Surname copy 700

Murphy
Ellis
Bishop
Kilegaard
Selfridge

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

OCT 26 1955

Mr. Louis P. Gaggini, President
Urado Uranium, Incorporated
c/o Geo-Engineering
304 Main Street
Grand Junction, Colorado

Re: Docket No. DMEA-3706 (Uranium)
Philura claims
San Miguel County, Colorado

Dear Mr. Gaggini:

Your application for aid in an exploration project and other information available to us in Washington concerning your above-named property have been reviewed.

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 indicates to us that the probability of disclosing minable ore reserves by your proposed program is not sufficiently promising to justify Government participation. We regret to advise you, under these circumstances, that your application for exploration assistance is denied. Such denial, however, is made without prejudice. In the event further work on your part discloses new and more favorable evidence of ore deposition on the property, we shall be pleased to consider a new application.

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

Sincerely yours,

Frank E. Johnson By EST
Acting Administrator

FMMurphy/gla
10-24-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, OSA
Code 700
Mr. Murphy
DMEA Field Team, Region III (2)

R.C.G.

10/27/55 gla

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

RECEIVED
OCT 26 1955

October 25, 1955

Memorandum

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

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

Subject: Supplemental information, DMEA Docket 3706, Urado Uranium, Inc., Philura claims, San Miguel County, Colorado

I have reviewed the supplemental information dated October 11 and 14 of the Urado Uranium, Inc., DMEA Docket 3706; and I have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission. The supplemental information was received in this office October 24.

The Urado Uranium, Inc., applied early in 1955 for DMEA participation in a uranium exploration program. The program would consist of 20,980-foot drilling program in the Moon area of the Slick Rock district in San Miguel County, Colorado, at an estimated total cost of $104,900.

Supplemental information submitted by the Field Team indicated that USGS drilling in the area has not been closer than one-half mile to the subject claims, and the Survey's holes that were parallel to the northern boundary of the applicant's property showed unfavorable geological trends with respect to the Philura claims. The Field Team recommends that the subject application be denied without prejudice.

Your attention is directed to my memorandum of March 14, 1955, in which I suggested that the application be denied for essentially the same reasons stated in the supplemental information on October 14, 1955, by the Field Team. We reaffirm our previous recommendation at this time.

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

John E Crawford
John E. Crawford

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

RECEIVED
OCT 26 1955

October 25, 1955

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Uranium Commodity Committee, Room 4445

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John E. Crawford

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

RECEIVED
OCT 26 1955

October 25, 1955

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Uranium Commodity Committee, Room 4445

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

John E. Crawford

Docket copy 700

Murphy
Ellis

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

October 24, 1955

Summary of Proposed Project

Object: Denial of application for exploration aid.

Docket No.: DMEA-3706

Commodity: Uranium

Applicant: Urado Uranium, Inc.
Louis P. Gaggini, President
c/o Geo-Engineering
304 Main Street
Grand Junction, Colorado

Property: Lessee, Philura claims Nos. 65 through 68, 76 through 78, in sec. 9, 10, 15, and 16, T. 43 N., R. 18 W., San Miguel County, Colorado

Date of application: February 4, 1955

Referred to Region III, March 18, 1955.
Field Team Report recommending denial without prejudice received June 7, 1955.

On June 8, under the Administrator's signature, Mr. Gaggini was advised that the application would be held in abeyance pending results of proposed USGS drilling adjacent to the property. The Field Team forwarded the following (in part) memorandum, dated October 11, 1955, from D. D. Haynes, USGS, acting for J. W. Hasler:

"To date drilling by the U. S. Geological Survey has not been closer than 2,500 feet to the northern boundary of the Philura claims. Four holes were drilled parallel to the northern boundary and these holes were either unfavorable or semifavorable.

"The unfavorability of these four holes indicate that no favorable trend is known north of the Philura claims that could be projected into the claims.

"Therefore, I recommend that the application be denied without prejudice."

Excerpts from Field Team Report, June 2, 1955:

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

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, and (4) The favorable and semi-favorable holes drilled by the USGS are too far away to be reliable indications of ground conditions in the Philura group.

Commodity Members' comments:

In memoranda dated June 13 and 17, 1955, by J. E. Crawford, USBM, and N. E. Nelson, USGS, respectively, both concur in the Field Team's recommendation to deny the subject application.

In telephone conversations on October 20, between F.M. Murphy and the above Commodity Members, it was agreed that an additional memorandum would not be required, as both members agree that in view of the October 14 memorandum mentioned above their previous recommendations were sufficient for documentary purposes.

Rare and Miscellaneous Metals Division:

F. M. Murphy, October 21, 1955.

This Division concurs in the Field Team's recommendation to deny the subject application without prejudice.

Ernest Wm. Ellis

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

10/18/55 - gla

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

RECEIVED
OCT 17 1955

224 New Customhouse
Denver 2, Colorado

October 14, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

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

Enclosed are four copies of a memorandum from D. D. Haynes (for J. William Hasler) recommending that the subject application be denied without prejudice. An examination report of the subject application was transmitted to your office June 2, 1955.

W. M. Traver

By J. W. Townsend
J. W. Townsend

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
10/21/55
(Date)

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

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

[redacted]

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

October 11, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: D.D. Haynes for J. William Hasler

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

To date drilling by the U. S. Geological Survey has not been closer than 2,500 feet to the northern boundary of the Philura claims. Four holes were drilled parallel to the northern boundary and these four holes were either unfavorable or semifavorable.

The unfavorability of these four holes indicate that no favorable trend is known north of the Philura claims that could be projected into the claims.

Therefore, I recommend that the application be denied without prejudice.

D. D. Haynes
D. D. Haynes,
Geologist

DDH/mlr

cc: E. N. Harshman

Reviewed by
DMEA OPERATING COMMITTEE
10/21/55

10/25/55 gla

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

RECEIVED
OCT 17 1955

224 New Customhouse
Denver 2, Colorado

October 14, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

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

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W. M. Traver

By J. W. Townsend
J. W. Townsend

Enclosures

10-21-55

IN REPLY REFER TO:
DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Date Rec'd: OCT 1955

BUREAU OF MINES
Denver, Colorado

RECEIVED
OCT 17 1955

October 11, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: D.D. Haynes for J. William Hasler

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

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The unfavorability of these four holes indicate that no favorable trend is known north of the Philura claims that could be projected into the claims.

Therefore, I recommend that the application be denied without prejudice.

D. D. Haynes
D. D. Haynes,
Geologist

DDH/mlr

cc: E. N. Harshman

10-21-55

10/13/55 - gfa

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

RECEIVED
OCT 12 1955

October 7, 1955

224 New Customhouse
Denver 2, Colorado

Memorandum

To: J. W. Hasler

From: Executive Officer, DMEA Field Team, Region III

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

Enclosed is a copy of a letter from the Chairman of the Operating Committee dated October 3, 1955.

If the drilling near the northern edge of the Philura Claims has been accomplished, will you please advise the results of that drilling to enable us to reply to the Chairman of the Operating Committee.

W. M. Traver

W. M. Traver

Enclosure

HMC:ab
cc: Sec. Opr. Comm. (2)
Harshman
Docket 3706
Chron.

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

RECEIVED
OCT 12 1955

October 7, 1955

224 New Customhouse
Denver 2, Colorado

Memorandum

To: J. W. Hasler

From: Executive Officer, DMEA Field Team, Region III

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

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W. M. Traver

Enclosure

HMC:ab
cc: Sec. Opr. Comm. (2)
Harshman
Docket 3706
Chron.

Surname copy

700

Murphy
Ellis
Selfridge
Kilsgaard
Mitterdorf

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

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

Re: Docket No. DMEA-3706 (Uranium)
Uracle Uranium, Incorporated
Philbura Claims
San Miguel County, Colorado

Dear Mr. Traver:

We refer to the Administrator's letter of June 8, 1955, addressed to Mr. Louis P. Gaggini, President of Uracle Uranium, Inc., copies of which were forwarded to your office.

In this letter Mr. Gaggini was informed that the subject application would be held in abeyance pending receipt of information which might be obtained as a result of the Geological Survey's anticipated drilling near the northern edge of the Philbura claims.

If such drilling has been done and the results indicate that the subject property is situated along a favorable mineralization trend, then possibly another field examination and report on the property is warranted. Will you kindly advise this office in regard to the Field Team's opinion on this matter?

If no new information is available, we will follow the Field Team's June 2, 1955, recommendation to deny the subject application without prejudice.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

APPROVED:

P. F. Yopes (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

FMMurphy/gla
9-30-55

cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700
Mr. Murphy

6/20/55 gla

IN REPLY REFER TO:

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

RECEIVED
JUN 20 1955

June 17, 1955

Re: DMEA-3706
Urado Uranium Co.
Philura Group
San Miguel Co., Colo.
$104,900.00 - Uranium

Memorandum

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

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

Subject: Review of Field Team report

The results of work on nearby claims and drilling by the U. S. Geological Survey to the north justify the opinion of the Field Team that participation in work on this group at this time is not warranted.

I concur with the recommendation of denial.

N. E. Nelson

N. E. Nelson

IN REPLY REFER TO:

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

June 17, 1955

RECEIVED
JUN 20 1955

Re: DMEA-3706
Uranio Uranium Co.
Philura Group
San Miguel Co., Colo.
$104,500.00 - Uranium

Memorandum

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

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

Subject: Review of Field Team report

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N. E. Nelson

N. E. Nelson

NENelson:hlm
G-6/17/55

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

IN REPLY REFER TO:

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

RECEIVED
JUN 20 1955

June 17, 1955

Re: DMEA-370
Uranda Uranium Co.
Philura Group
San Miguel Co., Colo.
$104,900.00 - Uranium

Memorandum

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

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

Subject: Review of Field Team report

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N. E. Nelson

NENelson:hlm
G-6/17/55

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

IN REPLY REFER TO:

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

RECEIVED
JUN 20 1955

June 17, 1955

Re: DMEA-370
Uranio Uranium Co.
Failure Group
San Miguel Co., Colo.
$104,908.00 - Uranium

Memorandum

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

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

Subject: Review of Field Team report

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N. E. Nelson

NENelson:hlm
G-6/17/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641 Interior
J. O. Kosted, 3210 GSA

6/15/55 gla

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

RECEIVED
JUN 14 1955

June 13, 1955

Memorandum

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

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

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

I have reviewed the Field Team report of examination, Urado Uranium, Inc., DMEA Docket 3706; and I have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

We concur with the recommendations of the Field Team that the application be denied without prejudice. We suggest that the applicant be informed about drilling to be conducted by the U. S. Geological Survey south of the Philura group of claims. If favorable results are obtained from the Geological Survey's drilling, Urado Uranium, Inc., may wish to reapply for exploration assistance.

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

John E. Crawford

John E. Crawford

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

RECEIVED
JUN 14 1955

June 13, 1955

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John E. Crawford

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

RECEIVED
JUN 14 '55

June 13, 1955

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

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John E. Crawford

Surname 700
Murphy
Ellis

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

JUN - 8 1955

Mr. Louis A. Gaggini, President
Urado Uranium, Incorporated
c/o Geo-Engineering
304 Main Street
Grand Junction, Colorado

Re: Docket No. DMEA-3706 (Uranium)
Philura Claims
San Miguel County, Colorado

Dear Mr. Gaggini:

In connection with your subject application the DMEA Field Team has just advised us that the Geological Survey plans to drill some exploratory holes close to the northern edge of the captioned property. Information resulting from this drilling will then be made available to DMEA.

Since these data may be of great value in preparing any well planned program of exploration on the property we are holding the subject application in abeyance until completion of the above-mentioned U.S.G.S. program. After the results of this program are known, we shall advise you, and then if you wish, we shall continue the processing of your application.

Will you kindly advise this office if you are in accord with the above procedure with regard to the subject application.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

FMurphy:am
6-8-55
cc to: Admr. Reading File
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Murphy
DMEA Field Team, Region III(2)

R.C.h.

6/13/55 gla

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

RECEIVED
JUN - 7 1955

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

Reviewed by
DMEA OPERATING COMMITTEE
6-10-55
(date)

TRANSMITTED
JUN - 2 1955

DMEA
Date Rec'd.
MAY 6 1955

RECEIVED
BUREAU OF MINES
MAY 7 1955
Denver, Colorado

Region III

Building 20, Room 137
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, Uredo 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
Supervising Mining Engineer

Enclosures

cc: 11 w/orig
DMEA 3706
Chron

JFS/mh

Approved for
DMEA Operations Division
6-10-55
(date)

RECEIVED
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
Urado Uranium, Inc.
San Miguel County, Colorado

Uranium

Owen T. Marsh, Geologist
Geological Survey

C. M. Harrer, Mining Engineer
Bureau of Mines

May 4, 1955

Reviewed by
DMEA OPERATING COMMITTEE
6-10-55
(date)

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
Geologist
Geological Survey

C. M. Harrer
Mining Engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
6-10-55
(date)

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. Harrer

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

Engineering Report

By C. M. Harrer
Mining Engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
6-10-55
(date)

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

RECEIVED
JUN - 7 1955

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1. Location map, Philura group of claims, Urado Uranium, Inc., San Miguel County, Colo., DMEA 3706 1

2. Map of proposed drilling and field relationships on the Philura group of claims, Urado Uranium, Inc., San Miguel County, Colo., DMEA 3706 1

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

RECEIVED
JUN - 7 1955

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.

