DMEM
3705
Central City Uranium Co.

Post * * * 4-29-1956

Discovery of pitchblende ore in the Carroll Mine near Central City appears to be of major proportions.

President Van McKay of United Mining & Leasing, operators of the mine, reported that they are now bringing off a uranium concentrate at their mill that ranges, at times, better than 2 pct. uranium oxide.

"And the best part of it is," reports McKay, "the uranium is strictly bonus as far as the operation is concerned." Firm operates the mill at the site of the old Boodle Mine overlooking the town of Central City, taking off lead and zinc concentrates. The mill was placed in operation the first of this year and was revised later to concentrate the uranium values that were indicated as the drifting progressed in the Carroll.

Drifting is continuing along the 320-foot level at the Carroll with uranium values increasing rather than decreasing. Some of the individual samples of pitchblende show an average of more than 20 pct. uraninite and sooty pitch-

HOME OFFICE: CHICAGO 3
CITY.....

Post

Central City Uranium, a cl[illegible] held Colorado Corp. reported so[illegible] favorable assays as a resul[illegible] previous application for a DM[illegible] 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 [illegible] 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 [illegible].3 ounces per ton. Lead va[illegible] were from 6.9 pct. to over [illegible] pct. with zinc from 8.9 to 16.3 [illegible]

The hanging wall also show[illegible] tremendous uranium as[illegible] Chemical assay of sam[illegible] across the vein at this [illegible] showed uranium to run 1.15 pe[illegible]

Central City Uranium, with [illegible]es 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 [illegible] good active producers of base [illegible] precious metals in addition [illegible] uranium values in the region.

DMEA
3705

Sunday Denver Post 6/17/56
Quinns column.

File

700

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

DMEA
Date Rec'd.
FEB 9 1956
BUREAU OF MINES
Denver, Colorado

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 Mining 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,

G. O. Mittendorf

Administrator

FMurphy/ism 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
TEKillingsord, Rm. 5224
JOHarted, Rm. 3210, GSA

[illegible] New Customhouse
Denver 2, Colorado

June 20, 1956

Memorandum

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

From: NMMA Field Team, Region III

Subject: Contact NMMA-1705 (Uranium) Central City Uranium Company, (Spur Mining 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, Ken E. Bailey 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.

Bailey called at J. F. Shea's office at the Denver Federal Center on Monday afternoon, June 18, 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. Shea referred him to the Executive Officer and he called on the phone immediately from Shea'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 otherwise leak of NMMA 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 expensive 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.

FEMA Field Team, Region XIX

W. M. Traver

By W. M. Traver
Executive Officer

Attachments

WMT/pw

cc: Harshman
Shaw (2)
Traver
Chron
DMEA-3705

Done

700

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

DMEA
Date Rec'd.
JUN 22 1956
BUREAU OF MINES
Denver, Colorado

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 H. 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

FMurphy/ai 6/19/56
cc to: Docket
Code 700
Mr. Murphy
Admr.'s Reading File
Oper. Comm.
DMEA Field Team, Region III (2)
Messrs. JBCrawford, Rm. 3041
THKillegaard, Rm 5224
JOHosted, Rm 3210, GSA

700

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

DMEA
Date Rec'd.
JUN 22 1956
BUREAU OF MINES
Denver, Colorado

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

Re: Docket No. DMEA-3 05 (Uranium)
Spur Dairy Group
Gilpin County, Colorado

Gentlemen:

Mr. Van R. McCoy 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

Enclosures

FPMurphy/ai 6/19/56
cc to: Docket
Code 700
Mr. Murphy
Admr.'s Reading File
Oper. Comm.
DMEA Field Team, Region III (2)
Messrs. JRCrawford, Rm. 3441
CKiilsgaard, Rm 5224
JONested, Rm 3210, GSA

T E L E T Y P E

RA104 SA026 KA024 June 19, 1956

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

C
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T E L E T Y P E

RA104 SA026 KA024 June 19, 1956

K DVB768 NL PD-TDDV CENTRAL CITY COLO 18

C O MITTENDORF

DEFENSE MINERALS EMERGENCY ADMINISTRATION NEW

INTERIOR BLDG WASHDC

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CENTRAL CITY URANIUM C BY VAN R MCCAY

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

DMEA
Date Rec'd.
MAR 5 1956
BUREAU OF MINES
Denver, Colorado

MAR - 1 1956

Copy sent to E.N Hard

Mr. W. 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:

This is to acknowledge your memorandum, dated February 20, 1956, and the attached joint memorandum, dated February 16, to your office from D. R. MacLaren, USGS, and C. M. Harrer, USBM, 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:

Member, Bureau of Mines

Member, Geological Survey

CONGRESS OF THE UNITED STATES
House of Representatives
Washington, D. C.

February 21, 1956

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 areply to Mr. McKay could be formulated.

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

Sincerely yours,

/s/ Donald L. Jackson

Donald L. Jackson, M.C.

c
o
p
y

Gail B. 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.

Undated

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

Re: Docket No. DMEA-3705 (Uranium)
Central City Uranium Company
Spur Dairy 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. Cecil 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 pre-life 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 Gladys 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.

Sincerely yours,

Administrator

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

Enclosure

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

W

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

HMC

Enclosures

HMC:ab

cc: Harshman
Shaw (1)
Docket 3705
Chron.

Bert

IN REPLY REFER TO:

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

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. Harshman
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 5.2 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

February 10, 1956

224 New Customhouse
Denver 2, Colorado

Memorandum

To: J. F. Shaw
E. H. 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

Enclosures

HMC:ab

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

HMo

700

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

DMEA
Date Rec'd.
FEB 9 1956
BUREAU OF MINES
Denver, Colorado

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

FEB - 7 1956

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 205-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

Approved:

Robert W. Gerhon
Member, Bureau of Mines

Thor H. Dillagard
Member, Geological Survey

Enclosures

November 17, 1955

224 New Customhouse
Denver 2, Colorado

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

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

Dear Mr. McKay:

This is to advise that the DMEA field examiners will examine your property Wednesday, November 23, 1955.

