire Marie shaft suggests that the Claire Marie vein joins the Carroll vein near the Carroll shaft, although the junction has not been found in the Carroll workings where rehabilitation and mining operations are in progress. East of the Claire Marie shaft the mine workings apparently connect with those from the Two Sisters shaft. The Claire Marie vein, at most places where it could be seen (fig. 4), contains gouge with some quartz and pyrite. Locally it contains lenses of galena, sphalerite, some pyrite and a small amount of chalcopyrite. The only evidence of uranium on the Claire Marie vein was on the 205-foot level. About 12 feet southwest of the Claire Marie shaft the geiger counter showed 0.12 MR/hr and a sample cut by the examiners over a width of 0.25 feet assayed 0.18 ounces gold and 5.2 ounces silver per ton, 6.9 percent lead, 11.3 percent zinc, and 0.181 percent U_3O_8. From the southwest breast of the 205-foot level drift for about 30 feet easterly, the geiger counter showed up to 1.0 MR/hr. Two samples were taken by the examiners at the breast of the drift: one sample, cut over a width of 0.4 feet on the foot wall, assayed 0.22 ounces gold and 17.3 ounces silver per ton, 9.5 percent lead, 16.3 percent zinc, and 0.089 percent U_3O_8; the second sample cut over a width of 0.5 feet on the hanging wall, assayed 0.03 ounces gold and 101.3 ounces silver per ton, 9.1 percent lead, 8.9 percent zinc, and 1.15 percent

U_3O_8. A sample of the mine dump taken by Donato L. Russell, consultant for the applicant, assayed 0.10 ounces gold and 7.10 ounces silver per ton, 21.70 percent lead, 13.40 percent zinc, and 0.014 percent U_3O_8. Mr. Russell describes another sample as: "There is no doubt that sample No. 3 was taken out when a hitch for a stull was cut at the 190-foot level". This sample assayed 0.26 ounces gold and 18.62 ounces silver per ton, 37.80 percent lead, 18.10 percent zinc, and 0.011 percent U_3O_8.

No records of the amount and grade of ore shipped from the Claire Marie vein can be found. Production from the entire Nigger Hill area, from 1904 to date is reported to be 1,726 tons of ore containing 1,317 ounces of gold, 3,068 ounces of silver, 86,941 pounds of lead, 56,601 pounds of zinc, and 1,094 pounds of copper. From the size of the stopes it is inferred that a large part of the production came from the Carroll and Two Sisters veins. Between September 28, 1954, and November 1, 1955, the United Mining and Leasing Company has shipped from the Carroll mine 108 tons of precious and base metal concentrates that contained 48.943 ounces of gold, 1,356.233 ounces of silver, 51,894 pounds of lead and 23,227 pounds of zinc. Of this total shipment 36 tons were reported to contain 482 pounds of copper. Also from the Carroll mine during the same period shipments were made of pitchblende ore comprising 17.4 tons of crude ore containing 138.91 pounds of U_3O_8 and 11.1 tons of concentrates containing 100.05 pounds of U_3O_8. At the other end of the Claire Marie vein, a shipment was made from the Two Sisters

dump amounting to 1/4 of a ton of torbernite-kasolite ore containing 9 pounds of U_3O_8. There is no evidence that any of the uranium ore came from the Claire Marie vein. On the Carroll vein pitchblende occurs as small pods and thin streaks within an ill-defined area near the Carroll shaft. On the Two Sisters vein there is a zone west of the shaft and the Claire Marie junction on the 360-foot level within which radioactivity on the level is fairly high. Stopes above the zone are not accessible, but it is probable that this is the source of some if not all, of the material shipped from the dump. The Maggie M. shaft is about 550 feet on a bearing of N. 74° W. from the Claire Marie shaft. The Maggie M. shaft is caved and inaccessible, but in an undated mining engineer's report furnished by the applicant, A. H. Miller mentions a sample taken "50 feet depth in shaft and stope of Maggie M." over a width of 18 inches that assayed 0.12 ounce gold and 9.12 ounces silver per ton, 16.2 percent lead, and 13.8 percent zinc. On the surface the Maggie M. vein trends S. 74° E. and dips 60° NE. It may be traced for about 230 feet toward the Claire Marie vein to a bostonite dike (fig. 3). While it may continue along the dike as far as the Claire Marie vein, no evidence was found to indicate that it does so. No records of production from the Maggie M. vein are available.

MINABLE ORE RESERVES

There are no known reserves of uranium ore on the property and no reserves of lead-zinc-gold-silver ore were calculable from the few accessible exposures.

PRESENT STATUS

Exploration and Development

The Claire Marie vein has been partially explored and developed through two shafts (fig. 4). On the applicant's Claire Marie claim the Claire Marie shaft has been sunk on the vein to a depth of approximately 225 feet, and drifts have been turned at depths of 125 feet and 205 feet. On the 125-foot level the northeast drift extends about 60 feet connecting with an old caved stope, and the southwest drift extends 99 feet, beyond which it is caved. On the 205-foot level the northeast end of the shaft station is tightly lagged, and it cannot be determined whether or not there is a caved drift in that direction. The southwest drift on the 205-foot level extends about 100 feet from the shaft. On the 125-foot level there are three stopes, one at the end of the northeast drift is at least 25 feet long and not more than 15 feet high, one from 36 to 47 feet southwest of the shaft is about 10 feet high, and one at the end of the southwest drift is at least 25 feet long and about 15 feet high. The only known stope from the 205-foot

level is from 12 to 60 feet southwest of the shaft and is not more than 20 feet high. The Two Sisters shaft has been sunk on the Two Sisters vein to a depth of more than 360 feet and levels have been turned at depths of 115, 178, and 360 feet. Only a few feet of the 115-foot level drift expose the Claire Marie vein and its junction with the Two Sisters vein. On the 178-foot level a drift has been driven southwesterly along the Claire Marie vein for a distance of about 82 feet. The breast of this drift is about 130 feet northeast of the applicant's property line. On the 360-foot level the Claire Marie vein is exposed for about 50 feet from its junction with the Two Sisters vein in a drift driven along the Two Sisters vein westerly from the shaft. Approximately 150 feet of drift along the Claire Marie vein is necessary to reach the boundary of the applicant's property. It has not been driven. About 20 feet from the shaft, on the 178-foot level, a raise on the Claire Marie vein has been driven 45 feet on an incline of 45°, and about 30 feet vertically. Only the inclined portion of the raise could be entered, but there is no doubt that some stoping has been done from the top of the vertical section. It is reported that the ground between the top of the raise and the northeast end of the Claire Marie 125-foot level has been stoped. Because there is a slight passage of air between the raise and the end of the 125-foot level drift, because these two locations are only 100 feet apart, and because the workings from each end are headed towards each

other, it is inferred that the workings are connected, but the extent of stoping in the interval cannot be determined.

Mining, Milling and other Facilities

The Claire Marie and Two Sisters shafts are equipped with headframes, electric hoists, compressors, pumps, and shops for small operations. Electric power is available at both shafts.

United Mining and Leasing Corporation has rehabilitated the old Boodle Mill, about 1/2 mile distant, to concentrate the ore from the Carroll mine into a lead-gold-silver concentrate and a uranium concentrate.

The nearest market for lead-gold-silver ores is at the American Smelting and Refining Company at Leadville, Colorado, about 100 miles distant. The company expects to mill its ore at the Boodle Mill about one half mile from the property.

Uranium ores from the Front Range area are being shipped to the Salt Lake City, Utah, plant of the Vitro Uranium Company, operated for the Atomic Energy Commission. Ore with a minimum of 0.2 percent U_3O_8 in carload lots of 40 tons or more is currently being puchased by the Commission, which pays a hauling charge of 6 cents per ton mile to the nearest railroad siding, and the freight to the buying station. In this case the nearest rail point is the Denver and Rio Grande Western Railroad at Rollinsville, Colorado, about 15 miles distant.

Mine labor is readily available in the Central City area under established rates of $1.60 to $1.75 per hour with time and one half for all work over 40 hours per week.

APPLICANT'S PROJECT PROPOSAL AND COSTS

Central City Uranium Company proposes to explore the Claire Marie, Maggie M., and Pacific veins with 725 feet of drift on the 360-foot level from the Two Sisters shaft. The applicant has an agreement with the United Mining and Leasing Corporation, owners of the Two Sisters shaft, granting them access to the proposed work. The applicant, at his own expense, will rehabilitate the Two Sisters shaft to the 360-foot level, and the Claire Marie drift on that level. If necessary, he will also extend the Claire Marie drift to the south side line of the Two Sisters claim which is the start of the proposed exploration.

