MAR 16 1962

Memorandum

To: Chief, Fiscal Section
Division of Administrative Services
Office of the Secretary

From: Acting Chief, Contract Administration & Audit Division (Signed) E. D. Talbert

Subject: DMSA-4826 (Uranium)
New Idria Mining & Chemical Co., Agent
Hubbard Homestead, Pack Rat, et al., Claims
Mesa County, Colorado
Contract Idm-81181
and
DMSA-4494 (Uranium)
New Idria Mining & Chemical Co.
Johnnie Mae Group of Claims
Mesa County, Colorado
Contract Idm-81074

On March 13 the Chief, Division of Field Operations wrote to the Acting Field Officer of Region III regarding a royalty remittance of $44.49 applicable to the subject contracts. A copy of the memorandum was furnished your section.

In the meantime, however, the Acting Field Officer had forwarded his abstract of Remittances No. '62-3-2 under cover of his March 13 memorandum. This abstract includes the $44.49 remittance for credit to the Idm-81074 contract account.

To correct the status of these accounts, please transfer the $37.00 overpayment of royalty, presently reflected on your Idm-81181 account, to the credit of Idm-81074 account.

EDTalbert/cmc
March 16, 1962

cc: Director's reading file
CAA Audit div.
Region III (2)
DMSA-4826 and 4494

MAR 15 1962

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4826 (Uranium)
New Idria Mining & Chemical Co., Agent
Hubbard Homestead, Pack Rat, et al., Claims
Mesa County, Colorado
Contract Idm-E1181
and
DMEA-4494 (Uranium)
New Idria Mining & Chemical Co.
Johnnie Mae Group of Claims
Mesa County, Colorado
Contract Idm-E1074

As requested in your March 12 memorandum, a review of the recent royalty documents pertinent to the subject contract has been made. Our conclusion is that the March 7 Royalty Payment Statement of the Union Carbide Nuclear Company represents a correct adjustment of the matter.

In effect, Union Carbide is considering the December 8 royalty remittance of $188.95 as being solely applicable to contract Idm-E1181, thereby overpaying by $37.00 the Government's contribution. The March 7 remittance of $644.49 is the net of the $598.40 royalty on liquidation 11595 and $92.09 on liquidation 11493, both correctly applicable to contract Idm-E1074, less the $37.00 overpayment on contract Idm-E1181.

Union Carbide Nuclear Company's $644.49 check should be forwarded to the Department's Fiscal Section under cover of your usual Abstract of Remittances. The abstract should indicate that the $644.49 remittance is to be applied as $681.49 to Idm-E1074 and as a minus $37.00 to Idm-E1181.

Upon accomplishment of the foregoing, the answers to your specific questions will be: (1) No further royalty will be due the Government on Idm-E1181; and (2) No further royalty is payable on liquidation 11595. The status of the royalty accounts, before and after adjustment, may be summarized as follows:

	Idm-h1074	Idm-E1181
Contribution Repayable	$53,458.28	$66,808.20
Recorded Repayments	$20,672.98	$66,845.20
Royalty on Liq. 11493	92.09)	
	)	-37.00
Royalty on Liq. 11595	589.40)	
Adjusted Repayments	$21,354.47	$66,808.20

E'Falbert/cac
March 15, 1962

cc: Director's reading file
Dmea 4826
Dmea 4494
CA&A Division
Fiscal Section

E-1181

For reduction of $37.00 to correct overpayment of royalty dated March 13, 1962, see transmittal letter file.

E-1181

For royalty payment of $188.95, dated December 15, 1961, see transmittal letter file.

DEC 1 1961

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4826 (Uranium)
New Idria Mining & Chemical Co., Agent
Hubbard Homestead, Pack Rat, et al., claims
Mesa County, Colorado
Contract Idm-E1181

In your November 28 letter to the New Idria Mining & Chemical Company, agent under the subject contract, $151.95 is stated as the balance shown on your records as repayable by royalty.

You are advised that the amount of $151.95 is correct according to the records of this office. The difference of $57.00 between that balance and the $188.95 stated in the agent's November 25 letter apparently is the amount discussed in my August 9 memorandum.

George C. S[illegible]ge

EDTalbert/ama 11-30-61

cc:
Docket
Director's Reading File
CA & A Division
Review Committee

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY
O. M. E
RECEIVED NOV 30 1961

DATE	INITIALS	CC
		800

November 28, 1961

Dean Nicholson
New Idria Mining & Chemical Company
P. O. Box 311
Grand Junction, Colorado

Re: Docket DMRA 4826 (Uranium)
Contract No. Ida E1181
New Idria Mining & Chemical Co., Agent
(Hubbard Homestead, Pack Rat, et al.)
Mesa County, Colorado

Dear Mr. Nicholson:

Thank you for your letter of November 25, 1961 and the copy of your letter to Mr. D. E. Clark which was attached.

Our records, which are subject to audit, show that $151.95 is the amount due the Government to settle the royalty account on the captioned contract.

You state that according to your records the amount due the Government is $188.95. Should there be an overpayment you may claim a refund.

The Washington office will advise you when the obligation is paid in full and the land involved will no longer be subordinated to the Government.

Yours very truly,
Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc: D. E. Clark, Office Manager
Union Carbide Nuclear Company
P. O. Box 1049
Grand Junction, Colorado
Chief, Division of Field Operations, OME
w/copy of Mr. Nicholson's letter to Region III and copy of Mr. Nicholson's letter to D. E. Clark
Royalty Corres E1181
Chron

NEW IDRIA MINING & CHEMICAL COMPANY
URANIUM DIVISION • P.O. Box 311
GRAND JUNCTION, COLORADO

November 25, 1961

EXTRA COPY
O. M. E.
RECEIVED NOV 30 1961
OME
DATE | INITIALS | CODE
NOV 2
COLORADO

Office of Minerals Exploration
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA 4826 (Uranium)
Contract No. Idm-E1181
New Idria Mining & Chemical Co., Agent
(Hubbard Homestead, Pack Rat, et al.)
Mesa County, Colorado

Dear Sirs:

With respect to the subject DMEA loan, we have forwarded the original of the enclosed copy, which is self-explanatory, to Union Carbide Nuclear Company at Grand Junction.

We assume that your audit will be in the near future and we will be pleased to co-operate in any way.

With the completion of this obligation in full, we would appreciate some form of official release.

Yours truly,

NEW IDRIA MINING & CHEMICAL CO.

Dean Nicholson

Dean Nicholson

cc: New Idria Mining & Chemical Co.
Idria, San Benito County
California

URANIUM DIVISION
NEW IDRIA MINING & CHEM. CO.
P. O. BOX 311
GRAND JUNCTION, COLO.

EXTRA COPY
O. M. E
RECEIVED NOV 30 1961

DATE	INITIALS	CODE

November 25, 1961

Union Carbide Nuclear Company
P.O. Box 1049
Grand Junction, Colorado

Attn: Mr. D. E. Clark, Office Manager

Re: Docket No. DMEA 4826
Contract No. Idm-E1181
Hubbard Homestead, Pack Rat and
Shakin Quakie Claims
Mesa County, Colorado

Dear Mr. Clark:

We wish to request that you limit future payment to the Office of Minerals Exploration for the account of the subject docket to the amount of $188.95.

This sum, $188.95 according to our records, will clear our obligation to the government on our DMEA loan as noted above.

We assume that the OME will soon audit this account in order that the official status may be determined.

Yours truly,

NEW IDRIA MINING & CHEMICAL CO.

Dean Nicholson

cc: Office of Minerals Exploration
224 New Customhouse Bldg.
Denver 2, Colorado

New Idria Mining & Chemical Co.
Idria, San Benito County
California

E-1181

For royalty payment of $277.98, dated November 13, 1961, see transmittal letter file.

E-1181

For royalty payment of $827.95, dated October 17, 1961, see transmittal letter file.

E-1181

For royalty payment of $274.06, dated September 13, 1961, see transmittal letter file.

AUG 9 1961

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: Abstract of Remittances No. 61-7-3

The fourth item on the subject abstract is Union Carbide Nuclear Company's check no. 31488 in the amount of $1,152.21, which is stated for application to New Idria Mining and Chemical Company accounts as follows:

Contract	Docket	Amount
Idu-E1074	[illegible]-4494	$301.64
" 1181	" 4826	618.11
" 1181	" 4826	195.46

As the listed amounts total $1,115.21 rather than $1,152.21, a difference of $37.00 remains for accounting application. Furthermore, a review of the pertinent settlement sheets indicates that the listed amounts are correct calculations of royalty payable.

By copy of this memorandum the Department's Fiscal Section is being requested to record the $37.00 excess remittance as royalty applicable to contract Idu-E1181. The status of this account will then be as follows:

Government's Contribution Repayable	$66,[illegible].20
Repayments by Royalty	65,275.26
Balance Repayable by Royalty	$ 1,931.94

As this account is nearly paid in full, the application thereto of the excess remittance appears to be the best solution of the matter.

EDTalbert/sma
August 8, 1961

George O. Selfridge

Copy to: Docket
Director's Reading File
GA & A Division -E1181
Review Committee
Mr. Rothrock

$37.00 was applied on a delinquent [illegible] under E 1181

E-1181

For royalty payment of $8~~15~~50.77, dated July 14, 1961, see transmittal letter file.

E-1181

For royalty payment of $1,310.22, dated June 13, 1961, see transmittal letter file.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY
O. M. E
RECEIVED MAY 25 1961
DATE | INITIALS | CODE
800

May 19, 1961

Union Carbide Nuclear Company
Division of Union Carbide Corporation
Box 1049
Grand Junction, Colorado

Gentlemen:

Re: Docket No. DMEA-4826 (Uranium)
Contract No. Idm-E1181
New Idria Mining and Chemical
Company and Beaver Mesa
Uranium, Inc., (Joint Venture)
(Hibbard Homestead, Pack Rat, et al.)
Mesa County, Colorado

Reference is made to the Royalty Payment Statement dated May 9, 1961 on Liquidation No. 11198 for ore from the captioned property. The Royalty Payment Statement showed 5% of $14,286.32 as being $714.32.

The correct royalty payment on this liquidation should have been 5% of $18,199.69, which is $909.98, which makes a balance due the Government of $195.66.

Will you please forward this office an additional $195.66 from the next ore settlement from the property.

Very truly yours,

Original signed by

Hugh M. Connors
Acting Field Office, OME, Region III

cc: New Idria Mining and Chemical Co.
P. O. Box 511, Grand Junction, Colo.

Chief, Division of Field Operations, OME, Washington (2)

MAY 1 7 1961

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-4826 (Uranium)
New Idria Mining & Chemical Co., Agent
Hubbard Homestead, Pack Rat, et al., claims
Mesa County, Colorado
Contract Idm-81181

Included in your Abstract of Remittances No. 61-5-3 is a royalty payment of $714.32 applicable to the subject contract. However, the supporting Liquidation No. 11198 of Union Carbide Nuclear Company indicates proceeds of $18,199.69 on which a 5% royalty amounts to $909.98.

It appears that the Operator erroneously has deducted the development allowance of $1,421.72 and haulage allowance of $2,491.65 from the proceeds before computation of the 5% royalty. Accordingly, it is suggested that you advise the Operator of its error and request remittance of the $195.66 balance due on this settlement.

George C. Selfridge

EDTalbert/ama
May 16, 1961

Copy to: Docket
Director's Reading File
CA & A Division
Review Committee

E-1181

For royalty payment of $714.32, dated May 12, 1961, see transmittal letter file.

E-1181

For royalty payment of $1,519.12, dated April 14, 1961, see transmittal letter file.

E-1181

For royalty payment of $1,297.49, dated March 14, 1961, see transmittal letter file.

E-1181

For royalty payment of $377.04, dated February 14, 1961, see transmittal letter file.

E-1181

For royalty payment of $908.72, dated January 13, 1961, see transmittal letter file.

E-1181

For royalty payment of $1,600.99, dated December 15, 1960, see transmittal letter file.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-51181, Docket No. DMRA-4826 (Uranium), dated March 27, 1958, with

New Idria Mining and Chemical Company
and
Beaver Mesa Uranium, Inc., (Joint Venture)
P. O. Box 311
Grand Junction, Colorado

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Hubbard Homestead, Pack Rat, et al., claims located in Mesa County, Colorado, during the period February 4, 1959, through October 31, 1960.

