6/7/55 gla

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

224 New Customhouse
Denver 2, Colorado

June 2, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Report of Examination, DMEA Docket 3706 (Uranium), Urado Uranium, Inc., (Philura group of claims), San Miguel County, Colorado

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

Since there are no known specific exploration targets on the property at this time, we recommend that the application be denied without prejudice. A new application based on favorable results of USGS future drilling would receive proper consideration.

W. M. Traver
W. M. Traver

E. N. Harshman
E. N. Harshman

Enclosures

DMEA
Date Rec'd,

TRANSMITTED
JUN - 2 1955

MAY 6 1955

RECEIVED
JUN - 7 1955
BUREAU OF MINES
Denver, Colorado

Region III

Building 60, Room 157
Denver Federal Center
Denver 2, Colorado

May 6, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Supervising Mining Engineer

Subject: Docket No. DMEA 3706, Philura Group of Claims, Uvado Uranium, Inc., San Miguel County, Colorado

Enclosed are the original and 11 copies of a summary, conclusions, and recommendations prepared by Owen T. Marsh, geologist, and C. M. Harrer, Mining Engineer, and the original and 11 copies of an engineering report by C. M. Harrer, covering Docket No. DMEA 3706.

The applicant applied for exploration assistance in the amount of $104,900.00 to explore the Philura group of claims with 20,980 feet of diamond drilling. The property was examined on April 20, 1955, by representatives of Geological Survey and the Bureau of Mines. The results of Geological Survey drilling 1.1 miles south and a study of the cliff exposures does not indicate a favorable location for uranium exploration. The proposed work would be prospecting, not exploration.

The Geological Survey plans to drill some exploratory holes close to the northern edge of the property. It is recommended that the application be denied without prejudice, and the applicant notified that if the results of the Geological Survey drilling are favorable, we would consider a revised application based upon these results.

John F. Shaw
John F. Shaw
Supervising Mining Engineer

Enclosures

cc: 11 w/orig
DMEA 3706
Chron

JFS/mh

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JUN - 7 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA 3706
Philura group of claims
Uradco Uranium, Inc.
San Miguel County, Colorado

Uranium

Owen T. Marsh, Geologist
Geological Survey

C. M. Harrer, Mining Engineer
Bureau of Mines

May 4, 1955

DMRA 3706
PHILIBA GROUP OF CLAIMS
URADO URANIUM, INC.
SAN MIGUEL COUNTY, COLO.

RECEIVED
JUN - 7 1956

Summary, Conclusions, and Recommendations

By Owen T. Marsh
Geologist
Geological Survey

C. M. Harrer
Mining Engineer
Bureau of Mines

TRANSMITTED
JUN - 2 1955

DMEA 3706
PHILURA GROUP OF CLAIMS
URADO URANIUM, INC.
SAN MIGUEL COUNTY, COLO.

RECEIVED
JUN - 7 1955

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Owen T. Marsh and C. M. Barrer

Urado Uranium, Inc., 304 Main St., Grand Junction, Colo., has applied for Defense Minerals Exploration Administration assistance to explore the Philura group of claims with 20,980 feet of size AX drill holes at an over all cost of $104,900.00.

Field investigation of the property was made on April 20, 1955, by representatives of the Geological Survey and Bureau of Mines. Lewis D. Anderson, secretary-treasurer of Urado Uranium, Inc., represented the applicant.

The Philura claims nos. 65, 66, 67, 68, 76, 77 and 78 are unpatented mining lode locations comprising 145 acres in secs. 9, 10, 15 and 16, T. 43 N., R. 18 W., Lower San Miguel Mining District, in San Miguel County, Colo. They are owned by a partnership represented by the member Simpson Mining Company of Grand Junction, Colo., and are held under a 5-year renewable lease by the applicant Urado Uranium, Inc., also of Grand Junction.

Most of the claims are covered by the Brushy Basin member of the Jurassic Morrison formation.

Deposits of uranium-vanadium ore in the broadly general "Slick Rock" area occur in the upper 230 feet of the Salt Wash member of the Jurassic Morrison formation, just beneath the Brushy Basin member. Uranium and vanadium are found in lenses of sandstone associated with concentrations of carbonaceous material and are generally underlain by grayish green mudstone.

The only exposures of the Salt Wash are in the southern half of the Philura claims 76 and 77. The results of the Geological Survey drilling 1.1 miles to the north and the lithology of cliff exposures of the Salt Wash examined does not indicate a favorable location for uranium exploration and places it in the "wild cat" or prospect class.

Two very small vanadium exposures on the Spur No. 2 claim to the south, not controlled by the applicant, were low grade and very low in uranium content and an examination of the driller's logs of 30 wagon drill holes put down on the claim during 1953 to depths of 63 to 153 feet indicated unfavorable structure and no uranium or vanadium mineralization.

It is recommended that this application be denied without prejudice for the following reasons: (1) The applicant proposes a wild cat drilling program which would not be testing for a known favorable trend, (2) Production from known deposits in adjacent areas has been small, (3) Except for the thickness of the sandstones, the lithology is not particularly favorable, (4) The favorable and semi-favorable holes drilled by the U. S. Geological Survey are too far away to be a reliable indication of ground conditions in the Philura group, and (5) The U. S. Geological Survey plans in the near future to drill a number of exploratory holes very close to the northern edge of the Philura group. The applicant is advised to wait for the results of this drilling; and if these holes prove to be favorable, DMEA assistance on the Philura claims can be reapplied for at a later date.