With DMEA assistance, he proposes to drift 425 feet southwesterly alomg the Claire Marie vein and 300 feet northwesterly along the Maggie M. vein as shown on figure 2.

The cost of the 7 X 5-foot drifts are estimated at $35.00 per foot, which is reasonable for the project. The costs are based on the company's experience under exploration contract DMA 744, contract Idm-E 109.

Total estimated cost of the project would be $25,375.00 and Government participation of 75 percent would be $19,031.25.

CONCLUSIONS AND RECOMMENDATIONS

It is concluded that uranium found in the area can only be mined as a by-product of other ores and that the chance of making a significant discovery of uranium ore on the Claire Marie vein is poor. Therefore, it is recommended that this application be denied. However, there is a fair chance of finding significant amounts of lead and zinc ores. Should the applicant request Government assistance to explore for lead-zinc ores by extending the Claire Marie 205-foot level drift to the southwest, it is recommended that the application be favorably considered. Should he desire to explore for lead-zinc ores from the Two Sisters 360-foot level, consideration should not be given until a drift on that level has been driven along the Claire Marie vein from the Two Sisters drift to the north property line of the Claire Marie claim, and preferably not until the Claire Marie 205-foot level drift has been extended to the southwest.

11-18-55 [illegible]

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

RECEIVED
NOV 17 1955

November 15, 1955

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3705 (Uranium), Central City Uranium Company, Gilpin County, Colorado

Enclosed are two copies each of letters received from the applicant both dated November 14, 1955 stating that the applicant's property is now available for a field examination.

The examination will be scheduled as soon as possible.

W. M. Traver

By J. W. Townsend
J. W. Townsend

Enclosures

DMEA
Date Rec'd.
NOV 17 1955
BUREAU OF MINES
Denver, Colorado

CENTRAL CITY URANIUM COMPANY
Central City, Colo.

November 14, 1955

RECEIVED
NOV 17 1955

U. S. Department of the Interior
Bureau of Mines
224 New Custom House Building
Denver, Colorado

Gentlemen: DMEA 3705

Regarding application for loan made by Central City Uranium Company:

The Two Sisters Shaft has now been rehabilitated to the 360-foot level, thereby providing access by the engineers of your department for completion of final examination.

Very truly yours,

CENTRAL CITY URANIUM COMPANY

By
General Manager

RECEIVED
NOV 17 1955

The Albany
DENVER 2, COLORADO

Regarding Application for loan ~~[illegible]~~ made by Central City Uranium Company.

The Two Sisters Shaft has now been rehabilitated to the 360 foot level thereby providing access by the engineers of your department for completion of final examination ~~regarding~~

CENTRAL CITY URANIUM CO
CENTRAL CITY COLO
NOV - 14 - 1955

U.S DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
224 NEW COSTOM HOUSE

DMEA 3705

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

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CENTRAL CITY COLO
NOV - 14 - 1955

U.S DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
224 NEW COSTOM HOUSE DMEA 3705

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 11-2

REFERRED TO:

1. 700
2. ~~Mr. Gates~~
3. ~~Mr. Murphy~~
4. Docket

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:

Referred to Reg. III on 3/15/55

Check (X) before the items needing attention.

Initials of sender.

GPO 16—63815-1

11/2/55 gla

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

RECEIVED
OCT 31 1955

October 27, 1955

224 New Customhouse
Denver 2, Colorado

Mr. C. R. McKay, General Manager
Central City Uranium Company
P. O. Box 342
Central City, Colorado

Re: Docket DMEA 3705

Dear Mr. McKay:

This will acknowledge receipt of your letter dated October 22, 1955 requesting another ten day delay in the examination of your property.

Since February 19, 1955, the date you submitted the application, many delays have been granted you. We can not hold dockets indefinitely in an inactive status.

If your property is available for examination prior to November 15, 1955, please advise; otherwise, we will close the docket on that date.

Very truly yours,

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

By W. W. Townsend
W. W. Townsend

HMC:ab
cc: Sec. Op. Comm. (2)
Harshman
Shaw
Docket 3705
Chron.

CENTRAL CITY URANIUM COMPANY

DMEA
Date Rec'd
OCT 26 1955
BUREAU OF MINES
Denver, Colorado

Mining Uranium, Gold, Silver, Lead and Zinc

Operating in Central City, Colorado

Box 342

22 October 1955

Phone 2046

CENTRAL CITY, COLORADO

RECEIVED
OCT 31 1955

United States Department of the Interior
Bureau of Mines
Defense Minerals Exploration Administration
224 New Customs House
Denver, Colorado

Attention: Mr. W. M. Traver

RE: DOCKET DMEA-3705

Dear Mr. Traver:

Due to water conditions developing just above the 350 foot level in the Two Sisters Shaft our objective will be delayed for ten days.

Any consideration you can give us in the matter of such an extension will be appreciated.

Yours truly,

C. R. McKay
General Manager

CRMcKay/wm

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

RECEIVED
OCT 31 1955

October 27, 1955

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Denver 2, Colorado

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Field Team, Region III

By J. W. Townsend
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cc: Sec. Op. Comm. (2)
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Shaw
Docket 3705
Chron.

RECEIVED
OCT 31 1955
DMEA
Date Rec'd

CENTRAL CITY URANIUM COMPANY

Mining Uranium, Gold, Silver, Lead and Zinc

Operating in Central City, Colorado

Box 342 | 22 October 1955 | Phone 2046

CENTRAL CITY, COLORADO

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General Manager

CRMcKay/wm

9/27/55 glu

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

RECEIVED
SEP 26 1955

September 23, 1955

224 New Customhouse
Denver 2, Colorado

Mr. C. R. McKay
General Manager
Central City Uranium Company
Box 342
Central City, Colorado

Re: Docket DMEA 3705

Dear Mr. McKay:

In accordance with your request of September 22, 1955, we will keep the docket open on your application for DMEA assistance until October 21, 1955.

Should the property be available for a field examination before that time, will you please notify this office or Mr. John F. Shaw, Mining Engineer, U. S. Bureau of Mines, Room 137, Building 20, Denver Federal Center, Denver 2, Colorado.

Very truly yours,

W. M. Traver

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

HMC:ab
cc: Sec. Opr. Comm. (2)
Shaw
Harshman
Docket 3705
Chron.

CENTRAL CITY URANIUM COMPANY

Mining Uranium, Gold, Silver, Lead and Zinc

Operating in Central City, Colorado

Phone 2046

Box 342

CENTRAL CITY, COLORADO

DMEA
SEP 2 1955
BUREAU OF
Denver, Col.

RECEIVED
SEP 26 1955

Sept 22, 1955

United States Department of the Interior
Bureau of Mines
Defense Minerals Exploration Administration
224 New Custom House
Denver, Colorado.

Attention: Mr. W. M. Traver

RE: DOCKET DMEA-3705

Dear Mr. Traver:

Re your letter of September 21st, received today, it is requested that you hold our file until the 21st of October as you stated it was possible to do.

It is our understanding that a DMEA loan does not include any funds to be spent to rehabilitate old workings. In the case of the Claire Marie property, we have an arrangement with United Mining & Leasing Corporation that we will enter the Claire Marie through their Two Sisters Mine shaft. This shaft is rehabilitated to the 280 foot level, but is not yet to the point where we can enter the Claire Marie at the point we desire, 350 feet.

We are making every attempt to get to the level where your field personnel can properly examine the property. Rest assured that we do want and need your assistance in this project and will contact you as soon as we can comply with your initial requirements.

Sincerely yours,

CENTRAL CITY URANIUM COMPANY

C. R. McKay
General Manager

CRM/a

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

September 23, 1955

224 New Customhouse
Denver 2, Colorado

RECEIVED
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Field Team, Region III

HMC:ab
cc: Sec. Opr. Comm. (2)
Shaw
Harshman
Docket 3705
Chron.

CENTRAL CITY URANIUM COMPANY

DMEA
Date Rec'd.
SEP 22 1955
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Dear Mr. Traver:

Re your letter of September 21st, received today, it is requested that you hold our file until the 21st of October as you stated it was possible to do.