A certification of discovery or development was issued on May 15, 1959, and, in accordance with Article 8 of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final audit dated April 23, 1959, indicated accepted costs under the exploration contract amounting to $89,077.59 with the Government's contribution, on a 75 percent basis, being $66,808.20.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established the total sales of uranium ore for the period to be $723,756.35. Royalty due the Government at rates specified in the contract is $36,186.86.

A prior Report of Royalty Review found the sales subject to Government royalty through February 3, 1959, to be $410,214.57 which added to the sales for this subsequent period make a total of $1,133,950.92. The royalty account as of February 3, 1959, was:

Total Royalty Due	$20,510.73
Total Royalty Paid	20,510.73
Balance of Royalty Due	$ -0-

At October 31, 1960, the royalty account of this project was found to be:

Total Royalty Due	$36,697.59
Total Royalty Paid	36,697.59
Balance of Royalty Due	$ -0-

C. E. Fisher

December 5, 1960

C. E. Fisher, OME Auditor

Idm-E1181 New Idria-Beaver Mesa Joint Venture DMEA-4826

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Mining operations were conducted at this property during the period covered by this review and are continuing. Royalty due the Government has been paid promptly after settlements are made by the purchasers of the ore.

My review included the recomputation and tabulation of copies of liquidation statements furnished in support of royalty payments. This tabulation is filed with my audit work papers and is summarized on the attached Exhibit "A".

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) Inspection reports by field representatives of the Government and other information in the Washington office files indicate that all production subject to Government royalty has been reported and proper royalty has been paid; and

(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

Exhibit "A"

Idm-E1181 New Idria-Beaver Mesa Joint Venture DMEA-4826

Summary of Production, Sales and Royalty
March 27, 1958, through October 31, 1960

Production

Ore - Short Wet Tons	31,280.50
Ore - Short Dry Tons	29,761.31
U_3O_8 - Pounds	175,873.34
U_3O_8 - Pounds excess 4#/SDT	58,724.05
U_3O_8 - Pounds excess 10#/SDT	2,148.42
V_2O_5 - Pounds	756,125.57

Sales

U_3O_8 - Base payments	$ 608,689.54
U_3O_8 - Excess 4#/SDT	44,043.14
U_3O_8 - Excess 10#/SDT	537.10
Development allowance	87,956.87
Haulage allowance	158,345.34
V_2O_5	234,398.93
Total Receiving Stations	$1,133,950.92
AEC Production Bonus	Not eligible
Total Subject to Royalty	$1,133,950.92
Royalty Due	$ 56,697.59
Royalty Paid	56,697.59

Note:

The last settlement included in the above tabulation is Union Carbide Nuclear Company liquidation No. 10837 for the period ending October 31, 1960, on which royalty received was deposited on November 15, 1960.

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name New Idria Mining & Chemical Co.

Address P. O. Box 311

Grand Junction, Colorado

Exploration Contract No. Idm-E1181 Docket No. DMEA 4826

			Check One Yes	Check One No
1.	(a)	Does the Operator stockpile ore subject to royalty repayment?		X
	(b)	If so, is segregation and identification procedure adequate?		
2.	(a)	Does Operator commingle production subject to DMEA or OME royalties with exempt production?		X
	(b)	If so, do you consider the allocation of the commingled production equitable?		
3.	(a)	Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
	(b)	If so, are adequate records maintained on such material to protect the Government's interest?		
4.		Do you consider the assay controls in effect are adequate?	X	
5.		Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6.		Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?	X	
7.		Does the Operator buy from or sell to other Operators?		X
8.		Comment on any item 2 (b) to 6 if answer is No.		

11-28-60
Date

Original signed by

Mining Engineer
Hugh M. Connors

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
RECEIVED DEC 19 1960
DATE

12/19	cal	210 800

December 13, 1960

New Idria Mining and Chemical Company
P. O. Box 311
Grand Junction, Colorado

Re: Docket No. DMEA-4806 (Uranium)
Contract No. Dmx-E1181
New Idria Mining and Chemical Company and
Beaver Mesa Uranium, Inc., (Joint Venture)
(Hubbard Homestead, Pack Rat, et al., claims)
Mesa County, Colorado

Gentlemen:

Enclosed is a copy of the Report of Royalty Review on the captioned property dated December 5, 1960 covering the period February 4, 1959, through October 31, 1960 which shows that no royalty is due the Government at this time.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer
DME, Region III

Enclosure

HMC/lm
cc Chief, Division of Field Operations (2)
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E1074
Chron

OFFICIAL FILE COPY

Building 20 - Federal Center
Denver 25, Colorado

RECEIVED 19 1960

December 14, 1960

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket No. DMEA-4826 (Uranium)
Contract No. Idm-E1181
New Idria Mining and Chemical Company and
Beaver Mesa Uranium, Inc., (Joint Venture)
(Hubbard Homestead, Pack Rat, et al., claims)
Mesa County, Colorado

Attached is the original Report of Royalty Review on the subject property dated December 5, 1960 covering the period February 4, 1959, through October 31, 1960.

Original signed by

Hugh M. Connors

Attachment

HMC/lm
cc Chief, Division of Field Operations (2)
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E1181
Chron

E-1181

For reduction of royalty payment of $1,229.90, dated June 8, 1960, which should have been credited to E987, and now adjusted as of November 7, 1960, ~~xx~~ see transmittal letter file.

NOV 2 1960

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEL-4826 (Vermium)
New Idria Mining & Chemical Co., Agent
Hubbard Homestead, Pack Rat, et al., claims
Mesa County, Colorado
Contract Idu-E1181

and

DMEL-4871 (Vermium)
Hamilton, et al., and Slugum Mining Company
Beaver Mesa Group
Mesa County, Colorado
Contract Idu-2067

Your Abstract of Remittances No. 8-2, June 8, 1960, reports an amount of $1,229.90 as royalty collected applicable to the first above referenced contract. However, the liquidation statements from Union Carbide Nuclear Co. supporting this remittance show that the ore was produced from Rajah II and 47 claims, which are included in the second above referenced contract.

Please advise whether this collection properly should be applied to the second above referenced contract with appropriate adjustments being made in the records of the Department's Fiscal Section.

George C. Selfridge

CEFisher/ama
November 2, 1960

Copy to: Docket
Director's Reading File
CA & A Division - Idu-E1181
Review Committee

E-1181

For royalty payment of $1,634.60, dated October 10, 1960, see transmittal letter file.

E-1181

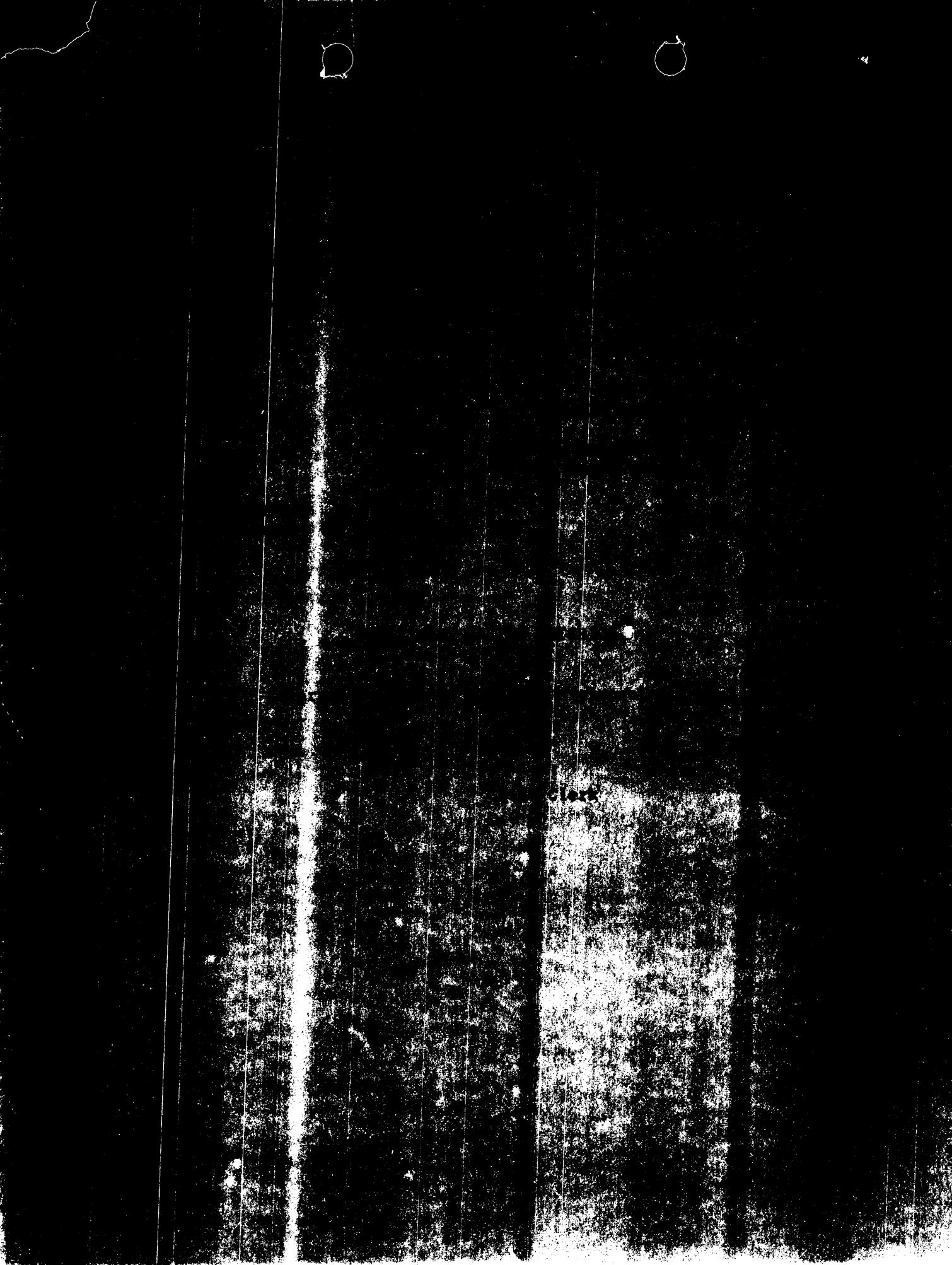
For royalty payments of $615.85 and $17.73, dated September 14, 1960, see transmittal letter file.

E-1181

For royalty payment of $448.21, dated August 15, 1960, see transmittal letter file.

E-1181

For royalty payments of $88.13 and $577.22, dated August 9, 1960, see transmittal letter file.


clark

E-1181

For royalty payments of $234.08, $81.78, and $1,330.22, dated July 15, 1960, see transmittal letter file.

E-1181

For royalty payments of $247.43 and $1,006.~~09~~10, dated June 15, 1960, see transmittal letter file.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON 25, D. C.

JUN 10 1960

Dear Mr. Campbell:

The following case is submitted for your consideration and decision, with respect to the possibility of a claim arising from a mineral exploration contract to which this Department is a party. The background of such contract and the various field developments of the claim's import are hereafter outlined.

On March 27, 1956, the New Idria Mining and Chemical Company, P. O. Box 311, Grand Junction, Colorado, hereinafter referred to as New Idria, and Beaver Mesa Uranium, Inc., P. O. Box 567, Grand Junction, Colorado, hereinafter referred to as Beaver Mesa, a Joint Venture, entered into Defense Minerals Exploration Administration Project Contract DMA-R1R1 (Docket No. DMEA-4R8) with the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration. The Office of Minerals Exploration is the successor agency to DMEA.

In general, the contract provided that: (a) New Idria and Beaver Mesa, hereinafter referred to collectively as the Operator, would conduct exploration as outlined in Exhibit "A" of the contract and Amendment No. 1 thereto; (b) the Government would contribute 75 percent of the allowable costs of completed exploration work; and (c) under provisions of Article 8, if the Government certified in writing that a discovery or a development from which production might be made resulted from the exploration work, the Operator, as principal if the producer, or as surety if not the producer, would pay to the Government a percentage royalty on the gross proceeds of any minerals mined or produced from the land described in Article 2 of the contract within ten years from the date of the contract, or until the amount of the Government's contribution to the exploration costs, without interest, was fully repaid, whichever occurred first (Amendment No. 1).