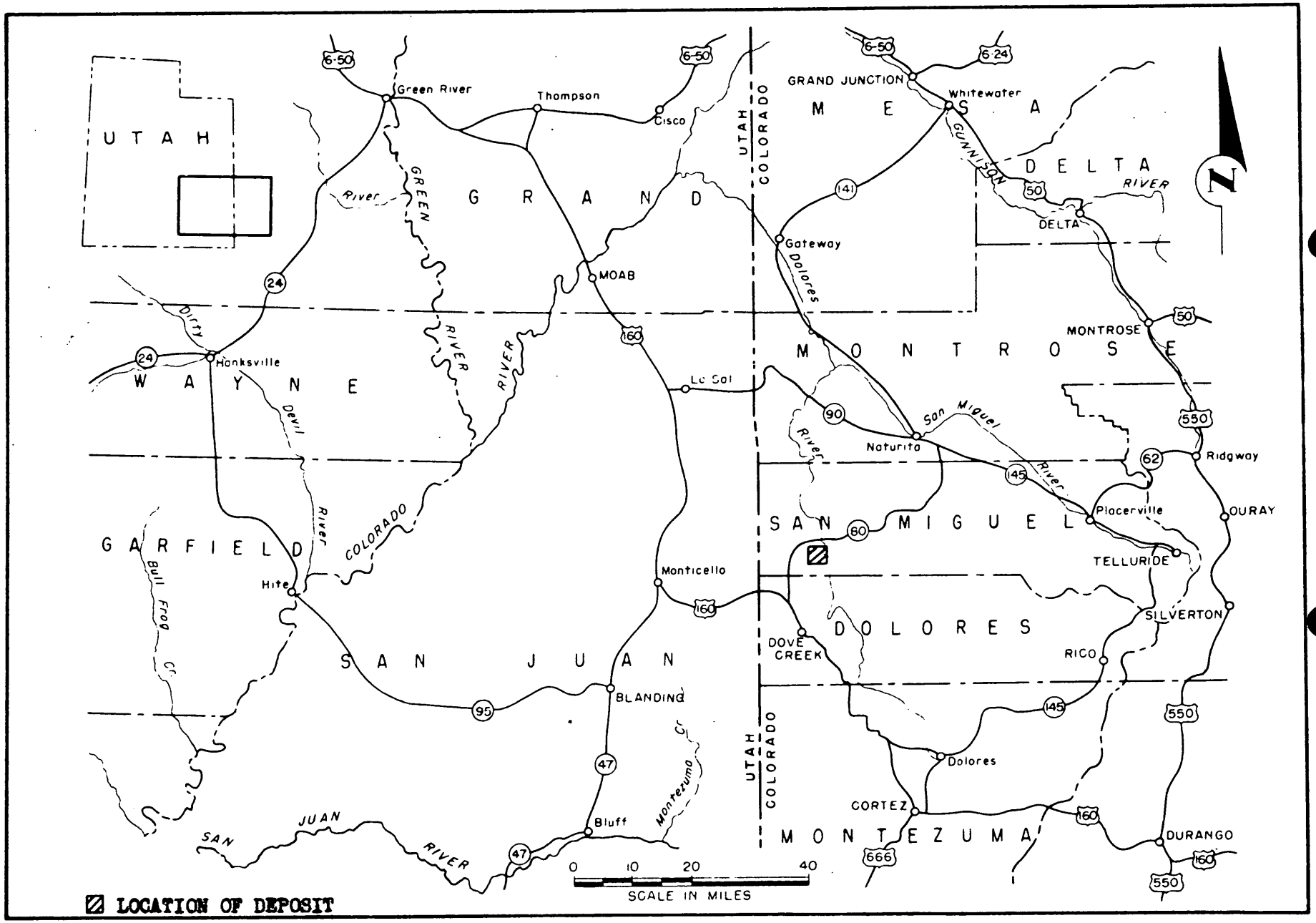


FIGURE 1 - LOCATION MAP, PHILURA GROUP OF CLAIMS, URADO URANIUM, INC., SAN MIGUEL COUNTY, COLO.
DMEA 3706

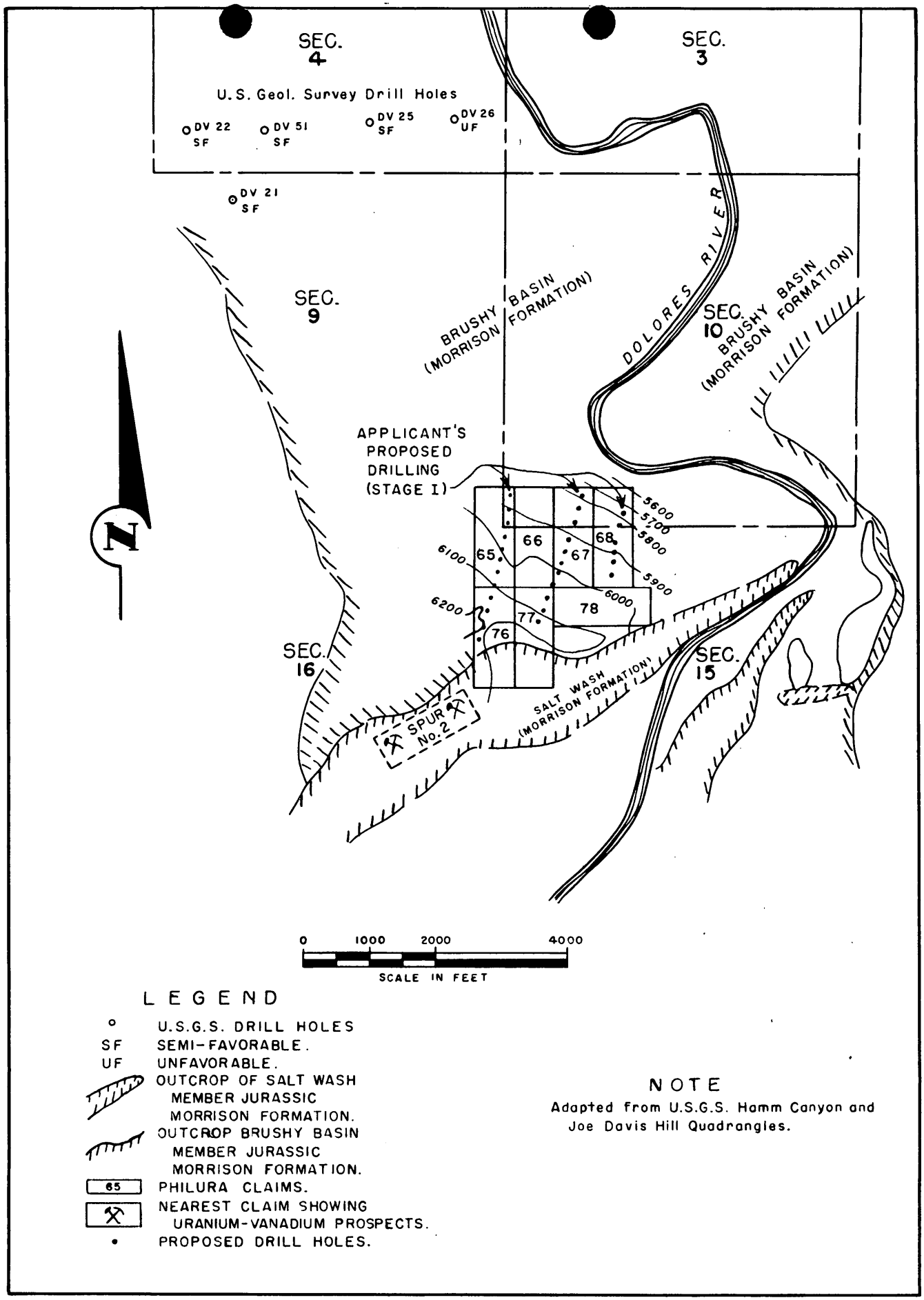


FIGURE 2 - MAP OF PROPOSED DRILLING AND FIELD RELATIONSHIPS ON THE PHILURA CLAIMS, URADO URANIUM, INC., SAN MIGUEL COUNTY, COLO. DMEA 3706

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.

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 P. Gaggini	Norwood, Colo.
Vice President	Harold A. Culp	1200 Texas Ave., Grand Junction,Colo.
Sec.-Treasurer	Lewis D. Anderson	Norwood, Colo.
Director	M. E. Newlove	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 ore 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 8,220 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 50% 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:

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

DMEA
Date Rec'd
MAY 27 1955

BUREAU OF MINES
Denver, Colorado

May 27, 1955

TRANSMITTED
JUN - 2 1955

Memorandum

To: Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 3706 (Uranium), Urade 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.

ORMacLaren
for E. N. Harshman
Member, Field Team

Enclosures (10)

ENHarshman:arh

Reviewed by
DMEA OPERATING COMMITTEE
6-10-55
(date)

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,
Geologist

WPW/mlr
Enclosures
cc: John F. Shaw

6-10-55

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

Reviewed by
DMEA OPERATING COMMITTEE
6-10-55
(Date)

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.

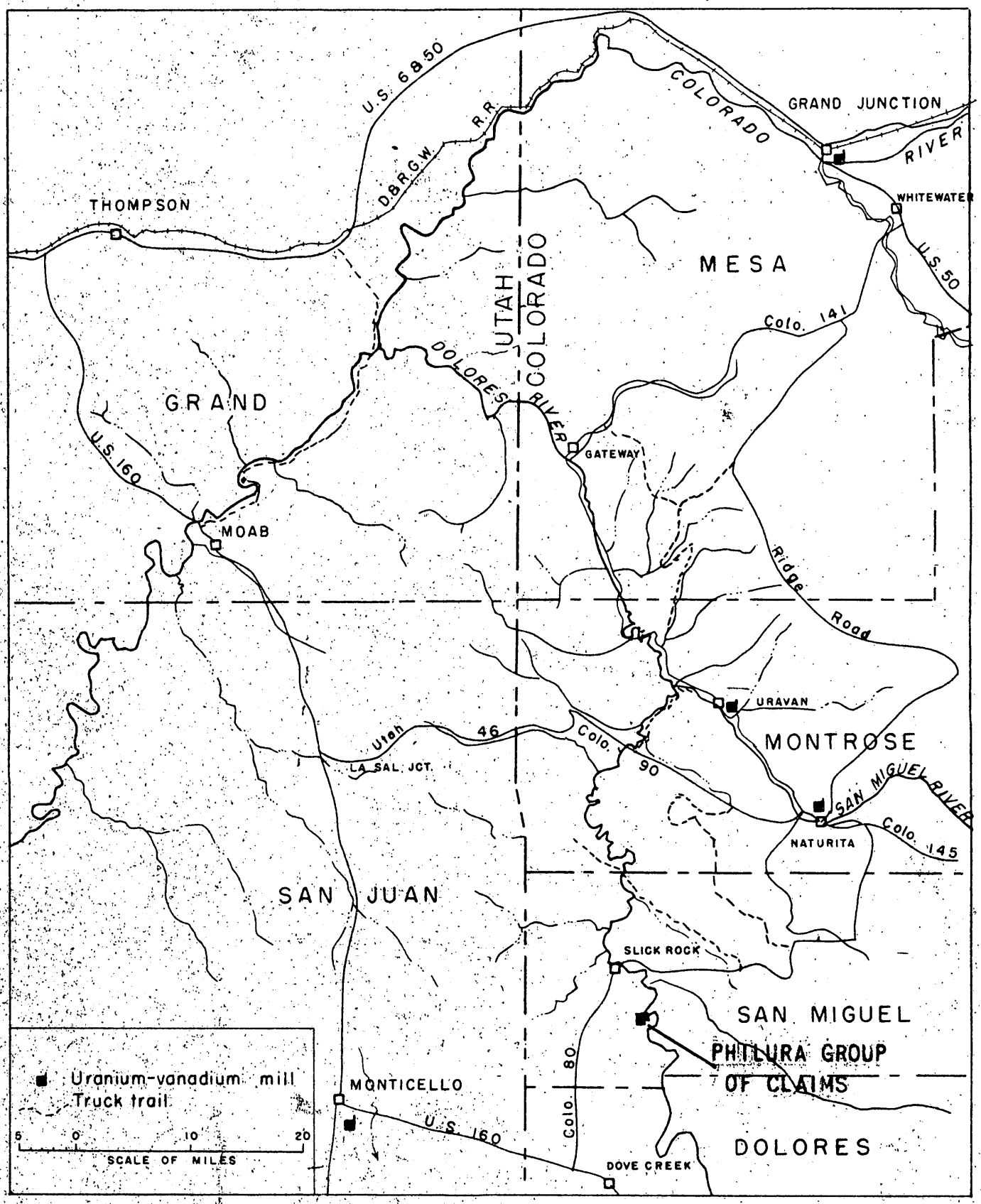
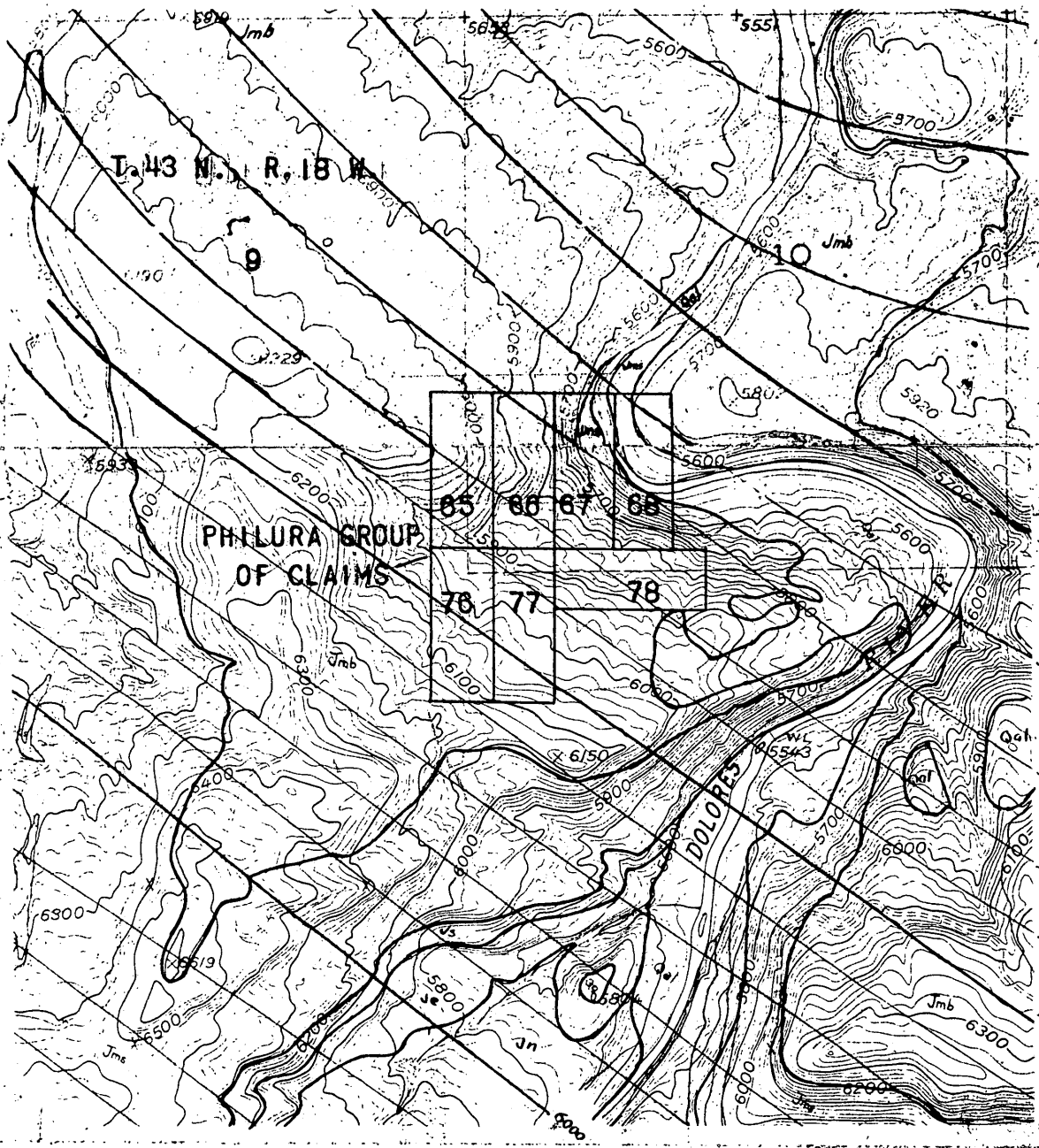


Figure 1. INDEX MAP OF PART OF THE COLORADO PLATEAU SHOWING LOCATION OF PHILURA GROUP OF CLAIMS, URADO URANIUM INC., SAN MIGUEL COUNTY, COLORADO



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

Surname 700

Murphy
Ellis
Hedges
Kilgaard
Selfridge
Johnson

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

MAR 1 8 1955

Mr. Louis P. Gaggini, President
Urado Uranium, Incorporated
c/o Geo-Engineering
304 Main Street
Grand Junction, Colorado

Re: Docket No. DMEA-3706 (Uranium)
Philura Claims
San Miguel County, Colorado

Dear Mr. Gaggini:

The application for assistance in exploring the subject property in San Miguel 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 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,

E. O. Mittendorf
by ESF
Administrator

FMMurphy:am
3-16-55
cc to: Admr. Reading File
Docket
Mr. Murphy
Code 700
DMEA Field Team, Region III(2)

R.C.B.

Surname 700

Murphy
Ellis
Selfridge
Johnson
Hildebrand

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

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

MAR 1 8 1955

Re: Docket No. DMEA-3706 (Uranium)
Urado Uranium, Incorporated
Philura Claims
San Miguel County, Colorado

Dear Mr. Traver:

The captioned application is referred to Region III Field Team for investigation, a field examination if deemed advisable, and recommendations. A copy of the application was retained by your office.

Enclosed are copies of memoranda from R. D. Trace, dated March 10, and J. E. Crawford, dated March 14, 1955, members of the Uranium Commodity Committee.

The estimated costs submitted with the subject application, namely, $2100.00 for analytical work, $9967.50 for reaming and casing drill holes, and $22,650 for labor, supervision, and consultants on a 20,980-foot drilling program appear to be quite high in comparison to previous DMEA projects on the Colorado Plateau.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GB)

Enclosures

APPROVED:

J. H. Hedges (GB)
Member, Bureau of Mines

Thor H. Kiilsgaard (GB)
Member, Geological Survey

FMMurphy:am
3-16-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Mr. Murphy
Code 700

R.C.H.

3/15/55 gf

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

March 14, 1955

Memorandum

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

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: DMEA Docket 3706, Urado Uranium, Inc.,
Philura Claims, San Miguel County, Colorado

I have reviewed the attached application of Urado Uranium, Inc., and have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

We suggest that the application be denied as it represents prospecting. The geologic and geographic proximity of the Philura claims to known commercial uranium deposits does not necessarily indicate the presence of uranium on the Philura claims. The applicant has not provided evidence of uranium mineralization on the property. The risk involved in such a program is to great.

J. E. Crawford
J. E. Crawford

Attachment

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

200

Adams
Ellis
Martin
Mittendorf

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

MAR 11 1955

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

Re: Docket No. DMEA-3706 (Uranium)
Urado Uranium, Inc.
Philura Claims
San Miguel County, Colorado

Dear Mr. Traver:

This will acknowledge receipt of your memorandum dated March 8, 1955, in which you advise that two applications from the same applicant (Urado Uranium, Inc.) were forwarded to the Washington office on March 2, 1955, and that only one docket number (3706) was assigned. You now request information as to which of the two applications Docket No. 3706 applies.

Please be advised that under memorandum of March 2, 1955, only one application submitted by the Urado Uranium, Inc., was received. The memorandum stated that there were enclosed three copies of the application and that one copy was being retained in your office.

The application from Urado Uranium, Inc., designated as Docket No. 3706, covers the Philura claims. We have no record of any other application being received from that company.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (JHB)

Approved:

J. H. Hedges
Member, Bureau of Mines (JHB)

Thor H. Kiilsgaard
Member, Geological Survey (JHB)

REAdams/esf - 3/10/55
cc to: Docket
Admr. R. File
Operating Committee
Mr. Kiilsgaard, Rm. 5224
Mr. Hedges, Rm. 3612
Mr. Adams

cal

Adams

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 10 1955

224 New Customhouse
Denver 2, Colorado

March 8, 1955

Memorandum

To: Robert E. Adams, Chief, Operations Control and Statistics Division

From: Executive Officer, DMEA Field Team, Region III

Subject: Assignment of Docket Number

By your memorandum of March 3, 1955 we were advised that Docket No. 3706 had been assigned to Urado Uranium, Inc.

