DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 4099

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

Exploration

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Cys. BM, GS, Reg~~ion III~~

Routing Slip

To:	700	Date	12/16/55
To:	Oper. Comm.	Date	12/27/55
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To:	Oper Com	Date	12-30-55
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1-13-56 [illegible]

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

RECEIVED
JAN 12 1956

January 10, 1956

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 4099 (Uranium), Lucky Lake Uranium, Inc., Yellow Race Group, Mesa County, Colorado

The letter of denial of this application signed by C. O. Mittendorf and dated December 30, 1955 was mailed to the applicant from this office January 9, 1956.

Advice from the field indicates there are no known uranium deposits of any size in the subject area.

W. M. Traver

W. M. Traver

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
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W. M. Traver

W. M. Traver

700

FILE COPY

Surname: Murphy

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

Lucky Lake Uranium, Inc.
Darling Building
Salt Lake City, Utah

Re: Docket No. DMEA-4099 (Uranium)
Yellow Rose Group
Mesa County, Colorado

Gentlemen:

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

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

Careful study of all our information indicates to us that the probability of disclosing minable ore reserves is not sufficiently promising to justify Government participation in an exploration program. We regret to advise you that, under these circumstances, your application for exploration assistance is denied. However, this denial is made without prejudice. If future limited drilling or other work on your property reveals evidence which could materially alter this opinion, be assured we will 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,

C. O. Mi[illegible]

Administrator

FMMurphy/izm 12-30-55
cc to: Admr.'s Reading File
Docket
Code 700
Mr. Murphy
DMEA Field Team, Region III (2)
Operating Committee

700

FILE COPY
Surname:

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

DEC 30 1955

Re: Docket No. DMEA-4099 (Uranium)
Lucky Lass Uranium, Inc.
Yellow Rose Group
Mesa County, Colorado

Dear Mr. Traver:

The captioned application, a copy of which was forwarded to you on December 16, 1955, has been reviewed in Washington.

Enclosed are copies of memoranda, dated December 20 and 21, 1955, by J. E. Crawford, USBM, and N. E. Nelson, USGS, respectively, relating to the subject application. We are also enclosing the original and two copies (Field Team's) of a letter to the Applicant denying the subject application.

The reasons for this denial are given in the above memoranda. However, it was thought best to route the denial through the Field Team, as it is possible that the property might be in a more favorable area than indicated. If the Field Team concurs in the denial will you forward the original copy to the Applicant and advise this Office of such action.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (HB)

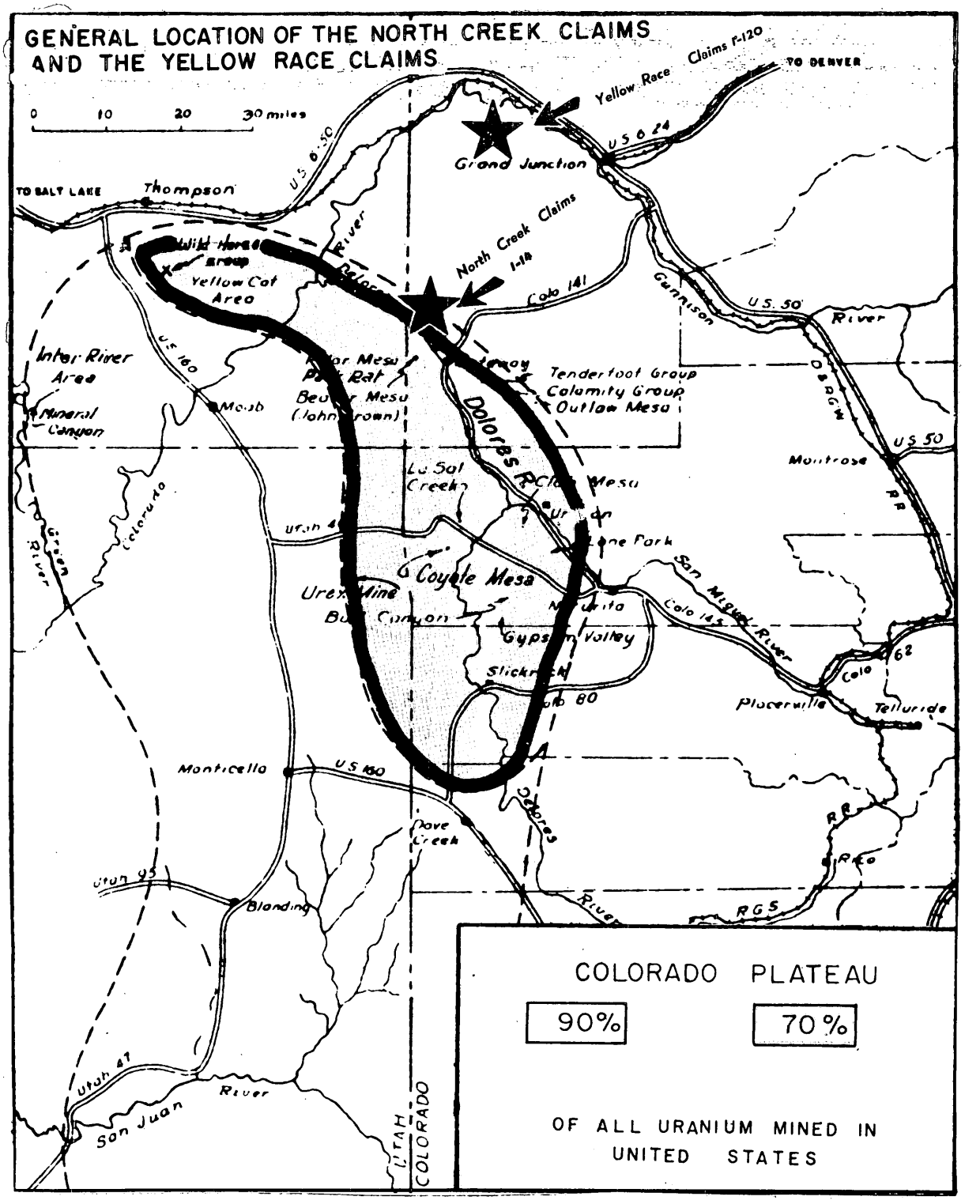
Enclosures

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

Thor H. Kiilsgaard (HB)
Member, Geological Survey

FMMurphy/izm 12-30-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Code 700
Mr. Murphy
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

RECEIVED
DEC 16 1955



12/21/55 gla

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

RECEIVED
DEC 21 1955

December 20, 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: Application for assistance, DMEA Docket 4099, Lucky Lake Uranium, Inc., Yellow Race claims, Mesa County, Colorado

I have reviewed the attached application of Lucky Lake Uranium, Inc., DMEA Docket 4099, dated December 10 and received in this office December 16. I have also discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

The applicant, Lucky Lake Uranium, Inc., has requested Federal assistance to explore for uranium on 120 claims located in Mesa County, Colorado. The proposed exploration project consists of 20,250 feet of drilling at a total estimated cost of $114,420.00.