The exploration was conducted on the Hubbard Homestead (Lot 1, sec. 15, T. 52 N., R. 80 W; N. M. P. M., Colorado) owned by Beaver Mesa, Lyman Hubbard of Gateway, Colorado; Burt Hubbard of Delta, Colorado; Carter W. Elliott, 484 Vereda Sol Norte, Palm Springs, California; and Leo Marvin and Winifred Marvin, in joint tenancy, 222 Fremontia St., Los Angeles 5, California, each of whom executed

a Contract to Lease and Subordination Agreement dated April 3, 1958, and on all or portions of six unpatented lode mining claims. The claims are the Fast Bet Ext. 1 through 3, Shasta Quartz Fraction, and Johnnie Mae Nos. 1 (centers 100 ft.) and 3, situate in secs. 25 and 36, T. 51 N., R. 88 W., N. M. P. M., Ouray County, Colorado. The Fast Bet Ext. 1 through 3 and the Johnnie Mae Nos. 1 and 3 are owned by Denver Mens; J. E. Crowley, P. O. Box 1128, Grand Junction, Colorado; Juliette K. Crowley, P. O. Box 1135, Grand Junction, Colorado; J. L. Thompson, P. O. Box 314, Danbury, Connecticut; L. E. Baker, Trustee, 138 No. 6th, Grand Junction, Colorado; and Cecil S. Haynie, P. O. Box 896, Grand Junction, Colorado, each of whom executed a Contract to Lease and Subordination Agreement dated April 3, 1958. The Shasta Quartz Fraction is owned by Denver Mens; J. L. Thompson; L. E. Baker, Trustee, and Cecil S. Haynie, each of them signed a Contract to Lease and Subordination Agreement dated April 3, 1958.

Exploration work was started May 12, 1958, and the contract was terminated by a Termination Agreement dated February 27, 1959, as the contract objectives had been achieved (Enclosure No. 2).

On May 19, 1959, a Certification of Discovery or Development was issued by the Office of Minerals Exploration based upon the results of the exploration work (Enclosure No. 3).

When the exploration work had been completed, it was agreed by the Joint Venture that Denver Mens would produce the actual mining and selling of the ore under an operating agreement.

With a memorandum dated October 6, 1959, from the Atomic Energy Commission Operations Office, in Grand Junction, Colorado, to the Office of Minerals Exploration in Denver, Colorado, we unknowingly advised that William Dunlap, a former miner on the subject property, stated that ore from the property had been shipped as production from certain other claims not subordinated under the terms of the contract (Enclosure No. 4).

A letter dated October 21, 1959, from Mr Klein to the Executive Officer, OME Field Team, Region XII, Denver, Colorado, hereinafter referred to as the Field Team, stated that rumors and suspicions of diversion of ore had existed. For this and other reasons, Mr Klein stated that it had cancelled the operating agreement with Denver Mens and was taking over the direct control and supervision of the property (Enclosure No. 5).

With a memorandum dated October 28, 1959, the GSE Field Team forwarded the above-mentioned AEC memorandum and the letter from New Idria to the Washington GSE Office. The Field Team requested advice on what action it should take regarding the alleged diversion of production. It stated that an inspection of the property was considered but that "mined out and undoubtedly caved portions of the mine would preclude any attempt to make a survey or accurate determination of extent of ore extracted" (Enclosure No. 6).

In a memorandum dated November 6, 1959, to the Field Team, the Washington GSE Office recommended that the investigation be continued, outlining some of the procedure to be followed (Enclosure No. 7).

In a letter dated November 12, 1959, the Field Team advised Denver Mean that it had information indicating possible diversion of ore from the subject property and requested a statement in the form of an affidavit as to the truth of the matter (Enclosure No. 8).

A letter dated November 12, 1959, from the Field Team to William Soulen requested any additional information he might have relating to the alleged diversion of ore (Enclosure No. 9).

In a letter dated November 12, 1959, the Field Team requested New Idria to advise what action was taken by it regarding the alleged diversion of ore; to submit accurate stope maps if available, and to state the period during which Denver Mean was the producer from the subject property (Enclosure No. 10).

In a letter dated November 13, 1959, Mr. Soulen advised the Field Team that he would meet with it and sign a statement of the alleged diversion of ore (Enclosure No. 11).

In a letter dated November 17, 1959, the Field Team advised Mr. Soulen that Mr. Hugh M. Connors, mining engineer, Bureau of Mines, would meet him in Rock Springs, Wyoming, on November 24 to obtain his statement (Enclosure No. 12).

In a letter dated November 16, 1959, Adams, Brockman, Traynor and Ela, Denver Mean's attorneys, to the Field Team, in reply to its letter of November 12, suggested a conference rather than signing an affidavit. The letter also stated that Mr. Soulen had attempted to cause Denver Mean trouble with several other agencies, but after investigation, all his efforts so far had been in vain (Enclosure No. 13).

A memorandum dated December 19, 1979, from the Field Team to the Washington FBI Office advised that two representatives of New York visited the FBI Office and explained the action taken by the company regarding the alleged diversion of ore. They stated that the company's attorneys had advised against court action on the little evidence that was uncovered. The Field Team noted that New York and Denver then were hesitant to get anything in writing that might in some way be used against them. However, the New York representatives promised to write a letter outlining the steps the company had taken in an effort to obtain sufficient evidence on which to initiate a court action (Enclosure No. 14).

In a letter dated November 30, 1979, to the Field Team, New York summarized the action it had taken since April, 1979, when the matter of ore diversion was first brought to its attention and the conclusions reached as a result of its investigations (Enclosure No. 15).

The Field Team with its memorandum dated November 27, 1979, to the Washington FBI Office (Enclosure No. 13) enclosed copies of a statement dated November 26, 1979, by William Gordon, and a memorandum dated November 27, 1979, by E. K. Cannon covering the conference and Mr. Gordon's background while working in the area. The Field Team noted that Mr. Gordon's statement did not provide any definite leads; however, it did provide a few leads that could be followed if deemed warranted (Enclosure No. 16).

The Field Team with its memorandum of December 5, 1979, to the Washington FBI Office enclosed a copy of a memorandum dated November 5, 1979, by E. K. Cannon. Mr. Cannon outlined the mining procedure on the subject property. He stated that the FBI and the companies (Denver Shaft and New York) had no proof regarding the whereabouts and guilty champions, he could see no possible way from ways and methods to prove the tonnage stated to be gold-bearing had been gulled and stolen by the miners was not possible. The Field Team in its memorandum noted that as enough by the Government to prove the extent of diversion of ore would be deemed to failure as there was no possible way to determine the exact or even approximate tonnage of ore put or made extracted from our specific property. The Field Team recommended that if further investigation was desired, the matter should be turned over to the FBI (Enclosure No. 17).

It appears that the Smith complaint was reported to the Internal Bureau of Investigation by the Jewish Energy Commission [illegible] October 1970; however, FBI reported at that time that no action was contemplated. After receipt of the Field Team's recommendation of December 9, 1970 (Enclosure No. 17), the FBI Washington Office proposed a proposed recommendation for legal opinion following the Field Team that it believed the case should be dropped without further investigation by the FBI (Enclosure No. 18).

At this point the matter was subjected to review at the Departmental level. It was unfortunately decided to delay closing the matter until the matter had been investigated by the FBI. Before a formal request in this connection was released, however, an FBI report covering an inquiry presumably based on another complaint of the Smith complaint by FBI was received in the Department. The FBI report is contained largely of information already available in field reports of FBI. It offers nothing further to substantiate Smith's allegations. We can only conclude that the FBI considers the case closed.

The matter, therefore, rests itself in the sole prerogative of the constitutional obligations of a Attorney General under. Although field reports contain the possibility of one witness, no evidence of Smith's has been adduced, as indicated in some of the supporting materials. Moreover, the likelihood of further substantial investigation is extremely remote. Under these circumstances the Department has been unable to conclude that a basis exists for the establishment of a financial claim for something which might have been lost through negligence. Neither the amount of loss, if any, nor the identity of persons responsible has been positively revealed.

It is our tentative view that the matter may be closed without further action. Because of the possible claims

Continue invited, however, to use informal channels until the benefit of your consideration is obtained. Your advice is requested accordingly.

Sincerely yours,

(sgd) D. Otis Beasley

Administrative Assistant

Secretary of the Interior

Hon. Joseph Campbell
Comptroller General of the
United States
Washington 25, D. C.

Reference

Fitzsimmons/Chmelinc/fv/hn/jfg/tm/kb - May 27, 1960
cc w/ Secy's File
Secy's reading file
Bender, GAO
FOL
Director of Inspection
Field Team, GAO Region XII (2)
GAOA Dir., GAO
Director's File
Director's reading file

E-1181

For royalty payment of $1,229.90, dated June 8, 1960, see transmittal letter file.

E-1181

For royalty payment of $1,528.55, dated May 16, 1960, see transmittal letter file.

MAY 6 1960

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Acting Director, Office of Minerals Exploration

Subject: [illegible]
Sun Mica Mining and Chemical Company, Agent
Robert Rosenstand, Noel Rae, et al., Claimants
Mono County, Colorado
Contract No. [illegible]

Attached for final drafting is a rough draft chronologically setting forth the main relating to the subject dispute and allegations concerning possible non-disclosure in accordance with the suggestions made at the April 29 meeting in your office with Masters, Hanson, Brink, Selfridge, and yourself.

To clarify the April 4, 1960, note to you from the Solicitor, I wish to advise that our proposed memorandum of March 24, 1960, to you was written without the benefit of having copies of the memorandum of January 4, 1960, from the Director of Inspection to the Solicitor or your memorandum of January 11, 1960, to the Solicitor concerning the suggestions of the Director of Inspection.

(signed) FRANK E. JOHNSON

Acting Director

Attachments.

GCSelfridge/kb (5/4/60)
Copy to: Boulder (DMRA-4826)
Director's Reading File
Director's File
Frank E. Johnson
E. Dallas Talbert
G. C. Selfridge

P.S. When we informed, we shall duplicate these enclosures you require.

Attachments are: Folders 1 & 1A, DMRA-4826
Draft

DRAFT
FMMurphy/hb (5/5/60)

Dear Mr. Campbell:

The following case is submitted for your consideration and decision.

On March 27, 1958, the New Idria Mining and Chemical Company, hereinafter referred to as New Idria, a Nevada corporation, with Power of Attorney, dated January 14, 1958, to act as agent, P. O. Box 311, Grand Junction, Colorado, and Beaver Mesa Uranium, Inc., hereinafter referred to as Beaver Mesa, a Nevada corporation, P. O. Box 567, Grand Junction, Colorado, a Joint Venture, entered into Defense Minerals Exploration Contract Ide-R1181 (Docket No. DMEA-4826) with the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration. The Office of Minerals Exploration is the successor agency to DMEA.

In general, the contract provided that: (a) New Idria and Beaver Mesa, hereinafter referred to collectively as the Operator, would conduct exploration as outlined in Exhibit "A" of the contract and Amendment No. 1 thereto; (b) the Government would contribute 75 percent of the allowable costs of completed exploration work; and (c) under provisions of Article 8, if the Government certified in writing that a discovery or a development from which production might be made resulted from the exploration work, the Operator, as principal if the producer, or as surety if not the producer, would pay to the Government a percentage royalty on the gross proceeds of any minerals mined or produced from the land described in Article 2 of the contract within ten years from the date of the contract, or until the

amount of the Government's contribution to the exploration costs, without interest, was fully repaid, whichever occurred first (Enclosure No. 1).

The exploration was conducted on the Hubbard Homestead (Lot 1, sec. 35, T. 51 N., R. 20 W.) owned by Beaver Mesa, Lyman Hubbard of Gateway, Colorado; Bert Hubbard of Delta, Colorado; Carter W. Gillette, 201 Vereda Del Norte, Palm Springs, California; and Lee [illegible] and Wilfred [illegible], in joint tenancy, 572 Tremont St., Los Angeles, California, all of whom executed a Consent to Lien and Subordination Agreement dated April 3, 1958 attached to the contract. [illegible] lode mining claims, the Pack Rat Mes., [illegible] Mes Nos. 1 (western 100 [illegible]) and 2, situate [illegible] 25 and [illegible], T. 51 N., R. 20 W., New Mexico Principal Meridian, [illegible] Mesa County, Colorado. The Pack Rat Mes. 1 through 3, Johnnie [illegible] Nos. 1 and 3 are owned by Beaver Mesa; J. B. Crowley, P. O. Box 1197, Grand Junction, Colorado; Dalsie M. Crowley, P. O. Box 1135, Grand Junction, Colorado; J. L. Thompson, P. O. Box 364, Danbury, Connecticut; L. R. Baker, trustee, 132 No. 6th, Grand Junction, Colorado; and Cecil S. Haynie, P. O. Box 896, Grand Junction, Colorado, all of whom executed a Consent to Lien and Subordination Agreement dated April 3, 1958 attached to the contract. The Shakin Quakie Fraction is owned by Beaver Mesa; J. L. Thompson; L. R. Baker, trustee; and Cecil S. Haynie (addresses above), all of whom signed a Consent to Lien and Subordination Agreement dated April 3, 1958 attached to the contract).