We trust that this date is satisfactory and that you or your representative will be available to accompany the field examiners who will contact you at your Central City office on that date.

Very truly yours,

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

By J. W. Townsend
J. W. Townsend

HMC:ab

cc: Harshman
Shaw (2)
Docket 3705
Chron.

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

Enclosures

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

(4)

DMEA
Date Rec'd.

NOV 15 1955

BUREAU OF MINES
Denver, Colorado

CENTRAL CITY URANIUM COMPANY
Central City, Colo.

November 14, 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

The Albany
DENVER 2, COLORADO

Regarding Application for loan ~~put into~~ 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 CUSTOM HOUSE DMEA 3705

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 J. W. Townsend
J. W. Townsend

Bck

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
Denver, Colorado

Mining Uranium, Gold, Silver, Lead and Zinc

Operating in Central City, Colorado

Box 342

22 October 1955

Phone 2046

CENTRAL CITY, COLORADO

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

9/14

Buck

Shaw called McKay. He has not rehabilitated the ~~[illegible]~~ yet and requests more time. He agreed to write and request a further delay.

If we don't hear from him in 10 days write him that the application is denied.

[illegible]

~~Hold till~~ Monday 9/19

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
Executive Officer, DMEA
Field Team, Region III

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

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

DMEA
Date Rec'd.
SEP 23 1955
BUREAU OF MINES
Denver, Colorado

Box 342

Phone 2046

CENTRAL CITY, COLORADO

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

August 16, [illegible]

224 New Customhouse
Denver, Colorado

Memorandum

W. H. Harshman

To: John F. Shaw

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA. [illegible] (Uranium), Central City Uranium Company, Gilpin County, Colorado

Enclosed is a copy of a letter from C. A. 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.

Berk

CENTRAL CITY URANIUM COMPANY

DMEA
Date Rec'd.
AUG 15 1955
BUREAU OF MINES
Denver, Colorado

Mining Uranium, Gold, Silver, Lead and Zinc

Operating in Central City, Colorado

Box 342

Phone 2046

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

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

Bert

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

W. M. Traver

Enclosures

E. N. Harshman

E. N. Harshman

HMC:pw
Hmc

cc: Subject
Chron
Harshman
Shaw

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)

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. W. Barshman

From: D. R. Macilaren

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. E. 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 3872. 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

DRMacLaren

224 New Customhouse
Denver 2, Colorado

March 23, 1955

Memorandum

To: E. N. Harshman
J. F. Shaw W/Brochure

From: Executive Officer, DMEA Field Team, Region III

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

Enclosed are one copy of the complete brochure with copy of a lease and engineer's report covering the subject loan application for an undetermined amount. Included also are copies of memoranda from J. E. Crawford and R. D. Trace, members of the Uranium Commodity Committee, with their transmittal by the Chairman of the Operating Committee.

As indicated by the transmittal letter from the Chairman, a number of considerations regarding property rights and operating agreements will require clarification, as will the applicant's cost estimates. These can probably best be settled during an examination of the property, if in the examiner's opinion a project is warranted.

The application should be discussed with the AEC office at the Denver Federal Center.

A suitable report is requested.

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Enclosures

WMT:sr

cc Subject
Chron

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

MAR 1
BUREAU O
Denver, Co

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

MAR 1 5 1955

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. D. 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.

Only copy with application?

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

Enclosures

APPROVED:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

IN REPLY REFER TO:

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

Defense Minerals Administration
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."

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.

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

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

Attachment

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

postal pw.

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

W. M. Traver

Enclosures

HMC:pw

cc: Subject
Chron
Shaw
Harshman

700

T
T
B

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

DMEA
Date Rec'd
MAR 13 1955
Denver, Colorado

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
Administrator

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

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

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

Docket

T. Jones
T. H.
S.
B. Berk

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

Recorded
Berk

CENTRAL CITY URANIUM COMPANY

DMEA
Date Rec'd.
FEB 23 1955
BUREAU OF MINES
Denver, Colorado

Mining Uranium, Gold, Silver, Lead and Zinc

Operating in Central City, Colorado

Box 342

Phone 2046

CENTRAL CITY, COLORADO

February 19, 1955.

Defense Minerals Exploration Administration,
Room 224, New Customshouse,
Denver, Colorado.

Attn: Mr. W. M. Traver,
Executive Officer.

Gentlemen:

We have enclosed our application for aid in an exploration project in quadruplicate persuant to DMEA Order 1, under the Defense Production Act of 1950.

We have also enclosed a Mining Report prepared by Donato L. Russell, C.E., E.M. on the Central City Uranium Company properties together with a copy of the Mining Lease. In checking with the representative of your department he stated that it would not be necessary for the copy of the Lease and the Engineers Report to be in quadruplicate.

We believe that we have all the required information and documents enclosed, however, if more information is needed please contact us immediately. Will you please return the Engineers Report and the copy of the Lease when they have served their purpose.

We beg to remain,

Very truly yours,

CENTRAL CITY URANIUM COMPANY

By J. R. Westergard

JRW/iw
Enclosures.

DMEA
Date Rec'd.

JAN 5 1956

BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region III

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

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw

Subject: DMEA 3705 (Uranium) Central City Uranium Co. (Spur Daisy group) Gilpin County, Colorado
DMEA 3985 (Uranium) Simpson and Powell (Cliff House claims) Montezuma County, Colorado
DMEA 3949 (Uranium) Uranium Discovery and Development Company (Gracie and King claims) San Juan County, Utah

Enclosed are the brochures covering the subject dockets.