The applicant has not found mineralization nor provided evidence that mineralization may exist on subject claims.

We recommend that the application be denied without prejudice, as it is basically a prospecting venture.

John E Crawford
John E. Crawford

Attachment

12/23/55 glr

IN REPLY REFER TO:

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

RECEIVED
DEC 28 1955

December 21, 1955

Re: DMEA 4099
Lucky Lake Uranium Co.
Yellow Race Group
Mesa County, Colorado
$114,420.00 - Uranium

Memorandum

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

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

Subject: Review of application.

The applicant requests assistance in drilling a group of 120 claims, probably underlain by the Brushy Basin and Salt Wash members of the Morrison formation.

No work appears to have been done on the claims, and no indication of mineralization is claimed. The claim map in the application has this note, "One mile east to ore deposit." No name is given the deposit and the maps at hand make no mention of ore deposits in that locality.

The work proposed consists of:--

Division	Units	Cost/unit	Cost
Drilling	20,250 feet	$4.00/ft.	$81,000.00
Bulldozing			3,000.00
Assaying	200 samples	5.00/sample	1,000.00
Labor			2,400.00
Geologist and Superintendent			6,400.00
Consultants			2,200.00
Clerk			1,200.00
Materials			1,000.00
Buildings			3,000.00
Miscellaneous and Contingencies			13,420.00
			$114,420.00

The first work would be essentially prospecting since little or nothing appears to be known concerning the depth to or thickness of the Salt Wash member. Later work, if warranted, would be exploration.

If work, of which I am not informed, has shown this area to be as "unfavorable" as the maps imply, denial of the application would seem to be in order.

Referral to the Field Team is indicated and so recommended.

N. E. Nelson

N. E. Nelson

IN REPLY REFER TO:

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

RECEIVED
DEC 28 1955

December 21, 1955

Re: DMEA 4099
Lucky Lake Uranium Co.
Yellow Rose Group
Mesa County, Colorado
$114,420.00 - Uranium

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Referral to the Field Team is indicated and so recommended.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-12/21/55

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

December 16, 1955
Subject: DMEA-4099
Re: Exploration Assistance
Yellow Race Group

Lucky Lake Uranium Inc.
Darling Building
Salt Lake City, Utah

Gentlemen:

The receipt of your application dated December 10, 1955, for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4099 and referred to the Rare & Misc. 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

LAW OFFICES
NATHAN WECHSLER
DENRIKE BUILDING - 1010 VERMONT AVE., N.W.
WASHINGTON 5, D. C.

EXECUTIVE 5515

RECEIVED
DEC 16 1955

December 15, 1955

Mr. Ernest Wm. Ellis,
Chief Rare & Miscellaneous Metals
Division
Defense Minerals Exploration
Administration
Washington 25, D.C.

Re : Lucky Lake Uranium, Inc.

Dear Mr. Ellis:

Enclosed are four (4) copies of application for D.M.E.A. loan for the above mentioned Company.

Very sincerely yours,

Nathan Wechsler

Nathan Wechsler

NW:jlh
Encls. 4

APPLICATION TO DMEA

LUCKY LAKE URANIUM, INC.

Prepared by:

WECHSLER AND COMPANY
1010 Vermont Avenue, N.W.
Washington, D.C.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
DEC 16 1955

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

Not to be filled in by applicant

Docket No. DMEA - 4099
Metal or Mineral Uranium
Date Received 12-16-55
Estimated Cost $114,420.00
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: Lucky Lake Uranium Inc.,
Darling Building
Salt Lake City, Utah

(*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. A Utah Corporation

(*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 See Report, Page 1

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

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

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

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. See Report, Page 1

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. None

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. None

(*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. See Report, Page 2

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. See Report, Page 5

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

See Report, Page 5

16—66551-1

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Uranium and Vanadium

(*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. See Report, Page 6

(*c*) The work will start within 6 days and be completed within 4 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.). See Report, Page 10

(*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. See Report, Page 10

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel. See Report, Page 11

(*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. None

(*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. None

(*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. See Report, Page 11

(*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. See Report, Page 11

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above. See Report, Page 11

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)? See Report, Page 11

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

[X] 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 11/10, 1955

Rocky Lake Uranium Inc
(Applicant)

By Walter J. Weeks

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

DEC 16 1955

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That Lucky Lake Uranium, Inc., a Utah Corporation, does hereby make, constitute and appoint, NATHAN WECHSLER, his agents and attorneys, its true and lawful attorney to appear for it and represent it before the United States Department of Interior, Defense Minerals Exploration Administration, in connection with any matters involving application for aid in an exploration project in which it is a party, giving its said attorney full power to do everything whatsoever requisite and necessary to be done in these matters, and to execute all agreements in these matters, as fully as the undersigned might do if done in its own capacity, with full power of substitution and revocation at any time subsequent to the date hereof and prior to the revocation hereof.

It is requested that all communications addressed to the undersigned, regarding any matter in which the said attorney is hereby authorized to act, be addressed to:

Mr. Nathan Wechsler
1010 Vermont Avenue, N. W.
Washington, D. C.

All powers of attorney for this purpose heretofore filed or executed by us are hereby revoked.

IN WITNESS WHEREOF, the said Lucky Lake Uranium, Inc., has executed this power of attorney in duplicate by causing its name to be hereunto signed by Stanley J. Lake, its President, with its corporate seal affixed and attested by Sumner J. Hatch, its Secretary, this 19th day of April, 1955, A.D.

LUCKY LAKE URANIUM, INC.

BY: Stanley J. Lake
President

ATTEST:

S. J. Hatch
Secretary

STATE OF Utah

COUNTY OF Salt Lake

On the 19th day of April, A.D., 1955, personally appeared before me Stanley J. Lake and Sumner J. Hatch who, being by me duly sworn, did say that they are the President and Secretary, respectively, of the above corporation, whose names are signed to the foregoing power of attorney, and who have acknowledged the same before me in the city and county aforesaid.

Witness my hand and notarial seal this 19th day of April 1955.

My Commission Expires:

Ruth H. Seren
Notary Public

LUCKY LAKE URANIUM, INC.
Darling Building
Salt Lake City, Utah

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LUCKY LAKE URANIUM INC.
Darling Building
Salt Lake City, Utah

ILLUSTRATIONS

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APPENDIX

Documents Showing Control of Property:

Letter of August 25, 1954
from Coit and Graham, Attorneys

LUCKY LAKE URANIUM, INC.,
Darling Building
Salt Lake City, Utah

REPORT ACCOMPANYING APPLICATION TO DMEA

1. NAME OF APPLICANT

(a) The applicant is Lucky Lake Uranium, Inc., 201 Darling Building, Salt Lake City, Utah.