It is our understanding that a DMEA loan does not include any funds to be spent to rehabilitate old workings. In the case of the Claire Marie property, we have an arrangement with United Mining & Leasing Corporation that we will enter the Claire Marie through their Two Sisters Mine shaft. This shaft is rehabilitated to the 280 foot level, but is not yet to the point where we can enter the Claire Marie at the point we desire, 350 feet.

We are making every attempt to get to the level where your field personnel can properly examine the property. Rest assured that we do want and need your assistance in this project and will contact you as soon as we can comply with your initial requirements.

Sincerely yours,

CENTRAL CITY URANIUM COMPANY

C. R. McKay
General Manager

CRM/a

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

RECEIVED
SEP 26 1955

224 New Customhouse
Denver 2, Colorado

September 21, 1955

Mr. C. R. McKay, General Manager
Central City Uranium Company
P. O. Box 342
Central City, Colorado

Re: Docket DMEA-3705

Dear Mr. McKay:

Your application has been held in this office since February 19, 1955 through no fault of ours.

On April 5, 1955 our examiners visited your property for the purpose of a field examination. You told them it would be another month before you would have the underground workings accessible for examination and you would advise us. You failed to do this and on August 4, 1955 we wrote you to ascertain if you were still interested in the exploration program. Your reply of August 12, 1955 requested an examination of your property at our earliest convenience.

Mr. Shaw telephoned you September 13, 1955 to set a date for the field examination and you requested more time and agreed to write a request for a further delay in the examination of your property. We have not as yet received this request from you.

If your property is available for examination prior to October 21, 1955, please advise; otherwise, we will close the docket on that date.

Should you at some later date have the property available for a field examination you may submit a new application for DMEA assistance.

Very truly yours,

W. M. Traver

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

HMC:pw
cc: Sec.Op.Comm. (2)
Shaw (2)
Harshman
DMEA- 3705
Chron

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

RECEIVED
SEP 26 1955

224 New Customhouse
Denver 2, Colorado

September 21, 1955

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Central City Uranium Company
P. O. Box 342
Central City, Colorado

Re: Docket DMEA-3705

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Very truly yours,

W. M. Traver

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

HMC:pw
cc: Sec.Op.Comm. (2)
Shaw (2)
Harshman
DMEA-3705
Chron

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

August 16, 1955

224 Row Customhouse
Denver, Colorado

Memorandum

To: John F. Shaw

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3705 (Uranium), Central City Uranium Company, Gilpin County, Colorado

Enclosed is a copy of a letter from C. R. McKay, General Manager of the Central City Uranium Company requesting a field examination of the subject property at your earliest convenience.

W. M. TRAVER,
W. M. Traver

Enclosures

HMC:ab
cc-Ch. Op. Comm. (2)
Harshman
DMEA 3705
Chron.

RECEIVED
AUG 18 1955

Note. Referred to Field Team March 15/65

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

August 16, 1955

224 New Customhouse
Denver, Colorado

Memorandum

To: John F. Shaw

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3705 (Uranium), Central City Uranium Company, Gilpin County, Colorado

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W. M. TRAVER,
W. M. Traver

Enclosures

HMC:ab
cc-Ch. Op. Comm. (2)
Harshman
DMEA 3705
Chron.

RECEIVED
AUG 18 1955

CENTRAL CITY URANIUM COMPANY

DMEA
Date Rec'd
AUG 15
BUREAU OF
Denver, Colo

Mining Uranium, Gold, Silver, Lead and Zinc

Operating in Central City, Colorado

242

Phone 20

CENTRAL CITY, COLORADO

August 12, 1955

W. M. Traver,
Executive Officer, DMEA
Field Team, Region 111
United States Department of the Interior
224 New Customhouse
Denver 2, Colorado

RE: Docket DMEA - 3705

Dear Mr. Traver;

In reply to your favor of August 4, to the attention of Frank L. Jones, Secretary-Treasurer, of this Company. We will be happy to have your Engineering representative examine our property at your earliest convenience.

Very truly yours,

Central City Uranium Co.

C. R. McKay, General Manager

CRM-g

8/8/55 gha

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

RECEIVED
AUG - 8 1955

224 New Customhouse
Denver 2, Colorado

August 4, 1955

Mr. Frank L. Jones
Secretary-Treasurer
Central City Uranium Corp.
Post Office Box 246
Central City, Colorado

Re: Docket DMEA-3705

Dear Mr. Jones:

On April 5, 1955 our field men were advised by Mr. McKay that the underground workings would be ready for a field examination in "about a month or a month and a half." On that date Mr. McKay agreed to notify DMEA when the Two Sisters workings were open.

We have received no further word from you and we are wondering if you are no longer interested in the proposed exploration project.

If we do not receive your written request to keep this docket open prior to September 4, 1955 we will close the docket.

Very truly yours,

W. M. Traver

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

HMC:sr

cc Subject
Shaw (2)
Chairman Op. Comm. (2)
Harshman
Chron

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

RECEIVED
AUG - 8 1955

224 New Customhouse
Denver 2, Colorado

August 4, 1955

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Secretary-Treasurer
Central City Uranium Corp.
Post Office Box 246
Central City, Colorado

Re: Docket DMEA-3705

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Very truly yours,

W. M. Traver

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

HMC:sr

cc Subject
Shaw (2)
Chairman Op. Comm. (2)
Harshman
Chron

4/20/55 gla

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

224 New Customhouse
Denver 2, Colorado

April 11, 1955

Memorandum

To: Chairman of the Operating Committee

From: Field Team, Region III

Subject: DMEA Docket 3705 (Uranium), Central City Uranium Company (Spur Daisy group), Gilpin County, Colorado

Enclosed are four copies of a memorandum report of investigation on the subject docket. A formal examination of the property will be made when the applicant completes the rehabilitation of the Two Sisters shaft.

If and when the property is examined and a contract should result therefrom, we recommend that the amount of Government participation should be 62.5% inasmuch as lead and zinc are the predominant minerals.

W. M. Traver

Enclosures

W. M. Traver

E. N. Harshman

E. N. Harshman

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
Date Rec'd.
APR 7 1955
BUREAU OF MINES
Denver, Colorado

Region III

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

April 7, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Supervising Mining Engineer

Subject: DMEA 3705 (Uranium), Central City Uranium Company (Spur Daisy Group) Gilpin County, Colorado

Enclosed are the original and 7 copies of a memorandum report covering the visit of M. A. Salsbury to the Spur Daisy Group. The property will be visited and a formal report prepared after the applicant has notified this office that the mine is open for inspection.

It is recommended that if a contract should be made, the amount of Government participation should be 62.5 percent inasmuch as lead and zinc are the predominant minerals.

John F. Shaw

John F. Shaw

JFS/mh

cc: 7 w/orig
Sub (DMEA 3705)
Chron

DMEA
Date Rec'd.
APR 7 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

April 5, 1955

Memorandum

To: J. F. Shaw

From: M. H. Salsbury

Subject: DMEA 3705 (Uranium), Central City Uranium Company (Spur Daisy Group) Gilpin County, Colorado

A visit was made to the subject property with D. R. MacLaren of the Geological Survey to investigate the application for exploration assistance under DMEA 3705.

A conference was held with the applicant's manager, Van R. McKay, but an underground examination was not possible. The Claire Marie shaft on the applicant's property is shut down and the Two Sisters shaft, through which the proposed DMEA exploration would be done, is not open. Rehabilitation of the shaft is in progress and may be completed next month.

The Carroll shaft of the United Mining and Leasing Company, under the same management, was also shut down temporarily, so it was not possible to examine the only ore occurrence which has been opened up in the immediate area.

McKay has agreed to notify the DMEA examining team when the Two Sisters workings are open, and also to have the hoist at the Claire Marie shaft in operation to permit examination of the vein exposures which may have a bearing on feasibility of the proposed exploration.

While the application for Government-assisted exploration has been made on the basis of uranium only, the economic basis of the operation is actually the production of gold, silver, lead, zinc, and uranium, with the uranium perhaps of minor importance. The operation at the Carroll Mine has resulted in discovery of an ore body with all these metals, and about 860 tons have been mined and milled, producing base metal concentrates and about 15 tons of uranium concentrates which may run 1.00 percent U_3O_8, according to McKay. The uranium concentrates have not been shipped yet.