We forwarded two applications from the same applicant to the Washington office on March 2, 1955, therefore we will appreciate your advising us which of the two applications has been assigned Docket No. 3706.

Philura Olson

W. M. Traver

W. M. Traver

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 10 1955

224 New Customhouse
Denver 2, Colorado

March 8, 1955

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To: Robert E. Adams, Chief, Operations Control and Statistics Division

From: Executive Officer, DMEA Field Team, Region III

Subject: Assignment of Docket Number

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W. M. Traver

W. M. Traver

3/11/55

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 10 1955

March 10, 1955

Re: DMEA-3706
Urado Uranium, Inc.
Philura Group
Moon Area, Slick Rock
$104,900 - Uranium

Memorandum

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

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

Subject: Review of application

The Slick Rock district contains many small to medium size uranium deposits in the Salt Wash member of the Morrison formation. Parts of the area have produced substantial tonnages of high grade ore and other parts have contained only small and scattered pods of ore. Within a radius of 2 miles around the Philura claims, the ore bodies have been small (few hundred tons or less) and scattered. The Norma Jean mines (2 miles to the SW) are the nearest substantial producers. The work nearest to the applicant's claims are the Moon group and the Muleshoe group. As of 1951, when I last saw the district, neither the Moon nor Muleshoe showed promise of or had produced significant tonnages of ore.

Since I left the district in 1951, some drilling in the area has been done but the results are not available here. Except for this fact, I would recommend denial.

I recommend that the application be referred to the Field Team. I doubt that the Survey will need to make a field examination as Survey personnel have been working in the district almost continuously for several years.

Bob Trace
R. D. Trace

IN REPLY REFER TO:

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

Defense Minerals
RECEIVED
MAR 10 1955

March 10, 1955

Re: DMEA-3706
Urado Uranium, Inc.
Philura Group
Moon Area, Slick Rock
$104,900 - Uranium

Memorandum

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

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

Subject: Review of application

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I recommend that the application be referred to the Field Team. I doubt that the Survey will need to make a field examination as Survey personnel have been working in the district almost continuously for several years.

R. D. Trace

RDTrace:hlm
G-3/10/55

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

March 3, 1955
Subject: DMEA 3706
Re: Exploration Assistance
Philura Claims

Urado Uranium, Inc.
C/o Geo-Engineering
Room 15, 304 Main Street
Grand Junction, Colorado

Gentlemen:

The receipt of your application dated February 4, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3706 and referred to the Rare and Miscellaneous Metals Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

60932

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-3706 Urado Uranium, Inc.

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

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

224 New Customhouse
Denver 2, Colorado

February 28, 1955

Memorandum

To; Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA assistance (Uranium), Urado Uranium Company, Philura group, San Miguel County, Colorado

Enclosed are three copies of the subject application in the amount of $104,900.00. The fourth copy is being retained in our files.

W. M. Traver

W. M. Traver

Enclosures

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

224 New Customhouse
Denver 2, Colorado

February 28, 1955

Memorandum

To; Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA assistance (Uranium), Urado Uranium Company, Philura group, San Miguel County, Colorado

Enclosed are three copies of the subject application in the amount of $104,900.00. The fourth copy is being retained in our files.

W. M. TRAVER

W. M. Traver

Enclosures

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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. 3706
Metal or Mineral Uranium
Date Received 3-3-55
Estimated Cost $104,900
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: URADO URANIUM, INC, 304 Main Street, Grand Junction, Colo (Mail regarding application should be addressed to GEO-ENGINEERING, 304 Main Street, Grand Junction, Colorado).

(*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 Philura Nos. 65-68, 76-78, recorded in Book 224, pages 266-269 and 277-279, Office of the County Clerk and Recorder for San Miguel County, Telluride, Colorado. See Exhibit Nos. 2, 4-10, 11-17, and 18-24.

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

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lessee
See Exhibit No. 2

(*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 See Exhibit No. 2

(*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 Uranium

(*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?

☐ Money ☐ 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 Feburary 4, 195 5

Urado Uranium, Inc
(Applicant)

By Louis P. Gaggini
Louis P, Gaggini
President

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

PHILURA DMEA EXHIBIT NO. 1

APPLICATION FOR DMEA PROJECT

ON THE

PHILURA GROUP

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

February 2, 1955

Prepared for

URADO URANIUM, INC.

304 MAIN STREET

GRAND JUNCTION, COLORADO

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 3 - 1955

by
GEO-ENGINEERING
304 Main Street
Grand Junction, Colorado

GEO-ENGINEERING
304 Main Street
Grand Junction, Colorado

APPLICATION FOR DMEA PROJECT ON THE PHILURA GROUP, PREPARED FOR URADO URANIUM, INC., 304 MAIN STREET, GRAND JUNCTION

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GEO-ENGINEERING
304 Main Street
Grand Junction, Colorado

APPLICATION FOR DMEA PROJECT ON THE PHILURA GROUP, PREPARED FOR URADO URANIUM, INC., 304 MAIN STREET, GRAND JUNCTION

LIST OF SCHEDULES

Title	Schedule No.
Core Drill Hole Depths	1
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LIST OF EXHIBITS

Title	Exhibit No.
Completed DMEA Form MF-103	1
Mining Lease to URADO URANIUM, INC.	2
Owners' Consent to Lien - Form MF-203	3
Certified Copies of Original Philura Location Notices	4 thru 10
Certified Copies of Circular 7 Notices	11 thru 17
Certified Copies of Public Law 585 Amended Notices	18 thru 24

GEO-ENGINEERING
304 Main Street
Grand Junction, Colorado

APPLICATION FOR DMEA PROJECT ON THE PHILURA GROUP

Prepared for
URADO URANIUM, INC.
304 Main Street
Grand Junction, Colorado

INTRODUCTION

This report, written by Geo-Engineering for the purpose of applying for DMEA loan on the Philura Group of claims, is prepared for URADO URANIUM, INC.. DMEA Form MF-103 has been signed and is attached as Exhibit 1. Numbers and letters in front of the headings of this report refer to parts of the MF-103.

ABSTRACT

This report, with Form MF-103 (numbers and letters in front of headings used in this report refer to parts of Form MF-103) attached as Exhibit 1, is an application for a Defense Mineral Exploration Administration project contract of the short form or unit cost type. A $104,900.00 project is recommended for exploring uranium lands in western San Miguel County, Colorado. (See Schedule 5). A total of 20,980 feet of core drilling is proposed on the Philura Group of uranium claims in the Slick Rock area of Colorado (see Figure 1). Unit cost of $4.90 per foot for core drilling is estimated for the work. Not included in this unit cost is an estimated $2,100.00 for custom assaying that is, however, included in the total proposed expenditure. Twenty-five percent of the total expenditure or $26,225.00 will be paid by URADO URANIUM, INC., the applicant. The Defense Mineral Exploration is asked to loan $78,675.00.

Location for 29 holes to be drilled in Stage I drilling is shown on Figure 4. As the work progresses, however, it will likely become evident that some of the proposed holes might fall in areas that are geologically unfavorable for ore. URADO URANIUM, INC., would, therefore, like the privilege of deciding whether any previously proposed hole should be drilled. It is requested that the footage saved where the proposed holes are omitted, be transferred, with the permission of the DMEA Field Team, to other parts of the Philura Group that might be more favorable for ore.

The Philura Group lies near the west rim of the Dolores River just to the south of the "Uravan Mineral Belt" as defined by the United States Geological Survey in their Bulletin 988-A (see Figure 1). Skilled labor, materials and equipment are readily available in the Naturita and Dove Creek areas. Personnel of Geo-Engineering will act as consulting geologists for the project.

GEO-ENGINEERING
304 Main Street
Grand Junction, Colorado

APPLICATION FOR DMEA PROJECT ON THE PHILURA GROUP, PREPARED FOR URADO URANIUM, INC., 304 MAIN STREET, GRAND JUNCTION

1. NAME OF APPLICANT

a. URADO URANIUM, INC., 304 Main Street, Grand Junction, Colorado. (Please address all correspondence regarding application to Geo-Engineering, Room 15, 304 Main Street, Grand Junction, Colorado.

b. URADO URANIUM, INC., is a Colorado corporation with its principal address at 304 Main Street, Grand Junction.

c. The officers are:

President
Louis P. Gaggini
Norwood, Colorado

Vice-President
Harold A. Culp
1200 Texas Avenue
Grand Junction, Colorado

Secretary-Treasurer
Lewis D. Anderson
Norwood, Colorado

Directors
M. E. Newlove
Aspen, Colorado

Roy Stone
Olathe, Colorado

d. Omitted - Not a partnership

2. GENERAL

The following report, which is the completed DMEA application written in accordance with the instructions given in the DMEA Order No. 1, includes the completed form MF-103 and all of the necessary substantiating papers.

The letters and numbers used for the headings herein refer to the letters and numbers used on Form MF-103 as this report is designed to fill in the information that, due to space limitations, could not be placed on the MF-103 form.

In accordance with instructions given on Form MF-103, this report will be filed, in quadruplicate, at the office of Mr. W. M. Traver, Executive Officer, DMEA Field Team, Region IV, 224 New Customhouse, Denver 2, Colorado.

GEO-ENGINEERING
304 Main Street
Grand Junction, Colorado

APPLICATION FOR DMEA PROJECT ON THE PHILURA GROUP, PREPARED FOR URADO URANIU, INC., 304 MAIN STREET, GRAND JUNCTION

3. APPLICANT'S PROPERTY RIGHTS

a. & b. Legal Description and Name of Property

Exploration work is to be performed on seven unpatented mining claims referred to in this report as the Philura Group. The claims are located in Sections 9, 10, 15 and 16 of Township 43 North, Range 18 West, New Mexico Principal Meridian, in the Lower San Miguel Mining District of San Miguel County, Colorado. See Figure 3.

c.& d. Interest

URADO URANIUM, INC., has leased the Philura Group from Simpson Mining Company of Grand Junction, Colorado. (See Exhibit 2).

e. Outstanding Liens

A Consent to Lien by original owners is included as Exhibit 3.

f. Record of Title

All transactions affecting title to the claims are recorded in the office of the County Clerk and Recorder of San Miguel County at Telluride, Colorado. The claims were recorded, as follows:

Claim Name	Recording Date	Book	Page
Philura 65	February 27, 1953	224	266
Philura 66	February 27, 1953	224	267
Philura 67	February 27, 1953	224	268
Philura 68	February 27, 1953	224	269
Philura 76	February 27, 1953	224	277
Philura 77	February 27, 1953	224	278
Philura 78	February 27, 1953	224	279

(See Exhibits 4 thru 10)

These claims were located under the U. S. Atomic Energy Commission Domestic Uranium Program Circular No. 7.

Claim Name	Recording Date	Book	Page
Philura 65	May 25, 1954	229	58
Philura 66	May 25, 1954	229	59
Philura 67	May 25, 1954	229	60
Philura 68	May 25, 1954	229	61
Philura 76	May 25, 1954	229	69
Philura 77	May 25, 1954	229	70
Philura 78	May 25, 1954	229	71

GEO-ENGINEERING
304 Main Street
Grand Junction, Colorado

APPLICATION FOR DMEA PROJECT ON THE PHILURA GROUP, PREPARED FOR URADO URANIUM, INC., 304 MAIN STREET, GRAND JUNCTION

(See Exhibits 11 thru 17)

When Public Law 585 replaced Circular No. 7, the Philura group locations were amended and recorded at Telluride, to wit:

Claim Name	Recording Date	Book	Page
Philura 65	August 15, 1954	240	592
Philura 66	August 15, 1954	240	593
Philura 67	August 15, 1954	240	594
Philura 68	August 15, 1954	240	595
Philura 76	August 15, 1954	240	603
Philura 77	August 15, 1954	240	604
Philura 78	August 15, 1954	240	605

(See Exhibits 18 thru 24)

The claims have been surveyed by the Simpson Mining Company and are shown on Figure 3. There are no conflicting claims.

4. PHYSICAL DESCRIPTION OF PROPERTY

a. Operations

There has been no mining or exploration operations on the Philura Group. Access roads will have to be built before any such operations can be conducted. A road passes within 1,500 feet of the claims.

b. Production and Ore Reserves

These claims have had no past production and there are no proven ore reserves.

c. Geological Features

Stratigraphy: The proposed drill holes (see Figure 4 and Schedule 2) will be collared in the Salt Wash or the Brushy Basin members of the Jurassic Morrison formation. All holes will be drilled to the red clay underlying the lowest sandstone lense in the ore horizon as determined by rim exposures (see Figure 4). The ore horizon, in this area, lies between two stratigraphic planes that are about 200 feet apart. The lower plane lies about 225 feet above the base of the Salt Wash member. The upper plane coincides with the top of the Salt Wash member. The sandstone lenses at this stratigraphic interval have been the host rocks for most of the area's uranium production.

Formations older than the Morrison are not differentiated or discussed in this report as they have no bearing on the exploration project.

Structure: The Philura Group is located on the northeast flank of the Dolores anticline.. The formations dip 13° in a northeasterly direction from a strike of North 45° West.

Ore Deposits: There are no known ore deposits on these claims. A small amount of ore has been mined about 1000 feet southwest of Philura No. 76 claim.

Justification of Exploration: The Philura Group of claims lies in the south end of the Slick Rock section of the "Uravan Mineral Belt". (See Figure 1). The "Uravan Mineral Belt" has been defined by the United States Geological Survey in Bullentin 988-A as "a narrow, elongate area in southwestern Colorado in which carnotite deposits in the Morrison formation have a closer spacing, larger size and higher grade than those in adjoining areas. The belt extends from Gateway through Uravan to Slick Rock."

The Philura Group is almost surrounded by claims that are currently producing or have produced uranium ores in the past.

Ore is now being shipped from the Norma Jean and Norma Jean No. 2 claims of the United States Vanadium Company, about two miles southwest of the Philuras, About the same distance southeast, the Parrot and Sarah Ellen mines have produced uranium ore.

To the west, there are several large mines in the Golden Rod, Delpaz, Charles T., Micheal Bray and Legin groups. Every one of these groups have production records of large tonnages of good grade uranium ore.

Western extension of the N 75° W orientation of ore deposits will pass through the Radium group of the Dulaney Mining Company. This group has probably been the largest producer of uranium ore from the Morrison formation on the Colorado Plateau.

The Upper group of the Atomic Energy Commission and the Full Moon group of the U. S. Vanadium Company are located northwest of the Philuras and have been good producers. Ore shipments are now being made from one of the Full Moon claims. Both groups lie in an area that was withdrawn by the Atomic Energy Commission in 1948.

In January, 1954, another withdrawal was made that included the northern part of the Philura 65, 66, 67 and 68 claims.

North of the Philuras, uranium ore has been found by governmental agencies and private industry through various drilling projects in Disappointment Valley and Joe Davis Canyon.

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This DMEA project should be removed from the category of a prospecting program to that of a true exploratory one because the possibility of finding ore on the Philura claims are greatly augmented by the adjacent uranium deposits.

d. Accessibility

The Philura Group is located on the west rim of the Dolores River Canyon. There is a primitive road within 1500 feet of the west side lines of Philura No. 65 and 76 claims. The Philuras are about 4 road miles north of the Spud Patch camp and about 5 road miles south of the Slick Rock bridge over the Dolores River.

Access roads will have to be built to the claims and all drill sites then prepared. Surface elevations vary between 5600 feet above sea level at the northeast corner to 6200 feet at the southwest corner of the group. Some explosives will have to be used to build these roads.

Ore haulage distances are 50 miles to Vanadium Corporation of America uranium treatment mill at Naturita, Colorado; 65 miles to the U. S. Vanadium mill at Uravan, Colorado; 48 miles to the Atomic Energy Commission mill at Monticello, Utah; and 135 miles to the V. C. A. mill at Durango, Colorado.

e. Availability of Manpower, Equipment, Supplies, etc.

Manpower and equipment for this project will be furnished by private contractors.

Geo-Engineering, a professional engineering firm, will supply surveying instruments and transportation for technical personnel. Geo-Engineering has principal offices at Norwood, Colorado, 65 miles from the Philura Group, and at Grand Junction, Colorado, 190 miles from the property.

Supplies and equipment can be obtained at Dove Creek, Monticello, Naturita and Uravan. Railroad and airline terminals are located at Grand Junction, Colorado, a distance of 190 miles by road and 85 miles by air.

Drilling water will be hauled from the Dolores River about 6 miles away.

5. THE EXPLORATION PROJECT

a. The Mineral

The mineral for which this project will explore is uranium.

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b. Proposed Work

Drills for the project will be provided by private drilling companies under contract.

It is estimated that it will take 12 months to complete this project with one drill. The employment of more than one drill would result in inadequate geological control, wasted footage, and an increase in exploration costs per ton of ore discovered.