(b) Lucky Lake Uranium, Inc. is a corporation organized under the laws of the State of Utah, and authorized to do business in Utah.

(c) The following are the titles, names and addresses of officers:

(1) President and Director:

Stanley J. Lake
Grand Junction, Colorado

(2) Vice-President and Director:

Louis M. Hitch
Grand Junction, Colorado

(3) Secretary and Director:

Sumner J. Hatch
Grand Junction, Colorado

(4) Treasurer and Director:

Annette U. Baldwin
Grand Junction, Colorado

3. PROPERTY RIGHTS

The Company holds mineral leases on properties located in Mesa County, Colorado, known as the Yellow Race group of claims Nos. 1-120 in R103W, T10s, Sections 16, 17, 20, 21, 28, 29, 32, 33, Mesa County, Colorado. They are approximately 30 miles from Grand Junction with 15 miles over secondary roads.

The location of the said properties are more fully set forth in the geological report and accompanying maps included in this report.

4. PHYSICAL DESCRIPTION

(c) Geology

Location

The Yellow Race group of claims is located in Glade Park approximately 30 miles from Grand Junction, Colorado. Glade Park can be reached by traveling 15 miles west of Grand Junction on paved roads. Secondary roads are then used to the Glade Park general store and then north and west of the claim area. The distance on dirt roads is about 15 miles.

Vegetation and Climate

The Glade Park area receives moderate amounts of precipitation shown by the growth of Scrub Oak, Jinniper and Pinon trees, and heavy grass cover. Winters are severe with heavy snows which could handicap mining operations. Summers are relatively mild compared to the surrounding lowlands.

LUCKY LAKE URANIUM, INC.,
Darling Building
S lt Lake City, Utah

Physiography

The Glade Park area is on a large mesa which is relatively undissected by streams except at the edges of the mesas where streams have cut canyons as much as 1,000 feet deep. Gently rolling hills with an occasional butte are the main topographic features in the central portion of the mesa. Intermittent streams, whose courses run in all directions, have an overall dendritic pattern.

STRATIGRAPHY

Pre-Morrison Formation

Of the pre-Morrison formations present in the area, only the Jurassic Entrada sandstone andSummerville formation are of interest here.

The Entrada sandstone is 250-300 feet thick consisting of heavily cross-bedded, well sorted, pink to tan sandstone. Joints, which are prominent throughout the Entrada, sometimes can be seen to run through the complete vertical thickness of the formation. The Entrada is a prominent cliff-former over most of the Colorado Plateau and is referred to locally as the "Slick-Rim".

The Jurassic Summerville formation consists of sands, silts, and muds, all of which are generally a deep red color. The Summerville varies from 20-40 feet in thickness. Sporadic chert concretions in the Summerville up to 10 feet in diameter are sometimes present.

Morrison Formation

The Jurassic Morrison formation in the Glade Park area varies from 400-450 feet in thickness and consists of the Brushy Basin and Salt Wash members.

Salt Wash Sandstone Member

The Salt Wash member of the Morrison formation varies from 200-225 feet in thickness and consists of about equal parts of sandstone and mudstone. These two constituents are arranged in a non-systematic manner with the sandstone occurring as lenses or channels surrounded by mudstone. The Salt Wash, which has been the main producer of uranium ores on the Plateau, crops out in an east-west belt varying from one to five miles wide, and underlies the Yellow Race claims. Analysis of the Salt Wash sediments has shown that the contributing terrain was composed almost exclusively of sedimentary rocks but there were probably large falls of volcanic ash both in the contributing and depositional areas.

Brushy Basin Shale Member

The Brushy Basin is predominantly mudstone but erratic lenses of sandstone and conglomerate are sometimes present locally. Much of the finer material has been classified as bentorite. The member is characterized by numerous outcroppings of the bentonic type of weathering. The varicolored banding in the Brushy Basin appears to be traceable to volcanic minerals.

Post-Morrison Formations

The post-Morrison formations are not pertinent to this report since they do not occur on the Yellow Race claims.

STRUCTURE

The claim area lies on the northeastern flank of the Uncompahgre Uplift which is the dominating structural feature of the area. Only a

slight variation from the horizontal is apparent on the top of the mesa but on the northern flank, the formations dip steeply to the northeast.

The presence of faults in the claim area could not be ascertained. The only fracturing would appear to be jointing with a trend of north 40 degrees east and a secondary system normal to this.

MINERALIZATION GUIDES

The following guides to uranium mineralization were noted in the claim area:-

1. Gray Muds - gray muds are considered to be the most useful guides for determining favorable areas. The claim area is one in which the muds, in whole, and in part, have been altered to a gray-green color.
2. Limonite Staining - many of the Salt Wash sand lenses are impregnated with limonite stains, giving the rims a yellowish-brown cast.
3. Carbon - the presence of carbon was observed in the claim area, in the sands.

(d) Accessibility.

The properties are located in Mesa County, Colorado. They are approximately 30 miles from Grand Junction with 15 miles of secondary roads

(e) Availability of Manpower, Materials, Supplies and Equipment:

Manpower, materials, supplies, equipment, etc., are available from Grand Junction, Colorado.

LUCKY LAKE URANIUM, INC.,
Darling Building
Salt Lake City, Utah

5. THE EXPLORATION PROJECT

(a) The sole objective of the exploration project is the discovery of uranium and vanadium.

(b) Proposed Work

The program of proposed work submitted for consideration and examination is, at best, only tentative, since it is fully realized that at this stage neither the full scope of the project, if approved, nor the direction it will take, can be determined with any certainty. With these limitations in mind, it is possible to formulate a general plan of exploration which may serve as a basis for later discussions between the corporation and the DMEA.

So far as may be anticipated at this time, the exploratory work may be divided conveniently into two stages; the work in each new stage dependent upon the results obtained in the stage just completed. No rigid rules can be laid down, as any program to be successful must be reasonably flexible to permit alterations in plans as new data become available.

It is obvious that the major costs for any program in the area will be represented by the cost of drilling. The amount of drilling required to thoroughly prospect the ground will be the basic factor governing the length of the project, and this factor, in turn, will largely control the overall costs. It is important, therefore, that some tentative drilling footages and depths should be determined in order that a basis may be established for submitting this application. ?

Phase 1 - Phase 1 will consist of 54 holes, spaced on 1,000 feet centers, which could be drilled within acreage available for exploration. Holes drilled on this coordinate spacing would be for the primary purpose

of obtaining a better understanding of the sub-surface geologic conditions, especially those related to thicknesses, characteristics and mineralization of the formation. Data obtained in this Phase 1 drilling will help to establish within close limits the depths where coring of the formation should be commenced in subsequent holes.