The operation at the Carroll Mine is not on a profitable basis under present conditions, which require hauling the crude ore 14 miles to Idaho Springs, Colorado, to be milled. It might be possible to mine and mill this ore profitably at a mill located at or near the property, and this is being planned by the management. At this time there are not sufficient ore reserves developed to justify construction of a mill.

A DMEA exploration project on the Spur Daisy group would be for the purpose of finding ore deposits similar to the Carroll discovery and it is concluded by the examining team that, if the proposed project can be recommended for approval from a geological and engineering standpoint, the contract should be made on a basis of 62.5 percent Government participation for uranium, and lead and zinc.

M. H. Salsbury
Mining Engineer

MHS/mh

IN REPLY REFER TO:
DMEA
Date Rec'd.
APR 13 1955
BUREAU OF MINES
Denver, Colorado

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

April 12, 1955

Memorandum

To: Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 3705 (uranium), Central City Uranium Company (Spur Daisy group), Gilpin County, Colorado

Enclosed are the original and 9 copies of a memorandum from D. R. MacLaren, U. S. Geological Survey, regarding an attempted examination of the above property.

Rehabilitation work at the time of MacLaren's visit had not been completed, and the property will be re-examined when the work is completed.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures (10)

ENHarshman:arh

IN REPLY REFER TO:

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

April 11, 1955

Memorandum

To: E. N. Harshman

From: D. R. MacLaren

Subject: DMEA Docket 3705 (uranium), Central City Uranium Company (Spur Daisy group), Gilpin County, Colorado

The subject company has requested DMEA assistance to explore for uranium on the Claire Marie and Maggie M. veins by driving a total of 725 feet of drift at an estimated cost of $25,375 (Government's share 75 percent or $19,031.25). The application states that the Central City Uranium Company has an agreement with the United Mining and Leasing Corporation of Central City whereby access to the proposed work will be through the Two Sisters shaft which is on property controlled by the latter company. No such agreement in writing was submitted with the application.

The claims of the subject applicant are in the Eureka Gulch mining district, one mile northwest of Central City, Colorado, and are accessible throughout most of the year. An attempt to examine the property was made April 5, 1955, in the company of M. H. Salsbury of the U. S. Bureau of Mines. The Two Sisters shaft has been rehabilitated only to a depth of about 40 feet, and before any of the proposed work

can be started the shaft must be rehabilitated to a depth of about 350 feet (or to the 350-foot level), and a drift supposed to extend southwest from the shaft on that level must be opened and possibly extended to the south side line of the Two Sisters claim. The Claire Marie shaft, which is said to reach about two-thirds of the depth of the proposed drift, was inaccessible.

The Claire Marie vein strikes northeasterly and extends from the Carroll vein on the south to the Two Sisters vein on the north. The Carroll vein and the Two Sisters vein are both on ground controlled by the United Mining and Leasing Corporation, and have been described in a report in DMEA Docket 3272. The Maggie M. vein strikes nearly east and west, and intersects the Claire Marie vein near the center of the Maggie M. claim.

Van McKay, manager for the applicant company as well as for the United Mining and Leasing Corporation, was interviewed in Central City. He said that a written agreement between the two companies to guarantee the right of the applicant to use the facilities of the Two Sisters shaft would be submitted. When the Two Sisters shaft has been rehabilitated to the 350-foot level, and the drift on that level is accessible to the property line, he will advise us and an examination will be made at that time. McKay estimates that about a month or a month and a half will be required to have the workings ready for the examination.

D R MacLaren

D. R. MacLaren

4/18/55 gla

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

224 New Customhouse
Denver 2, Colorado

April 11, 1955

Memorandum

To: Chairman of the Operating Committee

From: Field Team, Region III

Subject: DMEA Docket 3705 (Uranium), Central City Uranium Company (Spur Daisy group), Gilpin County, Colorado

Enclosed are four copies of a memorandum report of investigation on the subject docket. A formal examination of the property will be made when the applicant completes the rehabilitation of the Two Sisters shaft.

If and when the property is examined and a contract should result therefrom, we recommend that the amount of Government participation should be 62.5% inasmuch as lead and zinc are the predominant minerals.

W. M. TRAVER

Enclosures

W. M. Traver

E. N. Harshman

E. N. Harshman

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
Date Rec'd.
APR 7 1955
BUREAU OF MINES
Denver, Colorado

Region III

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

April 7, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Supervising Mining Engineer

Subject: DMEA 3705 (Uranium), Central City Uranium Company (Spur Daisy Group) Gilpin County, Colorado

Enclosed are the original and 7 copies of a memorandum report covering the visit of M. A. Salsbury to the Spur Daisy Group. The property will be visited and a formal report prepared after the applicant has notified this office that the mine is open for inspection.

It is recommended that if a contract should be made, the amount of Government participation should be 62.5 percent inasmuch as lead and zinc are the predominant minerals.

John F. Shaw

JFS/mh

cc: 7 w/orig
Sub (DMEA 3705)
Chron

DMEA
Date Rec'd.
APR 7 1955
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region III

Building 20, Room 237
Denver Federal Center
Denver 2, Colorado

April 5, 1955

Memorandum

To: J. F. Shaw

From: M. H. Salsbury

Subject: DMEA 3705 (Uranium), Central City Uranium Company (Spur Daisy Group) Gilpin County, Colorado

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A conference was held with the applicant's manager, Van R. McKay, but an underground examination was not possible. The Claire Marie shaft on the applicant's property is shut down and the Two Sisters shaft, through which the proposed DMEA exploration would be done, is not open. Rehabilitation of the shaft is in progress and may be completed next month.

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M. H. Salsbury
M. H. Salsbury
Mining Engineer

MHS/mh

IN REPLY REFER TO:

DMEA
Date Rec'd.
APR 12 1955
BUREAU OF MINES
Denver, Colorado

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

April 12, 1955

Memorandum

To: Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 3705 (uranium), Central City Uranium Company (Spur Daisy group), Gilpin County, Colorado

Enclosed are the original and 9 copies of a memorandum from D. R. Maclaren, U. S. Geological Survey, regarding an attempted examination of the above property.

Rehabilitation work at the time of Maclaren's visit had not been completed, and the property will be re-examined when the work is completed.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures (10)

ENHarshman:arh

IN REPLY REFER TO:

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

April 11, 1955

Memorandum

To: E. N. Bershman

From: D. R. MacLaren

Subject: DMEA Docket 3705 (uranium), Central City Uranium Company (Spur Daisy group), Gilpin County, Colorado

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can be started the shaft must be rehabilitated to a depth of about 330 feet (or to the 330-foot level), and a drift supposed to extend southwest from the shaft on that level must be opened and possibly extended to the south side line of the Two Sisters claim. The Claire Marie shaft, which is said to reach about two-thirds of the length of the proposed drift, was inaccessible.

The Claire Marie vein strikes northwesterly and extends from the Carroll vein on the south to the Two Sisters vein on the north. The Carroll vein and the Two Sisters vein are both on ground controlled by the United Mining and Leasing Corporation, and have been described in a report in MMA Docket 3078. The Maggie M. vein strikes nearly east and west, and intersects the Claire Marie vein near the center of the Maggie M. claim.

Tom Kelley, manager for the applicant company as well as for the United Mining and Leasing Corporation, was interviewed in Central City. He said that a written agreement between the two companies to guarantee the right of the applicant to use the facilities of the Two Sisters shaft would be submitted. When the Two Sisters shaft has been rehabilitated to the 330-foot level, and the drift on that level is accessible to the property line, he will advise us and an examination will be made at that time. Kelley estimates that about a month or a month and a half will be required to have the workings ready for the examination.

DRMacLaren
D. R. MacLaren

DRMacLaren

Surname 700

Murphy
Ellis
Kulsgaard
Hedges
Selfridge
Johnson

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

MAR 1 5 1955

Mr. Frank L. Jones
Secretary and Treasurer
Central City Uranium Company
P. O. Box 246
Central City, Colorado

Re: Docket No. DMEA-3705 (Uranium)
Spur Daisy Group
Gilpin County, Colorado

Dear Mr. Jones:

The application for assistance in exploring the subject property in Gilpin County, Colorado, under the captioned docket number, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration. It has been referred for a field examination to the Executive Officer of Region III at the following address:

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

The Regional Office will contact you in regard to your project if additional information is required.