John F. Shaw
Supervising Mining Engineer

Enclosures

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved
Budget Bureau No. 42-R1035.2.

DMEA
Date Rec'd
FEB 23 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. 3-P-5
Metal or Mineral
Date Received
Estimated Cost
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*) State the mineral or minerals for which you wish to 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 & Treas.

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% U308. 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 % U308.

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% U308. 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 .49 U308 and 500 pounds from the Two Sisters settled at 1.80 U308.

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

(H) $2500.00

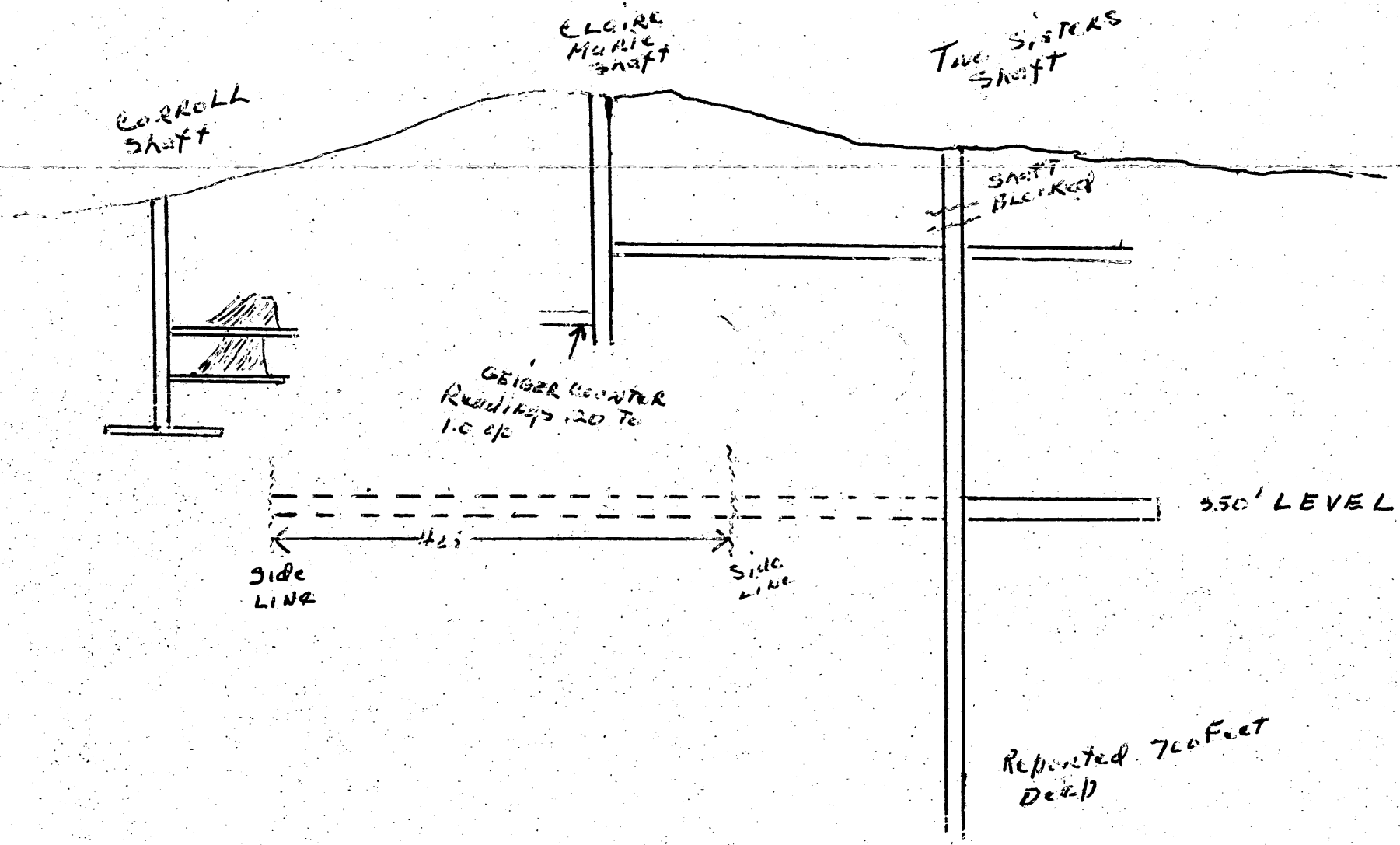
7

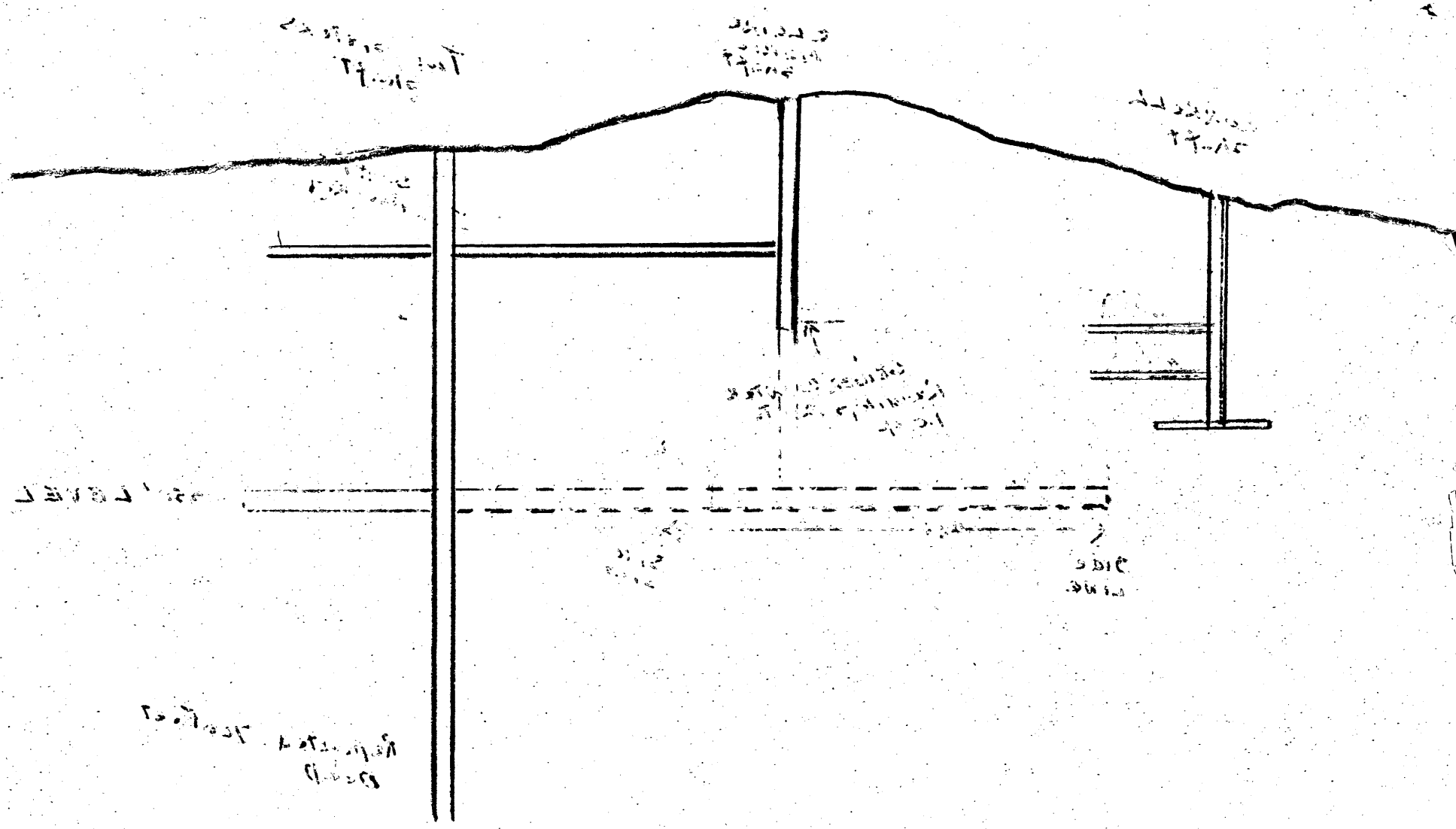
(A) Yes.

(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
6)	6350.00
	$ 106/mo


CLAIRE MARIE SHAFT
TWO SISTERS SHAFT
CORROLL SHAFT
SHAFT BLOCKED
GEIGER COUNTER READINGS 120 TO 1.0 c/s
350' LEVEL
425
SIDE LINE
SIDE LINE
Reported 700 Feet Deep



Sept - 27 Gen 23 # 40,697

MINING LEASE

THIS AGREEMENT OF LEASE, Made and entered into this 1ST day of MAY, 1954, by and between JOSEPH F. PUGHES, hereinafter called the lessor and CENTRAL CITY URANIUM COMPANY of Central City, Colorado, hereinafter called lessee;

WITNESSETH, that the said lessor for and in consideration of the rents, royalties, covenants and agreements hereinafter expressed to be paid, kept and performed by the said lessee, has leased, let and demised and by these presents does lease, let and demise unto the said lessee the mining property and premises, situate in the County of Gilpin, State of Colorado, described in "Annex A " attached hereto and made a part hereof.

THE RIGHTS hereby granted are subject to extralateral rights on any vein or lode which on its dip extends into the demised premises, the proprietor of which is by virtue of a patent from the United States of America, or otherwise, entitled to enter into the demised premises and extract the same; and there are expressly excluded from the above described premises any portions thereof which have been or may be deeded, relinquished, or lost to the lessor in settlements of conflicts.

TO HAVE AND TO HOLD the above described premises for the purpose of mining from the date hereof, for and during a term of five years unless sooner forfeited or terminated through the violation of any of the covenants and conditions herein contained.

IN CONSIDERATION of said lease, the said lessee has covenanted, contracted and agreed and by these presents does covenant, contract and agree to and with the said