The number of holes and the drilling footages for the area may be estimated as follows:

Phase 1: 54 Holes 250 feet Average Depth 13,500 Total Footage

Although the exact thickness of the Salt Wash is not known, it has been estimated for calculation purposes that 100 feet or coring will be necessary to examine any favorable units. This figure may possibly be reduced after several holes have been drilled and the mineralized zone definitely established.

Using this average for Phase 1, it is estimated that the 54 holes will require about 5,400 feet of coring and about 8,100 feet of plugging with rotary bits.

It is suggested that core diameters should not be less than BX in size. The diameter of the hole from the surface to the top of the cored section will depend upon the equipment employed by the drilling contractor.

It is proposed to carry out standard radio-metric drill-hole logging during this and subse uent phases of the work.

Phase 2 - Phase 2 will be devoted to blocking out favorable areas as indicated by the results of Phase 1 drilling. This will be done by drilling first on 500 foot centers and then closer centers (not less than 100 feet) if a visual and radio-metric evaluation of the core so warrants. Since the totals for Phase 2 will depend largely on the results of Phase 1, the amount of footage required for the second phase cannot be calculated accurately. However, it is expected that an additional 6,750 feet of drilling should suffice.

Assuming for estimation purposes that such a program were carried out the footage and holes to be drilled may be calculated as follows:

Phase 2: 27 Holes 250 Feet Average Depth 6,750 Total Footage

On the basis of 100 feet of coring per hole, the total cored footage would amount to 2700 feet, leaving a balance of 4,050 feet of plug-hole drilling.

Phase	Number of Holes	Feet of Coring	Feet of Plugged Drilling	Total Feet
1	54	5,400	8,100	13,500
2	27	2,700	4,050	6,750
	81	8,100	12,150	20,250

Summary of Phases 1 and 2

According to our estimates, a total of approximately 20,250 feet of drilling will be required for this project.

(c) Time of Work

The work will start within 30 days after the loan is granted, and will be completed within four (4) months.

(d) Operation Experience and Background of Applicant:

The project will be under the supervision of the following persons:

1. Mr. Stanley J. Lake, President and Director of the Corporation, received his education in Law and Business Administration at Montana State University in Missoula, Montana. He has been associated actively in the mining and oil business for eleven years. He presently owns interest in oil production in the Williston Basin in Eastern Montana, and mining and uranium interests in Colorado and Utah. Mr. Lake recently has been devoting full time to the exploration and development of uranium properties on the Colorado Plateau.

2. Mr. Louis M. Hitch, Director and Vice-President, is an Attorney at Law, residing in Grand Junction, Colorado. He graduated in Law in 1931 and is a member of the Texas, Tennessee, and Mississippi Bar Associations. During the past fifteen years, Mr. Hitch has been employed as counsel for mining, and oil and gas companies, among which are Sohio Oil Company, Sells Petroleum, Inc., and Moore Exploration Company.

3. Sumner J. Hatch - Secretary and Director, is a practicing attorney in Grand Junction, Colorado formerly practiced at Salt Lake City, Utah, and is a member of the Utah Bar.

4. A. U. Baldwin has been associated and employed in the Oil and Uranium business for approximately three and one-half years. Prior to that time, A. U. Baldwin was associated with various firms in the State of California, working with personnel, which work involved office management and public relations in which capacity the Board of Directors of this Corporation will utilize such services.

5. T. J. Warren, Director of the Corporation, has been active in uranium, vanadium, and mining businesses in Utah andColorado for the past fifteen years. Mr. Warren has operated and managed uranium mining properties on his own behalf and with various mining corporations. His experience in the operational phase of mine management will be utilized by the Corporation in like capacity.

6. Ruth W. Soren - 201 Darling Building, Salt Lake City, Utah - Director, has been engaged in business in Washington D.C. and Salt Lake City, Utah for the past eight years.

6. ESTIMATE OF COSTS

Costs for the project have been projected on a 4-month period for purposes of estimation, and we have used the total drilling footage of 20,250 as a basis for calculations. These following costs, therefore, are based on a maximum figure, and for this reason the cost of the entire project will be considered as a whole.

Phases 1 and 2

(a) Independent Contracts

(1)	20,250 feet of drilling @ $4.00 per foot	$81,000	
(2)	Clearing drill sites, bulldozing, etc.	3,000	
(3)	Assaying 200 samples @ $5.00 each	1,000	$85,000

(b) Labor, Supervision andConsultants

(1)	Common Labor (2 men @ $300.00 per month $600.00 x four)	2,400	
(2)	Geologist ($800 per month times four)	3,200	
(3)	Recording Clerk ($300. times four)	1,200	
(4)	Superintendent ($800. times four)	3,200	
(5)	Consultants, Mining, Engineering and Geology	2,200	12,200

(brought forward)	$97,200.00
(c) Operating Materials & Supplies - est.	1,000.00
(f) Buildings	3,000.00
(g) Miscellaneous	3,000.00
	$104,200.00

Summary of Estimated Costs

(a) Independent Contracts	$85,000.00
(b) Labor, Supervision and Consultants	12,200.00
(c) Operating materials	1,000.00
(f) Buildings	3,000.00
(g) Miscellaneous	3,000.00
(h) Add 10% for Contingencies	10,420.00
Total Estimated Costs	$114,420.00

7. PARTICIPATION OF THE CORPORATION

The Corporation is prepared to furnish its share of the cost of the proposed project in accordance with the regulation of government participation.

COIT AND GRAHAM
ATTORNEYS AT LAW
518 MAIN STREET
GRAND JUNCTION, COLORADO

NEWLAND COIT
GEORGE S. GRAHAM
SERAH J. ATWBT

August 25, 1954

RECEIVED
DEC 16 1955

Mr. Stanley J. Lake
Grand Junction, Colorado

Dear Mr. Lake:

We have been requested to render a title opinion in connection with the following unpatented mining claims, to-wit:

Yellow Race Claims No. 1 to 120 inclusive,

located in Sections 18, 19, 30 and 31, Township 11 South, Range 103 West of the Sixth Principal Meridian, and in Sections 13, 24, 25 and 36, Township 11 South, Range 104 West of the Sixth Principal Meridian, in Mesa County, Colorado.

It is difficult to assert with certainty the validity of unpatented mining claims, because of non-record facts. The possessory rights which represent title under any valid mining claim do not arise out of any instrument of grant by the United States or out of any action by any officer or agency of the State or Federal Government. Rather, that possessory title arises as a matter of law out of the performance by the locator or locators (as to lands subject to location under the mining laws) of certain acts of location in compliance with the requirements of Federal and State law. Such possessory title, when validly initiated, endures unless lost through abandonment or through a forfeiture which results from an adverse location made while the prior location is in default in respect to performance of annual assessment work. Although title under a valid unpatented mining claim is not "legal title" in the usual sense of that term, the possessory title has been recognized by the Supreme Court of the United States as "property in the highest sense of that term". Only when a mining claim is patented is there an affirmative government grant under which legal title vests in the usual concept of real property ownership.