Exploration work was started May 12, 1958, and the contract was terminated by a Termination Agreement dated February 27, 1959, as the contract objective had been achieved (Enclosure No. 2).

On May 15, 1959, a certification of discovery or development was issued by the Defense Minerals Exploration Administration based upon the results of the exploration work (Enclosure No. 3).

When the exploration work had been completed, it was agreed by the Joint Venture that Beaver Mesa would perform the actual mining and selling of the ore under an operating agreement.

With a memorandum dated October 6, 1959, from the Atomic Energy Commission Operations Office, in Grand Junction, Colorado, to the Office of Minerals Exploration in Denver, an enclosure revealed that William Sowden, a former miner on the subject property, stated that ore from the property had been shipped as production from certain other claims not subordinated under the terms of the contract (Enclosure 4).

A letter dated October 21, 1959, from New Idria to the Executive Officer, OME Field Team, Region III, Denver, Colorado, hereinafter referred to as the Field Team, stated that rumors and suspicions of diversion of ore had existed. For this and other reasons, New Idria had cancelled the operating agreement with Beaver Mesa and was taking over the direct control and supervision of the property (Enclosure No. 5).

With a memorandum dated October 28, 1959, the OME Field Team forwarded the above-mentioned AEC memorandum and the letter from New Idria to the

Washington OME Office. The Field Team requested advice on what action it should take regarding the alleged diversion of production. It stated that an inspection of the property was considered but that "mined out and unsoundly caved portions of the mine would preclude any attempt to make a survey or accurate determination of extent of ore extracted" (Enclosure No. 6).

In a memorandum dated November 6, 1959, to the Field Team, the Washington OME Office recommended that the investigation be continued, outlining some of the procedure to be followed (Enclosure No. 7).

In a letter dated November 14, 1959, the Field Team advised Beaver Mesa Uranium, Inc., that it had information indicating possible diversion of ore from the subject property and requested a statement in the form of an affidavit as to the truth of the matter (Enclosure No. 8).

A letter dated November 17, 1959, from the Field Team to William Bowden requested any additional information he might have relating to the alleged diversion of ore (Enclosure No. 9).

In a letter dated November 17, 1959, the Field Team requested New Idria Mining and Chemical Company to advise what action was taken by it regarding the alleged diversion of ore; to submit accurate stope maps if available; and advise the period during which Beaver Mesa Uranium, Inc., was the producer from the subject property (Enclosure No. 10).

In a letter dated November 15, 1959, William Bowden advised the Field Team that he would meet it and sign a statement of the alleged diversion of ore (Enclosure No. 11).

In a letter dated November 17, 1959, the Field Team advised William Sowden that Mr. Hugh M. Connors, mining engineer, Bureau of Mines, would meet him in Rock Springs, Wyoming, on November 24 to obtain his statement (Enclosure No. 12).

In a letter dated November 16, 1959, from Adams, Heckman, Traylor and Ela, Beaver Mesa Uranium, Inc.'s attorneys, to the Field Team, in reply to its letter of November 12, they suggested a conference rather than signing an affidavit. The letter also stated that William Sowden had attempted to cause Beaver Mesa Uranium, Inc., trouble with several other agencies, but after investigation, all his efforts so far had been in vain (Enclosure No. [illegible]).

A memorandum dated [illegible] 19, 1959, from the Field Team to the Washington CMD office advised that two representatives of New Idria Mining and Chemical Company visited the CMD office and explained the action taken by the company regarding the alleged diversion of ore. They stated that their attorneys had advised against court action on the little evidence that was uncovered. The Field Team noted that New Idria and Beaver Mesa were hesitant to put anything in writing that might in some way be used against them; however, the New Idria representative promised to write a letter outlining the steps they had taken in an effort to obtain sufficient evidence on which to initiate a court action (Enclosure No. [illegible]).

In a letter dated November 20, 1959, to the Field Team, New Idria Mining and Chemical Company summarized the action it had taken since April 1959, when the matter of ore diversion was first brought to its attention and the conclusions reached as a result of its investigation (Enclosure No. 15).

The Field Team with its memorandum dated November 27, 1959, to the Washington OME Office enclosed copies of Enclosure No. 15, a statement dated November 24, 1959, by William Sowden, and a memorandum dated November 27, 1959, by H. M. Conners covering the conference and Mr. Sowden's background while working in the area. The Field Team noted that Mr. Sowden's statement did not provide any definite facts; however, it did provide a few leads that could be followed if deemed warranted (Enclosure No.. 16).

The Field Team with its memorandum of December 9, 1959, to the Washington OME Office enclosed a copy of a memorandum dated December 8, 1959, by H. M. Conners. Mr. Conners outlined the mining procedure on the subject property. He stated that the AEC and the companies (Beaver Mesa and New Idria) had no stope maps showing ore thickness and grade; therefore, he could see no possible way to prove the tonnage mined from maps now available as ore pillars had been pulled and access to the stopes was not possible. The Field Team in its memorandum noted that an attempt by the Government to prove the extent of diversion of ore would be doomed to failure as there was no possible way to determine the exact or even approximate tonnage of ore and of waste extracted from any specific property. The Field Team recommended that if further investigation was required, the matter should be turned over to the FBI (Enclosure No. 17).

After receipt of the Field Team's memorandum of December 9, 1959 (Enclosure No. 17), the OMC Washington Office prepared a proposed memorandum for legal review informing the Field Team that it believed the case should be dropped without further involving the FBI (Enclosure No. 18).

After discussion of the proposed memorandum (Enclosure No. 18) with the Office of the Associate Solicitor and the Director of Inspection, the Washington Office of OMC notified the Field Team on December 30, 1959, that a more detailed study of all the data relating to the possible diversion of ore was being made, and that afterward it would be advised on the course of action to be adopted (Enclosure No. 19).

The docket was then referred to the Office of the Director of Inspection for review and comments. The Director in a memorandum dated January 8, 1960, advised the matter should not be closed until it had been investigated by the FBI (Enclosure No. 20).

In a memorandum dated January 11, 1960, to the Solicitor, C. M. Soller, Associate Solicitor, concurred in the Director of Inspection's (Enclosure No. 20) recommendations (Enclosure No. 21).

The Field Team in a memorandum dated March 18, 1960, to the Washington Office of OMC advised that the FBI Denver Office had received instructions from its Washington Office to close its files on the subject case of diversion of ore as there was insufficient direct evidence of fraud to warrant further investigation (Enclosure No. 22).

A memorandum dated March 24, 1960, from the Acting Director, OME, to the Associate Solicitor, Division of Mineral Resources, enclosed a copy of Enclosure No. 22 and suggested that in view of the information the matter be closed and the docket returned to OME (Enclosure No. 23).

A memorandum dated April 7, 1960, to the Solicitor from the Director of Inspection transmitted a copy of an FBI report dated March 24, 1960, entitled "Beaver Mesa Uranium Corporation Alleged Fraud Against the Government," leaving disposition of the FBI communication to the Solicitor's judgment (Enclosure No. 24).

The report, which added nothing new to what was already known, contained neither recommendations nor conclusions and if needed should be available in the Washington FBI Office.

None of the information gathered furnished any reliable figures regarding tonnage or grade of ore that might have been diverted. In fact, the only figure mentioned, "over a hundred tons," was in Sowden's deposition (Enclosure No. 16). As the Government's royalty amounts to approximately $1.50 a ton on Plateau uranium ores, a sum of $150.00 might have been involved in regard to this specific item. Seemingly, the matter can now be brought to a close.

Sincerely yours,

Secretary of the Interior

Hon. Joseph Campbell
Comptroller General of the
United States
Washington 25, D. C.

Enclosures
hb/
Murphy/fw-3/5/60

E-1181

For royalty payment of $1,947.09, dated April 12, 1960, see transmittal letter file.

E-1181

For royalty payment of $1,912.13, dated March 14, 1960, see transmittal letter file.

E-1181

For royalty payment of $1,947.09, dated April 12, 1960, see transmittal letter file.

E-1181

For royalty payment of $1,912.13, dated March 14, 1960, see transmittal letter file.

MAR 2 4 1960

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Acting Director, Office of Minerals Exploration

Subject: Docket No. DMEA-4626 (Uranium)
New Idria Mining and Chemical Company, Agent
Hubbard Homestead, Fede Ent. et al., Claims
Mesa County, Colorado
Contract No. 14-[illegible]

Attached is a copy of a memorandum dated March 18, 1960, from the Enforcement Officer, OME Field Team, Region III, relating to the alleged diversion of ore from the subject property. Based upon the FBI information, I suggest that the matter be closed and that the docket be returned to us.

(signed) FRANK E. JOHNSON
Acting Director

Attachment

GCSelfridge/hh/fw-3/24/60

cc: Director's File
Director's Reading File
W. Darlington Denit, Room 6538
W. Bailey Talbert
Frank E. Johnson
George C. Selfridge

MAR 24 1960

Memorandum

To: Acting Associate Solicitor, Division of Mineral Resources

From: Acting Director, Office of Minerals Exploration

Subject: Docket No. [illegible] (Supplemental)
The Zinc Mining and Chemical Company, Agent
Richard Hampstead, Trail Boss, et al., Claims
Mesa County, Colorado
Complaint No. [illegible]

Attached is a copy of a memorandum dated March 18, 1960, from the Examiner-Officer, Grand Junction, Region III, relating to the alleged diversion of ore from the subject property. The information may help expedite the solution of the docket by the Solicitor's office.

(Signed) FRANK E. JOHNSON

Acting Director

Attachment

[illegible]/hb (3/23/60)
Copy to: Director's File
Director's Reading File
W. Burlington Smith, Room 4558
E. Dalton Talbert
Frank E. Johnson
George C. Selfridge

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 53 — Federal Center
Denver 25, Colorado

March 18, 1960

Memorandum

To: Chairman, Screening Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Contract No. MMA-4520 (Terminated), Contract No. Ldc-21181, New Idria Mining and Chemical Company (Lead), (Subject Mineral — Rock Wax or Ozokerite), Mesa County, Colorado

Reference is made to your memorandum dated December 30, 1959 pertaining to your review of matters in conjunction with alleged diversion of ore from the subject property.

Mr. N. J. Bryson of the Denver Office of the Federal Bureau of Investigation informed us yesterday that his office had been instructed from their Washington Office by letter dated March 16, 1960 to close their files on the case as review of material submitted by Mr. Bryson indicated to them that there was insufficient direct evidence of the fraud to warrant further investigation.

/s/ J. W. Thompson

E-1181

For Certificate of Deposit No. 81, dated February 17, 1960, giving royalty payment of $104.95, see E-981.

E-1181

For Certificate of Deposit No. 79, dated February 11, 1960, giving royalty payments of $33.25, $1,321.69, see E-577.

E-1181

For Certificate of Deposit No. 71, dated January 15, 1960, giving royalty payment of $1,022.23, see E-987.

E-1181

For Certificate of Deposit No. 69, dated January 13, 1960, giving royalty payment of $.97, see E-577.

DEC 30 1959

[redacted]

[redacted] [redacted]

[redacted] [redacted]

[redacted] [redacted]

[redacted]

[redacted]

George C. Selfridge

[redacted]

Frank D. Lamb

[redacted]

Harold Kirkemo

[redacted]

[redacted]

E-1181

For Certificate of Deposit No. 61, dated December 15, 1959, giving royalty payment of $1,154.23, see E-597.

E-1181

For Certificate of Deposit No. 59, dated December 11, 1959, giving royalty payment of $68.08, see E-866.