Proposed holes are shown on Figure 4. Estimated hole depths are listed in Schedule 1 and 2. 29 core drill holes are listed in Schedule 3 for Stage I drilling. 44 core drill holes are listed for Stage II. Intelligent selection of locations for all of these holes is impossible at this time. It is recommended, therefore, that a DMEA contract be allowed for a 73 core drill hole project, but that the selection of locations for the Stage II holes be made with the approval of the Defense Minerals Exploration Administration Field Team after the data from some of the preliminary drilling has been accumulated. It is anticipated that most of this Stage II drilling will be around Stage I holes that have penetrated ore. Certainly all the Stage II locations will be in areas where Stage I drilling has revealed favorable geology.

Logging and Sampling: A sampler who will also act as a field assistant for surveying will be employed to supervise the logging and sampling. An accurate log will be kept by the driller, and all barren core will be arranged on the ground and properly marked so that the geologist or sampler can carefully check the driller's log. Core from each run will be carefully dropped out of the core barrel into a wooden trough provided for the purpose by the drilling contractor. The sampler or other competent individual will then examine the core, using a field gamma ray detecting device. If any trace of mineralization is found, the complete core "run" will be arranged in a core box provided with a hinged lid, and will be kept until such time as the geologist will have been able to properly sample the core.

Each sample will be carefully described by the geologist in a bound field book, as it is placed in the sample sack. Core losses will be prorated proportionately regardless of lithology. All samples will be sent to commercial assayers for percentage determination of U_3O_8, V_2O_5 and $CaCO_3$.

Geologic Control of Drilling: URADO URANIUM, INC., asks the privilege of not drilling any of the proposed holes shown on Plate 1, if, in the opinion of the company's geologist, they fall in an area which, based on previous drilling information, is considered unfavorable. Footage thus saved would be used in more favorable areas, at locations approved by the DMEA Field Team. The criteria used to determine unfavorable area will, in general, be the same as those used by the United States Geological Survey and the United States Atomic Energy Commission in their drilling programs. These are discussed in a report by Doris Blackman Wier (Wier, Doris Blackman, 1952, Geologic Guides to Prospecting for Carnotite Deposits on

Colorado Plateau. U. S. Geological Survey Bulletin 988-B, and the reader is referred to this writing for the information lacking in this brief discussion.

The presence of gray-green mudstone at the base of a potential ore-bearing sandstone has been an excellent guide to ore. When Stage I holes penetrate one foot or more of the gray-green mudstone at the base of a potential ore-bearing sandstone which is over 30 feet thick, URADO URANIUM, INC., might recommend to the Field Team Stage II drilling around such holes.

Drilling Plan: The drilling plan recommended to the Defense Minerals Exploration Administration and to URADO URANIUM, INC., is as follows:

1. The 29 proposed core drill holes as shown on Figure 4 are arranged on a pattern to cut the predominating trend or orientation of ore bodies in the district. In general, holes are placed on a 300 foot by 1000 foot grid, oriented so that the 300 foot dimension is normal to the trend and staggered so that a hole in one row is between two 300 foot spaced holes in the next row. This, in effect, will cut the trend on 150 foot intervals.

2. Stage II drilling should be performed only in those areas determined to be favorable. The proposed Stage I drilling is sufficient to produce the negative information necessary to delineate unfavorable areas.

c. Time of Exploration Project Contract

The work will start within 30 days and be completed within 12 months from the date of an exploration project contract.

d. Ability of Applicant

The officers and directors of URADO URANIUM, INC., have had many years of experience in metal and uranium mining. Most of the field and supervisory work will be done by the consulting firm of Geo-Engineering.

Mr. M. E. Newlove, one of the directors of URADO URANIUM, INC., a mining engineer and graduate of Stanford University, has had more than 25 years of mining experience. He was for many years associated with Newmont Mining Corp. For 5 years he was Superintendent of Newmont's North Star Mine in California, and for 8 years he was General Manager of their Resurrection Mining Company in Leadville, Colorado. Subsequently he was Managing-Director of American Smelting and Refining Company's mining operations in West Africa.

Geo-Engineering, a firm of professional engineers and geologists, with offices conveniently located at Norwood, Colorado, 65 miles from the property, and at Grand Junction, 190 miles from the property, will act as consultants to URADO URANIUM, INC., for this project. A brief description of the experience background of the three general partners of Geo-Engineering is given below.

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Louis P. Gaggini, who is chief geologist for Geo-Engineering, began working in uranium in 1941, as geologist for the Union Mines Development Corporation, a contractor for the United States Army Manhattan Engineering Project. Subsequent experience in carnotic exploration included almost two years with the Exploration Branch of the Atomic Energy Commission in Grand Junction and six months with the United States Vanadium Company. Mr. Gaggini was for two years mining superintendent of the Dulaney Mining Company, where he was in charge of all mining and exploration. This company is at present mining large tonnages from ore bodies which were discovered during that period. From August, 1952, to February, 1954, Mr. Gaggini was manager of the Colorado Uranium Division of the J. R. Simplot Company. During this period Mr. Gaggini successfully prepared applications for and administered for several months two large DMEA projects.

Harold A. Culp is a geologist and geophysicist and a copartner in Geo-Engineering with Mr. Gaggini and Mr. Lewis D. Anderson. Since graduating with a degree in economic geology from Oregon State College, Mr. Culp has, in addition to uranium worked with gold, oil, copper, cobalt and tungsten; this includes 6 years' experience in metal mining and 5 years of geophysical prospecting in oil and mining. In addition to mine management for others, he has operated a mine in which he shared a 1/3 investment interest. His work has included the preparation of Defense Minerals Exploration Administration projects and, after approval of loan application by that agency, supervision of the project. During 1953-54, Mr. Culp was project geologist and then acting superintendent of the Bull Canyon mines of the J. R. Simplot Company.

Lewis D. Anderson, mining engineer, is a graduate from the Colorado School of Mines (registered mining engineer No. 1844 in Colorado). From December, 1946, through 1948, Mr. Anderson worked as engineer and shift boss for the Resurrection Mining Company at Leadville, Colorado. From January, 1949, through April, 1950, he worked as mining engineer in the Gneral Chemical Division of Allied Chemical and Dye. He was mine foreman of the Rico-Argentine Mining Company, Rico, Colorado, from June, 1950, to October, 1951. Mr. Anderson then accepted employment as division engineer for the Dulaney Mining Company in the Gateway, Dove Creek, Monticello, and Gyp Valley areas. From June, 1952, to 1954, Mr. Anderson's duties as mining engineer covered both the mining and milling of uranium -vanadium ores and included jurisdiction over the United States Vanadium Company's uranium operations in the Edgemont, South Dakota area.

6. ESTIMATE OF COSTS

It is the desire of URADO URANIUM, INC., that this exploration project contract be placed on a unit cost basis. Schedule 5 gives the exact amount bid per unit by URADO URANIUM, INC., for performing the exploration work. Custom assaying is not included in the cost per foot for drilling because of the difficulty of making an accurate estimate. The $6.00 per sample figure bid for custom assaying is the exact amount charged by the A. E. C. approved assayers.

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a. Independent Contracts

All drilling, and bulldozer work will be performed by independent contractors.

Drilling: The drilling will be done by private contractors. The prices quoted by firms active in the uranium field are used in Schedule 2 and 3 in the unit cost columns. Estimate for the cost of the holes proposed for Stage II drilling is based on one and half holes for each Stage I hole and were pro-rated on the same basis as the estimated Stage I drilling. The drilling cost for Stage I is $18,740.00 and Stage II is $29,097.50. An estimated cost of $7,867.50 is made for reaming of holes necessary to the setting of casing with $2,100.00 allowed for casing that will be left in place.

Bulldozer and Tractors: These are readily available in the district for about $100.00 per day. Because many hole locations will be selected from the results of previous drilling, it is estimated that it will be necessary to have a bulldozer hauled to the group at least 4 different times at a cost of $100.00 for each round trip. It is estimated that the tractor will work at least 10 days during each visit to the Philura Group. It is also estimated that a certain amount of rock blasting will have to be done in the preparation of roads and drill sites. An estimated allowance of $500.00 is made for this work.

b. Labor, Supervision, Consultant

Geo-Engineering will supervise, direct, and act as technical consultants for $1,000.00 per month and reasonable expenses (see Exhibit 4). A draftsman and stenographer will be employed on a part time basis to prepare necessary project reports (see Schedule 3). The field assistant will be employed by Geo-Engineering or URADO URANIUM, INC., at a minimum of $15.00 per day, to help with surveying and to act as a sampler.

c. Operating Materials & Supplies

$150.00 per month is estimated for the cost of map reproduction and office supplies.

$200.00 is estimated for the cost of field supplies (see Schedule 4).

d. Operating Equipment

All operating equipment will be provided by independent contractors or by Geo-Engineering.

e. Rehabilitation & Repairs

None needed.

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f. New Buildings, Improvements & Installations

It will be necessary for the project personnel to live on the property as it is some distance from a town. Provisions are here made for the rental of one house trailer that will be moved to the Philura property (see Schedule 4).

g. Miscellaneous

$100.00 per month is allowed to cover office and miscellaneous supervision to be performed by the personnel of URADO URANIUM, INC.

Payroll taxes on the field assistant, draftsman, and typist are estimated at 10%. The cost of analytical work is not covered in the cost per foot. A seperate unit cost of $6.00 per sample is added in Schedule 5.

h. Contingencies

Independent contractors vary the charge for drilling with the depth of the hole (see Schedule 2 & 3). A glance at Schedules 2 and 3 will show that it is possible that some of the Stage II drilling may exceed estimation. 15% is added to cover this possible increase.

Estimates to cover payments to contractors for trail building and drill site preparation may be inadequate. It is possible that some of the trails crossing sandstone ledges might require more rock drilling and blasting than is estimated. This contingency is, also, covered in the above 15%.

Labor, supervision and consultants payments are on a monthly or hourly basis. Any event which might prolong the project will increase the cost of this item. 10% is added to cover these possible increases.

Operating material and supplies are estimated at a minimum. The destruction of a few core boxes or some other unforeseen consumption of materials and supplies might easily increase the cost of this item 20%.

New buildings, improvements, etc: In the event of any prolonging of the project, some personnel would have to remain on the property. 20% is added for this contingency.

Miscellaneous costs are estimated at $158.00 per month. 50% is added to provide for any extra help and for unforseen taxes.

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7. APPLICANT'S SHARE OF COST

a. & b.

In accordance with the Defense Minerals Exploration Administration regulations, URADO URANIUM, INC., is prepared to assume 25% of the cost of this project in the following manner, to wit:

The company will perform all of the necessary work and pay for all of the labor, materials and supplies. Reimbursement by the DMEA will be in accordance with Schedule 5 less 25% (i.e., the amount to be loaned by the Government for each unit of work performed will be 25% less than the amounts shown in Schedule 5).

Respectfully submitted,

GEO-ENGINEERING

Louis P. Gaggini
LOUIS P. GAGGINI

Lewis D. Anderson
LEWIS D. ANDERSON by Hen

Harold A. Culp
HAROLD A. CULP

GEO-ENGINEERING
304 Main Street
Grand Junction, Colorado

APPLICATION FOR DMEA PROJECT ON THE PHILURA GROUP, PREPARED FOR URADO URANIUM, INC., 304 MAIN STREET, GRAND JUNCTION

SCHEDULE 1

CORE DRILL HOLE DEPTHS

Hole No.	Claim Name	Estimated Collar Elev.	Estimated Bottom Elev.	Estimated Depth
1	Philura 65	5890	5630	260
2	Philura 65	5940	5670	270
3	Philura 65	5950	5720	230
4	Philura 65	5990	5760	230
5	Philura 65	6020	5800	220
6	Philura 65	6060	5840	220
7	Philura 65	6080	5880	200
8	Philura 65	6110	5930	180
9	Philura 76	6140	5960	180
10	Philura 76	6180	6010	170
11	Philura 76	6200	6030	170
12	Philura 76	6160	6070	90
13	Philura 67	5790	5450	340
14	Philura 67	5840	5500	340
15	Philura 67	5850	5540	310
16	Philura 67	5930	5580	350
17	Philura 67	5960	5620	340
18	Philura 67	5980	5660	320
19	Philura 67	5990	5700	290
20	Philura 67	6010	5740	270
21	Philura 77	6040	5780	260
22	Philura 77	6080	5830	250
23	Philura 77	6110	5860	250
24	Philura 68	5780	5360	420
25	Philura 68	5820	5400	420
26	Philura 68	5880	5440	440
27	Philura 68	5900	5490	410
28	Philura 68	5930	5520	410
29	Philura 68	5940	5560	380
			TOTAL FOOTAGE	8,220

CORE DRILL HOLE DEPTHS

SCHEDULE 1

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SCHEDULE 2

DRILLING SUMMARY

Hole	Est. Hole Depth	Est. Non-Coring	Est. 0'-200'	Est. 200'-300'	Est. 300'-400'	Est. 400'-500'
1	260	60	140	60		
2	270	70	130	70		
3	230	30	170	30		
4	230	30	170	30		
5	220	20	180	20		
6	220	20	180	20		
7	200		200			
8	180		180			
9	180		180			
10	170		170			
11	170		170			
12	90		90			
13	340	140	60	100	40	
14	340	140	60	100	40	
15	310	110	90	100	10	
16	350	150	50	100	50	
17	340	140	60	100	40	
18	320	120	80	100	20	
19	290	90	110	90		
20	270	70	130	70		
21	260	60	140	60		
22	250	50	150	50		
23	250	50	150	50		
24	420	220		80	100	20
25	420	220		80	100	20
26	440	240		60	100	40
27	410	210		90	100	10
28	410	210		90	100	10
29	380	180	20	100	80	
TOTALS	8,220	2,630	3,060	1,650	780	100
Price per foot		2.00	2.25	2.50	2.75	3.25
Costs		5260.00	6885.00	4125.00	2145.00	325.00

TOTAL COST, STAGE I - - - $18,740.00

DRILLING SUMMARY

SCHEDULE 2

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SCHEDULE 3

ESTIMATE OF AMOUNTS TO BE PAID TO INDEPENDENT CONTRACTORS

Explanation	Unit	No. of Units	Cost per Unit	Cost per Item	Grand Total
Drilling Contractor					
Stage I Drilling (see Schedule 2)	Feet	8,220	$ 2.28	$18,740.00	$18,740.00
Stage II Drilling					
44 Holes at 290 feet average.					
Non-Coring	Feet	4,080	2.00	8,160.00	
Coring 0'-200'	Feet	4,720	2.25	10,620.00	
Coring 200'-300'	Feet	2,550	2.50	6,375.00	
Coring 300'-400'	Feet	1,280	2.75	3,520.00	
Coring 400'-500'	Feet	130	3.25	422.50	
Total Stage II Drilling		12,760	2.28		29,097.50
Reaming (25% of total footage)	Feet	5,245	1.50		7,867.50
Casing (20% of reaming footage)	Feet	1,050	2.00		2,100.00
Road and Drill Site Preparation					
Moving Dozer to & from property	Round Trip	4	100.00		400.00
Dozer Rental	Day	40	100.00		4,000.00
Compressor and Blasting	Day	10	50.00		500.00
TOTAL ESTIMATED AMOUNTS TO BE PAID TO INDEPENDENT CONTRACTORS	Feet	20,980	$ 2.99		$62,705.00

ESTIMATE OF AMOUNTS TO BE PAID TO INDEPENDENT CONTRACTORS

SCHEDULE 3

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SCHEDULE 4

ESTIMATED COSTS UNDER 6b, 6c, 6f & 6g, MF-103

Explanation - Heading and Letter	Cost per Hour	Cost per Day	Cost per Month	Cost per Project	Unit Cost per MF-103 Heading
6(b) Labor, Supervision and Consultants					
Geo-Engineering Fees			$1000.00	$12,000.00	
Geo-Engineering Expenses		$10.00	250.00	3,000.00	
Draftsman 50 hrs/month	$3.00		150.00	1,800.00	
Typist 50 hrs/month	2.25		112.50	1,350.00	
Sampler & Field Assistant		15.00	375.00	4,500.00	
Total under 6 (b) of MF-103 (20,980')				$22,650.00	$1.08
6(c) Operating Materials & Supplies					
Office supplies, map & drill log reproductions for Monthly reports & other correspondence with DMEA			150.00	1,800.00	
Survey stakes & other field supplies				200.00	
Total under 6 (c) of MF-103 (20,980')				$ 2,000.00	$0.10
6(f) New Building, Installations, etc.					
1 trailer house for project personnel (Rental)			50.00	600.00	
Total under 6 (f) of MF-103 (20,980')				$ 600.00	$0.03
6(g) Miscellaneous					
Accounting expense, etc.			100.00	200.00	
Payroll taxes estimated at 10% of $637.50			63.75	765.00	
Total under 6 (g) of MF-103 (20,980')				$ 1,965.00	$0.09

ESTIMATED COSTS UNDER 6b, 6c, 6f & 6g, MF-103

SCHEDULE 4

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APPLICATION FOR DMEA PROJECT OF THE PHILURA GROUP, PREPARED FOR URADO URANIUM, INC., 304 MAIN STREET, GRAND JUNCTION