DMEA 3706
PHILMRA GROUP OF CLAIMS
UBADO URANIUM, INC.
SAN MIGUEL COUNTY, COLO.

RECEIVED
JUL - 7 1955

Engineering Report

By C. M. Harrer
Mining Engineer
Bureau of Mines

DMRA 3706
PHILURA GROUP OF CLAIMS
URADO URANIUM, INC.
SAN MIGUEL COUNTY, COLO.

CONTENTS

	Page
Engineering Report	
Introduction	1
Acknowledgments	1
Location, topography, and physical features	1
History and production	2
Ownership and extent	3
Description of deposits	4
Minable ore reserves	5
Present status	5
Exploration and development	5
Mining and milling and other facilities	5
Proposed Exploration and costs	5
Conclusions	8
Recommendations	8

ILLUSTRATIONS

Figure	Follows Page
1. Location map, Philura group of claims, Urado Uranium, Inc., San Miguel County, Colo., DMRA 3706	1
2. Map of proposed drilling and field relationships on the Philura group of claims, Urado Uranium, Inc., San Miguel County, Colo., DMRA 3706	1

DMEA 3706
PHILURA GROUP OF CLAIMS
URADO URANIUM, INC.
SAN MIGUEL COUNTY, COLO.

ENGINEERING REPORT

By C. M. Harrer

INTRODUCTION

Urado Uranium, Inc., 304 Main Street, Grand Junction, Colo., has requested assistance of the Defense Minerals Exploration Administration to explore the Philura group of unpatented lode claims (figs. 1 and 2) for uranium-vanadium. Their DMEA application requests participation in completing a two stage exploration program consisting of 73 size AX diamond drill holes, totalling 20,980 feet, at an over all cost of $104,900.00. The proposed program would explore the Salt Wash member of the Jurassic Morrison formation for deposits of uranium-vanadium ore.

Field examination was made on April 20, 1955, by a Geological Survey and Bureau of Mines examining team, accompanied by a representative of the applicant.

ACKNOWLEDGMENTS

Lewis D. Anderson, consulting mining engineer and Secretary-Treasurer of Urado Uranium, Inc., accompanied the examining team and represented the applicant.

Owen T. Marsh, geologist of the Geological Survey in the Slick Rock area, was the Geological Survey member of the examining team.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The Philura group (fig. 2) consists of 7 unpatented, standard lode claims in secs. 9, 10, 15, and 16, T. 43N., R. 18 W., N.M.P.M., in the Lower San Miguel Mining District of San Miguel County, Colorado.