EXTRA COPY
O. M. E
RECEIVED DEC 14 1959
DATE | INITIALS | CODE
800

Building 20 - Federal Center
Denver 25, Colorado
December 9, 1959

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4826 (Uranium) Contract Ida-K1181, New Idria Mining and Chemical Co. & Beaver Mesa Uranium, Inc., a Joint Venture - New Idria Mining and Chemical Company, Agent (Hubbard Homestead, Pack Rat, Shakin Quakie Fraction and Johnnie Mae Claims) Mesa County, Colorado

Enclosed are the original and two copies of a memorandum dated December 8, 1959, from E. M. Cannors, Mining Engineer, Bureau of Mines covering an on-site inspection of the subject property in conjunction with alleged diversion of ore.

From the signed statement by Mr. Soudan, verbal statements by Mr. Nicholson of New Idria, and the implications in his letters, it appears that there may have been a diversion of ore to some extent between the properties under Contracts Ida-E987 and Ida-K1181. Whether the diversion was intentional or not would have to be proved, as it was also stated by Mr. Nicholson that the ore had been borrowed to fill out truck loads and was subsequently replaced to the kin or source from which obtained.

My personal opinion of the matter is that any effort by the Government to prove the extent of diversion of ore would be doomed to failure as there is no way possible to determine the exact or even the approximate tonnage of ore and of waste extracted from any specific property.

I further believe that the limited investigation of the matter to date has served a good end, in that steps have been taken by New Idria to protect theirs and the Government's common interests in the future, and that all parties concerned will exert greater effort in the future to keep production separate as far as it is feasible.

If you consider that the matter of the alleged diversion of ore must be pursued further, I recommend, on advice from the Solicitor's Office here at the Federal Center, that the investigation be turned over to the F. B. I., so that evidence can be obtained by experts in that field.

Original signed by

J. W. Townsend

JWT:ltm

cc: Hasler
Roy. Corres. K1181 &
E987
Chron.

EXTRA COPY
O. M. E.
RECEIVED DEC 14 1959

DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado
December 8, 1959

Memorandum

TO: J. W. Townsend, Executive Officer, OME Field Team, Region III

From: H. M. Connors, Mining Engineer

Subject: Docket No. DMEA 4826 (Uranium) Contract Idm-E1181, New Idria Mining and Chemical Co. & Beaver Mesa Uranium, Inc., a Joint Venture - New Idria Mining and Chemical Co., Agent (Hubbard Homestead, Peck Rat, Shakin Quakie Fraction and Johnnie Mae Claims) Mesa County, Colorado

If we are not willing to accept the Operator's word that there is no diversion of ore, it would be costly to maintain checkers in the stopes, on the tramming to the bins, on the hauling of the ore from the bins to the mouth of John Brown Canyon where the ore is dumped to be reloaded on larger trucks, and on the larger trucks to the mill. Ore could be diverted at any of these points. Ore from Rajah 11 is hoisted through the Cherokee shaft. It is low in grade and high in lime, and not acceptable at the mill if shipped alone. This low grade material is blended with higher grade ore, low in lime, from the Rajah 63. Rajah 63 ore is trammed through the Peck Rat adit which is approximately a mile from the Cherokee shaft. This blended mixture is shipped as Rajah 11 and 63 ore, and is so shown on the settlement sheets and AEC records. Other ore, not subject to DMEA royalty, is hoisted and trammed through the same mine openings, so a double set of checkers for each mine lot would be required in this case.

The big production from Beaver Mesa has come from Rajah 50 and Rajah 68, neither of which is subordinated to the Government. These two ore bodies produced 212,018 pounds of U_3O_8 in the fiscal year 1959, but are about mined out and presently the pillars are being pulled in both stopes. When these big stopes are mined out there will be less chance for possible ore diversion.

The AEC have no stope maps, and the companies have no stope maps showing ore thickness and grade, and I see no possible way to prove tonnage mined from maps now available, and where pillars have been pulled and access to the stopes is no longer possible.

Mr. Gordon's statement included the following names of men who he said had information regarding certain irregularities:

Willis Kelly, Larry Hart, William Hall, John Grevell, Ted Sloan, Junior Castano, Hurt Roof, Lowell Horton, Earl Wise

On my visit to the Beaver Mesa properties, I made inquiries concerning the whereabouts of these men, but none of them could be located.

It appears to me that we cannot definitely prove any ore diversion which might have occurred. Chances for possible ore diversion in the future are diminishing as the two big ore bodies, not on subordinated ground, are being mined out. My inspection indicated that the Operator was making every effort to keep the ore properly segregated.

I recommend that the charge of ore diversion on this property be dropped.

H. M. Connors

HMC:ltm

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name New Idria Mining & Chemical Company

Address P. O. Box 311

Grand Junction, Colorado

Exploration Contract No. Idm-E1181

Docket No. DMEA 4826

			Check One Yes	Check One No
1.	(a)	Does the Operator stockpile ore subject to royalty repayment?		x
	(b)	If so, is segregation and identification procedure adequate?		x
2.	(a)	Does Operator commingle production subject to DMEA or OME royalties with exempt production?		
	(b)	If so, do you consider the allocation of the commingled production equitable?		
3.	(a)	Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		x
	(b)	If so, are adequate records maintained on such material to protect the Government's interest?		
4.		Do you consider the assay controls in effect are adequate?	x	
5.		Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	x	
6.		Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?	x	
7.		Does the Operator buy from or sell to other Operators?		x
8.		Comment on any item 2 (b) to 6 if answer is No.		

Original signed by

December 1, 1959
Date

Mining Engineer
H. M. Connors

EXTRA COPY O. M. E. RECEIVED NOV 30 1959		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado
November 27, 1959

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4886 (Uranium) Contract Em-K1181, New Mexico Mining and Chemical Co. & Beaver Mesa Uranium, Inc., a Joint Venture - New Mexico Mining and Chemical Company, Agent (Rubbard Homestead, Duck Nat, Shakin Quakie Fraction and Johnnie Mae Claims) Mesa County, Colorado

Enclosed are the following pertaining to alleged diversion of ore from lands subordinated under the subject contract.

1. Two copies of a letter from Dean Nicholson of New Mexico Mining and Chemical Company dated November 20, 1959 in reply to my letter of November 12, 1959.

2. Two copies of a statement from William Souden.

3. Two copies of a memorandum dated November 27, 1959, from E. H. Connors, Mining Engineer pertaining to Mr. Souden and his statement under 2 above.

Mr. Souden's statement does not provide any definite facts; however, it does provide a few leads that can be followed-up if deemed warranted.

An inspection of the properties on Beaver Mesa that are subordinated under DMEA Contracts will be made by an engineer of the Bureau of Mines beginning December 1, and at that time, the engineer will attempt to obtain first hand information from some of the parties named by Mr. Souden.

Original signed by

J. W. Townsend

Enclosures

JWT:ltm

cc: Hasler
Roy. Corres. K1181
Chron.

EXTRA COPY O. M. E. RECEIVED NOV 30 1959		
DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado
November 27, 1959

Memorandum

TO: Executive Officer, OME Field Team, Region III

From: Hugh M. Connors, Mining Engineer

Subject: Possible diversion of ore on Contract Idm-E987 and Idm-K1181

I met W. H. Howden at the Post Office in Rock Springs, Wyoming, at 9:00 AM, November 24, 1959, and we went to a restaurant to have coffee and discuss the possible diversion of ore from the subject properties.

His chief gripe against Simpson of Beaver Mesa Uranium, Inc., was that he had such a hard time in getting the correct amount of bonus money each pay-day and I had a hard time getting his mind on the track of the misappropriation of ore.

His background consists of coal mining in the Rock Springs area where he was "let go" by the Union Pacific Coal Company because he complained to John L. Lewis about the unfair housing charges of the Union Pacific Coal Company. Howden was President of the local coal miners union.

After I had convinced myself that he was an unusual character, I took him to a stenographer and decided it would be best to let him give his statement in his own words without any outside guidance whatsoever. This method left much to be desired, but he did provide a few leads which can be followed if deemed advisable. The corrections in the statement made with a pen are those of Howden.

H. M. Connors
H. M. Connors

HMC:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres.
Chron.

On April 8th, 1959, I went to Junior Custano and I went to his room and asked him a few questions. I asked him what was going on about stealing ore. He told me that he came out of Pack Rat with a train with ten tons of high grade ore. He said he stopped Horten just prior to getting to the switch and probed it and he told Ted to throw the switch with the Pack Rat side. Horten come out of the shack and threw the switch to 68. So they dumped it in 68 bin on March 29th we got off at noon, the next day was Monday the 30th and I asked Burt Roof what was going on, he said, Hell, I don't know, something fishy was going on yesterday. Vernon Lear's trucks, two of them, one White, one International, stopped at Pack Rat Bins and picked up two half ton loads which was approximately nine tons apiece. The guys that were dumping asked how come they were taking two half tons, they said the roads were slippery and they had to have weight to make it up the hill. So after he told me that, I went down that night and told Dan Nickelson, so I asked him to get me a tape recorder, which they did and I got a statement from Burt Roof to that effect. I also got one from Junior Custano. So New Idria Mining Co. hired a detective from Burns Agency and he had an idea to throw soap on the ore and check it at the mill. For some reason or other that didn't work out so they hired an ex FBI man, John Southerland, so him and I and Dan Nickelson proceeded to run down leads that I had give him. We caught Junior Costano in a hotel room. He verified the statement and a few more things. Then Nickelson and Mr. Southerland went to Moab, Utah and talked to one of the boys who worked at Beaver Mesa. They got a statement from him, verifying the same thing. Then they caught Rasy Youngman in jail. He told them everything he knew, which verified the above. Norman Wynn was caught at his mother-in-law's house at midnight and he made a statement verifying quite a bit. One day in March, the latter part, I went down to the shop in the mine to sharpen a piece of steel and on the way back I stopped at a new switch they had just put in and Lowell Herton, the shipper was there. I asked him where they were shipping the ore that came out of this place. He told me the left hand rib was Shakin Quakie, the right hand rib was 68 Property. So they were shipping as 68 but the map proves that all of it was Shakin Quakie, and that they were over a hundred tons of ore shipped from that place that was diverted to 68. Larry Hart and Norman Wynn were working Pack Rat BD114 and they said that there was a lot of hot ore shipped from there and that was shipped by 68.

One day, I don't know the exact date, it was in March, my buddy and I had 3500 grade up until the last two days, the last two days, we got some pretty hot ore out of Pack Rat and when we got our check for it we had fell down to 2900. I asked the Superintendent how come and he said, "we don't know why it fell down that far at the mill." I have heard Lear make the statement and also Allen Simpson that the mill was

cheating them on their grade. They were asked how come they didn't do something about it, they said they couldn't prove it.

On these two half ton loads that were shipped on Rajah 30, Mr. Souther= land, Mr. Nickelson, and myself went out on the highway and stopped Vernon Lear's truck driver and he told them that he had taken the half ton load, him and Joe Cavanger, and they turned in as Rajah 30. I wanted to run Cavanger down to find out how much more he had taken and they didn't want to, they said theyhad enough.

The Assistant Superintendent came to my work place one day and said you are getting took on your grade, you know it, I know it, but you prove it.

A similiar statement was taken from the personel at work, Beaver Mesa Uranium at the mine by New Idria Mining Co. Mr. Nickelson, the Investigator, Mr. Southerland, and a Deputy Sheriff. It was taken by a court reporter and on a tape recorder. The names of guys they can get most of this stuff from, they all know it.

Willis Kelly, Larry Hart, William Hall, John Grevell, Ted Slane, Junior Custano, Burt Roof, Lowell Horton, Earl Wise. All of the above are employees of Beaver Mesa and are tramers and dumpers.

I have read the foregoing, consisting of two typewritten pages and the statement therein contained are as I made them and are true and accurate to the best of my knowledge and belief.

William H. Sowden
William Sowden

Witness Hugh M. Connors
Hugh M. Connors

Witness Mary Etcheverry
Mary Etcheverry

Rock Springs, Wyoming Nov. 24, 1959

URANIUM DIVISION
NEW IDRIA MINING & CHEM, CO.
P. O. BOX 311
GRAND JUNCTION, COLO.

November 20, 1959

OME
DEPARTMENT OF THE INTERIOR
NOV 27 1959
REGION III
DENVER, COLORADO

Mr. J. W. Townsend
Executive Officer
OME Field Team, Region III
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 4826 (Uranium)
Contract No. Idm-21181
New Idria Mining & Chemical Co. and
Beaver Mesa Uranium, Inc., a Joint
Venture - New Idria Mining & Chemical
Co., Agent
(Hubbard Homestead, Pack Rat, Shakin
Quakie Fraction and Johnnie Mae Claims)
Mesa County, Colorado

Dear Mr. Townsend:

Further to my letter of October 12, 1959, and with reference to yours of November 12, 1959, and our conversation in your office on November 17, 1959, I should like to review the efforts made by New Idria to protect its own interest in the subject properties as well as the interests of the others concerned.