lessor, his successors and assigns, as follows:

(1) That lessee is an independent contractor, and there shall be no privity of contract between the lessor and any of the employees, licensees or sublessees of the lessee.

(2) The lessee shall enter upon said leased premises within 90 days from the date hereof and work the same in mine fashion in manner necessary to good and economical mining, so as to take out the greatest amount of ore possible, with due regard to the development and preservation of said mine or mining premises, as a workable mining property, and to the special covenants herein contained.

(3) The work shall be conducted with reasonable diligence, and the parties agree that the performance of at least 1,000 shifts of mining labor per year each and every year during the life of this lease shall constitute prima facie evidence of reasonable diligence.

All work shall be performed in a safe and minerlike manner and in accordance with the laws of the State of Colorado, and in accordance with all applicable rules and regulations which have been or may be issued by the Industrial Commission of Colorado, or by the State Metal Mining Inspector.

(4) The lessee shall repair all old timbering wherever it may become necessary, and well and sufficiently timber said mine and mining premises at all working places in which or through which the lessee shall work, in accordance with good and safe mining practices, including mine openings required for ventilation, and shall promptly replace all timbering in such workings which may be rendered insufficient by any cause whatsoever; and shall keep the timbering in said workings at all times in good, safe and serviceable condition.

(5) The lessee shall allow any agent or authorized representative of the lessor at any and all times: (a) to enter and visit all parts of the leased premises for the purpose of inspection and taking assay samples; (b) to take samples from any ore; (c) to have surveys made by lessor's surveyor and his assistants, either on surface or underground. The lessee shall make, and shall keep and maintain current, proper assay plan maps or diagrams, and maps of underground workings, which will reflect with reasonable accuracy the assay value of ores encountered and the location of lessee's workings. The lessee shall furnish to lessor a blue print or photostat copy of its said assay plans, maps and maps of workings at reasonable intervals not exceeding -----three----- months, except that the lessor shall be entitled to receive a copy of such maps at any time if any dispute or controversy should arise between the lessor and lessee or between either or both and third parties with respect to the ownership of any ores encountered or with respect to the right to mine the same.