Any opinion as to the validity of the subject mining claims, or any other unpatented mining claim, must therefore be premised in part or upon certain assumptions of fact or acceptance of certain representations as to the facts. The question of whether or not the lands upon which a mining claim was located, occupied at the time of location, a status rendering the lands located subject to any valid mining claim, is susceptible of

payable as follows: $12,000.00 on or before 90 days from August 19, 1954 and the balance out of royalty at the rate of 12½ per cent. The agreement provides that when the entire purchase price has been paid to J. W. Lewis, he will thereafter no longer own any interest in the premises.

We have no information as to any conflicting claims and do not know of any facts which tend to render the title to the claims herein described invalid.

Yours very truly,

COIT AND GRAHAM

By Lincoln D. Coit

Lincoln D. Coit

LDC/rs

APPLICATION TO DMEA

LUCKY LAKE URANIUM, INC.

DMEA-4099

Prepared by:

WECHSLER AND COMPANY
1010 Vermont Avenue, N.W.
Washington, D.C.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
DEC 16 1955

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

Not to be filled in by applicant

Docket No. DMEA-4099
Metal or Mineral Uranium
Date Received 12-16-55
Estimated Cost $114,420.00
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: Lucky Lake Uranium Inc.,
Darling Building
Salt Lake City, Utah

(*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. A Utah Corporation

(*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 See Report, Page 1

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

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

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

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. See Report, Page 1

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. None

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. None

(*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. See Report, Page 2

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. See Report, Page 5

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

See Report, Page 5

16—66551-1

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Uranium and Vanadium

(*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. See Report, Page 6

(*c*) The work will start within 6 days and be completed within 4 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.). See Report, Page 10

(*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. See Report, Page 10

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel. See Report, Page 11

(*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. None

(*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. None

(*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. See Report, Page 11

(*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. See Report, Page 11

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above. See Report, Page 11

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)? See Report, Page 11

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

[X] 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 4/10, 1955

Lucky Pete Mining Co
(Applicant)

By Marlen Webb
Power of Attorney

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

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DEC 16 1955

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That Lucky Lake Uranium, Inc., a Utah Corporation, does hereby make, constitute and appoint, NATHAN WECHSLER, his agents and attorneys, its true and lawful attorney to appear for it and represent it before the United States Department of Interior, Defense Minerals Exploration Administration, in connection with any matters involving application for aid in an exploration project in which it is a party, giving its said attorney full power to do everything whatsoever requisite and necessary to be done in these matters, and to execute all agreements in these matters, as fully as the undersigned might do if done in its own capacity, with full power of substitution and revocation at any time subsequent to the date hereof and prior to the revocation hereof.

It is requested that all communications addressed to the undersigned, regarding any matter in which the said attorney is hereby authorized to act, be addressed to:

Mr. Nathan Wechsler
1010 Vermont Avenue, N. W.
Washington, D. C.

All powers of attorney for this purpose heretofore filed or executed by us are hereby revoked.

IN WITNESS WHEREOF, the said Lucky Lake Uranium, Inc., has executed this power of attorney in duplicate by causing its name to be hereunto signed by Stanley J. Lake, its President, with its corporate seal affixed and attested by Gemmer J. Hatch, its Secretary, this 19th day of April, 1955, A.D.

LUCKY LAKE URANIUM, INC.

BY: Stanley J. Lake
President

ATTEST:

G J Hatch
Secretary

STATE OF Utah

COUNTY OF Salt Lake

On the 19th day of April, A.D., 1955, personally appeared before me Stanley J. Lake and Gemmer J. Hatch who, being by me duly sworn, did say that they are the President and Secretary, respectively, of the above corporation, whose names are signed to the foregoing power of attorney, and who have acknowledged the same before me in the city and county aforesaid.

Witness my hand and notarial seal this 19th day of April, 1955.

My Commission Expires:

Ruth H. Jarvis
Notary Public

LUCKY LAKE URANIUM, INC.
Darling Building
Salt Lake City, Utah

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ILLUSTRATIONS

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APPENDIX

Documents Showing Control of Property:

Letter of August 25, 1954
from Coit and Graham, Attorneys

determination from the records of the Land and Survey Office, Bureau of Land Management, where in the instant matter, the situs of the claim in relation to the Public Land Surveys is known. The question of whether or not at the time of a particular mining location, all or any portion of the lands covered thereby were included within a prior mining location, is not susceptible of record determination because claims are not required to be described and are seldom described in a manner permitting any record identification of a location with a particular tract. This determination usually depends upon the knowledge of informed persons and evidences, if any, on the ground as to other locations. The frequently presented additional questions of performance of annual assessment labor and possible abandonment are voided under the particular circumstances relating to the mining claims which are the subject of this opinion.

The questions of whether or not the Notices of Location were posted and of whether or not the location monument and corner monuments were erected in the time and manner contemplated by the mining laws are not susceptible of record determination, although the recorded Notices of Location usually are recognized as giving rise to a presumption of compliance.

The questions of whether or not a mining claim is supported by a valid discovery and of whether, assuming discovery, the manner of occurence of the mineral deposit required lode location or placer location, are questions of fact not answered in State or Federal records.

We have attempted repeatedly to obtain abstracts of title covering mining claims in the State of Colorado, without success, consequently, any title opinion must be based on information furnished us by persons in interest.

We do know that Notices of Location covering the within described claims were duly recorded in the Office of the Clerk and Recorder of Mesa County, Colorado, on August 25, 1954 in Book 615 at Pages 102 through 221. Said Notices of Location indicate that J. W. Lewis is the locator.

We do not have in our files, but have seen an Option Agreement entered into on August 19, 1954, wherein J. W. Lewis grants to Stanley J. Lake the first right and option to purchase the within mentioned claims. The option price is $60,000.00 and

LUCKY LAKE URANIUM, INC.,
Darling Building
Salt Lake City, Utah

REPORT ACCOMPANYING APPLICATION TO DMEA

1. NAME OF APPLICANT

(a) The applicant is Lucky Lake Uranium, Inc., 201 Darling Building, Salt Lake City, Utah.

(b) Lucky Lake Uranium, Inc. is a corporation organized under the laws of the State of Utah, and authorized to do business in Utah.