Sincerely yours,

C. O. Mittendorf (By ESF)
Administrator

FMMurphy:am
3-11-55
cc to: Admr. Reading File
Docket
Code 700
Mr. Murphy
DMEA Field Team, Region III(2)

R.C.S.

Surname 700

Murphy
Ellis
Selfridge
[illegible]

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

MAR 1 5 1955

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

Re: Docket No. DMEA-3705 (Uranium)
Central City Uranium Company
Spur Daisy Group
Gilpin County, Colorado

Dear Mr. Traver:

The captioned application is referred to Region III Field Team for investigation, a field examination, and recommendations. A copy of the application was retained by your office, together with the mining lease, dated May 1, 1954, and an engineering report on the property by Donato L. Russel.

Enclosed are copies of memoranda from John E. Crawford, dated March 4, and R. [illegible] Trace, dated March 8, 1955, members of the Uranium Commodity Committee.

We agree with your comment in the memorandum transmitting the application to this office, that the subject application is not complete.

However, in the event that the Field Team believes that the proposed or a modified project is warranted on the subject property, the exact property rights and operating agreements with other mine owners should be clarified. Also, this office will require a copy of the subject Applicant's leases, any assignments of the leases, and properly executed Owners' Consents to Lien.

This office did not receive copies of the engineering report mentioned in your transmittal memorandum. For our files, will you kindly attach copies of this report to your report of investigation.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (J/B)

Enclosures

APPROVED:

J. H. Hedges (J/B)
Member, Bureau of Mines

Thor H. Kiilsgaard (J/B)
Member, Geological Survey

R.C.S.

Code 700
Mr. Murphy

Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA

Admr. Reading File
Operating Committee
Docket

FMurphy:am
3-11-55
cc to:

3/7/55 file

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

March 4, 1955

Memorandum

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

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: DMEA Docket 3705, Central City Uranium Company,
P. O. Box 246, Central City, Colorado

I have reviewed the application included in the subject docket and have discussed it with Joseph O. Hosted, representative of the Atomic Energy Commission.

We recommend that the application be referred to the Field Team for investigation and report, and that the Field Team be requested to discuss the application with Charles C. Towle, Jr., Atomic Energy Commission, Denver, Colorado.

John E. Crawford
John E. Crawford

Attachment

Copy to: Branch of Rare and Precious Metals
Division of Minerals
J. O. Hosted (2)
J. E. Crawford
F i l e s

3/9/55 gla

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

Defense Minerals Administration
RECEIVED
MAR 8 1955

March 8, 1955

Re: DMEA-3705
Central City Uran. Co.
Spur Daisy group
Central City area
Gilpin Co., Colo.
$25,375 - Uranium

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: R. D. Trace, U. S. Geological Survey

Subject: Review of application

The Geological Survey has nearly completed a study of the Central City district, and preliminary summaries of some of the work has been released. The following data, quoted or summarized from TEI-440 and 490, are pertinent to the subject application.

> "The studies (of the Central City-Georgetown area) indicate that (1) although uranium is widespread in this part of the Front Range, known individual deposits are small, (2) a few mines probably will produce several hundred tons each. . ."

The uranium commonly occurs in Tertiary veins in gneiss, associated with gold, silver, lead, zinc, and copper minerals.

> "The uranium in the Central City district occurs mainly as pitchblende. At the Two Sister . . . mine metatorberaite, with minor kasolite, occurs in the upper oxidized portions of the veins. An unidentified yellow uranium mineral is present in the upper part of the Carroll mine; at lower levels the uranium occurs as pitchblende. . . . In the Central City district uranium minerals occur on 3 vein sets: (1) northeasterly-striking veins . . . (2) easterly-striking veins . . . and (3) northwesterly-striking veins, as the . . . Carroll. . . . Because of the close geographic association of uranium deposits with quartz bostonite bodies and the high zirconia content of each, it is thought that the uranium in the Central City district was derived from the differentiation of quartz bostonite magma."

According to TEI-490, dated December 1954,

> "At least ten mines now are being explored for uranium, and production is being made from the Carroll and Cherokee mines."

According to the application, the proposed exploration is on a northeasterly trending vein, the Claire Marie, that lies between and crosses the northwesterly trending Two Sisters and Carroll veins. Assays and radioactivity measurements taken by the applicant have indicated that ore grade material is present on the dumps and in upper workings of the Claire Marie shaft.

I suggest that you refer the application to the Field Team. In view of the recent work by the Survey, a field examination may not be necessary.

Bob Trace

R. D. Trace

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals
MAR 8 - 1955

March 8, 1955

Re: DMEA-3705
Central City Uran. Co.
Spur Daisy group
Central City area
Gilpin Co., Colo.
$25,375 - Uranium

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: R. D. Trace, U. S. Geological Survey

Subject: Review of application

The Geological Survey has nearly completed a study of the Central City district, and preliminary summaries of some of the work has been released. The following data, quoted or summarized from TEI-440 and 490, are pertinent to the subject application.

> "The studies (of the Central City-Georgetown area) indicate that (1) although uranium is widespread in this part of the Front Range, known individual deposits are small, (2) a few mines probably will produce several hundred tons each. . ."

The uranium commonly occurs in Tertiary veins in gneiss, associated with gold, silver, lead, zinc, and copper minerals.

> "The uranium in the Central City district occurs mainly as pitchblende. At the Two Sister . . . mine metatorbernite, with minor kasolite, occurs in the upper oxidized portions of the veins. An unidentified yellow uranium mineral is present in the upper part of the Carroll mine; at lower levels the uranium occurs as pitchblende. . . . In the Central City district uranium minerals occur on 3 vein sets: (1) northeasterly-striking veins . . . (2) easterly-striking veins . . . and (3) northwesterly-striking veins, as the . . . Carroll. . . . Because of the close geographic association of uranium deposits with quartz bostonite bodies and the high zirconia content of each, it is thought that the uranium in the Central City district was derived from the differentiation of quartz bostonite magma."

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I suggest that you refer the application to the Field Team. In view of the recent work by the Survey, a field examination may not be necessary.

R. D. Trace

RDTrace:hlm
G-3/8/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641 Interior

March 3, 1955
Subject: DMEA 3705
Re: Exploration Assistance
Spur Daisy Group of the
Dan Mondy Estate

Central City Uranium Company
P. O. Box 246
Central City, Colorado

Gentlemen:

The receipt of your application dated February 3, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3705 and referred to the Rare and Miscellaneous Metals Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

March 3, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region III.

DMEA - 3705 Central City Uranium Company

Robert E. Adams,
Chief, Operation's Control
and Statistics Division

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

224 New Customhouse
Denver 2, Colorado

February 28, 1955

Memorandum

To: Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: (Uranium), Central City Uranium Company, Spur Daisy group, of the Dan Mondy Estate, Gilpin County, Colorado

Enclosed are three copies of the subject application.

This application is not complete and additional information will be necessary after the application is docketed.

The mining lease dated May 1, 1954 and an engineering report on the property by Donato L. Russell is being retained in this office with our copy of the application.

W. M. Traver

Enclosures

W. M. Traver

224 New Customhouse
Denver 2, Colorado

February 28, 1955

Memorandum

To: Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: (Uranium), Central City Uranium Company, Spur Daisy group, of the Dan Mondy Estate, Gilpin County, Colorado

Enclosed are three copies of the subject application.

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W. M. TRAVER

W. M. Traver

Enclosures

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DMEA
Date Rec'd.
Form Approved.
Budget Bureau No. 42-R1035.2.
FEB 23 1955

BUREAU OF MINES
Denver, Colorado

RECEIVED
MAR 2 - 1955

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 3705
Metal or Mineral Uranium
Date Received 3-2-55
Estimated Cost $25,375
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Central City Uranium Company, P.O. Box 246, Central City, Colorado Incorporated in the State of Colorado, Feb. 4, 1953. Directors: Edward L. Evans, Director & President, Black Hawk, Colo.; Norman R. Blake, Vice President, Black Hawk, Colo.; Frank L. Jones, Director & Sec. Treas., Idaho Springs, Colo.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract

(*b*) State any mine name by which the property is known.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lessee

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) [illegible]te the mineral or minerals for which you w[illegible]o explore .....

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

[X] Money [X] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated February 3, 1955

CENTRAL CITY URANIUM COMPANY
(Applicant)

By Frank L. Jones
Secretary & Treasurer

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.