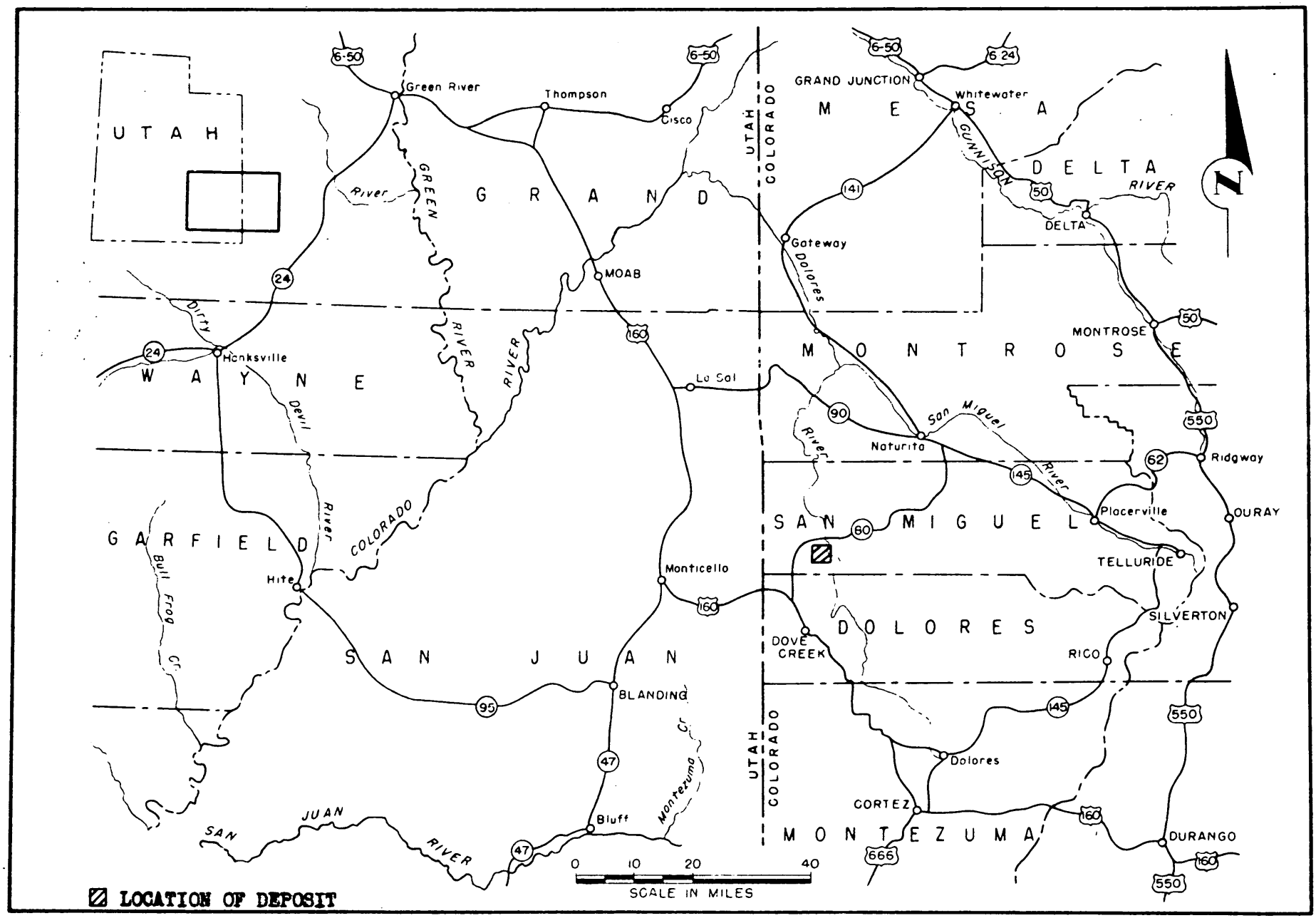


FIGURE 1 - LOCATION MAP, PHILURA GROUP OF CLAIMS, URADO URANIUM, INC., SAN MIGUEL COUNTY, COLO.
DMEA 3706

Altitudes range between 5,600 to 6,200 feet above sea level. The property is 4.6 air miles southeast of Slick Rock, Colo., and is accessible over 7 miles of very rough, steep and tortuous Jeep trails. The property is also 50 miles southwest of Naturita over Colorado State Highway 80 and rough access roads; 104 miles southwest of Montrose; 170 miles south of Grand Junction; and 65 miles south of Uravan. The nearest railroad is the Denver and Rio Grande Western at Ridgeway, about 95 miles east.

Labor, supplies, and light equipment can be obtained at Naturita, Norwood and Uravan. Equipment of all kinds is available at Grand Junction.

Annual rainfall in the area is very light and the climate is semi-arid. Winter snowfall seldom exceeds 6 inches and mining operations can be maintained throughout the year. Water for drilling, mining and domestic use must be trucked in to the property from the Dolores River, about 7 miles distant.

Ore treatment plants are located at Naturita, Colo., 50 miles distant; at Uravan, Colo., 65 miles distant; at Monticello, Utah, 48 miles distant; and at Durango, Colo., 135 miles distant.

HISTORY AND PRODUCTION

The Philura group of standard lode locations was discovered and located by Simpson Mining Company, et al., of Grand Junction, Colo., on February 27, 1953. The locations were amended to conform to Public Law 585 on August 18, 1954. The claims are now held under lease by the applicant, Urado Uranium, Inc. There has been no production from the property and production from the nearest properties has been small.