(c) The following are the titles, names and addresses of officers:

(1) President and Director:

Stanley J. Lake
Grand Junction, Colorado

(2) Vice-President and Director:

Louis M. Hitch
Grand Junction, Colorado

(3) Secretary and Director:

Sumner J. Hatch
Grand Junction, Colorado

(4) Treasurer and Director:

Annette U. Baldwin
Grand Junction, Colorado

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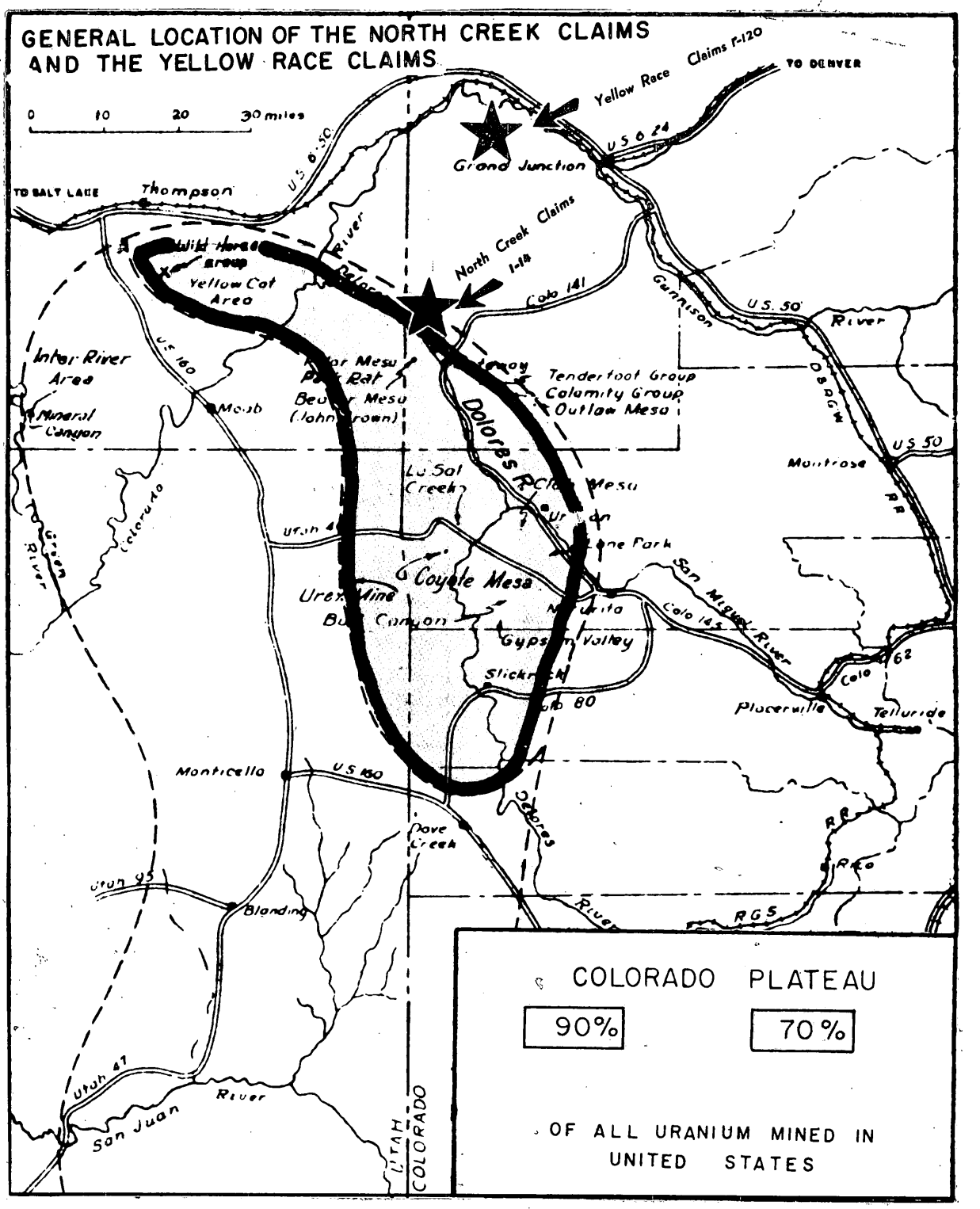
DEC 16 1955



3. PROPERTY RIGHTS

The Company holds mineral leases on properties located in Mesa County, Colorado, known as the Yellow Race group of claims Nos. 1-120 in R103W, T10s, Sections 16, 17, 20, 21, 28, 29, 32, 33, Mesa County, Colorado. They are approximately 30 miles from Grand Junction with 15 miles over secondary roads.

The location of the said properties are more fully set forth in the geological report and accompanying maps included in this report.

4. PHYSICAL DESCRIPTION

(c) Geology

Location

The Yellow Race group of claims is located in Glade Park approximately 30 miles from Grand Junction, Colorado. Glade Park can be reached by traveling 15 miles west of Grand Junction on paved roads. Secondary roads are then used to the Glade Park general store and then north and west of the claim area. The distance on dirt roads is about 15 miles.

Vegetation and Climate

The Glade Park area receives moderate amounts of precipitation shown by the growth of Scrub Oak, Jinniper and Pinon trees, and heavy grass cover. Winters are severe with heavy snows which could handicap mining operations. Summers are relatively mild compared to the surrounding lowlands.

Physiography

The Glade Park area is on a large mesa which is relatively undissected by streams except at the edges of the mesas where streams have cut canyons as much as 1,000 feet deep. Gently rolling hills with an occasional butte are the main topographic features in the central portion of the mesa. Intermittent streams, whose courses run in all directions, have an overall dendritic pattern.

STRATIGRAPHY

Pre-Morrison Formation

Of the pre-Morrison formations present in the area, only the Jurassic Entrada sandstone andSummerville formation are of interest here.

The Entrada sandstone is 250-300 feet thick consisting of heavily cross-bedded, well sorted, pink to tan sandstone. Joints, which are prominent throughout the Entrada, sometimes can be seen to run through the complete vertical thickness of the formation. The Entrada is a prominent cliff-former over most of the Colorado Plateau and is referred to locally as the "Slick-Rim".

The Jurassic Summerville formation consists of sands, silts, and muds, all of which are generally a deep red color. The Summerville varies from 20-40 feet in thickness. Sporadic chert concretions in the Summerville up to 10 feet in diameter are sometimes present.

Morrison Formation

The Jurassic Morrison formation in the Glade Park area varies from 400-450 feet in thickness and consists of the Brushy Basin and Salt Wash members.

Salt Wash Sandstone Member

The Salt Wash member of the Morrison formation varies from 200-225 feet in thickness and consists of about equal parts of sandstone and mudstone. These two constituents are arranged in a non-systematic manner with the sandstone occurring as lenses or channels surrounded by mudstone. The Salt Wash, which has been the main producer of uranium ores on the Plateau, crops out in an east-west belt varying from one to five miles wide, and underlies the Yellow Race claims. Analysis of the Salt Wash sediments has shown that the contributing terrain was composed almost exclusively of sedimentary rocks but there were probably large falls of volcanic ash both in the contributing and depositional areas.