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

Central City Uranium Company
P. O. Box 246
Central City, Colorado

3.Applicant's property rights.
48% of the Claire Marie Lode Claim which excepts only the Two Sisters and Carroll claim intersections, number 8732.
The Pacific Lode Claim Number 9041.
The Maggie M. Lode Claim Number 8732 91%.
The eastern extremity or about 9% is held by the United Mining and Leasing Corporation.
13% or the western extremity of the Idea Lode Claim Number 9041.
36% of the western part of the Bon Ton Lode Claim Number 9041.
An undivided one half interest in the Only Boy Lode Claim No.16372 the other half interest held by the United Mining and Leasing Corp. with either party being able to work the property.
26% or the eastern part of the Spur Daisy Lode Claim No. 9041.
The Hamilton Lode Claim No. 9041
55% or the Western part of the Lillie Rose Lode Claim No. 9041.
These claims occupy an area of twenty two acres. All are patented mining claims situated in section 11, Township 3 south, Range 73 West in the Eureka Quartz Valley Mining District of Gilpin County, State of Colorado. The above claims were so divided in the early 1900's by court action forming two compact groups. The above group being controlled by the Central City Uranium Compamy. The division not mentioned is contrlled by the United Mining and Leasing Corp.

#(B) Mine name by which property is known.
Spur Daisy Group of the Dan Mondy Estate.

3 (C). Properties held under lease.

4. Physical description.
A. The Central City Uranium Company has built a 20' by 34' shaft house, installed an Ingersoll-Rand Imperial Type #10 two stage compressor driven by an electric 50 H. P. Motor. A 1500 lb. Willaim A. Box hoist. All small tools have been purchased. Power line has been constructed and transformers set. Gallows frame erected. Road put in to shaft house and the shaft rehabilitated to the 190 foot level of the Claire Marie shaft. The company is presently working on rehabilitating the shaft and should have the old bottom ready for examination by the last of February 1955. All the above work and equipment has been paid for in full by the applicant.

B. No past shipping records are available and at present we know of no blocked out ore.

C. The Claire Marie is a true fissure vein in the Granite. It is cut by a forty foot in width Bostonite Porphyry dike. The ore mined in in former years consisted of gold, silver, lead and zinc. There is little doubt but that much uranium value was thrown away in the treating of the ores. Select samples of uranium ore from the dump have yielded gieger counter readings running high a 10% U_3O_8. A select sample of lead ore taken from the dump ran .10 oz. Gold , 7.10 Silver 21.70 Lead, 13.40 Zinc and .142 % U_3O_8.

Continued

4 (C) The reason for wishing to explore this property:

1. Determine the location and source of the high grade samples selected from the dump.
2. The Claire Marie being a cross vein to the Carroll and Two Sisters veins both of which have returned high grade uranium ore through shipments made.
3. In a report made by Arnold H. Miller, Consulting Engineer, 140 Nassau Street, New York City he states a select sample having been taken from the Spur Daisy ran 11% U3O8. The report was made in 1947 and the assay was run by the United States Atomic Commission.

(D) The property can be operated the year round. Good roads run direct to the property situated one mile and a half from the Central City Post Office. Supply and residence point would be Central City, Colorado.

(E) Man power is plentiful, materials and supplies are available. There is no question as to water and the power line is already at the mine.

5 (A) Uranium.

(B) The Central City Uranium Company is now engaged in rehabilitating the Two Sisters shaft to the 350 foot level. This shaft is not located on the company's ground, however it is situated on the crossing of the Claire Marie vein, which vein we intend to develop.

The United Mining & Leasing Company, owner of the Two Sisters shaft have agreed to share equally, the use of the shaft with the Central City Uranium Company for and in consideration of half the expense incurred in rehabilitation.

Rehabilitation costs are not included in this application for loan, but starts with explorational work beginning with the south side line of Two Sisters vein at the 350' level depth, thence south westerly along the Claire Marie vein to the north side line of the Carroll vein, a distance of 425 feet. The justification for this work is that the 200 foot level of the Claire Marie which is still in the oxidized zone, gives Geiger counter readings of from .20 to 1.0 percent and averages in width, four to ten inches. Another reason for exploring this area is; the Claire Marie crosses both the Carroll and Two Sisters at point of their respective shafts. Both the Carroll and Two Sisters, while just getting launched in their development work, have shipped test lots to the Climax Plant at Grand Junction. Approximately 12 tons from the Carroll settled at .40 U3O8 and 500 pounds from the Two Sisters settled at 1.80 U3O8.

Continued

5 (B) We also include in our application a 300 foot drift to be driven north westerly on the Maggie M vein not only to intercept the Pacific vein crossing but to explore at 350 feet in depth Geiger counter readings we are able to obtain in the surface cuts of the Maggie M.

(C) The work has already been started. It is our opinion that the exploration might extend for a period of 18 months to reach the extremity of the program. With favorable conditions showing up this time might be cut considerably.

(D) Mr. C. R. McKay of Central City, Colorado, is General Manager of the company. Mr. McKay has been mining, with considerable success, for the past forty years and is well recommended. Mr. Evans, President of the company, has resided in the County for the past fifty years and has constantly been identified with the mining business. Mr. Blake, Vice President, was born in Central City, he and his family having been identified with Gilpin County mining since the 1860's. Mr. Frank L. Jones, Attorney, residing in Idaho Springs, Secretary & Treasurer of the company has not only been practicing mining law for the past 25 years but is also engaged in the mining business.

6 Estimate of costs.

In going over the costs of the United Mining & Leasing Company, operating close by, we find that $35.00 per foot is a fair figure on which to estimate the cost of above work, which amounts to:

425 feet on Claire Marie @	$35.00	$14,875.00
300 feet on Maggie M	35.00	10,500.00
Total		25,375.00

(A) None

(B) Three men underground @	$1.75 per hr.	42.00
One top man @	$1.60 per hr.	12.80
		54.80

(C) All materials have been accounted for in above footage prices on sinking and drifting.

* (D) The company will furnish compressor and hoist capable of handling the operation. This equipment is now installed and ready for use. Suggested allowance $15.00 per day.

(E) None necessary.

(F) None necessary.

Central City Uranium Company
Box 246, Central City, Colorado.

Continued.

6 (d) Analytical work (mostly assays) - - $5.00 per day
Accounting 1.00 " "
Compensation Ins. and pay roll taxes 3.00 " "
apprx. $ 9.00