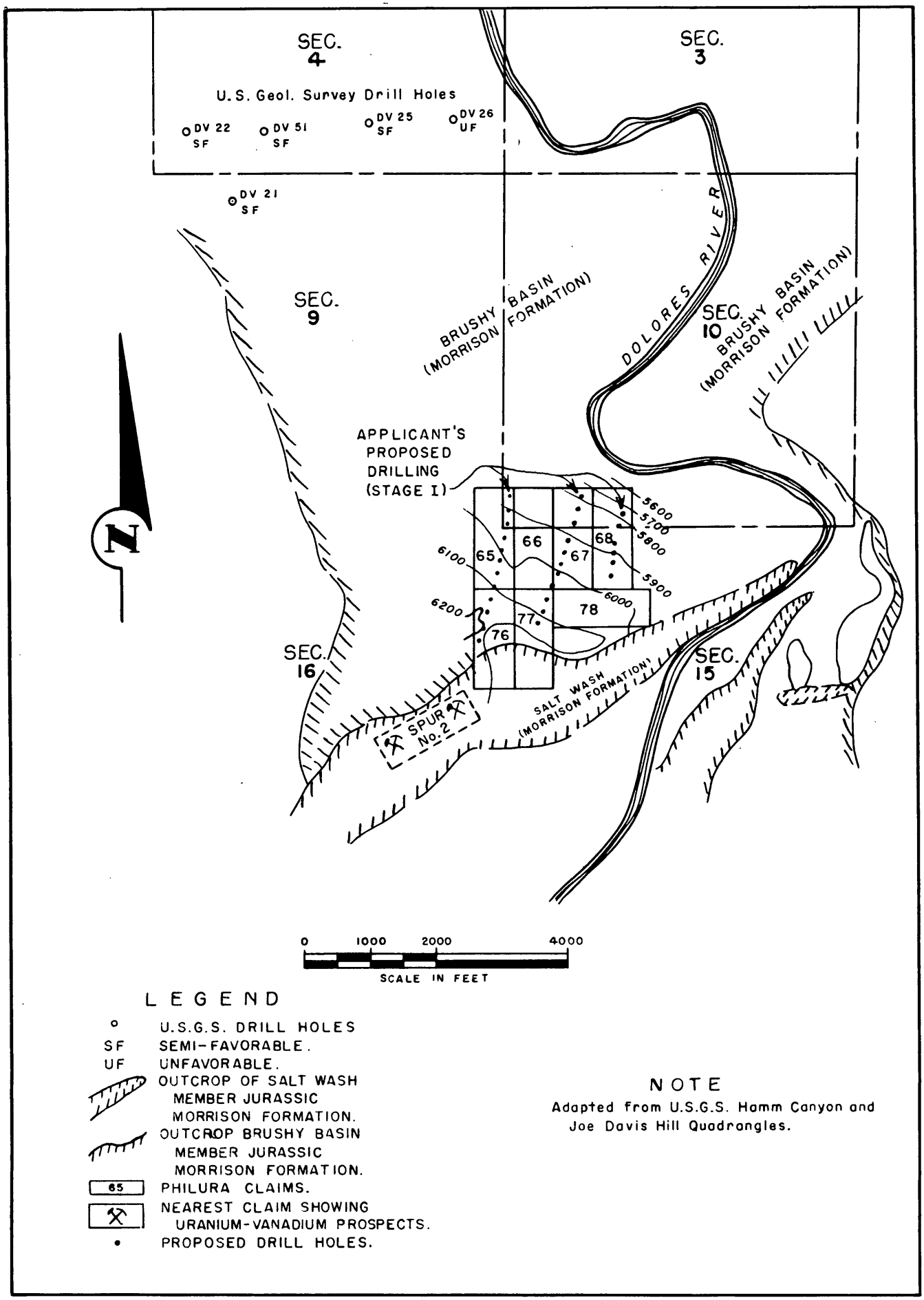


FIGURE 2 - MAP OF PROPOSED DRILLING AND FIELD RELATIONSHIPS ON THE PHILURA CLAIMS, URADO URANIUM, INC., SAN MIGUEL COUNTY, COLO. DMEA 3706

OWNERSHIP AND EXTENT

The contiguous group of standard lode locations Philura nos. 65, 66, 67, 68, 76, 77 and 78, comprising about 145 acres, (fig. 2) are held under a 5-year lease agreement with option for renewal as long as merchantable ores are mined and sold therefrom. The lease was signed on November 9, 1954, by the lessor, a partnership consisting of:

Name	Address	Percent Participation
Simpson Mining Co.	304 Main St., Grand Junction, Colo.	25
W. D. McDavid	San Antonio, Texas	30
Arthur Hamilton	Dallas, Texas	9
Otis Phillips, Jr.	Dallas, Texas	9
John W. Harris	San Antonio, Texas	9
Rex Phillips	San Antonio, Texas	9
Kathleen P. or Graham B. Ladd	San Antonio, Texas	9
		100

and the lessee, Urado Uranium, Inc., also with offices at 304 Main St., in Grand Junction. Officers of the corporation are:

Office	Name	Address
President	Louis F. Gaggini	Norwood, Colo.
Vice President	Harold A. Culp	1200 Texas Ave., Grand Junction, Colo.
Sec.-Treasurer	Lewis B. Anderson	Norwood, Colo.
Director	M. R. Novicov	Aspen, Colo.
Director	Roy Stone	Olathe, Colo.

The claims were located by the lessor on February 27, 1953, and recorded on May 25, 1953, and amended to conform to the requirements of Public Law 585 on August 18, 1954. They are recorded in the San Miguel County court house at Telluride as follows:

Claim	Location Certificate Book	Location Certificate Page	Amended Location Certificate Book	Amended Location Certificate Page
Philura No. 65	224	266	240	592
Philura No. 66	224	267	240	593
Philura No. 67	224	268	240	594
Philura No. 68	224	269	240	595
Philura No. 76	224	277	240	603
Philura No. 77	224	278	240	604
Philura No. 78	224	279	240	605

One of the stipulations of the lease requires the lessee to apply for Defense Minerals Exploration Administration assistance on or before February 15, 1955, and to furnish the lessor with a copy of the application on or before the date of submission.

DESCRIPTION OF DEPOSITS

Deposits of uranium-vanadium are in the general area occur in the upper 230 feet of the Salt Wash member of the Jurassic Morrison formation. Uranium and vanadium are found in favorable lenses of sandstone associated with concentrations of carbonaceous material. Ore deposits are generally underlain by grayish-green mudstone.

The lithology of the cliff exposures of Salt Wash formation examined in the southern part of the Philura claims 66 and 67 and the results of the Geological Survey drilling program 1.1 miles to the north does not indicate a favorable location for uranium exploration and places it in the prospect or "wild cat" class. The Spur claim (fig. 2) southwest of the Philura group and not owned by the applicant was examined. Two vanadium exposures on the claim were small and very low in uranium content.

An examination of the driller's logs of 30 Wagon drill holes put down on the Spur No. 2 claim during 1953 to depths of 63 to 153 feet indicated poor structure and no uranium or vanadium mineralization.

MINABLE ORE RESERVES

There are no known ore reserves on the property.

PRESENT STATUS

Exploration and Development

There has been no exploration or mining activity on the property and access to the property is by very rough pioneer roads constructed by others for access to other properties.

Mining and milling Equipment and Other Facilities

There are no equipment or facilities on the property.