Brushy Basin Shale Member

The Brushy Basin is predominantly mudstone but erratic lenses of sandstone and conglomerate are sometimes present locally. Much of the finer material has been classified as bentorite. The member is characterized by numerous outcroppings of the bentonic type of weathering. The varicolored banding in the Brushy Basin appears to be traceable to volcanic minerals.

Post-Morrison Formations

The post-Morrison formations are not pertinent to this report since they do not occur on the Yellow Race claims.

STRUCTURE

The claim area lies on the northeastern flank of the Uncompahgre Uplift which is the dominating structural feature of the area. Only a

slight variation from the horizontal is apparent on the top of the mesa but on the northern flank, the formations dip steeply to the northeast.

The presence of faults in the claim area could not be ascertained. The only fracturing would appear to be jointing with a trend of north 40 degrees east and a secondary system normal to this.

MINERALIZATION GUIDES

The following guides to uranium mineralization were noted in the claim area:-

1. Gray Muds - gray muds are considered to be the most useful guides for determining favorable areas. The claim area is one in which the muds, in whole, and in part, have been altered to a gray-green color.
2. Limonite Staining - many of the Salt Wash sand lenses are impregnated with limonite stains, giving the rims a yellowish-brown cast.
3. Carbon - the presence of carbon was observed in the claim area, in the sands.

(d) Accessibility.

The properties are located in Mesa County, Colorado. They are approximately 30 miles from Grand Junction with 15 miles of secondary roads

(e) Availability of Manpower, Materials, Supplies and Equipment:

Manpower, materials, supplies, equipment, etc., are available from Grand Junction, Colorado.

R 104 W | R 103 W

112	111	119	120
110	109	117	118
13 108	107	115	116 18
106	105	113	114
104	103	1	2
102	101	3	4
100	99	5	6
98	97	7	8
96	95	9	10
24 94	93	11	12 19
92	91	13	14
90	89	15	16
88	87	17	18
86	85	19	20
84	83	21	22
82	81	23	24
80	79	25	26
78	77	27	28
25 76	75	29	30 30
74	73	31	32
72	71	33	34
70	69	35	36
68	67	37	38
66	65	39	40
64	63	41	42
62	61	43	44
60	59	45	46
36 58	57	47	48 31
56	55	49	50
54	53	51	52

T 11 S

N

One mile East to ore deposit

ANOMOLOUS AREA

CLAIM MAP
OF
YELLOW RACE GROUP
MESA CO. COLO.
Scale 1" = 2,000'

R.L.M.

5. THE EXPLORATION PROJECT

(a) The sole objective of the exploration project is the discovery of uranium and vanadium.

(b) Proposed Work

The program of proposed work submitted for consideration and examination is, at best, only tentative, since it is fully realized that at this stage neither the full scope of the project, if approved, nor the direction it will take, can be determined with any certainty. With these limitations in mind, it is possible to formulate a general plan of exploration which may serve as a basis for later discussions between the corporation and the DMEA.

So far as may be anticipated at this time, the exploratory work may be divided conveniently into two stages; the work in each new stage dependent upon the results obtained in the stage just completed. No rigid rules can be laid down, as any program to be successful must be reasonably flexible to permit alterations in plans as new data become available.

It is obvious that the major costs for any program in the area will be represented by the cost of drilling. The amount of drilling required to thoroughly prospect the ground will be the basic factor governing the length of the project, and this factor, in turn, will largely control the overall costs. It is important, therefore, that some tentative drilling footages and depths should be determined in order that a basis may be established for submitting this application.

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Phase 1: 54 Holes 250 feet Average Depth 13,500 Total Footage

Although the exact thickness of the Salt Wash is not known, it has been estimated for calculation purposes that 100 feet or coring will be necessary to examine any favorable units. This figure may possibly be reduced after several holes have been drilled and the mineralized zone definitely established.

Using this average for Phase 1, it is estimated that the 54 holes will require about 5,400 feet of coring and about 8,100 feet of plugging with rotary bits.

It is suggested that core diameters should not be less than BX in size. The diameter of the hole from the surface to the top of the cored section will depend upon the equipment employed by the drilling contractor.

It is proposed to carry out standard radio-metric drill-hole logging during this and subse uent phases of the work.

Phase 2 - Phase 2 will be devoted to blocking out favorable areas as indicated by the results of Phase 1 drilling. This will be done by drilling first on 500 foot centers and then closer centers (not less than 100 feet) if a visual and radio-metric evaluation of the core so warrants. Since the totals for Phase 2 will depend largely on the results of Phase 1, the amount of footage required for the second phase cannot be calculated accurately. However, it is expected that an additional 6,750 feet of drilling should suffice.

Assuming for estimation purposes that such a program were carried out the footage and holes to be drilled may be calculated as follows:

Phase 2: 27 Holes 250 Feet Average Depth 6,750 Total Footage

On the basis of 100 feet of coring per hole, the total cored footage would amount to 2700 feet, leaving a balance of 4,050 feet of plug-hole drilling.

Phase	Number of Holes	Feet of Coring	Feet of Plugged Drilling	Total Feet
1	54	5,400	8,100	13,500
2	27	2,700	4,050	6,750
	81	8,100	12,150	20,250

Summary of Phases 1 and 2

According to our estimates, a total of approximately 20,250 feet of drilling will be required for this project.

(c) Time of Work

The work will start within 30 days after the loan is granted, and will be completed within four (4) months.

(d) Operation Experience and Background of Applicant:

The project will be under the supervision of the following persons:

1. Mr. Stanley J. Lake, President and Director of the Corporation, received his education in Law and Business Administration at Montana State University in Missoula, Montana. He has been associated actively in the mining and oil business for eleven years. He presently owns interest in oil production in the Williston Basin in Eastern Montana, and mining and uranium interests in Colorado and Utah. Mr. Lake recently has been devoting full time to the exploration and development of uranium properties on the Colorado Plateau.

2. Mr. Louis M. Hitch, Director and Vice-President, is an Attorney at Law, residing in Grand Junction, Colorado. He graduated in Law in 1931 and is a member of the Texas, Tennessee, and Mississippi Bar Associations. During the past fifteen years, Mr. Hitch has been employed as counsel for mining, and oil and gas companies, among which are Sohio Oil Company, Sells Petroleum, Inc., and Moore Exploration Company.

3. Sumner J. Hatch - Secretary and Director, is a practicing attorney in Grand Junction, Colorado formerly practiced at Salt Lake City, Utah, and is a member of the Utah Bar.

4. A. U. Baldwin has been associated and employed in the Oil and Uranium business for approximately three and one-half years. Prior to that time, A. U. Baldwin was associated with various firms in the State of California, working with personnel, which work involved office management and public relations in which capacity the Board of Directors of this Corporation will utilize such services.