New Idria's net position in thesubject properties was such that it was four and one-half times that of the Government while the properties were under lease to Beaver Mesa Uranium. However, now that the lease to Beaver Mesa has been returned to New Idria the Company is operating the properties as the principal. In addition to New Idria and the Government, other royalty holders exist on all subordinated properties.

In April of 1959 it was brought to our attention that there may have been a diversion of ores from the subject properties under lease to Beaver Mesa Uranium, Inc. to the credit of properties owned by Beaver Mesa. If this were found to be so, it would mean that New Idria, the Government and other royalty holders would not be receiving the proper payment from ores mined from properties in which they had a definite legal interest.

After consultation with our attorney, we attempted to make an investigation on our own account in an effort to verify the possible diversion of ores. It was soon apparent that professional assistance in this matter was necessary and the Burns International Detective Agency was retained the latter part of April, 1959. However, they proved to be inept and completely incompetent and we were forced to request that they suspend their

investigation on May 12, 1959.

In the effort to secure competent assistance and also to advise the DMEA of the circumstances I telephoned your Denver office on May 7, 1959, to review the situation for your information. However, I was advised that in view of our very limited information, the DMEA was not in a position to act.

We then approached the Chief of the Grand Junction police force and outlined our need for an investigator and he was kind enough to suggest Mr. John W. Stansfield of Denver. Mr. Stansfield was retained on May 13th and arrived in Grand Junction on May 15, 1959.

The matter was reviewed with Mr. Stansfield and it was suggested that we contact the employees of Beaver Mesa Uranium in an effort to get statements from them. Most of the employees could offer no information on the possible diversion of ores, however, a few did say that there had been exchanges of ores of equal grade on occasion. The occasion being to complete a load of ore, ore bins being too full to add more ore and like instances.

This information was reviewed by our attorney who felt that legal proof of any diversion of ore was very shaky, however, as commingling and exchanging of ores was in direct violation of the lease agreement, we did have excellent grounds for cancellation of the lease to Beaver Mesa. This lease agreement with Beaver Mesa was then cancelled to be effective June 30, 1959, and they were to be off the property on July 15th with the intervening period to be used for the removal of their equipment.

In addition, it was necessary that the matter be viewed from a point of economics. Should the matter of diversion of ores be taken to Court, it would undoubtedly have entailed a shutdown of the mine for a period of time and it would have been a year or more before the case would have come to trial. In view of the fact that the future of uranium mining is not assured, mining while markets exist is most essential.

The subject properties are the rim claims and, consequently, control access to other properties owned by Beaver Mesa Uranium. Inasmuch as there was a feeling that Beaver Mesa could force an access through a portion of the subordinated properties, an access agreement was negotiated with them in return for certain concessions.

As a result of our investigation, we are absolutely certain that the trucker hauling the ore is free and clear of any suspicion of malpractice. They have an excellent internal control system that would complete preclude any such action and also reduces the possibility of unintentional error to an absolute minimum.

While mine surveys are made for the operation of the properties, no effort is made to cube the stopes. The particular type of deposit on the subject ground does not lend itself to this system of mine mapping. Further, it would not be possible at this time to attempt to map the stopes in this manner in order to ascertain the volume of ore removed. These deposits have ore and waste intermingled with the stope and both must be removed in order to complete the mining of the stope with maximum recovery.

Denver Mass Uranium was the producer from the subject area from the date of the inception of the contract to July 13, 1959. Since that date New Idria has been the producer from the area.

New Idria feels that they have made every effort to safeguard the interests of all concerned with respect to the alleged diversion of ores. Actually, New Idria's direct cost with respect to their investigation into this matter is substantially in excess of $3,000.00 and while other interest holders have been approached for assistance and financial aid none whatsoever has been forthcoming.

Should you require additional information, we would be pleased to supply what we can.

Very truly yours,

NEW IDRIA MINING & CHEMICAL CO.

Ryan Nicholson

E-1181

For Certificate of Deposit No. 53, dated November 18, 1959, giving royalty payments of $654.63 and $196.90, see E-987.

trucker to designate ore from the Mark II [illegible]

Mark II (Rajah 31)

It would be appreciated if you would show it this way on the assay and settlement sheets.

		800

Very truly yours,

BEAVER MESA URANIUM, INC.

Mark Holloway, Secretary-Treasurer

MH;kh

cc: Art Corradini
J. W. Townsend

OME
DEPARTMENT OF THE INTERIOR
NOV 18 1959

November 17, 1959

Union Carbide Nuclear Co.
P.O. Box 1049
Grand Junction, Colorado

E-1181

Gentlemen: Attention: Ore Settlement Dept.

We have received a letter from the D.M.E.A. requesting that future settlements from the Mark II claim show the correct claim name and number.

In accordance with this request we are instructing our trucker to designate ore from the Mark II as follows:

Mark II (Rajah 31)

It would be appreciated if you would show it this way on the assay and settlement sheets.

Very truly yours,

BEAVER MESA URANIUM, INC.

Mark Holloway, Secretary-Treasurer

MH;kh

cc: Art Corradini
J.W. Townsend

EXTRA COPY
O. M. E.
RECEIVED NOV 20 1959

DATE	INITIALS	CODE
		800

EXTRA COPY O. M. E. RECEIVED NOV 20 1959		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado
November 17, 1959

CERTIFIED MAIL

Mr. William Sowden
General Delivery
Baltimore, Wyoming

Re: Docket No. [illegible] (Uranium)
Contract No. [illegible]
New Idria Mining and Chemical Co. & Denver Mesa Uranium, Inc., a Joint Venture - New Idria Mining and Chemical Company, Agent
(Hillcrest Homestead, Park Rpt, Shakin Quakin Fraction and Johnnie Mae Claims)
Mesa County, Colorado

Dear Mr. Sowden:

Thank you for your letter of November 15, 1959, wherein you advised of your willingness to sign a statement regarding the alleged diversion of ore from the referenced property.

Mr. Hugh M. Cannors, Mining Engineer, Bureau of Mines, will meet you at the Rock Office in Rock Springs, Wyoming, at 9 a.m., Tuesday, November 24, to obtain your statement.

If the above time and place is not satisfactory to you, please telephone us before 4:30 p.m., Friday November 20. The charges on the call may be reversed. The number to call is Ellmont 3-3611, Ext. 398 or 6164.

Very truly yours,

Original signed by

J. W. Thomson
Executive Officer, OME
Field Team, Region XII

JWT:ltm

cc: Chmn. Op. Comm. (2) w/cpy Sowden's
Hasler) ltr. 11/15/59
Roy. Corres. Elliot)
Chron.

Kelliher, Wyoming
November [redacted], 1959

Office of Mineral Explorations
Bldg. 20 Federal Center
Denver 25, Colorado.

Dear Sir:

In regard to your letter of November 12, I would be willing to sign a statement to the alledged diversion of ore and the tonnage, that I know about. I will also give you names of persons that can give you information about diversion of ore over a period of time.

As I am not at home any certain hour, if you will set a time and place in Rock Springs I will be glad to meet with you. If possible, I'd like to make it within the next week as I am expecting to be called out of town for a job.

Please notify me so I can be available.

Very truly yours,
William Lowden

EXTRA COPY O. M. E. RECEIVED NOV 16 1959		
DATE	INITIALS	COPY
		800

Building 20 - Federal Center
Denver 25, Colorado
November 12, 1959

CERTIFIED MAIL

Mr. Alan M. Shannon, President
Denver Mesa Uranium, Inc.
Box 987
Grand Junction, Colorado

Re: Docket No. DMRA 4066 (Uranium)
Contract Nbr-E1181
New Idria Mining and Chemical Co. &
Denver Mesa Uranium, Inc., a Joint
Venture - New Idria Mining and
Chemical Company, Agent
(Robert Emmerson, Peak Nat, Shakin
Quakin Fraction and Johnnie Mae claims)
Mesa County, Colorado

Dear Mr. Shannon:

We are in receipt of information that production from the referenced property by Denver Mesa Uranium, Inc., was disposed of as having been produced from the Ralph claims Nos. 30 and 28. Such action, if true, might be considered fraudulent under the terms of DMRA Contract Nbr-E1181, in that it would be an evasion of royalty payments to the Government on production from the referenced lands.

Further action in the matter is being deferred for sufficient time to enable Denver Mesa Uranium, Inc., to furnish this office with a statement in the form of an affidavit as to the truth of the matter.

Very truly yours,

Original signed by

J. W. Townsend
Executive Officer, OME
Field Team, Region III

cc: New Idria Mining & Chem. Co.
P. O. Box 311
Grand Junction, Colorado

JWT:ltm
cc: Chem. Op. Comm. (2)
Hesler
Roy. Corres. E1181
Chron.

EXTRA COPY
O. M. E.
RECEIVED NOV 16 1959

DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado
November 12, 1959

CERTIFIED MAIL

Mr. William Gordon
General Delivery
Saline, Wyoming

Re: Docket No. [illegible] (Uranium)
Contract [illegible]
New Idria Mining and Chemical Co. &
Hanover Mass Uranium, Inc., a Joint
Venture - New Idria Mining and
Chemical Company, Agent
(Hubert Homestead, Duck Pat, Shakin
Quakie Fraction and Johnnie Mae claims)
Mesa County, Colorado

Dear Mr. Gordon:

This office is responsible for the administration of all matters in conjunction with the referenced contract.

The information you gave to Mr. Hagner, U. S. Atomic Energy Commission, Casper, Wyoming, on September 30, 1959, regarding shipment of ore from the referenced property as having been produced from Ralph claims Nos. 30 and 68, was relayed to this office for appropriate action.

Before further action in the matter can be initiated, the facts of the case must be of record. We will appreciate receiving any additional information you can give us, such as dates of the alleged diversion of ore, tonnage of ore diverted, and the name or names of any other person or persons who may have direct knowledge of the diversion of the ore.

If you are willing to sign a statement giving us all the facts in the case, please advise where and when it will be convenient for an engineer from this office to meet with you to obtain the statement.

Advice from you by return mail regarding the matter will be greatly appreciated.

Very truly yours,

Original signed by

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JWT:ltm
cc: Chmn. Op. Comm. (2)
Hasler
Reg. Corres. Elliot
Chron.

EXTRA COPY O. M. E. RECEIVED NOV 16 1959		
DATE	INITIALS	CODE

Building 50 - Federal Center
Denver 25, Colorado
November 12, 1959

CERTIFIED MAIL

Mr. Ross Nicholson
New Idria Mining and Chemical Co.
P. O. Box XII
Grand Junction, Colorado

Re: Docket No. [illegible] (Reopened)
Contract No-[illegible]
New Idria Mining and Chemical Co. &
Denver Mesa Uranium, Inc., a Joint
Venture - New Idria Mining and
Chemical Company, Agent
(Hubbard Homestead, Peak Rat, Shaddy
Gamble Fraction and Johnnie Bee claims)
Mesa County, Colorado

Dear Mr. Nicholson:

Reference is made to your letter of October 21, 1959, and prior conversation by telephone with this office regarding alleged diversion of ore production from the lands subcontracted under the referenced contract.

Your letter of October 21, indicates that steps were taken by you to safeguard the interests of those concerned in future production from the property, but it does not make clear what steps were taken by New Idria Mining and Chemical Company to protect its and the Government's interests, or to ascertain the truth in the matter of the alleged diversion of a portion of production in the past.

Please advise as to whether or not surveys were made and accurate stope maps prepared of the area involved to determine the volume of extraction as a check against production records. If no effort was made to determine the extent of extraction, please explain why. If accurate stope maps are available, we will appreciate receiving a complete set for our files.

In addition to the foregoing, please advise the period during which Denver Mesa Uranium, Inc., was the producer from the area subcontracted under the terms of the subject contract.

Very truly yours,

Original signed by

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JWT:ltm
cc: Chm. Op. Comm. (2)
Hasler
Roy. Corres. E1181
Chron.