PROPOSED EXPLORATION AND COSTS

The applicant, Urado Uranium, Inc., proposes to explore the Philura group of contiguous, standard lode claims, which they have under lease, with a two-stage exploratory drilling program. Stage I would consist of 29 holes (fig. 2) arranged in a grid pattern on 300 by 1,000 foot centers for a total of 8,820 feet. Stage II would be dependent upon the results obtained from Stage I and would consist of an estimated 44 holes for a total of 12,760 feet. Total cost of the exploration program would be $104,900.00 and would include access road and site preparation, and the chemical analysis of 350 samples of core for U_3O_8, V_2O_5 and $CaCO_3$. The applicants costs are distributed as follows:

Independent Contracts: (6a)

Stage I	
2,630 ft. non-core (AX) drilling at $2.00 per ft.	$ 5,260.00
3,060 ft. (AX) core drilling (0-200 ft.) at $2.25 per ft.	6,885.00
1,650 ft. (AX) core drilling (200-300 ft.) at $2.50 per ft.	4,125.00
780 ft. (AX) core drilling (300-400 ft.) at $2.75 per ft.	2,145.00
100 ft. (AX) core drilling (400-500 ft.) at $3.25 per ft.	325.00

8,220 Total		$18,740.00

Stage II

4,080 ft. (AX) non-core drilling at $2.00 per ft.	$ 8,160.00	
4,720 ft. (AX) core drilling (0-200 ft.) at $2.25 per ft.	10,620.00	
2,550 ft. core drilling (AX) (200-300 ft.) at $2.50 per ft.	6,375.00	
1,280 ft. (AX) core drilling (300-400 ft.) at $2.75 per ft.	3,520.00	
130 ft. (AX) core drilling (400-500 ft.) at $3.25 per ft.	422.50	
12,760 ft. Total		$29,097.50
Reaming 5,245 ft. at $1.50 per foot		7,867.50
Casing 1,050 ft. at $2.00 per foot		2,100.00
Road and drill site preparation		4,900.00
Total cost of independent contracts		$62,705.00

The applicant's costs for diamond drilling are comparable with standard drilling bids in the area. Reaming and casing, however, are not allowable costs or justified in the area. The cost of preparing roads and drill sites is standard for the area.

Labor, Supervision, and Consultants (6b)	Cost for Project
Geo-Engineering fees at $1,000.00 per month	$12,000.00
expenses at 250.00 per month	3,000.00
Draftsman at $3.00 per hour or $150.00 per month	1,800.00
Typist at $2.25 per hour or $112.50 per month	1,350.00
Sampler and Field assistant at $375.00 per month	4,500.00
	$22,650.00

The above costs are excessive and would be about $11,000 under ordinary circumstances and assuming a full time field geologist or engineer at $500.00 per month.

Operating Materials and Supplies (6c)	Cost for Project
Office supplies, map and drill log reproductions, etc., at $150.00 per month	$ 1,800.00
Survey stakes and field supplies	200.00
	$2,000.00

These costs are excessive and would be about $300.00 for the job.

New Buildings, Installations, etc. (6f)	Cost for Project
1 - trailer house for project personnel at $50.00 per month	$ 600.00
This cost is not allowable as living quarters but would be acceptable for use as a field office.	
	$ 600.00

Miscellaneous (6g)

Accounting expenses at $100.00 per month	$ 1,200.00
Payroll taxes at 10% of $637.50	765.00
Analytical Work (350 samples for U_3O_8, V_2O_5 and $CaCO_3$)	2,100.00
	$ 4,065.00

Accounting for a project using one drill on a single shift basis is excessive and should not be allowed. Payroll taxes in this case would be 5% of $11,000.00 or $550.00. Chemical analyses are standard costs for the area.

Contingencies (6h)

for 6a above 15% of $60,605.00	$ 9,091.00
for 6b above 10% of $22,650.00	2,265.00
for 6c above 20% of $ 2,000.00	400.00
for 6f above 20% of $ 600.00	120.00
for 6g above 20% of $ 1,965.00	984.00
	$12,860.00

The contingencies are not allowable.

Total Cost of the Project	$104,880.00
The applicant's estimate is	$104,900.00

Total cost of drilling 20,980 feet of size AX hole, including the preparation of access roads and drill sites but not analysis of samples is estimated by the applicant at $4.90 per foot. This is very high.

Total over all cost per foot of hole is estimated by the applicant as $5.00.

CONCLUSIONS

The applicant's exploration program is in an area not favorable for the discovery of significant uranium ore bodies and is considered as a "wild cat" project. The nearest exploration to the north, by the U. S. Geological Survey, is 1.1 miles distant and the trend towards the property indicates semi-favorable to unfavorable ground. These holes are too far away to be a reliable indication of ground conditions on the Philura group. The Spur No. 2 claim, just southwest of the property, has two small exposures of vanadium with very little uranium indicated, and the examination of the drill logs of an extensive exploration program on it indicates unfavorable ground and no evidence of uranium-vanadium. The examination of rim-rock exposures of the Salt Wash member of the Jurassic Morrison formation in the southern part of the claims showed structure not particularly favorable for the occurrence of significant bodies of uranium-vanadium ore and no visible outcroppings of uranium-vanadium mineralization.

The Geological Survey plans an exploratory drilling program which will approach the northern edge of the Philura group in the near future and the results of this program may make a re-evaluation of the applicant's exploration program advisable at a later date.