SCHEDULE 5

SUMMARY OF COSTS

	Units	No. of Units	Cost per Unit	Total Cost per Item	Grand Total
6a-Independent Contractors(sch.3)	Feet	20,980	$2.99	$ 62,705.00	
6b-Labor, Supervision & Consultants (schedule 4)	Feet	20,980	1.08	22,650.00	
6c-Operating Materials & Supplies (schedule 4)	Feet	20,980	0.10	2,000.00	
6d-Operating Equipment	None				
6e-Rehabilitation & repair	None				
6f-New Building, Installations (schedule 4)	Feet	20,980	0.03	600.00	
6g-Miscellaneous (schedule 4)	Feet	20,980	0.09	1,965.00	
6h-Contingencies					
For (a) above - 15%				9,091.00	
For (b) above - 10%				2,265.00	
For (c) above - 20%				400.00	
For (f) above - 20%				120.00	
For (g) above - 50%				984.00	
Calculated Unit Cost	Feet	20,980	$4.90		$102,780.00
Calculated Cost of Project using Unit Cost Bid and before allowance for Analytical Work	Feet	20,980	$4.90		$102,800.00
Analytical Work					
U_3O_8 Analysis	Sample	350	$3.50	1,225.00	
V_2O_5 Analysis	Sample	350	1.50	525.00	
$CaCO_3$ Analysis	Sample	350	1.00	350.00	2,100.00
					$104,900.00

Total Cost of Project during DMEA Participation---------- $104,900.00
Less 25% to be paid by URADO URANIUM, INC.---------- 26,225.00

AMOUNT OF DMEA LOAN REQUESTED ---------- $ 78,675.00

SUMMARY OF COSTS

SCHEDULE 5

MINING LEASE

THIS AGREEMENT, Made and entered into in duplicate as of November 9, 1954 between ALAN M. SIMPSON and JULIAN E. SIMPSON, Mining partners doing business as SIMPSON MINING COMPANY of Grand Junction, Colorado; ARTHUR HAMILTON and OTIS PHILLIPS, JR., both of Dallas, Texas; JOHN W. HARRIS, W. D. McDAVID, REX PHILLIPS and GRAHAM B. LADD, all of San Antonio, Texas, parties of the first part hereinafter called Lessors and URADO URANIUM, INC., a Colorado Corporation whose address is 304 Main Street, Grand Junction, Colorado, party of the second part, hereinafter called Lessee, WITNESSETH:

That Lessors in consideration of the sum of Seven Hundred Dollars ($700.00), receipt of which is hereby acknowledged, and the delivery of 70,000 shares of capital stock as hereinafter set forth, and of the royalties hereinafter reserved and the covenants and agreements hereinafter expressed and by Lessee to be kept and performed, hereby grant, demise and lease to Lessee the following described lode mining claims in Lower San Miguel Mining District, County of San Miguel and State of Colorado, the location certificates and amended location certificates thereof being duly recorded in the office of said county as follows:

NAME OF CLAIM	LOCATION CERTIFICATE		AMENDED LOCATION CERTIFICATE	
	BOOK	PAGE	BOOK	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

EXCLUDING Therefrom all conflicts with the Spur and Rosa L. lode mining claims.

TO HAVE AND TO HOLD Unto Lessee for a term of five (5) years from the date hereof, and thereafter so long as merchantable ores are mined and sold from any of said mining claims, unless sooner forfeited through the violations of any covenant herein required to be performed by Lessee, with a right to surrender this lease as hereinafter set forth.

In consideration of such lease, LESSEE COVENANTS AND AGREES With Lessors as follows, to wit:

1. To deliver to Lessors Seventy Thousand (70,000) Shares, par value of one cent ($0.01) per share, of the capital stock of Urado Uranium, Inc., within seven (7) days after the Securities And Exchange Commission has approved the sale of capital stock in said corporation, such certificates to be issued in the following names and amounts:

Simpson Mining Company	17,500 Shares
Arthur Hamilton	6,300 Shares
Otis Phillips, Jr.	6,300 Shares
John W. Harris	6,300 Shares
W. D. McDavid	21,000 Shares
Rex Phillips	6,300 Shares
Graham B. Ladd	6,300 Shares

2. To make application to U. S. Government for a Defense Minerals Exploration Admininstration Loan on said mining claims, on or before February 15, 1955. To furnish Lessors with a true copy of said application on or before date of submission.

3. To enter upon said mining claims and to do and perform exploration and development work by expending not less than Six Thousand Dollars ($6000.00) on or before the 14th day of May, 1955, and to thereafter

Exhibit No. 2

perform exploration and development work by expending a minimum of Three Thousand Dollars ($3000.00) each three (3) months and, if commercial ores are discovered, to mine and ship ores of a minimum value of Three Thousand Dollars ($3000.00) each three (3) months period; it being understood and agreed that if Lessee is unable to mine ores of Three Thousand Dollars ($3000.00) in value during each three (3) months, but shall mine some ores, it shall expend in exploration and development to make up the difference between the value of such ores and said minimum of Three Thousand Dollars ($3000.00). The first three (3) month period shall commence on May 15, 1955.

4. To cause to be paid to Lessors a royalty of fifteen (15%) percent of the proceeds of ores mined and sold from any of said claims, including fifteen (15%) percent of any bonus payment paid by the Atomic Energy Commission, less, however, development and haulage allowances. All such ores shall be shipped in the joint names of Lessors and Lessee and payment of such royalties shall be made as follows: 3.75% to Simpson Mining Company, 304 Main Street, Grand Junction, Colorado and 11.25% to W. D. McDavid, Trustee, 918 Milam Building, San Antonio, Texas, and Lessee shall be under no liability for the allocation thereof among said Lessors.

5. To keep full and accurate records of all operations carried on hereunder, including drilling records, maps and assays, open to inspection of Lessors, or their agent, at all reasonable times, and to permit Lessors, or their agent, full and free access to said claims for the purpose of inspection and otherwise. To furnish Lessors with true copies of all drilling rcords, maps, assays, and other relevant information with respect to Lessee's mining operations.

To make Lessors, or their agent, a written report, within thirty (30) days after the end of each three month period, showing gross value of ores shipped and cost of development work performed during such period.

6. To carry on all mining operations in strict conformity with all laws and regulations pertaining to such operations, to carry Workman's Compensation Insurance, and to pay all State and Federal taxes and exactions under operations hereunder, including any production taxes, and to save and keep harmless Lessors from any and all liability of every kind and character arising out of their mining operations hereunder.

7. To post notices at or near workings upon said mining claims reciting in substance that all mining operations are being carried on and conducted by Lessee, and that Lessors will not be liable for any claim or acts of any kind or character arising out of Lessee's work hereunder.

MUTUAL COVENANTS

1. IT IS MUTUALLY AGREED That Lessee shall have the right to surrender this lease at any time upon giving Lessors at least thirty (30) days written notice of such intention to surrender sent by registered mail to Simpson Mining Company, Grand Junction, Colorado, and upon such surrender or cancellation as hereinafter provided, Lessee shall have the right, within a reasonable time, to remove all of its machinery, equipment and personal property from said claims, and upon surrender or cancellation, Lessee shall leave all excavations made by him in such condition that the removal of waste material should not be required to continue mining at such point or points.

Lessee shall have no right to assign or sublet this lease, or any part of said mining claims, without the written consent of Lessors first had and obtained.

2. IT IS FURTHER AGREED That Lessors will execute the "Owner's Consent to Lien" in order that Lessee may obtain a Defense Minerals Exploration Administration loan, however, it being understood and agreed that any royalty payment to the United States shall, in no

event, reduce the royalty payment heretofore specified to be paid by Lessee.

3. IT IS FINALLY AGREED That upon violation by Lessee of any of the covenants in the foregoing lease, the term of this lease shall, at the option of the Lessors, expire, and the same and said mining claims shall become forfeited to Lessors, and Lessors, or their agent, may thereupon enter upon said mining claims and dispossess all persons occupying the same, or, at the option of Lessors, Lessee and all persons found in occupation thereof may be proceeded against as guilty of unlawful detainer, PROVIDED, HOWEVER, that if said lease is forfeited upon the election of Lessors by reason of the failure of Lessee to perform the covenants thereof, Lessors shall give Lessee at least twenty (20) days notice in writing, by registered mail sent to Lessee at Grand Junction, Colorado notifying it of such failure to perform and setting out in said notice the substantial facts as to any such default or breach, and upon failure or refusal by Lessee to cure and correct such default within twenty (20) days from the receipt of such notice, Lessee shall surrender and deliver up the possession of all of said mining claims, and its rights under this lease shall thereupon cease and determine.

All of the provisions herein contained shall inure to and be binding upon the heirs and personal representatives of Lessors and Lessee and their lawful assigns.

WITNESS Their names.

Certified a true copy.
C. W. SMOAD

(signed) Julian E. Simpson
By a partner of the Simpson Mining Company

(signed) Arthur Hamilton

(signed) Otis Phillips, Jr.

(signed) John W. Harris

(signed) W. D. McDavid

(signed) Rex Phillips

(signed) Graham B. Ladd
(Lessors)

(SEAL)

ATTEST:

BY (signed) Lewis D. Anderson
Secretary

URADO URANIUM, INC.

BY (signed) Louis P. Gaggini
President, Thereunto duly authorized
(Lessee)

Exhibit No. 42

(CERTIFIED COPY)

STATE OF COLORADO } ss.
COUNTY OF SAN MIGUEL

I, Charles C. Carriere County Clerk and Recorder in and for said County and State, do hereby certify that the within and foregoing is a full, true and correct copy of Philura #65

No. 106074 as it appears of record in my office in Book 240 at page 592

Witness my hand and official seal at Telluride, Colo., this 10 day of Feb 1955

Issued to Geo Engineering

No. 1542 Fee 50¢

Charles C. Carriere
County Clerk and Recorder, San Miguel County, Colorado.

By _____ Deputy.

18 Out West Prtg. & Stat. Co., Colo. Spgs M4172

May 25, 1953
Reception No. 106074

Time 2:29 P.M.
Charles C. Carriere

KNOW ALL MEN BY THESE PRESENTS, That We the undersigned have located the PHILURA NO. 65 lode mining claim, and by this certificate, and by right of discovery and location, claim 1500 feet, linear and horizontal measurement along the vein thereof, with all its dips, angles and variations as allowed by law 1174 feet on said vein running North from the center of the discovery cut and 326 feet running South from the center of the discovery cut, together with 300 feet on each side of the middle of said vein at the surface, and all veins, lodes, ledges, deposits and surface ground within the lines of said claim, situate in lower San Miguel Mining District, County of San Miguel, and State of Colorado and described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1 whence the NE corner of section 5, T43N, R18W, NMPM, bears N28°31' W, 11,325 feet;

thence West	600 feet	to corner No. 2;
thence South	1500 feet	to corner No. 3;
thence East	600 feet	to corner No. 4;
thence North	1500 feet	to corner No. 1, the place of beginning.

Corner No. 1 of Philura No. 65 is identical with corner No. 1 of Philura No. 66; and corner No. 1 of Philura No. 57; and corner No. 1 of Philura No. 58.

Said lode was discovered on the 27th day of February, A. D. 1953 and located on the 27th day of February, A. D. 1953.

Dated this 21st day of May, A. D. 1953.

CONFIRMED

Simpson Mining Co.	25%	
W. D. McDavid	30%	(SEAL)
Arthur Hamilton	9%	
Otis Phillips, Jr.	9%	(SEAL)
John W. Harris	9%	
Rex Phillips	9%	(SEAL)
Kathleen P. Ladd, or Graham B. Ladd	9%	(SEAL)

s/ Alan M. Simpson (SEAL)
SIMPSON MINING CO.

Philura DMEA Exhibit 4

(CERTIFIED COPY)

STATE OF COLORADO } ss.
COUNTY OF SAN MIGUEL

I, Charles C. Carriere County Clerk and Recorder in and for said County and State, do hereby certify that the within and foregoing is a full, true and correct copy of Philura #66

No. 106075 as it appears of record in my office in Book 240 at page 543

Witness my hand and official seal at Telluride, Colo., this 10 day of Feb 1955

Issued to Geo Engineering

No. 1543 Fee $1.00

Charles C. Carriere
County Clerk and Recorder, San Miguel County, Colorado.

By _____ Deputy.

13 Out West Prtg. & Stnty. Co., Colo. Spgs M4172

May 25, 1953
Reception No. 106075

Time 2:30 P.M.
Charles C. Carriere

KNOW ALL MEN BY THESE PRESENTS, That We the undersigned have located the PHILURA NO. 66 lode mining claim, and by this certificate, and by right of discovery and location, claim 1500 feet, linear and horizontal measurement along the vein thereof, with all its dips, angles and variations as allowed by law 726 feet on said vein running North from the center of the discovery cut and 774 feet running South from the center of the discovery cut, together with 300 feet on each side of the middle of said vein at the surface, and all veins, lodes, ledges, deposits and surface ground within the lines of said claim, situate in Lower San Miguel Mining District, County of San Miguel, and State of Colorado and described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1 whence the NE corner of section 5, T43 N, R18W, NMPM, bears N28°-31' W, 11,325 feet;

thence East	600 feet	to corner No. 2;
thence South	1500 feet	to corner No. 3;
thence West	600 feet	to corner No. 4;
thence North	1500 feet	to corner No. 1, the place of beginning.

Corner No. 1 of Philura No. 66 is identical with corner No. 1 of Philura No. 65; and corner No. 1 of Philura No. 57; and corner No. 1 of Philura No. 58.

Said lode was discovered on the 27th day of February, A. D. 1953 and located on the 27th day of February, A. D. 1953.

Dated this 21st day of May, A. D. 1953.

Simpson Mining Co.....25%
W. D. McDavid.....30% (SEAL)
Arthur Hamilton.....9%
Otis Phillips, Jr.....9% (SEAL)
John W. Harris.....9%
Rex Phillips.....9% (SEAL)
Kathleen P. Ladd, or
Graham B. Ladd.....9% (SEAL)
/s/ Alan M. Simpson (SEAL)
SIMPSON MINING CO.

Philura DMEA Exhibit 5

(CERTIFIED COPY)

STATE OF COLORADO } ss.
COUNTY OF SAN MIGUEL

I, Charles C. Carriere County Clerk and Recorder in and for said County and State, do hereby certify that the within and foregoing is a full, true and correct copy of Philura #67 of record in my office

No. 106076 as it appears in Book 240 at page 594

Witness my hand and official seal at Telluride, Colo., this 10 day of Feb 1955

Issued to Geo Engineering

Charles C. Carriere
County Clerk and Recorder, San Miguel County, Colorado.

No. 1544 Fee 1.00

By _____ Deputy.

18 Out West Prtg. & Stnty. Co., Colo. Spgs M4172

May 25, 1953
Reception No. 106076

Time 2:31 P.M.
Charles C. Carriere

KNOW ALL MEN BY THESE PRESENTS, That We the undersigned have located the PHILURA NO. 67 lode mining claim, and by this certificate, and by right of discovery and location, claim 1500 feet, linear and horizontal measurement along the vein thereof, with all its dips, angles and variations as allowed by law 679 feet on said vein running North from the center of the discovery cut and 821 feet running South from the center of the discovery cut, together with 300 feet on each side of the middle of said vein at the surface, and all veins, lodes, ledges, deposits and surface ground within the lines of said claim, situate in Lower San Miguel Mining District, County of San Miguel and State of Colorado and described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1 whence the NE corner of section 5, T43N, R18W, NMPM, bears N33°-35' W, 11,944 feet;

thence West 600 feet to corner No. 2;
thence South 1500 feet to corner No. 3;
thence East 600 feet to corner No. 4;
thence North 1500 feet to corner No. 1; the place of beginning.

Corner No. 1 of Philura No. 67 is identical with corner No. 1 of Philura No. 68; and corner No. 1 of Philura No. 59.

Said lode was discovered on the 27th day of February, A. D. 1953 and located on the 27th day of February, A. D. 1953.

Dated this 21st day of May, A. D., 1953.

Simpson Mining Co.....25% (SEAL)
W. D. McDavid.....30%
Arthur Hamilton.....9% (SEAL)
Otis Phillips, Jr.....9%
John W. Harris.....9% (SEAL)
Rex Phillips.....9%
Kathleen P. Ladd, or (SEAL)
Graham B. Ladd.....9%
/s/ Alan M. Simpson (SEAL)
SIMPSON MINING CO.

Philura DMEA Exhibit 6

(CERTIFIED COPY)

STATE OF COLORADO } ss.
COUNTY OF SAN MIGUEL

I, Charles C. Carriere County Clerk and Recorder in and for said County and State, do hereby certify that the within and foregoing is a full, true and correct copy of Philura #68

No. 106077 as it appears of record in my office in Book 240 at page 595

Witness my hand and official seal at Telluride, Colo., this 10 day of Feb 1955

Issued to Geo Engineering

No. 1545 Fee Do

Charles C. Carriere
County Clerk and Recorder, San Miguel County, Colorado.

By _____ Deputy.