Nov 6 1959

Memorandum

To: Executive Officer, OGS Field Team, Region XII

From: Chairman, Operating Committee, OGS

Subject: Docket No. [illegible] (Counter)
Bay State Mining and Chemical Company, Great Hideout Mountain, Pack Inc., et al., Clear Creek County, Colorado
Contract No. [illegible]

Your memorandum, dated October 26, 1959, concerning the alleged diversion of ore production from the subject property, has been reviewed.

Referring to our data, Denver Rare Earths, Inc., owns the Ralph No. 30 claim. Under Contract [illegible] (Docket [illegible], Keystone Mining Co., et al.), Ralph Nos. 64, 65, 66, 67, and 68 claims were subrogated. All royalties due the Government under the terms of this contract were paid by June 25, 1957. However, Ralph Nos. 64, 65, and 66 were again subrogated under Contract [illegible] (Docket No. [illegible], Keystone Mining Co., et al.) which has been cancelled. This company entered into a mining agreement, dated November 7, 1955, with Denver Rare Earths, Inc., on the property. In addition our Ralph Nos. 67 and 68 claims. Signatures to Denver Rare Earths Inc. leases and bonds to leasings and grants of ore shipment.

If Denver Rare Earths, Inc., extracted ore from the area subrogated under Contract [illegible] (Docket No. [illegible], Bay State Mining and Chemical Company and Denver Rare Earths, Inc., Joint Venture), and there could be no doubt of having been produced from Ralph Nos. 30, 67, or 68 claims, it was deliberately violating regulations for its benefit. Therefore, the Field Team should take every effort to determine the truth in this matter.

Possibly the Mole or the FBI has further other copy of the claims in question. If available, the Field Team could use them to make a rough estimate of the ore mined and compare

[illegible] with these data in the president's [illegible] [illegible]. Also, the portal spring which lower [illegible], Inc., [illegible] the premier [illegible] the [illegible] under the [illegible] of the subject contract should be [illegible].

Did the F.A.I. question the [illegible] before we looked the gas from the [illegible] claim? It appears the [illegible] should have been aware that such gas was being diverted to [illegible] purposes, especially if it was essential or profitable [illegible] high [illegible] which should be well known [illegible] Inc.'s operating [illegible] should be [illegible] on this [illegible].

Mr. [illegible]'s letter of [illegible] 21, 1971, indicates that [illegible], Inc., is no longer operating on the subject claim; therefore, it appears that such diversion of [illegible] is not [illegible]. However, we have a number of [illegible] projects in the [illegible] and [illegible] in the future made of the [illegible] land, especially the [illegible] Docket [illegible] Docket No. [illegible], Rocky Mining Co., et al.], may be mined from shafts or adits on adjacent [illegible] land. Hence, it is recommended, when [illegible] of the field [illegible] in the area, that a check on such operations should be made.

George C. Selfridge

[illegible]:

Frank D. Lamb

[illegible], Bureau of Mines

Harold Kirkemo

[illegible], Geological Survey

[illegible]/gla 11-4-79

cc to: [illegible]'s Reading File

Operating Conditions

Div. of Contracts Adm. & Audit

Harold Kirkemo, [illegible]

Code 500

Docket [illegible]

Chron

Docket [illegible]

EXTRA COPY O. M. E. RECEIVED OCT 30 1959		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado
October 28, 1959

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. [illegible] (Remand) Contract No. [illegible]
Rar Zhria Mining and Chemical Company (Robbert Emmerson, Frank Ent et al, claims) Mesa County, Colorado

Enclosed are the following pertaining to alleged diversion of ore production from the subject property:

1. Original and one copy of a letter dated October 6, 1959, from David B. Baker, AEC, with attached office memorandum dated September 30, 1959 .

2. Original and one copy of a letter dated October 21, 1959, from Ross Nicholson of Rar Zhria Mining and Chemical Company.

Upon receipt of the material under item 1, I contacted Mr. Ross Nicholson of Rar Zhria by telephone to discuss the matter and request advice in writing regarding the situation which resulted in the letter under item 2.

An inspection of the project was considered, but it was decided that it would be a waste of time and money because without more concrete evidence it would be impossible to determine whether or not there was any truth to Mr. Emmerson's allegations. Blank out and undoubtedly caved portions of the mines would preclude any attempt to make a survey or accurate determination of extent of ore extracted.

While I was on annual leave during the week of October 19-23, a Mr. W. J. Payton of the local FBI visited this office and advised Mr. Ramalo, OME examining engineer, that they had received material identical to that included under item 1 above. Upon my return, I was advised of Mr. Payton's visit and his request that I telephone him regarding the matter, which I did on October 27. After discussing the matter and on learning of the facts we have on the case including Mr. Nicholson's letter of October 21, Mr. Payton advised that they would defer any action for a month or six weeks, and at that time would again contact this office to learn of any developments and whether or not we considered that an investigation for possible fraud against the Government was indicated.

Roy Iris and Beaver Mesa have regularly made royalty payments on ore produced from the land subordinated under both Contracts Ilm-E1074 and Ilm-E1181, which to date aggregate $4,091.68 and $39,439.31 respectively.

Since this is an unusual situation which could develop serious complications, the matter is referred to you for advice as to what action if any should be initiated by this office.

Original signed by

J. W. Townsend

JWT:ltm

cc: Roy. Corres. file) w/cpy
Kasler (encls.
Chron.

URANIUM DIVISION
NEW IDRIA MINING & CHEM, CO.
P. O. BOX 311
GRAND JUNCTION, COLO.

October 21, 1959

OME
DEPARTMENT OF THE INTERIOR
OCT 26 1959
REGION III
DENVER, COLORADO

Mr. J. W. Townsend
Executive Officer
OME Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Docket No. DMEA 4826 (Uranium)
Contract No. Idm-E1181
Hubbard Homestead, Pack Rat, et al, Claims
Mesa County, Colorado
Easement to Beaver Mesa Uranium, Inc.

Dear Mr. Townsend:

As we had reported to you over the telephone, certain differences have existed between New Idria and Beaver Mesa Uranium who were lessees of the above properties. These differences were of long standing in that New Idria did not approve of certain mining practices as conducted by the lessee.

Rumors and suspicions of diversion of ore have existed, however, such practices are extremely difficult to determine as to deliberate procedure and amount even though mistakes may occur on occasion.

In view of the above and other differences between the companies, Beaver Mesa decided to surrender their lease in return for an easement across some of the Pack Rat Claims. As this easement was vital to the operation by Beaver Mesa of some of its properties, Beaver Mesa also made certain other concessions to New Idria to insure the acquisition of the easement.

New Idria feels that they have made every effort to protect the interest of the various royalty holders concerned by taking these steps and will continue to do so by maintaining direct control and supervision of these properties throughout all future operations.

Very truly yours,

NEW IDRIA MINING & CHEMICAL CO.

Dean Nicholson

EXTRA COPY
O. M. E.
RECEIVED OCT 30 1959

DATE	INITIALS	CODE

MEMO ROUTE SLIP

Form AEC-93 (Rev. May 14, 1947)

	See me about this.		For concurrence.
	Note and return.		For signature.
✓	For action.		
✓	For information.		

TO (Name and unit)	INITIALS	REMARKS
William Hassler Office of Mineral Exploration U.S.G.S Bldg. 25 - D.F.C.	JHH DATE Oct 9/59	This apparently is the mess between Beaver Mesa U & New Idria where Beaver Mesa was caught stealing ore from New Idria — I assume Dean Nicholson [illegible] all about it.
TO (Name and unit) Jim Townsend	INITIALS DATE	
TO (Name and unit)	INITIALS DATE	REMARKS
FROM (Name and unit) AEC Bldg. 40 DFC		REMARKS
PHONE NO. 6625	DATE 10/8/59	

USE OTHER SIDE FOR ADDITIONAL REMARKS

16—50667-1 U. S. GOVERNMENT PRINTING OFFICE

UNITED STATES
ATOMIC ENERGY COMMISSION
GRAND JUNCTION OPERATIONS OFFICE
GRAND JUNCTION, COLORADO

IN REPLY REFER TO:
PLD:RHT

October 8, 1959

OME
DEPARTMENT OF THE INTERIOR
1959
DENVER COLORADO

Office of Minerals Exploration
Federal Center
Denver, Colorado

Gentlemen:

Attached is a copy of a memorandum which is self explanatory and is sent you because the 5% royalty mentioned indicates that it may concern your agency.

Very truly yours,

David D. Baker

David D. Baker, Director
Production Evaluation Division

Attachment:
As above

DDB 8068
HT PK 10/6/59

Office Memorandum · UNITED STATES GOVERNMENT

TO : David B. Baker, Director
Production Evaluation Division

DATE September 30, 1959

FROM : Milton S. Reyner, Chief
Casper Branch

SUBJECT: STORY ABOUT BEAVER MESA URANIUM CORPORATION BY WILLIAM SOWDEN

SYMBOL: PCA:MLR:mmo

The following may be nothing new to your office, but I am forwarding it to you for what it is worth.

A man named William Sowden whose address is General Delivery, Reliance, Wyoming came in this morning and related a story which briefly goes as follows: He was fired by Beaver Mesa Uranium Corporation on May 29, 1959 for insubordination. He had been working as a miner on the Pack Rat and Hubbard claims, getting a bonus according to grade and tonnage of ore from these claims.

Sowden states that Beaver Mesa Uranium Corporation took ore from the Hubbard, Pack Rat, Shaken Quakie, and Johnny May claims and shipped it as coming from the Roger 30 and Roger 68 properties. There could be possible fraud against the government if this were true and if the government were entitled to a 5% royalty from this ore as Mr. Sowden claims.

Raish not Roger

This accusation if true would, in fact, involve payment to O&S rather than AEC.

E-1181

For Certificate of Deposit No. 44, dated October 19, 1959, giving royalty payment of $473.80, see E-445.

E-1181

For Certificate of Deposit No. 43, dated October 14, 1959, giving royalty payment of $257.60, see E-577.

E-1181

For Certificate of Deposit No. 31, dated September 15, 1959, giving royalty payment of $475.23, see E-987.

QUADRUPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

8/17/59 (Date sent)

19 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colorado

Deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo.
(Name and location of depositary)

(3) The Sum of $ 1,875.63

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 1875.63 ~~1,307.22~~		$ E-1131

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
14-23-000
Office of Minerals Exploration
224 New Custom House
Denver 2, Colorado

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Bennett
(Authorized signature)

AUG 17 1959
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

E-1181 New Idria 1,875.63

FEDERAL RESERVE BANK

1959 AUG 17 PM 12 43

MAIL DEPT-2

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O. M. E.
RECEIVED AUG 21 1959

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E-1181

For Certificate of Deposit No. 6, dated July 17, 1959, giving royalty payments of $646.15, $269.02, $850.16, and $1,632.02, see E-987.

E-1181

For Certificate of Deposit No. 161, dated June 18, 1959, giving royalty payments of $248.91, $1,788.77, and $46.18, see E-987.

E-1181

For Certificate of Deposit No. 149, dated May 19, 1959, giving royalty payments of $222.10 and $2,459.53, see E-987.

Note:

The patent in [illegible] claims [illegible] Mine No. 2 (Adv. [illegible]) and [illegible] Mine No. 3 (Adv. E-11181) is to be consolidated and patented as a single lot.

See [illegible] memo. to Op. Comm. 1/28/58

(Keep this note on top of file)

E-1181

For Certificate of Deposit No. 138, dated April 17, 1959, giving royalty payment of $1,319.58, $427.15, and $514.16, see E-987.

E01181

For Certificate of Deposit No. 124, dated March 17, 1959, giving royalty payments of $1,856.41 and $425.78, see E-910.

E-1181

For Certificate of Deposit No. 108, dated February 16, 1959, giving royalty payments of $889.74 and $2,270.66, see E-987.

EW

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OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, OME Field Team, Region III, Denver, Colorado, pertaining to Contract Idm-81131, Docket No. DMEA 4826 (Uranium) dated March 27, 1958, including Amendment No. 1, with

New Idria Mining and Chemical Company
P. O. Box 311
Grand Junction, Colorado

for the purpose of determining the amount of royalties due the United States Government on the sale of Uranium bearing ores produced from the Hubbard Homestead, Pack Rat, et al. claims located in Mesa County, Colorado, during the period March 27, 1958 through February 3, 1959.

The status of the project, scope of the review and reasons therefor are stated on Page 2.