5. T. J. Warren, Director of the Corporation, has been active in uranium, vanadium, and mining businesses in Utah andColorado for the past fifteen years. Mr. Warren has operated and managed uranium mining properties on his own behalf and with various mining corporations. His experience in the operational phase of mine management will be utilized by the Corporation in like capacity.

6. Ruth W. Soren - 201 Darling Building, Salt Lake City, Utah - Director, has been engaged in business in Washington D.C. and Salt Lake City, Utah for the past eight years.

6. ESTIMATE OF COSTS

Costs for the project have been projected on a 4-month period for purposes of estimation, and we have used the total drilling footage of 20,250 as a basis for calculations. These following costs, therefore, are based on a maximum figure, and for this reason the cost of the entire project will be considered as a whole.

Phases 1 and 2

(a) Independent Contracts

(1) 20,250 feet of drilling @ $4.00 per foot	$81,000	
(2) Clearing drill sites, bulldozing, etc.	3,000	
(3) Assaying 200 samples @ $5.00 each	1,000	$85,000

(b) Labor, Supervision andConsultants

(1) Common Labor (2 men @ $300.00 per month $600.00 x four)	2,400	
(2) Geologist ($800 per month times four)	3,200	
(3) Recording Clerk ($300. times four)	1,200	
(4) Superintendent ($800. times four)	3,200	
(5) Consultants, Mining, Engineering and Geology	2,200	12,200

(brought forward)	$97,200.00
(c) Operating Materials & Supplies - est.	1,000.00
(f) Buildings	3,000.00
(g) Miscellaneous	3,000.00
	$104,200.00

Summary of Estimated Costs

(a) Independent Contracts	$85,000.00
(b) Labor, Supervision and Consultants	12,200.00
(c) Operating materials	1,000.00
(f) Buildings	3,000.00
(g) Miscellaneous	3,000.00
(h) Add 10% for Contingencies	10,420.00
Total Estimated Costs	$114,420.00

7. PARTICIPATION OF THE CORPORATION

The Corporation is prepared to furnish its share of the cost of the proposed project in accordance with the regulation of government participation.

COIT AND GRAHAM
ATTORNEYS AT LAW
518 MAIN STREET
GRAND JUNCTION, COLORADO

NEWLAND COIT
GEORGE S. GRAHAM
GERALD J. ALSBY

August 25, 1954

RECEIVED
DEC 16 1955

Mr. Stanley J. Lake
Grand Junction, Colorado

Dear Mr. Lake:

We have been requested to render a title opinion in connection with the following unpatented mining claims, to-wit:

Yellow Race Claims No. 1 to 120 inclusive,

located in Sections 18, 19, 30 and 31, Township 11 South, Range 103 West of the Sixth Principal Meridian, and in Sections 13, 24, 25 and 36, Township 11 South, Range 104 West of the Sixth Principal Meridian, in Mesa County, Colorado.

It is difficult to assert with certainty the validity of unpatented mining claims, because of non-record facts. The possessory rights which represent title under any valid mining claim do not arise out of any instrument of grant by the United States or out of any action by any officer or agency of the State or Federal Government. Rather, that possessory title arises as a matter of law out of the performance by the locator or locators (as to lands subject to location under the mining laws) of certain acts of location in compliance with the requirements of Federal and State law. Such possessory title, when validly initiated, endures unless lost through abandonment or through a forfeiture which results from an adverse location made while the prior location is in default in respect to performance of annual assessment work. Although title under a valid unpatented mining claim is not "legal title" in the usual sense of that term, the possessory title has been recognized by the Supreme Court of the United States as "property in the highest sense of that term". Only when a mining claim is patented is there an affirmative government grant under which legal title vests in the usual concept of real property ownership.

Any opinion as to the validity of the subject mining claims, or any other unpatented mining claim, must therefore be premised in part or upon certain assumptions of fact or acceptance of certain representations as to the facts. The question of whether or not the lands upon which a mining claim was located, occupied at the time of location, a status rendering the lands located subject to any valid mining claim, is susceptible of

determination from the records of the Land and Survey Office, Bureau of Land Management, where in the instant matter, the situs of the claim in relation to the Public Land Surveys is known. The question of whether or not at the time of a particular mining location, all or any portion of the lands covered thereby were included within a prior mining location, is not susceptible of record determination because claims are not required to be described and are seldom described in a manner permitting any record identification of a location with a particular tract. This determination usually depends upon the knowledge of informed persons and evidences, if any, on the ground as to other locations. The frequently presented additional questions of performance of annual assessment labor and possible abandonment are voided under the particular circumstances relating to the mining claims which are the subject of this opinion.

The questions of whether or not the Notices of Location were posted and of whether or not the location monument and corner monuments were erected in the time and manner contemplated by the mining laws are not susceptible of record determination, although the recorded Notices of Location usually are recognized as giving rise to a presumption of compliance.

The questions of whether or not a mining claim is supported by a valid discovery and of whether, assuming discovery, the manner of occurence of the mineral deposit required lode location or placer location, are questions of fact not answered in State or Federal records.

We have attempted repeatedly to obtain abstracts of title covering mining claims in the State of Colorado, without success, consequently, any title opinion must be based on information furnished us by persons in interest.

We do know that Notices of Location covering the within described claims were duly recorded in the Office of the Clerk and Recorder of Mesa County, Colorado, on August 25, 1954 in Book 615 at Pages 102 through 221. Said Notices of Location indicate that J. W. Lewis is the locator.

We do not have in our files, but have seen an Option Agreement entered into on August 19, 1954, wherein J. W. Lewis grants to Stanley J. Lake the first right and option to purchase the within mentioned claims. The option price is $60,000.00 and

payable as follows: $12,000.00 on or before 90 days from August 19, 1954 and the balance out of royalty at the rate of 12½ per cent. The agreement provides that when the entire purchase price has been paid to J. W. Lewis, he will thereafter no longer own any interest in the premises.

We have no information as to any conflicting claims and do not know of any facts which tend to render the title to the claims herein described invalid.

Yours very truly,

COIT AND GRAHAM

By Lincoln D. Coit

Lincoln D. Coit

LDC/rs

R 104 W | R 103 W

112	111	119	120
110	109	117	118
13 108	107	115	116 18
106	105	113	114
104	103	1	2
102	101	3	4
100	99	5	6
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68	67	37	38
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62	61	43	44
60	59	45	46
36 58	57	47	48 31
56	55	49	50
54	53	51	52

T 11 S

N

One mile East to ore deposit

ANOMOLOUS AREA

CLAIM MAP
OF
YELLOW RACE GROUP
MESA CO. COLO.
Scale 1" = 2,000'

R.L.M.