RECOMMENDATIONS

Because of the semi-favorable to unfavorable characteristics of the area represented by the applicant's claims and the "wild cat" nature of the proposed exploration program, it is recommended that the application be denied without prejudice; subject to review only if the applicant can present more conclusive evidence of uranium mineralization on his property either by "wild cat" exploration or any future exploration drilling in the vicinity of the property, by private interests or the Geological Survey.

/mh

IN REPLY REFER TO:

DMEA
Date Rec'd.
MAY 27 1955
BUREAU OF MINES
Denver, Colorado

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

May 27, 1955

TRANSMITTED
JUN - 2 1955

Memorandum

To: Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 3706 (Uranium), Urado Uranium, Inc., Philura group of claims, San Miguel County, Colorado

Enclosed are 10 copies of a geologic report by Owen T. Marsh, U. S. Geological Survey, covering his examination of the subject claims.

Marsh concludes that there are no specific exploration targets on the claims, that the geologic conditions are not known to be favorable for the occurrence of significant uranium deposits, and that known deposits in the surrounding areas have been small.

Since the Geological Survey plans to drill close to the northern edge of the Philura group, Marsh recommends denial of the application without prejudice. Should this drilling prove the area to be more favorable than now believed a new application would receive consideration.

I concur with this recommendation.

D R McLaren
for E. N. Harshman
Member, Field Team

Enclosures (10)

ENHarshman:arh

MINERAL DEPOSITS
DMEA
RECEIVED
MAY 26 1955
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

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

May 12, 1955

Memorandum

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

From: W. P. Williams

Subject: DMEA 3706, Urado Uranium, Inc., Philura group of claims, San Miguel County, Colorado (Uranium)

Transmitted herewith are 11 copies of a geologic report by Owen T. Marsh, covering a field examination of the above-referenced property. Returned herewith is the brochure covering this application.

Marsh recommends denial of the application because (1) the program would be of a wildcat nature, (2) production in the vicinity has been very small and (3) the lithology and geologic conditions on the property do not appear favorable for the occurrence of significant ore deposits. I concur with Marsh's recommendation.

This application has been brought to the attention of the Exploration Division, U. S. Atomic Energy Commission, Grand Junction Operations Office. The Commission had no specific information by which to evaluate the property.

We are sending one copy of the field examination report to John F. Shaw for his information.

W P Williams

W. P. Williams,
Geologist

WPW/mlr
Enclosures
cc: John F. Shaw

UNITED STATES DEPARTMENT OF THE INTERIOR

DOUGLAS McKAY, SECRETARY

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

DMEA 3706, Urado Uranium, Inc., Philura group of claims
San Miguel County, Colorado

Uranium

Geologic Report

Owen T. Marsh
U. S. Geological Survey

May 13, 1955

DMEA 3706

INTRODUCTION

Urado Uranium, Inc., 304 Main Street, Grand Junction, Colo., has submitted an application to the Defense Minerals Exploration Administration, prepared by Geo-Engineering of the same address. The application, Docket No. 3706, requests DMEA assistance in exploring for uranium ore on the Philura group of claims. These claims are located in the Disappointment Valley area, secs. 9, 10, 15, and 16, T. 43 N., R. 18 W., Lower San Miguel Mining District, San Miguel County, Colorado, (fig. 1).

The property was examined on April 20, 1955, by C. M. Harrer, U. S. Bureau of Mines representative; O. T. Marsh of the U. S. Geological Survey; and L. D. Anderson, engineer and representative for the applicant company.

GEOLOGY AND ORE DEPOSITS

The Philura group of claims is located on the southwest limb of the Disappointment syncline, immediately west of the Dolores River. The claims are underlain by the Upper Jurassic Brushy Basin and Salt Wash members of the Morrison formation (see figure 2 showing generalized geologic setting of the Philura group).

The Brushy Basin member of the Morrison formation, which underlies nearly all of the Philura group, comprises about 340 feet of reddish and greenish mudstones with minor siltstones, sandstones, and conglomerates. Underlying the Brushy Basin is the 320-foot-thick Salt Wash member of the Morrison formation which consists of light gray, limonite-speckled sandstone in the upper third and predominantly-reddish sandstone in the lower

two-thirds. The thickest sandstones exposed in the southern part of the Philura group are 35-40 feet thick. These beds appear to thin to the northeast. Mudstone layers are uncommon in the Salt Wash of this area. Where they occur they are less than 3 feet thick--generally much thinner--and are predominantly red, although a few thin green mudstones were observed.

There are several shallow prospect pits on the Spur No. 2 claim about 1,000 feet southwest of the Philura group. Probably not more than a few tons of vanadium ore were shipped from these prospects, and all have been abandoned for some time. U. S. Vanadium Corporation's Full Moon No. 7 claim about half a mile southwest of the Philura group has yielded 409 tons of ore having a grade of 0.23 percent U_3O_8 and 1.63 percent V_2O_5. Currently a few tens of tons a month of ore are being shipped from two prospects half a mile southeast of the Philura group. This ore contains about 0.1 percent U_3O_8 and 1.0 percent V_2O_5.

EXPLORATORY DRILLING IN ADJACENT AREAS

An area northwest of the Philura group has been tested by a U. S. Geological Survey drilling program. The nearest of these holes to the Philura claims are over a mile away and have been designated by Survey geologists as semi-favorable.