(e) $2500.00

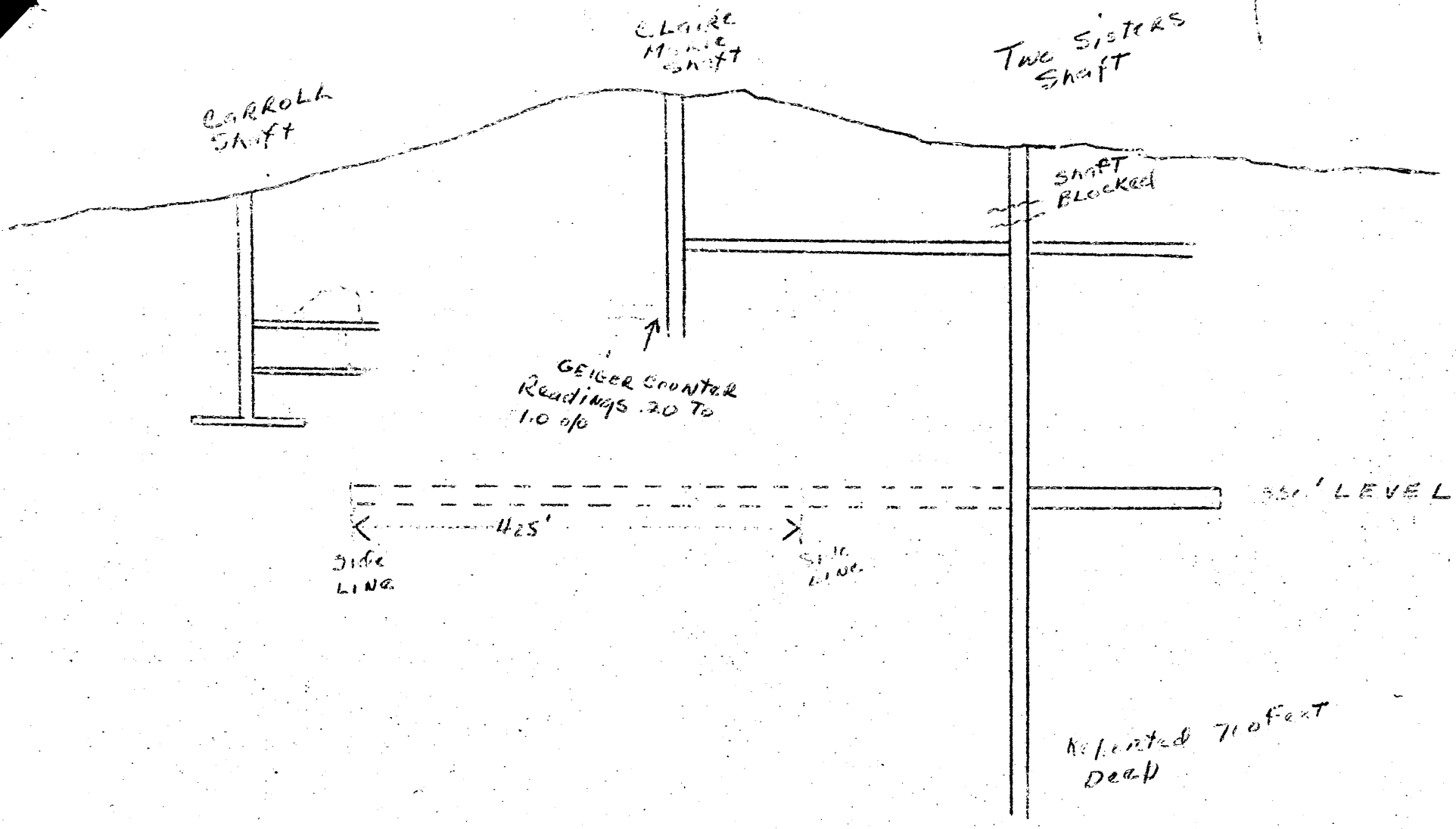
7

(A) Yes.

(B) Money and use of equipment.

* Operating equipment owned

1 Ingersoll-Rand compressor and 50 H.P. Motor	2000.00
1 Box Hoist and Motor	1500.00
Electrical wiring and equipment for above	500.00
Gallows frame and shaft house	2000.00
Hand tools	150.00
Ventilating equipment	200.00
	6350.00


CARROLL SHAFT
CLAIRE MONIE SHAFT
TWO SISTERS SHAFT
SHAFT BLOCKED
GEIGER COUNTER READINGS .20 TO 1.0 o/o
425'
SIDE LINE
SIDE LINE
LEVEL
REPORTED 710 FEET DEEP

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DMEA
Date Rec'd.
Form Approved.
Budget Bureau No. 42-R1035.2.

FEB 28 1955
BUREAU OF MINES

Note: One copy of supplementary information returned to applicant. Two efforts duplicate copy available in Docket-Morphy

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 3705
Metal or Mineral Uranium
Date Received 3-2-55
Estimated Cost $25,375
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: [illegible]

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

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(*b*) State any mine name by which the property is known.

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6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

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NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

[X] Money [X] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated ..... 195...

.....
(Applicant)

By Frank L. Jones

Secretary & Treasurer

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.

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

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

OFFICIAL BUSINESS

U. S. GEOLOGICAL SURVEY
OCT 14 1953 RECEIVED
SPOKANE 6, WASHINGTON

SPOKANE, WASH.
OC 12 7 30PM
1953

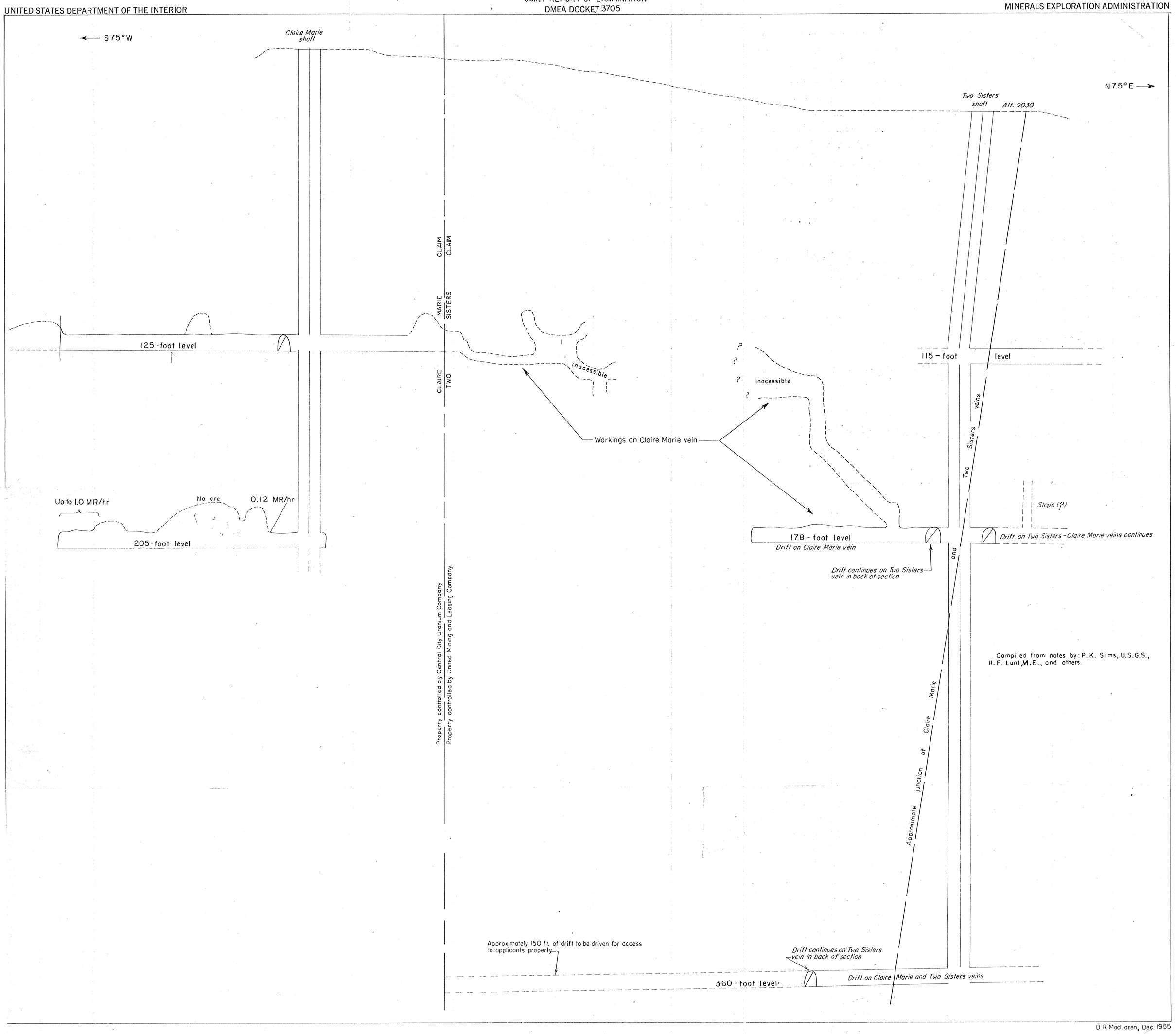
9-160 C
RETURN IF NOT DELIVERED
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300
(GPO)

OFFICIAL BUSINESS

~~Mr. George C. Selfridge, Chairman~~
~~Operating Committee~~
~~Defense Minerals Exploration Administration~~
~~Department of the Interior~~
~~Washington 25, D. C.~~

Mrs



D.R. MacLaren, Dec. 1955

FIGURE 4— LONGITUDINAL VERTICAL PROJECTION ALONG THE CLAIRE MARIE VEIN SHOWING ACCESSIBLE WORKINGS ON THE CLAIRE MARIE AND TWO SISTERS SHAFTS, CENTRAL CITY URANIUM CO. GILPIN COUNTY, COLORADO.