(6) The lessee shall at all times keep all drifts, tunnels, shafts, winzes, and other workings in said premises in which or through which the lessee conducts work, thoroughly drained and free of loose rock and rubbish and in a safe and secure condition, unless prevented by extraordinary mining casualty; and when work is suspended in any workings through which the lessee has conducted work it shall leave the floors of all such drifts, cross-cuts and other workings in good, even and unobstructed condition. The lessee shall stow no waste underground except in such manner that no drifts, shafts, raises or other workings shall be obstructed thereby.

(7) The lessee shall do no underhand stoping, and

shall do no stoping which will endanger any working shaft except with the written consent of the lessor.

(8) If any existing shaft be deepened, the enlargement shall be of the same dimensions as the existing shaft and properly timbered to make the entire shaft of uniform size throughout its entire depth; and new shafts, and all tunnels, drifts, cross-cuts, raises and winzes shall be of sufficient size to conform to good mining practice and to comply with all the laws of Colorado and regulations promulgated pursuant thereto.

(9) Lessor reserves the property and right of property in and to all ores extracted or to be extracted from said premises and in and to all ores not shipped within ten days after the termination of this lease, by expiration or otherwise; and all ores of too low grade for profitable milling or shipment shall remain on the premises subject to the control and disposition of the lessor; and any loss or expense resulting from or incident to any shipment which does not meet the cost of transportation and treatment charges shall be borne by the lessee.

(10) The lessee shall keep all buildings and improvements on the demised premises in repair and at the termination of this lease, by expiration or otherwise, turn over the same in good condition, ordinary wear and tear excepted. Lessee shall have the right, provided lease has not been violated, to remove his machinery at termination of lease leaving shaft house, cribbing, ladders, and all permanent parts thereof in good condition.

(11) Lessee shall pay all bona fide wages incurred in any month by not later than the 25th of the following month, failing in which it shall suspend all mining operations immediately. The lessee shall report quarterly, in writing, to the lessor, within ten days after the end of each quarter, with respect to its operations during the preceding quarter, giving the number of shifts worked, the approximate amount of new development work and the location thereof, the estimated tonnage of broken

ore in stopes at the end of the quarter, and any other information which it shall deem pertinent to fairly inform the lessor of the nature and extent of its operations and the results thereof. The lessee agrees to afford to the lessor or his duly authorized agent, every facility, at any reasonable time, to inspect and copy all or any books, assay records, accounts, payrolls, vouchers, correspondence and papers generally of the lessee which may relate to lessee's operations on said premises or shipment of ore therefrom. Lessee shall not be required to furnish for inspection a list of its stockholders.

(12) This lease is not to become operative or effective, and the lessee shall have no right to possession of the demised premises, nor any part thereof, unless and until said lessee shall obtain and pay the premiums for and on account of Workmen's Compensation Insurance policies, sufficient to save and protect and keep harmless said lessor and lessee for and on account of liability under the Workmen's Compensation Act of Colorado, by reason of disability, injury or death of said lessee, or any of its employees, contractors, or subcontractors; and lessee agrees to furnish lessor, before commencing work, and thereafter from time to time, with satisfactory evidence that such insurance is in full force and effect. Any failure of the lessee, after having initially obtained said insurance policies, to keep and maintain said insurance in full force and effect and pay the premiums thereon, shall ipso facto work a cancellation of this lease without any further notice to the lessee.

(13) The lessee assumes all responsibility for and agrees to save the lessor harmless from any and all accidents to the lessee, or any of its licensees, agents, associates or visitors upon the demised premises, and agrees

that it will obtain, pay premiums for, and keep in force and effect, public liability insurance covering liability of not less than $25,000.00 to one person and not less than $50,000.00 on account of one accident, and that it will, from time to time and at any time, upon request, furnish to the lessor satisfactory evidence that such insurance policy is in full force and effect. The lessor shall, under no circumstances, be liable to the lessee, or its agents, servants, employees, licensees, sub-lessees, associates or visitors, or any other person, on account of any such accident.

(14) The lessee shall keep said premises, and every part thereof, at all times free and clear of all mechanic's or miner's liens, or other liens, encumbrances or liabilities; and shall forthwith post and at all times keep posted in a conspicuous place at all main workings, a notice that said premises are leased to the lessee and that the interest of the lessor therein shall not be subject to any lien for services, labor or material furnished upon or used in connection with the lease, or said leased premises, and shall conform in all respects to all pertinent statutory requirements of the State of Colorado. The notice shall be on behalf of and in the name of the lessor with the signature of the lessee also attached.

(15) The lessee shall allow no persons not in privity with the parties hereto to take or hold possession of said premises, or any part thereof, under any claim or pretense whatsoever; provided, however, that the lessee may, with the consent of the lessor, grant subleases on portions of the premises, but such subleases shall be subject to all of the terms of this lease, and the termination of this lease shall automatically terminate all subleases.

(16) The lessee shall furnish to the lessor, or his

duly authorized representative, when requested so to do, full, true and accurate information with regard to the condition of any workings or any part thereof in which it is working, the quantity and character of the minerals therein, and agrees to immediately give notice to the lessor of any new discoveries of pay ore.