13 Out West Prtg. & Stnty. Co., Colo. Spgs M4172

May 25, 1953
Reception No. 106077

Time 2:32 P.M.
Charles C. Carriere

KNOW ALL MEN BY THESE PRESENTS, That We the undersigned have located the PHILURA NO. 68 lode mining claim, and by this certificate, and by right of discovery and location, claim 1500 feet, linear and horizontal measurement along the vein thereof, with all its dips, angles and variations as allowed by law 650 feet on said vein running North from the center of the discovery cut and 850 feet running South from the center of the discovery cut, together with 300 feet on each side of the middle of said vein at the surface, and all veins, lodes, ledges, deposits and surface ground within the lines of said claim, situate in Lower San Miguel Mining District, County of San Miguel, and State of Colorado and described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1 whence the NE corner of section 5, T43N, R15W, NMPM, bears N 33°-35' W. 11,944 feet;

thence East	600 feet	to corner No. 2;
thence South	1500 feet	to corner No. 3;
thence West	600 feet	to corner No. 4;
thence North	1500 feet	to corner No. 1, the place of beginning.

Corner No. 1 of Philura No. 68 is identical with corner 1 of Philura No. 67; and corner No. 1 of Philura No. 59.

Said lode was discovered on the 27th day of February, A. D. 1953, and located on the 27th day of February, A. D. 1953.

Dated this 21st day of May, A. D. 1953.

Simpson Mining Co.....25%
W. D. McDavid.....30% (SEAL)
Arthur Hamilton.....9%
Otis Phillips, Jr.....9% (SEAL)
John W. Harris.....9%
Rex Phillips.....9% (SEAL)
Kathleen P. Ladd, or
Graham B. Ladd.....9% (SEAL)
/s/Alan M. Simpson (SEAL)
SIMPSON MINING CO.

Philura DMEA Exhibit 7

(CERTIFIED COPY)

STATE OF COLORADO } ss.
COUNTY OF SAN MIGUEL

I, Charles C. Carriere County Clerk and Recorder in and for said County and State, do hereby certify that the within and foregoing is a full, true and correct copy of Philura #76

No. 106085 as it appears of record in my office in Book 240 at page 603

Witness my hand and official seal at Telluride, Colo., this 10 day of Feb 1955

Issued to Geo Engineering

No. 1546 Fee 5/00

Charles C. Carriere
County Clerk and Recorder, San Miguel County, Colorado.

By _____ Deputy.

13 Out West Prtg. & Staty. Co., Colo. Spgs M4172

May 25, 1953
Reception No. 106085

Time 2:40 P.M.
Charles C. Carriere

KNOW ALL MEN BY THESE PRESENTS, That We the undersigned have located the PHILURA NO. 76 lode mining claim, and by this certificate, and by right of discovery and location, claim 1500 feet, linear and horizontal measurement along the vein thereof, with all its dips, angles and variations as allowed by law 710 feet on said vein running North from the center of the discovery cut and 790 feet running South from the center of the discovery cut, together with 300 feet on each side of the middle of said vein at the surface, and all veins, lodes, ledges, deposits and surface ground within the lines of said claim, situate in Lower San Miguel Mining District, County of San Miguel, and State of Colorado and described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1 whence the NE corner of section 5, T43N, R18W, NMPM, bears N22°-39' W, 14,034 feet;
thence West 600 feet to corner No. 2;
thence North 1500 feet to corner No. 3;
thence East 600 feet to corner No. 4;
thence South 1500 feet to corner No. 1, the place of beginning.

Corner No. 4 of Philura No. 76 is identical with corner No. 4 of Philura No. 77; and corner No. 4 of Philura No. 65; and corner No. 4 of Philura No. 66.

Said lode was discovered on the 27th day of February, A. D. 1953 and located on the 27th day of February, A. D. 1953.

Dated this 21st day of May, A. D. 1953.

Simpson Mining Co.....25% (SEAL)
W. D. McDavid.....30%
Arthur Hamilton.....9% (SEAL)
Otis Phillips, Jr.....9%
John W. Harris.....9% (SEAL)
Rex Phillips.....9%
Kathleen P. Ladd, or
Graham B. Ladd.....9% (SEAL)
/s/ Alan M. Simpson (SEAL)
SIMPSON MINING CO.

Philura DMEA Exhibit 8

(CERTIFIED COPY)

STATE OF COLORADO } ss.
COUNTY OF SAN MIGUEL

I, Charles C. Carriere County Clerk and Recorder in and for said County and State, do hereby certify that the within and foregoing is a full, true and correct copy of Philura #77

No. 106086 as it appears of record in my office in Book 240 at page 604

Witness my hand and official seal at Telluride, Colo., this 10 day of Feb 1955

Issued to Geo Engineering

No. 1547 Fee $1.00

Charles C. Carriere
County Clerk and Recorder, San Miguel County, Colorado.

By _____ Deputy.

13 Out West Prtg. & Stnry. Co., Colo. Spgs M4172

May 25, 1953
Reception No. 106086

Time 2:41 P.M.
Charles C. Carriere

KNOW ALL MEN BY THESE PRESENTS, That We the undersigned have located the PHILURA NO. 77 lode mining claim and by this certificate, and by right of discovery and location, claim 1500 feet, linear and horizontal measurement along the vein thereof, with all its dips, angles and variations as allowed by law 859 feet on said vein running North from the center of the discovery cut and 641 feet running South from the center of the discovery cut, together with 300 feet on each side of the middle of said vein at the surface, and all veins, lodes, ledges, deposits and surface ground within the lines of said claim, situate in Lower San Miguel Mining District, County of San Miguel, and State of Colorado and described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1 whence the NE corner of section 5, T43N, R18W, NMPM, bears N 22°-39' W 14,034 feet;
thence East 600 feet to corner No. 2;
thence North 1500 feet to corner No. 3;
thence West 600 feet to corner No. 4;
thence South 1500 feet to corner No. 1, the place of beginning.

Corner No. 4 of Philura No. 77 is identical with corner No. 4 of Philura No. 76; and corner No. 4 of Philura No. 65; and corner No. 4 of Philura No. 66.

Said lode was discovered on the 27th day of February, A. D. 1953, and located on the 27th day of February, A. D. 1953.

Dated this 21st day of May, A. D. 1953.

Simpson Mining Co.....25% (SEAL)
W. D. McDavid.....30%
Arthur Hamilton.....9% (SEAL)
Otis Phillips, Jr.....9%
John W. Harris.....9% (SEAL)
Rex Phillips.....9%
Kathleen P. Ladd, or
Graham B. Ladd.....9% (SEAL)
/s/ Alan M. Simpson (SEAL)
SIMPSON MINING CO.

Philura DMEA Exhibit 9

(CERTIFIED COPY)

STATE OF COLORADO } ss.
COUNTY OF SAN MIGUEL

I, Charles C. Carriere County Clerk and Recorder in and for said County and State, do hereby certify that the within and foregoing is a full, true and correct copy of Philura # 78

No. 106087 as it appears of record in my office in Book 240 at page 605

Witness my hand and official seal at Telluride, Colo., this 16 day of Feb 1955

Issued to Lio Conquistadores

Charles C. Carriere
County Clerk and Recorder, San Miguel County, Colorado.

No. 1548 Fee 1.00

By ..... Deputy.

18 Out West Prtg. & Stnty. Co., Colo. Spgs M4172

May 25, 1953
Location No. 106087

Time 2:42 P.M.
Charles C. Carriere

KNOW ALL MEN BY THESE PRESENTS, That we the undersigned have located the PHILURA NO. 78 lode mining claim, and by this certificate, and by right of discovery and location, claim 1500 feet, linear and horizontal measurement along the vein thereof, with all its dips, angles and variations as allowed by law 245 feet on said vein running East from the center of the discovery cut and 1255 feet running West from the center of the discovery cut, together with 300 feet on each side of the middle of said vein at the surface, and all veins, lodes, ledges, deposits and surface ground within the lines of said claim, situate in Lower San Miguel Mining District, County of San Miguel, and State of Colorado and described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1 whence the NE corner of Section 5, T43N, R18W, NMPM, bears N26-29' W, 13,465 feet;

thence East	1500	feet to corner No. 2;
thence North	600	feet to corner No. 3;
thence West	1500	feet to corner No. 4;
thence South	600	feet to corner No. 1, the place of beginning.

Corner No. 4 of Philura No. 78 is identical with corner No. 3 of Philura No. 77; and corner No. 3 of Philura No. 66; and corner No. 3 of Philura No. 67.

Said lode was discovered on the 27th day of February, A. D. 1953 and located on the 27th day of February, A. D. 1953.

Dated this 21st day of May, A. D. 1953.

Simpson Mining Co.....25% (SEAL)
W. D. McDavid.....30%
Arthur Hamilton.....9% (SEAL)
Otis Phillips, Jr.....9%
John W. Harris.....9% (SEAL)
Rex Phillips.....9%
Kathleen P. Ladd, or (SEAL)
Graham B. Ladd.....9%
/s/ Alan M. Simpson (SEAL)
SIMPSON MINING CO.

Philura DMEA Exhibit 10

(CERTIFIED COPY)

STATE OF COLORADO } ss.
COUNTY OF SAN MIGUEL

I, Chas. C. Cain County Clerk and Recorder in and for said County and State, do hereby certify that the within and foregoing is a full, true and correct copy of Philura #65

No. 113488 as it appears of record in my office in Book 240 at page 592

Witness my hand and official seal at Telluride, Colo., this 10 day of Feb 1955

Issued to Geo Engineering

No. 1549 Fee $1.00

Chas. C. Cain
County Clerk and Recorder, San Miguel County, Colorado.

By _____ Deputy.

18 Out West Prtg. & Stnry. Co., Colo. Spgs M4172

"That for record the _____ day of _____ A. D. 19____ at _____ o'clock ____ M.

No. _____ _____ RECORDER.

STATE OF COLORADO
County of San Miguel } ss.

Know all Men by these Presents:

That We

the undersigned, have this 18th day of August, 19 54, amended, located and claimed, and by these presents do amend, locate and claim, by right of discovery and this amended location certificate 1500 linear feet and horizontal measurement on the PHILURA NO. 65 lode, vein, ledge or deposit, along the vein thereof, with all its dips, angles and variations, as allowed by law, together with 300 feet on the East side, and 300 feet on the West side of the middle of said vein at the surface, so far as can be determined from present developments; and all veins, lodes, ledges or deposits and surface ground within the lines of said claim, 1174 feet running North from center of discovery cut and 326 feet running South from center of discovery cut said discovery cut being situate upon said lode, vein, ledge, or deposit, and within the lines of said claim in Lower San Miguel Mining District, County of San Miguel and State of Colorado, described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1, whence the NE corner of section 5, T43N, R18W, NMPM, bears N 28-31 W, 11,325 feet;
thence West 600 feet to corner No. 2;
thence South 1500 feet to corner No. 3;
thence East 600 feet to corner No. 4;
thence North 1500 feet to corner No. 1, the place of beginning.

Corner No. 1 of Philura No. 65 is identical with corner No. 1 of Philura No. 66; and corner No. 1 of Philura No. 57; and corner No. 1 of Philura No. 58.

This being the same lode originally located on the 27th day of February, 1953, and recorded on the 25th day of May, 1953, in Book 224, Page 266, in the office of the Recorder of San Miguel County, this further and amended certificate of location is made without waiver of any previously acquired rights, but for the purpose of correcting any errors in the original location, description or record, or validity. This notice is posted and filed pursuant to the provisions of the Act of August 13,1954--83D Congress, 2D Session, S. 3344--(Amending the Mineral Leasing Laws to Provide for Multiple Mineral Development of the same tracts of the Public Lands), and for the purpose of obtaining the benefits thereof. PUBLIC LAW 585.

Said lode was discovered the 27th day of February, A. D. 1953

ATTEST: Alan M. Simpson

Date of Posting Notice of Amended Location, Sept. 1, A. D. 1954

Date of Amended Certificate, _____, A. D. 1954

Simpson Mining Company..25% Seal
W. D. McDavid.....30%
Arthur Hamilton.....9% Seal
Otis Phillips, Jr.....9%
John W. Harris.....9% Seal
Rex Phillips.....9%
Graham B. Ladd.....9% Seal

Simpson Mining Company Seal

By: J. E. Simpson Seal

828-P. AMENDED LOCATION CERTIFICATE—Out West Printing and Stationery Co., Colorado Springs, Colo.

Philura DMEA Exhibit 18

(CERTIFIED COPY)

STATE OF COLORADO } ss.
COUNTY OF SAN MIGUEL

I, Charles C. Canino County Clerk and Recorder in and for said County and State, do hereby certify that the within and foregoing is a full, true and correct copy of Philura #66

No. 11557 as it appears of record in my office in Book 24 at page 542

Witness my hand and official seal at Telluride, Colo., this 10 day of Feb. 19 55

Issued to Co Conveyancing

Charles C. Canino
County Clerk and Recorder, San Miguel County, Colorado.

No. 1350 Fee

By Deputy.

13 Out West Prtg. & Stnry. Co., Colo. Spgs M4172

Filed for record the day of A. D. 19 at o'clock M.

No. RECORDER.

STATE OF COLORADO }
County of San Miguel } ss.

Know all Men by these Presents:

That we

the undersigned, have this 18th day of August, 1954, amended, located and claimed, and by these presents do amend, locate and claim, by right of discovery and this amended location certificate 1500 linear feet and horizontal measurement on the PHILURA NO. 66 lode, vein, ledge or deposit, along the vein thereof, with all its dips, angles and variations, as allowed by law, together with 300 feet on the East side, and 300 feet on the West side of the middle of said vein at the surface, so far as can be determined from present developments; and all veins, lodes, ledges or deposits and surface ground within the lines of said claim, 726 feet running North from center of discovery cut and 774 feet running South from center of discovery cut said discovery cut being situate upon said lode, vein, ledge, or deposit, and within the lines of said claim in Lower San Miguel Mining District, County of San Miguel and State of Colorado, described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1, whence the NE corner of section 5, T43N, R15W, NMPM, bears N 2331 W, 11,325 feet;
thence East 600 feet to corner No. 2;
thence South. 1500 feet to corner No. 3;
thence West 600 feet to corner No. 4;
thence North 1500 feet to corner No. 1, the place of beginning.

Corner No. 1 of Philura No. 66 is identical with corner No. 1 of Philura No. 65; and corner No. 1 of Philura No. 57; and corner No. 1 of Philura No. 58.

This being the same lode originally located on the 27th day of February, 1953, and recorded on the 25th day of May, 1953, in Book 224, Page 267, in the office of the Recorder of San Miguel County, this further and amended certificate of location is made without waiver of any previously acquired rights, but for the purpose of correcting any errors in the original location, description or record, or validity. This notice is posted and filed pursuant to the provisions of the Act of August 13,1954--83D Congress, 2D Session, S. 3344--(Amending the Mineral Leasing Laws to Provide for Multiple Mineral Development of the same tracts of the Public Lands), and for the purpose of obtaining the benefits thereof. PUBLIC LAW 585.

Said lode was discovered the 27th day of February, A. D. 1953

ATTEST: Alan K. Simpson

Date of Posting Notice of Amended Location, Sept. 1, A. D. 1954

Date of Amended Certificate, , A. D. 1954

Simpson Mining Company 25% Seal
W. D. McDavid 30%
Arthur Hamilton 9% Seal
Otis Phillips, Jr. 9%
John W. Harris 9% Seal
Rex Phillips 9%
Graham B. Ladd 9% Seal

Simpson Mining Company Seal

By: J. E. Simpson Seal

838-P. AMENDED LOCATION CERTIFICATE—Out West Printing and Stationery Co., Colorado Springs, Colo.

Philura DMEA Exhibit 19

(CERTIFIED COPY)

STATE OF COLORADO } ss.
COUNTY OF SAN MIGUEL

I, Charles C. Canino County Clerk and Recorder in and for said County and State, do hereby certify that the within and foregoing is a full, true and correct copy of Philura #67

No. 118490 as it appears of record in my office in Book 240 at page 594

Witness my hand and official seal at Telluride, Colo., this 10 day of Feb 195[illegible]

Issued to Geo Engineering

No. 1551 Fee 1.00

Charles C. Canino
County Clerk and Recorder, San Miguel County, Colorado.

By _____ Deputy.

13 Out West Prtg. & Stnry. Co., Colo. Spgs M4172

Filed for record the _____ day of _____, A. D. 19____, at _____ o'clock _____ M.

No. _____ RECORDER.

STATE OF COLORADO
County of San Miguel } ss.