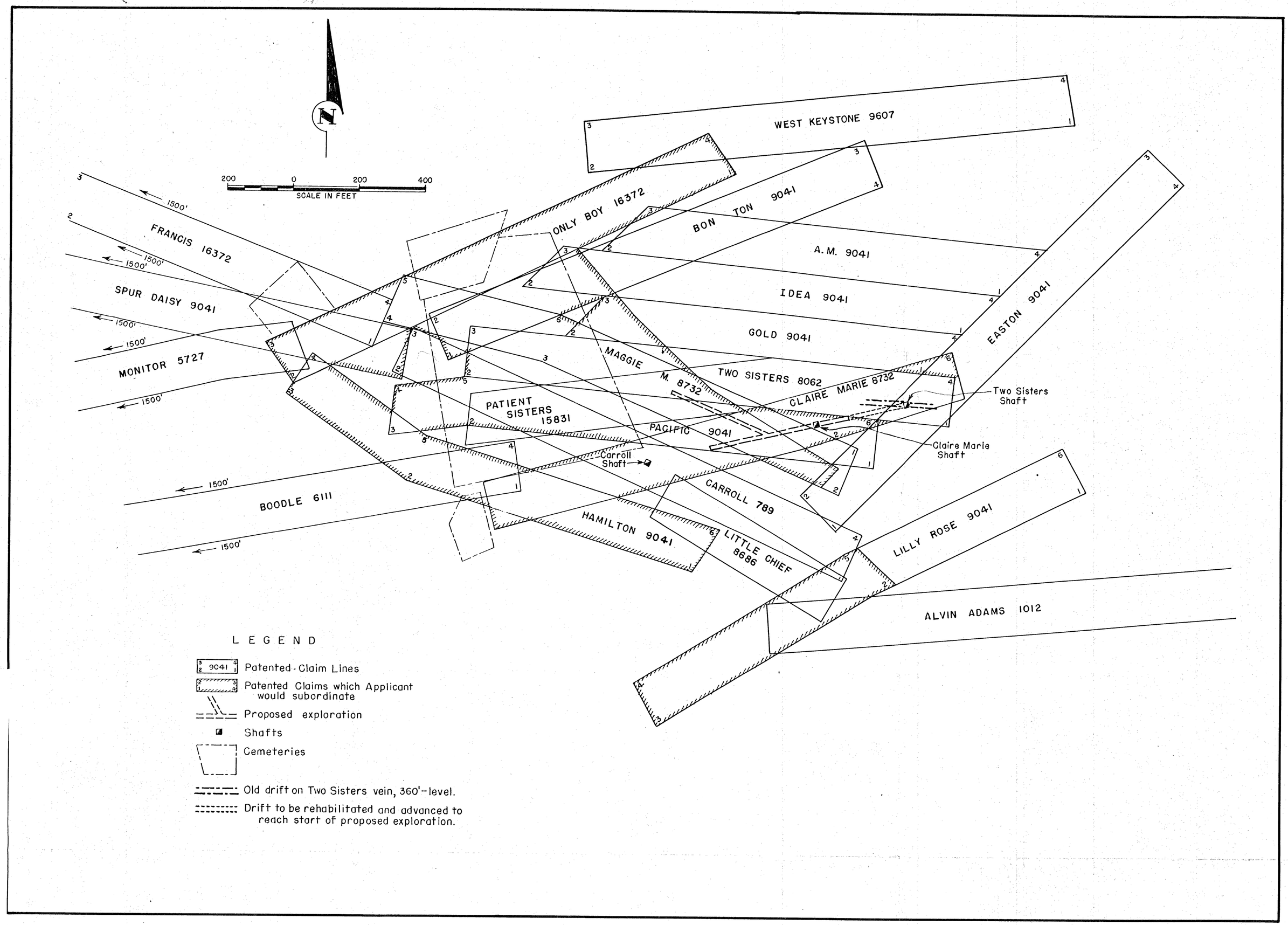
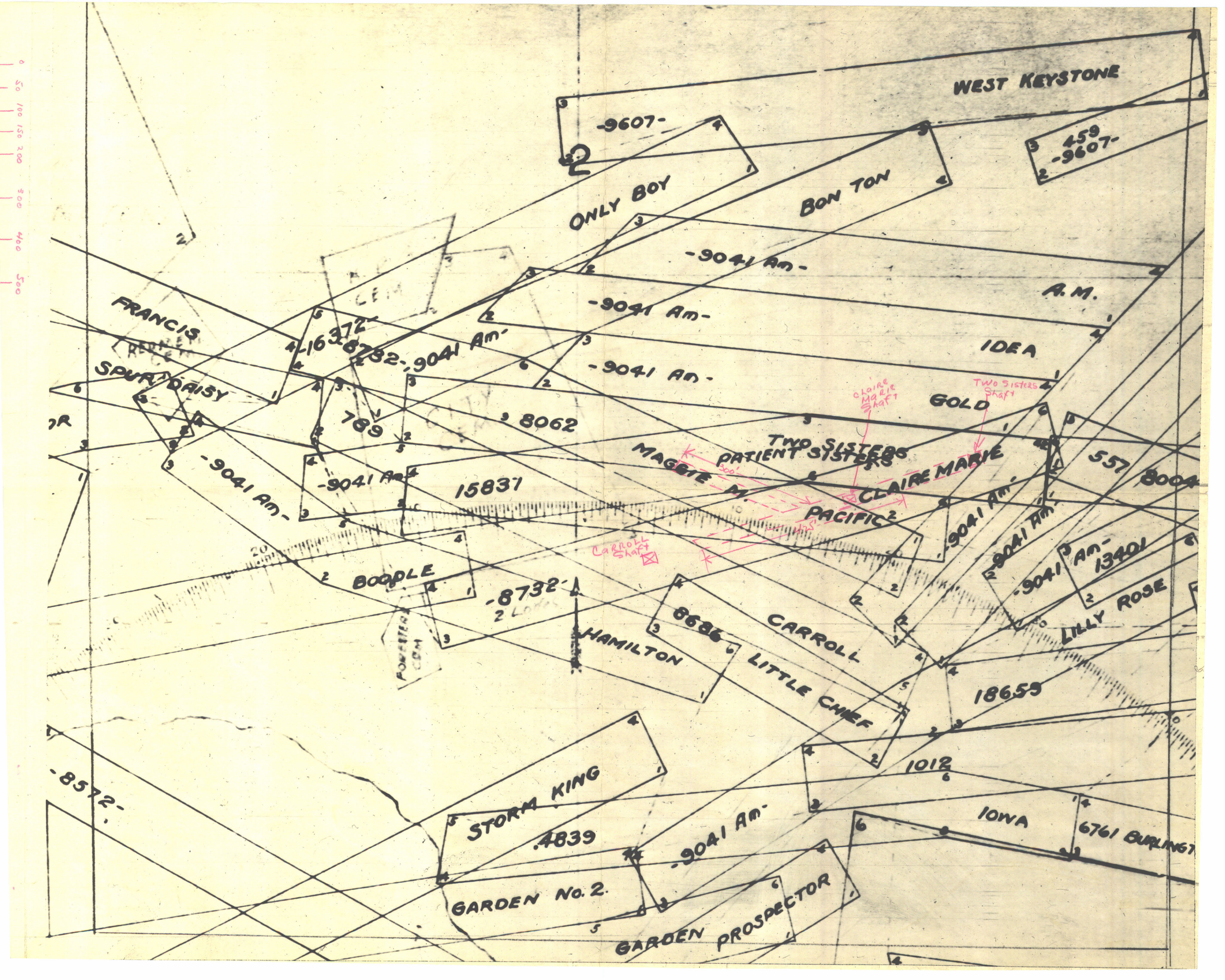


FIGURE 2 – CLAIM AND EXPLORATION MAP, CENTRAL CITY URANIUM CO., GILPIN COUNTY, COLO. DMEA 3705


WEST KEYSTONE
-9607-
459
-9607-
ONLY BOY
BON TON
-9041 Am-
A.M.
-9041 Am-
IDEA
-9041 Am-
FRANCIS
-16372-
8732-9041 Am
SPUR
DAISY
789
8062
GOLD
Claire Marie Shaft
Two Sisters Shaft
TWO SISTERS
PATIENT SISTERS
MAGGIE M.
CLAIRE MARIE
PACIFIC
557
8004
-9041 Am-
-9041 Am-
15837
Carroll Shaft
-9041 Am-
-9041 Am-
13401
LILLY ROSE
BOOPLE
-8732-
2 Lodes
HAMILTON
8686
LITTLE CHIEF
CARROLL
18659
1012
IOWA
6761 BURLINGT
-8572-
STORM KING
4839
-9041 Am-
GARDEN No. 2.
GARDEN PROSPECTOR