(17) The lessee shall pay and deliver, or cause to be paid and delivered to the lessor, as a rental or royalty upon all ores extracted and shipped or sold from said premises, the following royalty, the rate of which shall be determined as to uranium ore by the content of U_3O_8, and as to other ores by the gross value of the ore; but the amount of royalty shall be determined upon the net value:

5% on uranium ores having a U_3O_8 content of less than .20%;
10% on uranium ores having a U_3O_8 content of at least .20% and less than .30%;
15% on uranium ores having a U_3O_8 content of at least .30% and less than .40%;
20% on uranium ores having a U_3O_8 content of at least .40% and less than .50%;
35% on uranium ores having a U_3O_8 content of at least .50% and less than 1.00%;
40% on uranium ores having a U_3O_8 content of at least 1.00% and less than 3.00%;
45% on uranium ores having a U_3O_8 content of 3.00% or over.
15% on all ores other than uranium ores.

As to uranium ores, the U_3O_8 content determined in making settlement with purchasers, shall be used in computing royalty.

The "net value" of uranium ores shall be the price paid by the purchaser, less the amount, if any, by which the actual cost of transportation paid by the lessee on the lot sold exceeds the amount paid by or under authority of the Atomic Energy Commission, or by any other purchaser, for the transportation thereof.

By "gross value" of ores other than uranium ores, is meant the assay value of metals paid for by the purchaser.

By "net value" of ores other than uranium ores, is meant their "gross value" less the amount paid (or deducted by the purchaser) for transportation and smelting charges; and if such ores be concentrated to render them marketable, less also the amount paid by the lessee for concentrating charges.

(18) The lessee shall pay all taxes on its own personal property and on any plant or plants erected by it.

So long as the general taxes on the property hereby demised are assessed on the basis of a non-producing mine, the lessee shall pay such general taxes. In the event that the property demised be assessed as a producing mine, the lessee covenants and agrees to pay such proportion of the general taxes based on assessment measured by production, as the amount received by the lessee from the sale of ores and mine products bears to the amount received by the lessor. The lessee shall make proper annual returns of production to the county assessor of Gilpin County.

Upon settlement for each lot of mine products, the smelter or other purchaser shall deduct from the proceeds of such lot 2% of the net returns, in addition to the royalties above reserved, computed in the same manner as royalties, and shall pay the same to the AMERICAN NATIONAL BANK, DENVER, COLORADO ----------, for deposit to the credit of the lessor; also upon settlement of each mint deposit, the lessee shall remit 2% of the net returns of such mint deposit to said bank, to be deposited in said bank in the same manner. The moneys so deposited shall be used by the lessor for the payment of taxes assessed on the basis of production. After payment of taxes for any taxable period, any excess which shall have been accumulated in said account by deposits during the year next prior to the year for which taxes are paid, shall be returned to the lessee and to the lessor in proportion to their respective interests; and if the amount deposited during such prior year be insufficient to pay in full the amount of taxes due, the lessee shall promptly, when requested by the lessor, pay to the lessor his proportionate part of such deficiency.

(19) This lease shall not be assigned in whole or in part without the consent of the lessor; nor shall the

demised premises or any part thereof be subleased without the consent of the lessor, and in the event subleases be allowed, the work done by and the ore production by subleases shall not be considered in connection with the requirement that lessee operate the lessor's property with diligence as provided in paragraph (3).

(20) Should any legal proceedings be instituted, such as injunctions, apex suits or any other proceedings whatsoever, which would interfere with the possession and enjoyment of the demised premises, the lessee shall under no circumstances attempt to hold the lessor liable in damages or otherwise to the lessee therefor on account of such disturbed and interrupted possession and enjoyment.

(21) Lessee shall not be liable to the lessor for any delay or default in performance under this lease due to any cause beyond his control and without his fault or negligence, including, but not restricted to, acts of God or the public enemy, acts or requests of the federal or state government, or of any federal or state officer or agent purporting to act under authority, unavailability of labor, or floods, war, fires, storms, strikes, interruption of transportation, freight embargoes or failures, exhaustion, or unavailability or delays in delivery of any material, equipment or service necessary to the performance of any of the provisions hereof, or the happening of any unforseen accident, misfortune or casualty whereby operations are delayed or prevented.

Should prevention of performance occur by reason of any one or more of the aforesaid causes, the lessee shall have the right to suspend operations so long as the impeding causes exist, and for a period of not to exceed three months thereafter; and in such case the term hereby granted shall be enlarged by a period equivalent to the period of such suspension.

If the lessee shall for any of the aforesaid causes suspend its operations, it shall immediately give notice thereof to the lessor, stating fully the facts concerning the impending causes and the date on which operations were suspended.

(22) The lessee shall have the right to surrender and terminate this lease and be relieved from further obligations hereunder by giving the lessor herein thirty (30) days' notice in writing of its intention so to surrender and terminate the same and paying to said lessor all sums due him, including taxes due, from said lessee to the date of surrender under the terms of this agreement, and the furnishing to said lessor of satisfactory evidence that all debts, claims and other obligations theretofore incurred by said lessee in the operation, working, and development of said demised premises, or in placing of machinery or other improvements thereon have been fully liquidated; and thereupon at the expiration of said thirty (30) days, in consideration of such payment and expenditures theretofore made by said lessee under this lease, said lessor shall and hereby does release said lessee from any further demand or claim of any nature or kind whatsoever.

(23) For the violation by the lessee of any of the provisions of paragraph (14) hereof, this lease shall immediately cease and determine without notice to lessee of any kind whatever.

Upon violation of any other covenants hereinabove expressed and on the part of the lessee to be paid, kept, done and performed, the lessor may at its option and upon written notice to said lessee specifying the specific violation or violations complained of, and giving notice of its intention so to do, cancel and annul this lease, unless said lessee shall, within thirty (30) days after receiving such written notice cease such violation or violations and pay to said

lessor all moneys then due under this lease and otherwise remedy the matter or matters concerning which he is in default.