Know all Men by these Presents:

That We

the undersigned, have this 18th day of August, 1954, amended, located and claimed, and by these presents do amend, locate and claim, by right of discovery and this amended location certificate 1500 linear feet and horizontal measurement on the PHILURA NO. 67 lode, vein, ledge or deposit, along the vein thereof, with all its dips, angles and variations, as allowed by law, together with 300 feet on the East side, and 300 feet on the West side of the middle of said vein at the surface, so far as can be determined from present developments; and all veins, lodes, ledges or deposits and surface ground within the lines of said claim, 679 feet running North from center of discovery cut and 821 feet running South from center of discovery cut said discovery cut being situate upon said lode, vein, ledge, or deposit, and within the lines of said claim in Lower San Miguel Mining District, County of San Miguel and State of Colorado, described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1, whence the NE corner of section 5, T43N, R18W, NMPM, bears N 33-35 W, 11,944 feet;
thence West 600 feet to corner No. 2;
thence South 1500 feet to corner No. 3;
thence East 600 feet to corner No. 4;
thence North 1500 feet to corner No. 1, the place of beginning.

Corner No. 1 of Philura No. 67 is identical with corner No. 1 of Philura No. 68; and corner No. 1 of Philura No. 59.

This being the same lode originally located on the 27th day of February, 1953, and recorded on the 25th day of May, 1953, in Book 224, Page 262, in the office of the Recorder of San Miguel County, this further and amended certificate of location is made without waiver of any previously acquired rights, but for the purpose of correcting any errors in the original location, description or record, or validity. This notice is posted and filed pursuant to the provisions of the Act of August 13,1954--83D Congress, 2D Session, S. 3344--(Amending the Mineral Leasing Laws to Provide for Multiple Mineral Development of the same tracts of the Public Lands), and for the purpose of obtaining the benefits thereof. PUBLIC LAW 585

Said lode was discovered the 27th day of February, A. D. 1953

ATTEST: Alan M. Simpson
Date of Posting Notice of Amended Location, Sept. 1, A. D. 1954

Date of Amended Certificate, _____, A. D. 1954

Simpson Mining Company..25% Seal
W. D. McDavid.....30%
Arthur Hamilton.....9% Seal
Otis Phillips, Jr.....9%
John W. Harris.....9% Seal
Rex Phillips.....9%
Graham B. Ladd.....9% Seal

Simpson Mining Company Seal

By: J. E. Simpson Seal

828-P. AMENDED LOCATION CERTIFICATE—Out West Printing and Stationery Co., Colorado Springs, Colo.

Philura DMEA Exhibit 20

(CERTIFIED COPY)

STATE OF COLORADO } ss.
COUNTY OF SAN MIGUEL }

I, Charles C. Cassius County Clerk and Recorder in and for said County and State, do hereby certify that the within and foregoing is a full, true and correct copy of Philura #68

No. 118491 as it appears of record in my office in Book 240 at page 595.

Witness my hand and official seal at Telluride, Colo., this 10 day of Oct 1955

Issued to Geo Engineering

No. 1552 Fee 50c

Charles C. Cassius
County Clerk and Recorder, San Miguel County, Colorado.

By _____ Deputy.

18 Out West Prtg. & Stnry. Co., Colo. Spgs M4172

Filed for record the _____ day of _____ A. D. 19____, at _____ o'clock _____ M.

No. _____ _____ RECORDER.

STATE OF COLORADO
County of San Miguel } ss.

Know all Men by these Presents:

That We

the undersigned, have this 18th day of August, 1954, amended, located and claimed, and by these presents do amend, locate and claim, by right of discovery and this amended location certificate 1500 linear feet and horizontal measurement on the PHILURA NO. 68 lode, vein, ledge or deposit, along the vein thereof, with all its dips, angles and variations, as allowed by law, together with 300 feet on the East side, and 300 feet on the West side of the middle of said vein at the surface, so far as can be determined from present developments; and all veins, lodes, ledges or deposits and surface ground within the lines of said claim, 650 feet running North from center of discovery cut and 850 feet running South from center of discovery cut said discovery cut being situate upon said lode, vein, ledge, or deposit, and within the lines of said claim in Lower San Miguel Mining District, County of San Miguel and State of Colorado, described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1, whence the NE corner of section 5, T43N, R18W, NMPM, bears 33-35 W, 11,944 feet;
thence East 600 feet to corner No. 2;
thence South 1500 feet to corner No. 3;
thence West 600 feet to corner No. 4;
thence North 1500 feet to corner No. 1, the beginning place.

Corner No. 1 of Philura No. 68 is identical with corner No. 1 of Philura No. 67; and corner No. 1 of Philura No. 59.

This being the same lode originally located on the 27th day of February, 1953, and recorded on the 25th day of May, 1953, in Book 224, Page 269, in the office of the Recorder of San Miguel County, this further and amended certificate of location is made without waiver of any previously acquired rights, but for the purpose of correcting any errors in the original location, description or record, or validity. This notice is posted and filed pursuant to the provisions of the Act of August 13,1954--83D Congress, 2D Session, S. 3344 (Amending the Mineral Leasing Laws to Provide for Multiple Mineral Development of the same tracts of the Public Lands), and for the purpose of obtaining the benefits thereof. PUBLIC LAW 585

Said lode was discovered the 27th day of February, A. D. 1953

ATTEST: Alan M. Simpson

Posting Notice of Date of/Amended/Location, Sept. 1, A. D. 1954

Date of Amended Certificate, _____, A. D. 1954

Simpson Mining Company..25% Seal
W. D. McDavid.....30%
Arthur Hamilton.....9% Seal
Otis Phillips, Jr.....9%
John W. Harris.....9% Seal
Rex Phillips.....9%
Graham B. Ladd.....9% Seal

Simpson Mining Company Seal

By: J. E. Simpson Seal

538-P. AMENDED LOCATION CERTIFICATE—Out West Printing and Stationery Co., Colorado Springs, Colo.

Philura DMEA Exhibit 21

(CERTIFIED COPY)

STATE OF COLORADO } ss.
COUNTY OF SAN MIGUEL

I, Charles C. Cammene County Clerk and Recorder in and for said County and State, do hereby certify that the within and foregoing is a full, true and correct copy of Philura #76

No. 118499 as it appears record in my office in Book 240 at page 603

Witness my hand and official seal at Telluride, Colo., this 10 day of Feb 1955

Issued to Geo Engineering

No. 1553 Fee 50

Charles C. Cammene
County Clerk and Recorder, San Miguel County, Colorado.

By Deputy.

13 Out West Prtg. & Staty. Co., Colo. Spgs M4172

Filed for record the day of A. D. 19 at o'clock M.

No. RECORDER.

STATE OF COLORADO
County of San Miguel } ss.

Know all Men by these Presents:

That We

the undersigned, have this 18th day of August, 1954, amended, located and claimed, and by these presents do amend, locate and claim, by right of discovery and this amended location certificate 1500 linear feet and horizontal measurement on the PHILURA NO. 76 lode, vein, ledge or deposit, along the vein thereof, with all its dips, angles and variations, as allowed by law, together with 300 feet on the East side, and 300 feet on the West side of the middle of said vein at the surface, so far as can be determined from present developments; and all veins, lodes, ledges or deposits and surface ground within the lines of said claim, 710 feet running North from center of discovery cut and 790 feet running South from center of discovery cut said discovery cut being situate upon said lode, vein, ledge, or deposit, and within the lines of said claim in Lower San Miguel Mining District, County of San Miguel and State of Colorado, described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1, whence the NE corner of section 5 T43N, R18W, NMPM, bears N. 22-39 W. 14,034 feet;
thence West 600 feet to corner No. 2;
thence North 1500 feet to corner No. 3;
thence East 600 feet to corner No. 4;
thence South 1500 feet to corner No. 1, the place of beginning.

Corner No. 4 of Philura No. 76 is identical with corner No. 4 of Philura No. 77; and corner No. 4 of Philura No. 65; and Corner No. 4 of Philura No. 66.

This being the same lode originally located on the 27th day of February, 1953, and recorded on the 25th day of May, 1953, in Book 224, Page 277, in the office of the Recorder of San Miguel County, this further and amended certificate of location is made without waiver of any previously acquired rights, but for the purpose of correcting any errors in the original location, description or record, of validity. This notice is posted and filed pursuant to the provisions of the Act of August 13,1954--83D Congress, 2D Session, S. 3344 (Amending the Mineral Leasing Laws to provide for Multiple Mineral Development of the same tracts of the Public Lands), and for the purpose of obtaining the benefits thereof. PUBLIC LAW 585

Said lode was discovered the 27th day of February, A. D. 1953

ATTEST: Alan M. Simpson

Posting Notice of Date of/Amended/Location, Sept. 2, A. D. 1954

Date of Amended Certificate, , A. D. 1954

Simpson Mining Company..25% Seal
W. D. McDavid.....30%
Arthur Hamilton.....9% Seal
Otis Phillips, Jr.....9%
John W. Harris.....9% Seal
Rex Phillips.....9%
Graham B. Ladd.....9% Seal

Simpson Mining Company Seal

By: J. E. Simpson Seal

828-P. AMENDED LOCATION CERTIFICATE—Out West Printing and Stationery Co., Colorado Springs, Colo.

Philura DMEA Exhibit 22

(CERTIFIED COPY)

STATE OF COLORADO } ss.
COUNTY OF SAN MIGUEL

I, Charles C. Cannine County Clerk and Recorder in and for said County and State, do hereby certify that the within and foregoing is a full, true and correct copy of Philura #77

No. 118500 as it appears of record in my office in Book 240 at page 604

Witness my hand and official seal at Telluride, Colo., this 19 day of Feb 19[illegible]

Issued to Rice Engineering

Charles C. Cannine
County Clerk and Recorder, San Miguel County, Colorado.

No. 1554 Fee 1.50

By ..... Deputy.

Out West Prtg. & Stnty. Co., Colo. Spgs M4172

Filed for record the ..... day of ....., A. D. 19.... at ..... o'clock ..... M.

No. ..... RECORDER.

STATE OF COLORADO } ss.
County of San Miguel

Know all Men by these Presents:

That We

the undersigned, have this 18th day of August, 19 54, amended, located and claimed, and by these presents do amend, locate and claim, by right of discovery and this amended location certificate 1500 linear feet and horizontal measurement on the PHILURA NO. 77 lode, vein, ledge or deposit, along the vein thereof, with all its dips, angles and variations, as allowed by law, together with 300 feet on the East side, and 300 feet on the West side of the middle of said vein at the surface, so far as can be determined from present developments; and all veins, lodes, ledges or deposits and surface ground within the lines of said claim, 859 feet running North from center of discovery cut and 641 feet running South from center of discovery cut said discovery cut being situate upon said lode, vein, ledge, or deposit, and within the lines of said claim in Lower San Miguel Mining District, County of San Miguel and State of Colorado, described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1, whence the NE corner of section 5, T43N, R18W, NMPM, bears N 22-39 W, 14,034 feet;
Thence East 600 feet to corner No. 2;
thence North 1500 feet to corner No. 3;
thence West 600 feet to corner No. 4;
thence South 1500 feet to corner No. 1, the place of beginning.

Corner No. 4 of Philura No. 77 is identical with corner No. 4 of Philura No. 76; and corner No. 4 of Philura No. 65, and corner No. 4 of Philura No. 66.

This being the same lode originally located on the 27th day of February, 1953, and recorded on the 25th day of May, 1953, in Book 214, Page 278, in the office of the Recorder of San Miguel County, this further and amended certificate of location is made without waiver of any previously acquired rights, but for the purpose of correcting any errors in the original location, description or record, or validity. This notice is posted and filed pursuant to the provisions of the Act of August 13, 1954--83D Congress, 2D Session, S. 3544--Amending the Mineral Leasing Laws to Provide for Multiple Mineral Development of the surface resources of the Public Lands), and for the purpose of obtaining the benefits thereof. PUBLIC LAW 585.

Said lode was discovered the 27th day of February, A. D. 1953

ATTEST: Alan M. Simpson

Date of Posting Notice of Amended Location, Sept. 2, A. D. 19 54

Date of Amended Certificate, ..., A. D. 19 54

Simpson Mining Company ..25% Seal
W. E. McDavid 30%
Arthur Hamilton ..... 9% Seal
Otis Phillips, Jr. 9%
John W. Harris ..... 9% Seal
Rex Phillips 9%
Graham B. Ladd ..... 9% Seal
Simpson Mining Company Seal
By: J. E. Simpson Seal

828-P. AMENDED LOCATION CERTIFICATE—Out West Printing and Stationery Co., Colorado Springs, Colo.

Philura DMEA Exhibit 23

(CERTIFIED COPY)

STATE OF COLORADO } ss.
COUNTY OF SAN MIGUEL }

I, Charles C. Cammins County Clerk and Recorder in and for said County and State, do hereby certify that the within and foregoing is a full, true and correct copy of Philura #78

No. 118501 as it appears of record in my office in Book 240 at page 605

Witness my hand and official seal at Telluride, Colo., this 6 day of 7 1955

Issued to Geo. E. Engineering

No. 1555 Fee 1.00

Charles C. Cammins
County Clerk and Recorder, San Miguel County, Colorado.

By _____ Deputy.

12 Out West Prtg. & Stnty. Co., Colo. Spgs M4172

Filed for record the _____ day of _____, A. D. 19____, at _____ o'clock ____ M.

_____ RECORDER.

STATE OF COLORADO }
County of San Miguel } ss.

Know all Men by these Presents:

That We

the undersigned, have this 18th day of August, 19 54, amended, located and claimed, and by these presents do amend, locate and claim, by right of discovery and this amended location certificate 1500 linear feet and horizontal measurement on the PHILURA NO. 78 lode, vein, ledge or deposit, along the vein thereof, with all its dips, angles and variations, as allowed by law, together with 300 feet on the North side, and 300 feet on the South side of the middle of said vein at the surface, so far as can be determined from present developments; and all veins, lodes, ledges or deposits and surface ground within the lines of said claim, 245 feet running East from center of discovery cut and 1255 feet running West from center of discovery cut said discovery cut being situate upon said lode, vein, ledge, or deposit, and within the lines of said claim in Lower San Miguel Mining District, County of San Miguel and State of Colorado, described by metes and bounds as follows, to-wit:

Beginning at Corner No. 1, whence the NE corner of section 5, T43N, R18W, NMPM, bears N 26-29 W. 13,465 feet;
thence East 1500 feet to corner 2;
thence North 600 feet to corner 3;
thence West 1500 feet to corner 4;
thence South 600 feet to corner 1, the place of beginning.

Corner No. 4 of Philura No. 78 is identical with corner No. 3 of Philura No. 77; and corner No. 3 of Philura No. 66; and corner No. 3 of PHilurar No. 67.

This being the same lode originally located on the 27th day of February, 1953, and recorded on the 25th day of May, 1953, in Book 224, Page 279, in the office of the Recorder of San Miguel County, this further and amended certificate of location is made without waiver of any previously acquired rights, but for the purpose of correcting any errors in the original location, description or record, or validity. This notice is posted and filed pursuant to the provisions of the Act of August 13,1954--83D Congress, 2d Session, S. 3344 (Amending the Mineral Leasing Laws to Provide for Multiple Mineral Development of the same tracts of the Public Lands), and for the purpose of obtaining the benefits thereof. PUBLIC LAW 585.

Said lode was discovered the 27th day of February, A. D. 1953

ATTEST: Alan M. Simpson

Date of Posting Notice of Amended Location, Sept. 2, A. D. 19 54

Date of Amended Certificate, _____, A. D. 19 54

Simpson Mining Company..25% Seal
W. D. McDavid.....30%
Arthur Hamilton.....9% Seal
Otis Phillips, Jr.....9%
John W. Harris.....9% Seal
Rex Phillips.....9%
Graham B. Ladd.....9%
Seal

Simpson Mining Company
By: J. E. Simpson Seal

Seal

826-P. AMENDED LOCATION CERTIFICATE—Out West Printing and Stationery Co., Colorado Springs, Colo.