About half a mile southwest of the Philura claims at least 30 wagon-drill holes, ranging in depth from 63 to 153 feet, have been drilled on the Spur No. 2 and Darrel E. claims. Driller's logs of these holes show no ore, except for one hole in which a trace of vanadium ore was reported.

PROPOSED EXPLORATION

A $104,900.00 drilling project is proposed. A total of 29 holes (20,980 feet of core drilling) would be drilled on a rectangular grid of 300 feet by 1,000 feet. In the event that any of these holes penetrated favorable ground, Urado Uranium, Inc., might recommend offsetting them.

CONCLUSIONS AND RECOMMENDATIONS

It is recommended that this application be denied without prejudice for the following reasons: (1) The applicant proposes a wildcat drilling program which would not be testing for a known favorable trend, (2) Production from known deposits in adjacent areas has been small, (3) Except for the thickness of the sandstones, the lithology is not particularly favorable, (4) The favorable and semi-favorable holes drilled by the U. S. Geological Survey are too far away to be a reliable indication of ground conditions in the Philura group, and (5) The U. S. Geological Survey plans in the near future to drill a number of exploratory holes close to the northern edge of the Philura group. The applicant is advised to wait for the results of this drilling; and if these holes prove to be favorable, DMEA assistance on the Philura claims can be reapplied for at a later date.