The lessor agrees, however, that if notice of default be given, and the circumstances are such that the default is capable of being remedied, but a period of more than 30 days will be necessary within which to remedy the same, that it will not declare this lease terminated if lessee is then, and during said 30 day period has been, proceeding with diligence to remedy the default.

And if this lease be forfeited for violation of any clause contained herein except by expiration of its terms, then said demised premises, with all improvements now located thereon and also all improvements made by said lessee (except lessee's mill if such there be) shall be and become forfeited to said lessor, and said lessor may thereupon enter upon said premises and dispossess all persons occupying the same, without or with force and with or without process of law, or, at the option of the lessor, said lessee and all persons found in occupation may be proceeded against as guilty of unlawful detainer.

(24) The lessee shall conduct all operations under this lease in compliance in every respect with the laws of the State of Colorado and of the United States of America.

(25) The terms hereof shall be binding upon and enforceable by the respective successors, heirs, executors, administrators and assigns of the parties hereto.

(26) The lessee shall have the option or privilege of renewing this lease for an additional term of FIVE years beyond this term by giving written notice of its

intention so to do thirty days prior to the expiration of this lease.

IN WITNESS WHEREOF, the lessor has hereunto subscribed his name and lessee has caused its name to be hereto subscribed by its President, thereunto duly authorized, and its seal to be affixed and attested by its Secretary.

Joseph F. Hughes.
Lessor

CENTRAL CITY URANIUM COMPANY

By Edward Evans.
President

Lessee

ATTEST:

Van R. McRay
Secretary

PHOTO - COPY
BY PICK
FOR EXTRA COPIES, CALL KE. 2876
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PICK PHOTOGRAPH & BLUEPRINT CO.
1015 - 17th ST. DENVER, COLO.
CERTIFIED ON REQUEST

ANNEX A

All that part of the Bon Ton Lode Mining Claim, Amended Survey No. 9041, beginning at Cor. No. 1 thereof, thence N. 22°9' 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 place of beginning;

All that part of the Idea Lode Mining Claim, Amended Survey No. 9041, beginning at Cor. No. 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 place of beginning;

All that part of the Gold Lode Mining Claim, Amended Survey No. 9041, beginning at Cor. No. 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 Mining Claim, Survey No. 8062, beginning at Cor. No. 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 place of beginning;

All that part of the Pacific Lode Mining Claim, Amended Survey No. 9041, beginning at Cor. No. 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 Mining Claim, Survey No. 8732, beginning at Cor. No. 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 place of beginning;

All that part of the Claire Marie Lode Mining Claim, Survey No. 8732, beginning at Cor. No. 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 place of beginning;

Also all that part of the aforesaid Claire Marie Lode Mining Claim, Survey No. 8732, beginning at a point on line 1-2, whence Cor. No. 1, Survey No. 8732 Claire Marie Lode bears N. 71°45' E. 237.19 feet; and Cor. No. 1, Survey No. 8062 Two Sisters Lode 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 place of beginning;

All that part of the Lilly Rose Lode Mining Claim, Amended Survey No. 9041, beginning at Cor. No. 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 place of beginning;

All that part of the Spur Daisy Lode Mining Claim, Amended Survey No. 9041, beginning at Cor. No. 1 thereof, thence N. 78°32' W. 417.78 feet; thence N. 35°7' 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 place of beginning;

All of the Hamilton Lode Mining Claim, Amended Survey No. 9041;

An undivided one-half (1/2)of the Only Boy Lode Mining Claim.

Beginning for the description of the Only Boy lode claim at corner No. 1, a granite rock, 24x8x5 inches, marked 1/16372, from which the northwest corner of section seven in township three south of range seventy-two west, Sixth Principal meridian, bears south eighty-seven degrees, forty-seven minutes and ten seconds east seven thousand five hundred and sixteen and thirty-one hundredths feet distant.

Thence, first course, magnetic variation thirteen degrees and twenty-five minutes east, south sixty-four degrees and forty-four minutes west six hundred and sixty-four and sixty-four hundredths feet intersect line 2-3 of the Bon Ton lode claim, survey No. 9041 Am., at north sixty-seven degrees and fifty-one minutes east three hundred and sixty-six and seventy-two hundredths feet from corner No. 2; eight hundred and fifty-two and twenty-one hundredths feet intersect line 5-6 of survey No. 8732, the Maggie M. lode claim; one thousand and thirty-one and nine tenths feet intersect line 1-2 of said Bon Ton lode claim at south twenty-two degrees and nine minutes east twenty and one hundredth feet from corner No. 2; one thousand and ninety-three and forty-eight hundredths feet intersect line 3-4 of said survey No. 8732 at south seventy-six degrees and forty-nine minutes east ninety-two and forty-nine hundredths feet from corner No. 4; one thousand one hundred and fourteen and eighty-six hundredths feet intersect line 3-4 of the Spur Daisy lode claim, survey No. 9041 Am.; one thousand three hundred and sixty-five and sixty-four hundredths feet intersect line 1-2 of said Spur Daisy lode claim; one thousand three hundred and seventy-one and six-tenths feet intersect line 4-5 of the Hamilton lode claim, survey No. 9041 Am. at south fifty-four degrees and fifty-seven minutes east sixty-five and forty-five hundredths feet from corner No. 4; one thousand five hundred feet to corner No. 2, a granite rock 24x10x6 inches, marked 2/16372.

Thence, second course, magnetic variation thirteen degrees and fifty minutes east, north thirty-five degrees and seven minutes west one and eighty-three hundredths feet intersect line 3-4 of said Hamilton lode claim at south thirty-five degrees and three minutes west one hundred and eleven and one tenth feet from corner No. 4; thirty-five and sixty-six hundredths feet intersect line 2-3 of survey No. 5727, the Monitor lode claim, at south eighty-three degrees and four minutes west seventy-four and fifty-three hundredths feet from corner No. 2; one hundred and sixteen and ninety-two hundredths feet intersect line 1-2 of said Spur Daisy lode claim; one hundred and fifty-two and twenty-four hundredths feet to corner No. 3, a granite rock, 24x8x5 inches, marked 3/16372.