Philura DMEA Exhibit 24

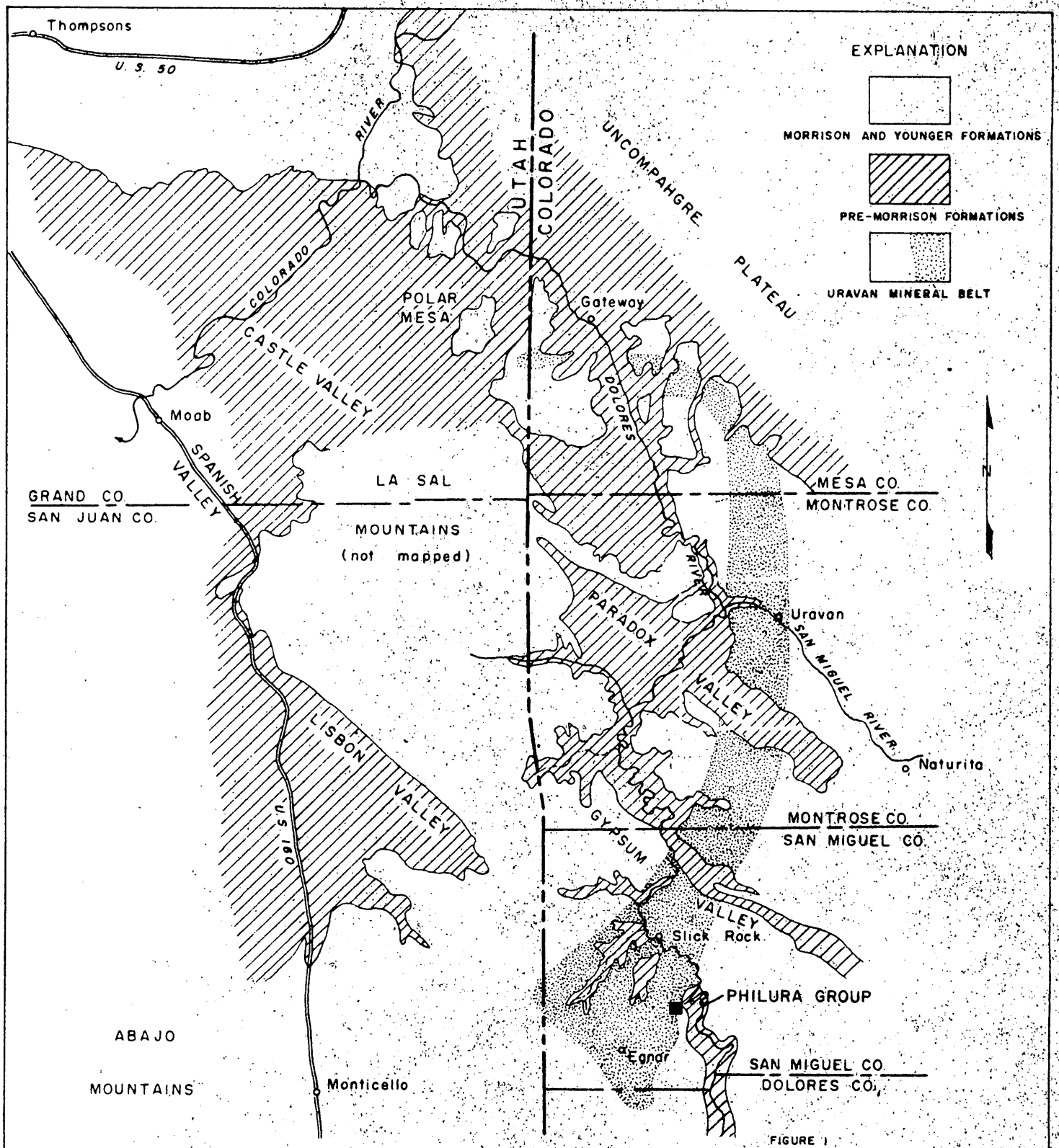
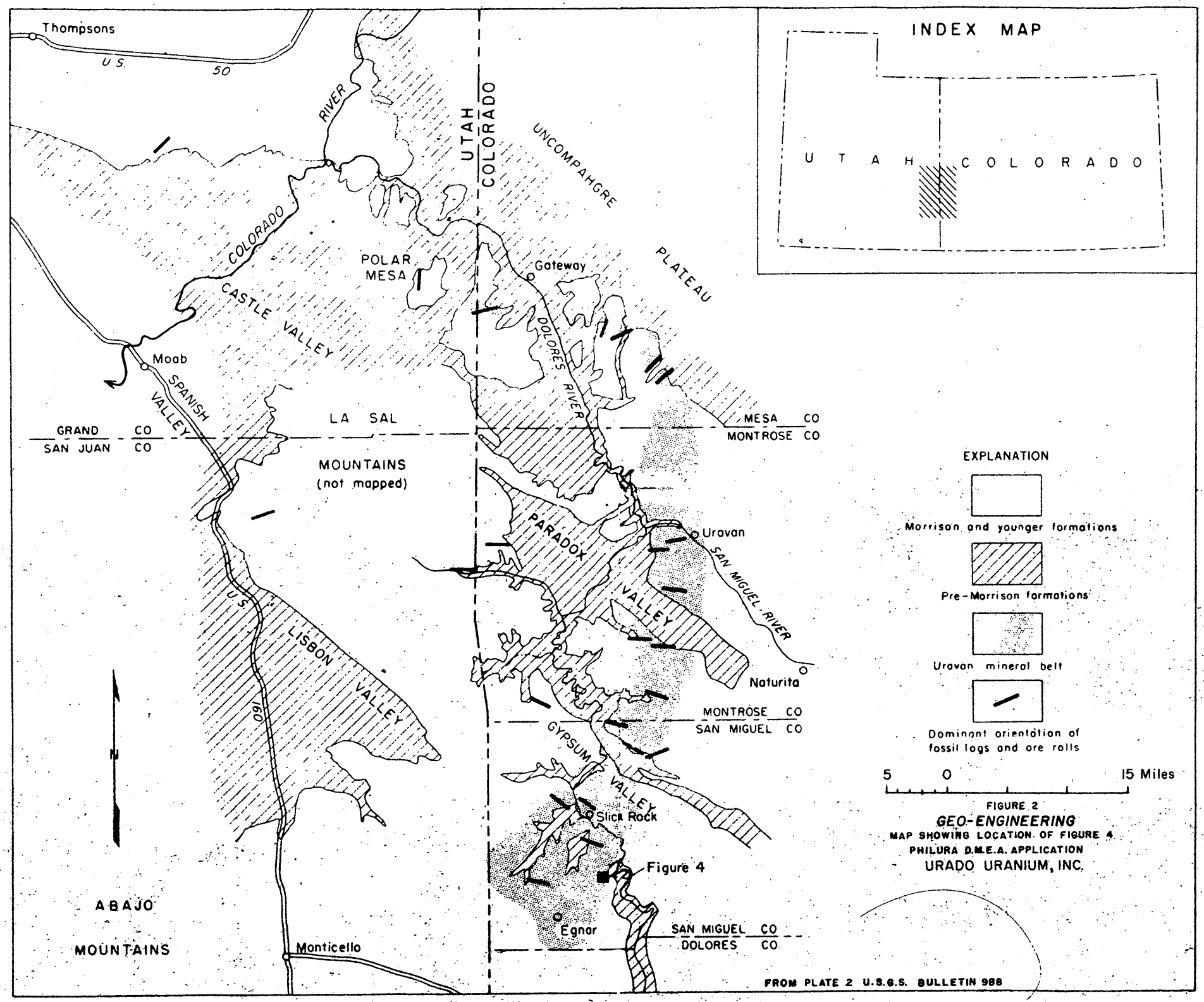
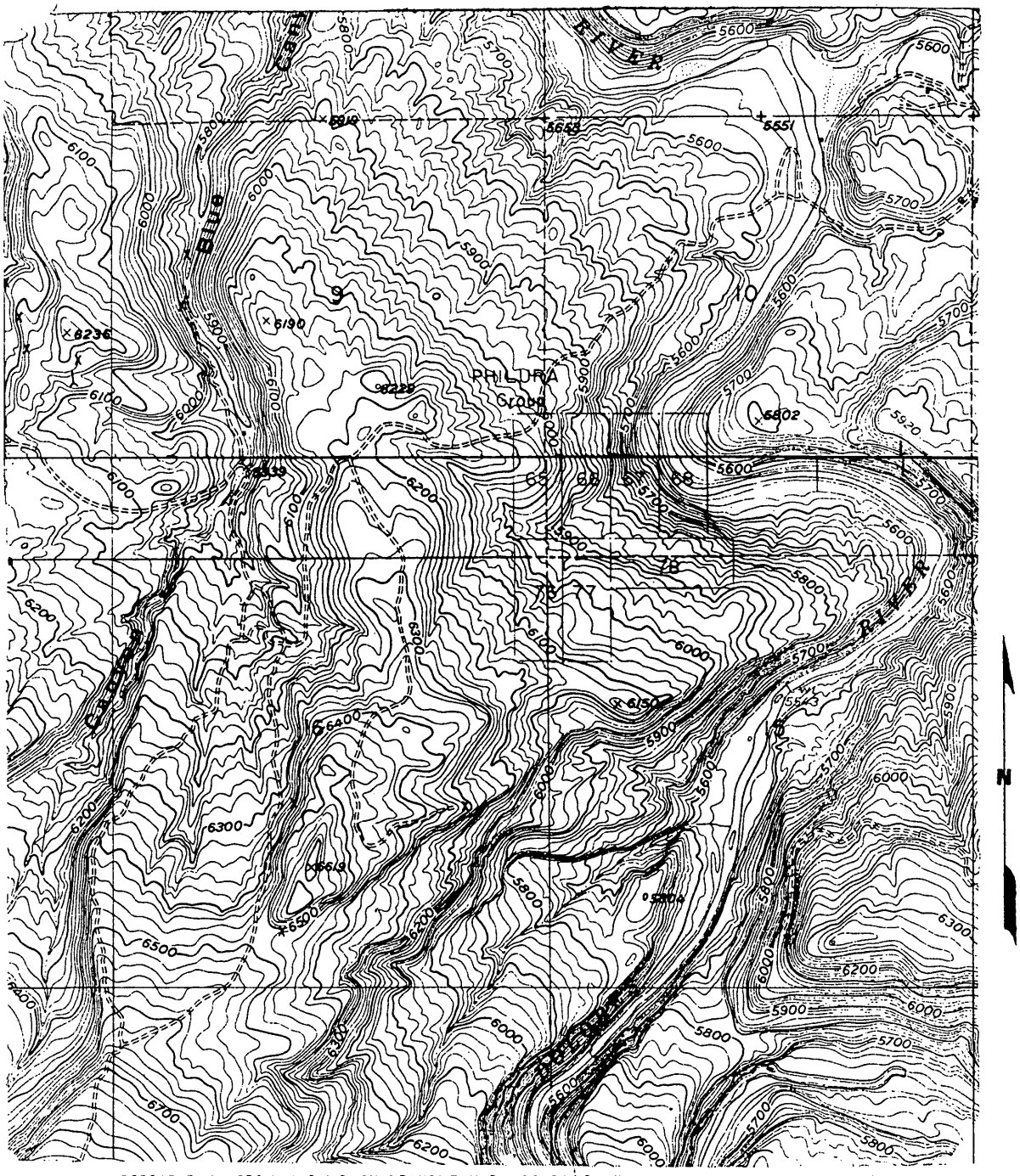


FIGURE 1
GEO-ENGINEERING
MAP OF URAVAN MINERAL BELT
SHOWING
LOCATION OF
PHILURA D.M.E.A. APPLICATION
URADO URANIUM, INC.



MAP OF PART OF COLORADO AND UTAH, SHOWING THE DOMINANT ORIENTATION OF THE FOSSIL LOGS AND ORE ROLLS

T. 43 N., R. 18 W., N.M.P.M.



TOPOGRAPHY FROM U.S.G.S QUADRANGLE MAP JOE DAVIS HILL

FIGURE 3

GEO-ENGINEERING

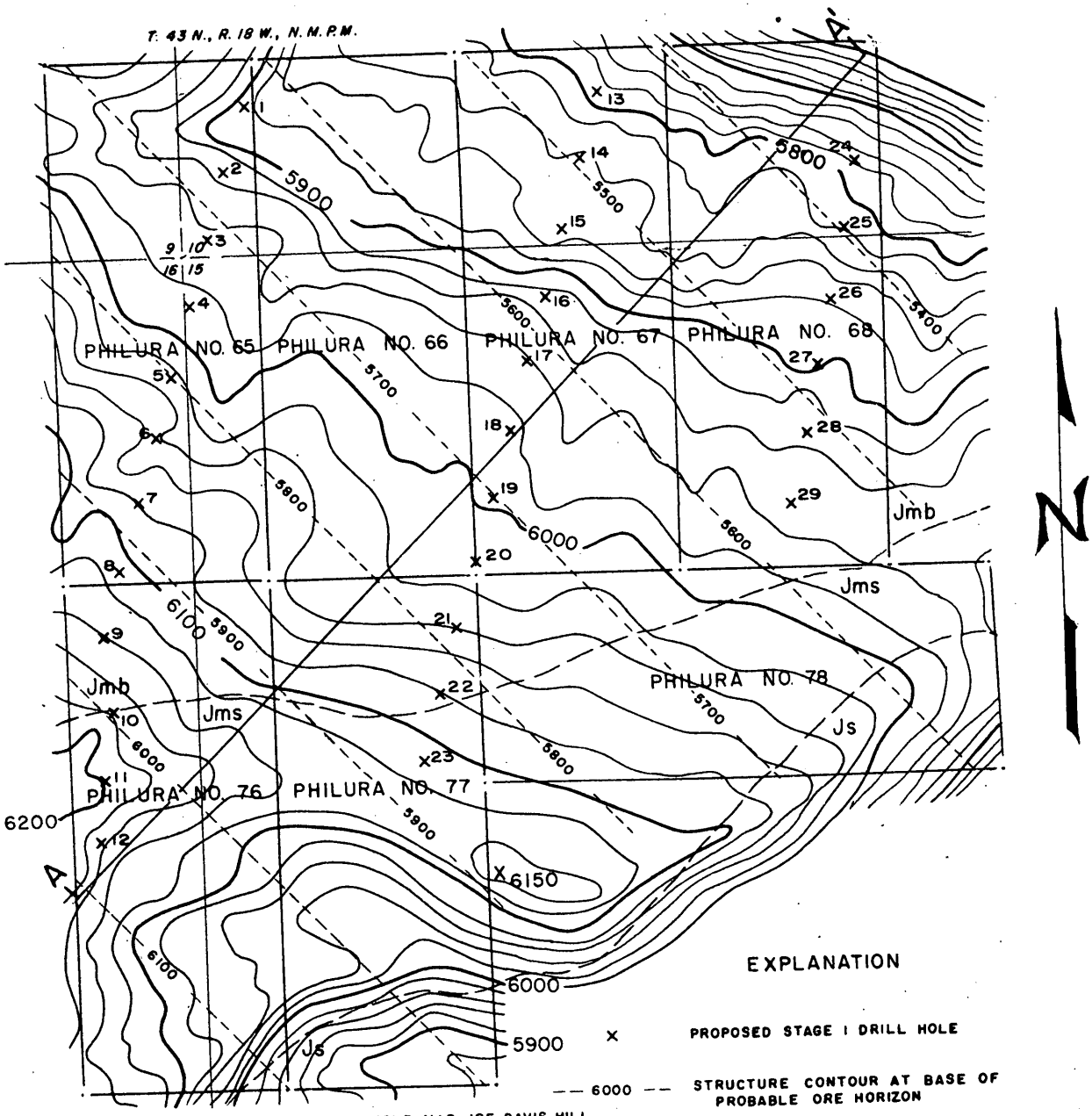
MAP

SHOWING

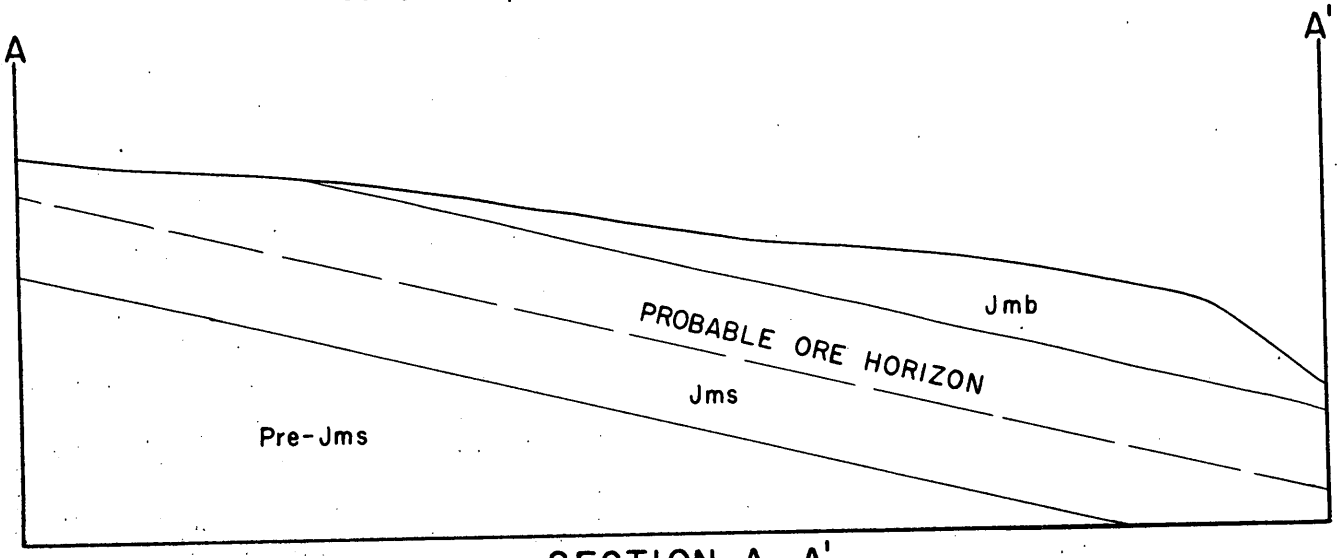
PHILURA GROUP

URADO URANIUM INC.

Scale: 1" = 2000'



Scale of Map and Section 1"=500'



SECTION A-A'

GEO-ENGINEERING

GEOLOGIC MAP AND SECTION

FOR D.M.E.A. APPLICATION ON PHILURA GROUP OF CLAIMS

FIGURE 4