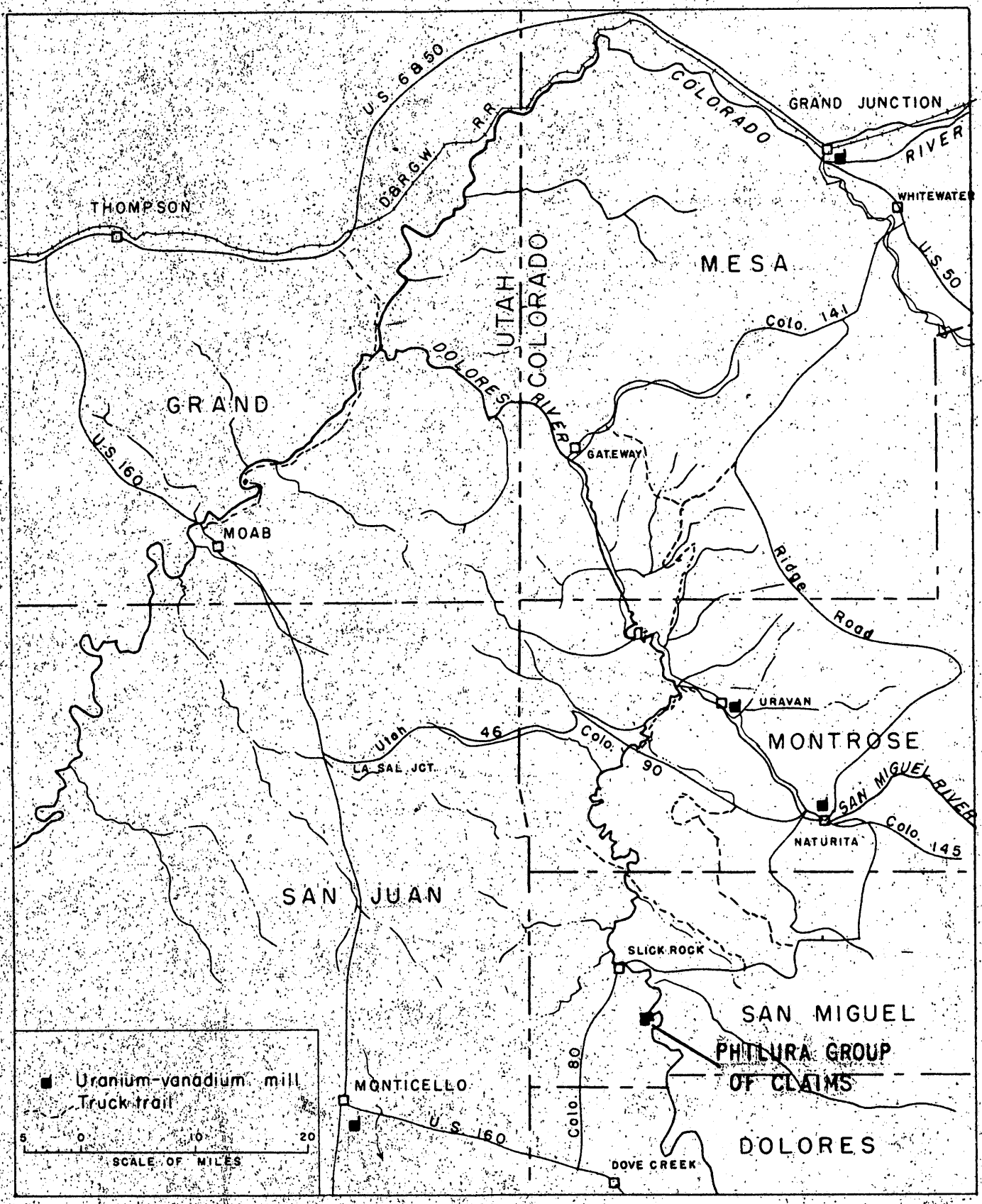
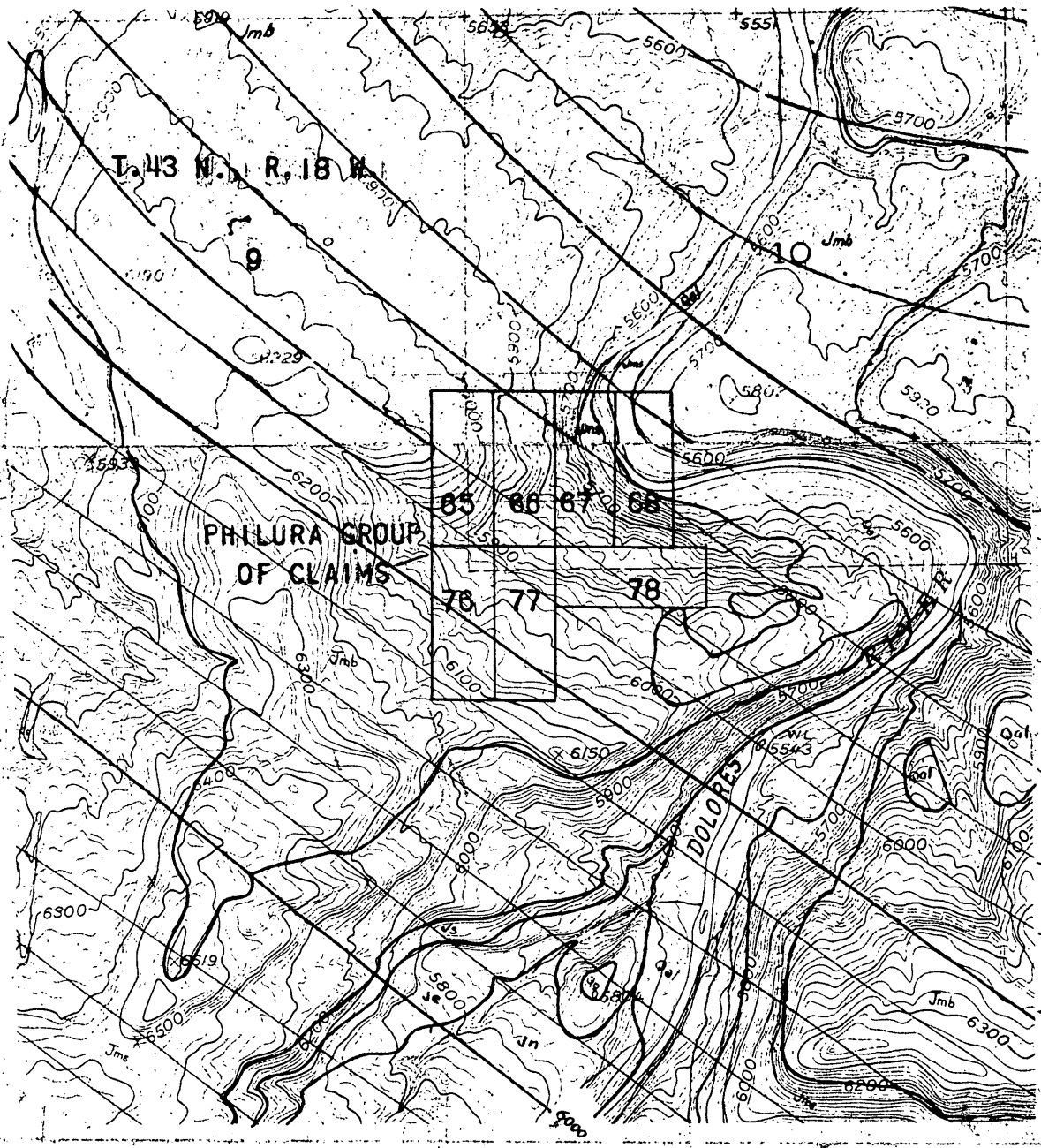


Figure 1. INDEX MAP OF PART OF THE COLORADO PLATEAU SHOWING LOCATION OF PHILURA GROUP OF CLAIMS, URADO URANIUM INC., SAN MIGUEL COUNTY, COLORADO



EXPLANATION

Qal	QUATERNARY ALLUVIUM
Qg	QUATERNARY GRAVEL
Jmb	JURASSIC BRUSHY BASIN MEMBER OF MORRISON FORMATION
Jms	JURASSIC SALT WASH MEMBER OF MORRISON FORMATION
Js	JURASSIC SUMMERVILLE FORMATION
Je	JURASSIC ENTRADA SANDSTONE
Jn	JURASSIC NAVAJO SANDSTONE

5800 STRUCTURE CONTOUR ON TOP OF ENTRADA SANDSTONE

GEOLOGIC CONTACT

Note: TOPOGRAPHY AND GEOLOGY FROM U.S. GEOLOGICAL SURVEY QUADRANGLE MAPS HAMM CANYON AND JOE DAVIS HILL
CLAIM BOUNDARIES FROM APPLICANTS MAP

2000 0 4000 FEET

Figure 2. GEOLOGIC AND TOPOGRAPHIC MAP SHOWING PART OF PHILURA GROUP OF CLAIMS, URADO URANIUM INC., SAN MIGUEL COUNTY, COLORADO