Thence, third course, magnetic variation twelve degrees and forty-five minutes east, north sixty-four degrees and forty-four minutes east ninety-five and seventy-six hundredths feet intersect line 1-2 of said survey No. 5727 at north twenty-three degrees and ten minutes west one hundred and thirty-eight

and forty-five hundredths feet from corner No. 2; two hundred and ten and nineteen hundredths feet intersect line 3-4 of said Spur Daisy lode claim; four hundred and sixty-four and forty-six hundredths feet intersect line 4-5 of said survey No. 8732 at north twenty-three degrees and eleven minutes east one hundred and thirty-nine and thirty-nine hundredths feet from corner No. 4; four hundred and eighty-four and ninety-two hundredths feet intersect line 5-6 of said survey No. 8732; one thousand three hundred and seven and three hundredths feet intersect line 1-2, the south side line, of survey No. 9607, the West Keystone lode claim; one thousand five hundred feet to corner No. 4, a granite rock, 24x10x7 inches, marked 4/16372.

Thence, fourth course, magnetic variation thirteen degrees and ten minutes east, south thirty-five degrees and seven minutes east, seventy-two and eighty-eight hundredths feet intersect said line 1-2 of survey No. 9607; seventy-six and twelve hundredths feet to a point from which the center of discovery shaft bears south sixty-four degrees and forty-four minutes west five hundred feet distant; one hundred and fifty-two and twenty-four hundredths feet to corner No. 1, the place of beginning; the survey of the lode claim, as above described, extending one thousand five hundred feet in length along said Only Boy vein or lode.

All of the above described property being in the Eureka and Quartz Valley Mining Districts in the County of Gilpin and State of Colorado.

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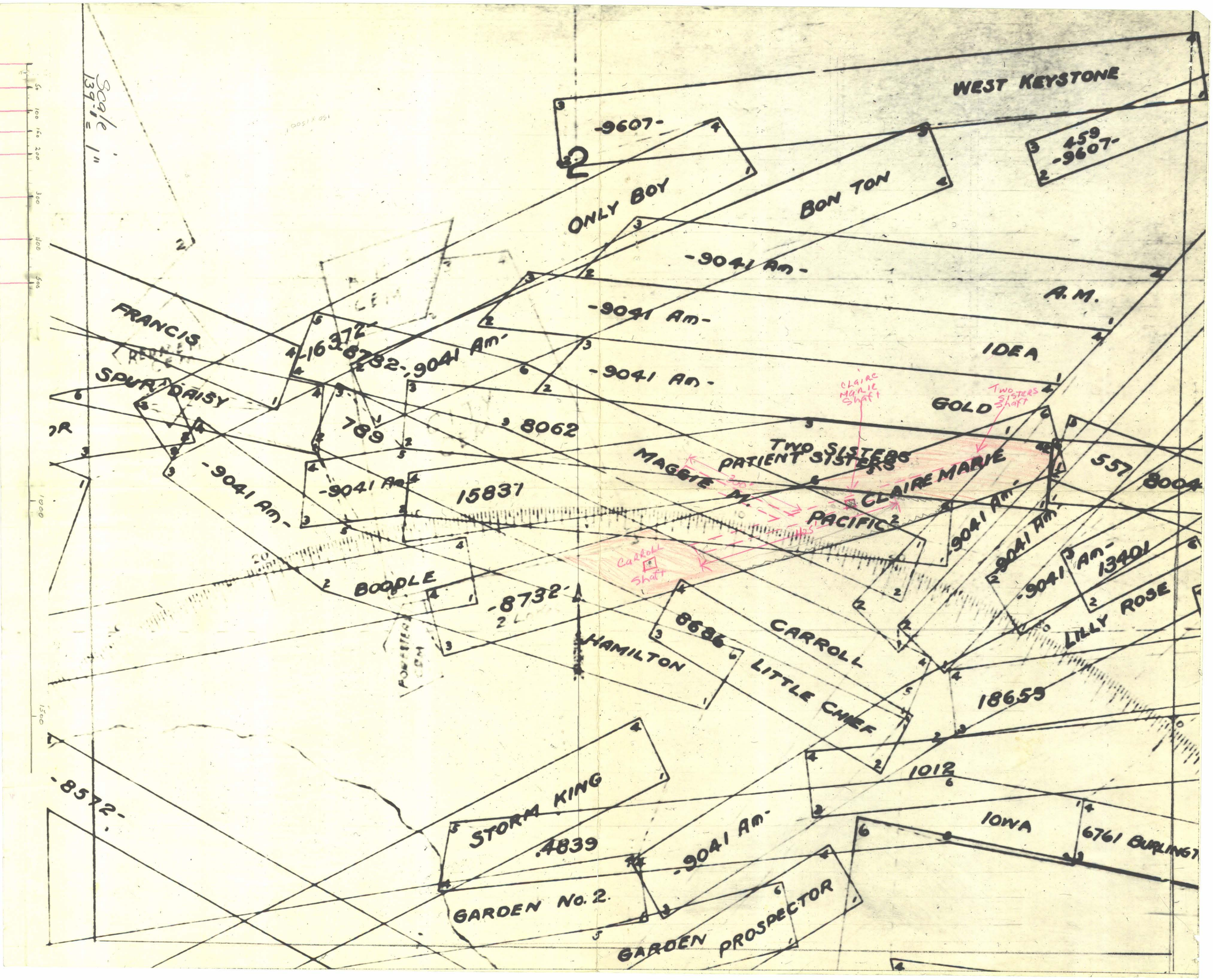
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BOOPLE
-8732-
LILLY ROSE
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GARDEN No. 2.
GARDEN PROSPECTOR