My review established the total sales of Uranium bearing ores for this period to be $410,214.57. (See Schedule No. 1 attached.) Royalty due the United States Government at the contract rate of 5 percent is $20,510.73. The royalty paid and the balance due are as follows:

Total Royalty Due	$20,510.73
Total Royalty Paid	20,510.73
Balance Due	$ 0.00

Donald T. Finch
Donald T. Finch
OME Auditor

February 10, 1959

STATUS OF THE PROJECT, DESCRIPTION OF REVIEW AND RESULTS THEREFOR

CONTRACT NO. Idm-E1181 DOCKET NO. DMRA-4886

The exploration work under the contract is in the process of being completed. Total costs are not available at present. The OME Field Team, Region III, had approved (subject to final audit or review) total costs through November, 1958, of $82,493.66, Government participation on this amount on a 75 percent basis being $61,870.25. The Exploration Contract authorizes total costs up to $102,620.00, with Government participation up to $76,965.00. Pending completion of the exploration work, no Certificate of Discovery or Development has been issued. According to the terms of the contract, royalty is payable on all minerals mined or produced from the land described in Annex I, Article 2 of the contract from the date of the contract until the lapse of time within which the Government may issue a Certificate of Discovery or Development (Viz. within six months from the date the Operator has rendered a sufficient final report and final account) or the net amount contributed by the Government without interest is fully repaid, whichever occurs first.

My review included a tabulation and recomputation of all ore settlement sheets in the files of the Executive Officer, OME Field Team, Region III, for the period March 27, 1958 through February 3, 1959, and correspondence with the Chief of Accounting Branch, Finance Division, Field Operations Office, Atomic Energy Commission, Grand Junction, Colorado.

The producer's reported sales were reconciled with the production records maintained by the A.E.C. Royalties paid were reconciled with the OME Finance Office, Denver, Colorado.

The review was made in lieu of an on-site audit of the producer's accounts for the following reasons:

(a) All reported production was reconciled with records of the Atomic Energy Commission.

(b) The Examining Engineer is of the opinion all sales of production are accounted for.

(c) The administrative cost to the Government of an on-site audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

Schedule No. 1

NEW MEXICO MINING AND CHEMICAL COMPANY

CONTRACT NO. Ida-R1181 DOCKET NO. DMRA-4026

SUMMARY OF PRODUCTION, SALES AND ROYALTIES
MARCH 27, 1958 THROUGH FEBRUARY 3, 1959.

(All Sales to Union Carbide Nuclear Company)

Gross Weight, Pounds	22,856,700
Dry Weight, Pounds	21,797,323
Dry Weight, Tons	10,898.66
Average Assays:	
U_3O_8	.2857
V_2O_5	1.2898
Pounds U_3O_8	62,270.21
Base Payment U_3O_8	$217,229.28
Development Allowance	$ 31,135.18
Premiums	
Excess of 4 pounds U_3O_8 per ton	
Excess pounds U_3O_8	18,943.18
Amount at 75¢ per excess pound	$ 14,192.41
Excess of 10 pounds U_3O_8 per ton	
Excess pounds U_3O_8	187.61
Amount at 25¢ per excess pound	$ 46.90
Haulage Allowance	
Number of Wet Tons	11,428.39
Per Ton (Average)	5.76
Amount	$ 65,870.39
Pounds V_2O_5	263,710.31
Payment V_2O_5 at 31¢ per pound	$ 81,750.21
Total Value Subject to Royalty	$410,214.37
Average Value per Dry Ton	$ 37.64
Royalty Percentage	5%
Total Royalty Due	$ 20,510.73
Total Royalty Paid	20,510.73
Balance of Royalty Due	$ 0.00

The last liquidation settlement sheet in above date is No. 8682 dated December 16, 1958.

The last Certificate of Deposit in above date is No. 59-97 dated January 16, 1959.

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name New Idria Mining and Chemical Company

Address P. O. Box 311

Grand Junction, Colorado

Exploration Contract No. Idm-E 1181 Docket No. DMEA 4826

(Hubbard Homestead, Pack Rat, et al claims)

	Check One	
	Yes	No
1. (a) Does the Operator stockpile ore subject to royalty repayment?		✓
(b) If so, is segregation and identification procedure adequate?	—	—
2. (a) Does Operator commingle production subject to DMEA royalties with exempt production?		✓
(b) If so, do you consider the allocation of the commingled production equitable?	—	—
3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		✓
(b) If so, are adequate records maintained on such material to protect the Government's interest?	—	—
4. Do you consider the assay controls in effect are adequate?	✓	
5. Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	✓	
6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	✓	
7. Does the Operator buy from or sell to other Operators?		✓
8. Comment on any item 2(b) to 6, if answer is No.	—	—

Date 2/9/59

H. F. Robertson
Mining Engineer

FEB 12 1959

Mr. Donald T. Black
[illegible]
[illegible]
Denver 2, Colorado

Re: Docket No. [illegible] (Revised)
The Dale Mining and Milling Company
Complaint No. [illegible]

Dear Mr. Black:

Your request of [illegible] under the [illegible] project for complaints and general distribution is extended.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers
Contract Administration
and Audit Division

GMcCarthy/GHoC
February 12, 1959

cc: Docket
Director's Reading File
Mr. Chambers

NEW IDRIA MINING & CHEMICAL COMPANY
URANIUM DIVISION · ~~XXXXXXXXXXXXXXXXXXXX~~ P.O. Box 311
GRAND JUNCTION, COLORADO

January ~~23, 1959~~

EXTRA COPY
O. M. E.
RECEIVED JAN 30 1959

DATE	INITIALS	CODE
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OME
DEPARTMENT OF THE INTERIOR
JAN 26 1959
REGION III
DENVER, COLORADO

Mr. E. N. Harshman
Acting Executive Officer
OME Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Docket ~~DMEA-4494 (Uranium)~~
Contract Idm-E1074
(Johnnie Mae Group of claims)
AND
Docket DMEA-4826 (Uranium)
Contract Idm-E1181
(Hubbard Homestead, Pack Rat, et al. claims)
Mesa County, Colorado

Dear Mr. Harshman:

In answer to inquiries from your office of January 14th and January 19th, the following liquidations should be credited to Contract Idm-E1074 (Docket DMEA-4494): 8302, 8420, 8698, 8782 and 8926.

All repayments based on settlements labeled "Johnnie Mae" should be credited to Contract Idm-E1074 (Docket DMEA-4494) as itemized on the settlement sheet furnished you by Union Carbide Nuclear Co.

Due to lack of bin capacity and ore separating facilities any ore from the western 100 feet of Johnnie Mae No. 1 and Johnnie Mae No. 3 (102 tons to date) is being shipped under the label of "Pack Rat" which, as they are both subordinated under Contract Idm-E1181 (Docket DMEA-4826), would provide proper credit for the repayment.

Very truly yours,

NEW IDRIA MINING & CHEMICAL CO.

Dean Nicholson

Dean Nicholson

cc: Mr. Harry Robertson
U. S. Bureau of Mines
P.O. Box 360
Grand Junction, Colo.

1/27/59
cc: Chm. Op. Com. (2)
Harshman
Robertson (2)
Finch

E-1181

For Certificate of Deposit No. 97, dated January 16, 1959, giving royalty payment of $1,659.82 and $1,320.16, see E-987.

EXTRA COPY O. M. E. RECEIVED JAN 9 1959		
DATE	INITIALS	CODE
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224 New Customhouse
Denver 2, Colorado
January 5, 1959

Mr. G. F. Glos
Rare Earth Mining & Chemical Company
Ukiah, San Benito County
California

Re: Docket No. RMMA 4826 (Hampton)
Contract No. Ilm-R1181
(Ballard Homestead, Pack Rat)
et al claims), Mesa County,
Colorado

Dear Mr. Glos:

We are advised that two shipments have been made from the Johnnie Mae claim on which the Government has not received either settlement sheets or the amount of royalty due. These two shipments were as follows:

Date 1958	Union Carbide Liquidation Settlement No.	Pounds U3O8 Johnnie Mae Claim
August 28	8420	199.37
October 31	8648	282.60
Total Pounds U3O8		481.97

Will you please forward this office three copies each of the above noted settlement sheets so that we may complete the royalty review.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer
OME Field Team, Region III

RMC/ff
cc: Chem. Op. Comm. (2)
Royalty file R-1181
Berquamen
Robertson/GJ
Radler/GJ
Finch
Chren

E-1181

For Certificate of Deposit No. 88, dated December 22, 1958, giving royalty payments of $1,330.24, $440.66, and $795.08, see E-877.

NEW IDRIA MINING AND CHEMICAL COMPANY

IDRIA, SAN BENITO COUNTY, CALIFORNIA

Telephone: New Idria Toll Station

November 27, 1958

OME
DEPARTMENT OF THE INTERIOR
DEC 1 - 1958
REGION III
DENVER, COLORADO

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O.M.E.
RECEIVED DEC 5 1958

DATE	INITIALS	CODE
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Mr. J.W. Townsend
Office of Minerals Exploration
224 New Customhouse
Denver 2, Colorado

Subject: Bonus Payment
Docket No. DMEA 4826
(Uranium) Contract Idm E-1181

Dear Mr. Townsend:

Thank you for your letter of November 17th in connection with above subject.

We are reasonably sure that the Hubbard Homestead, Pack Rat, et al claims are not eligible for the AEC's bonus and none was applied for.

However, in July, 1956, we received an Initial Production Bonus for the Hubbard Homestead. We do not have a copy of the AEC 1954 Act, but it appears that only one bonus is payable on any one claim. If we are mistaken, and if you can enlighten us we shall certainly appreciate it.

We have written for a copy of the Atomic Energy Act of 1954 and perhaps that will clarify the matter for us. As soon as we can determine definitely whether we are entitled to any bonus, we will forward our opinion to you.

Thank you for your courtesy.

Very truly yours,

C.F. Glos
Accountant

CFG/eck

E-1181

For Certificate of Deposit No. 81, dated November 21, 1958, giving royalty payments of $1,783.50 and $740.61, see E-987.

E-1181

For Certificate of Deposit No. 63, dated October 20, 1958, giving royalty payments of $885.40 and $1,571.66, see E-987.

E-1181

For Certificate of Deposit No. 47, dated September 18, 1958, giving royalty payments of $1,037.02 and $1,498.98, see E-987.

TRIPLICATE
Rev., Supp. 1 (Third Amendment), Promulgated Sept. 11, 1957
by Treasury Department, Fiscal Service.

Treasury Department Circular No. 945 -

CERTIFICATE OF DEPOSIT
Standard Form 219

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colo.

9/17/58 (Date sent)

45 (Deposit No.)

Deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo. (Name and location of depositary)

(3) The Sum of $ 3,026.85

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 3,026.85	E-1181	$

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
14-23-040
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Barnett
(Authorized signature)

SEP1 7 1958
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor for his retained copy.

RECEIVED SEP 22 1958

DATE	INITIALS	CODE
9/22	JH g.	225 800

6-1181 Dow Chem
Mining & Chemical
Exploration

3,026,85

TRIPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

9/4/58 (Date sent)

39 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colo.

Deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo.
(Name and location of depositary)

(3) The Sum of $ 4,420.75

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 4,420.75		$

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
14-23-040
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Colledlin
(Authorized signature)

SEP 4 - 1958
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor for his retained copy.

E-1181 New Idria
Mining & Chemical
Corporation 4,420.75

9/8 N.G. 7.25
800

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

APR 23 1959
OME

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Mr Uric Mining and Chemical Company

and

Bryant Metz Uranium, Inc., (A Joint Venture)
P. O. Box 111
Grand Junction, Colorado

pertaining to Exploration Project Contract No. [illegible], [illegible] No. 4[illegible], including Amendment No. 1, and Operating Agreement dated February 27, 1959, for the period March 27, 1958, to January 28, 1959, inclusive, covering a project for the exploration of Uranium on property known as Hubbard Mesa Road and Peck Hat Group of Claims, located in Mesa County, Colorado.

My review included an examination of the Monthly Reports (Form [illegible]-104) and supporting documents attached thereto, comparing the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team reports and correspondence, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the reasons given on the attachment to this report.

The review disclosed the following facts in regard to the amount paid or to be paid the Contractor:

Total cost as billed by Contractor		$[illegible],077.39
Exceptions:		
Prior to this review	$0.00	
Less: Disbursement by review	9.00	
Net exceptions	9.00	9.00
Total Accepted Cost		$[illegible],077.39

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Sixty Six Thousand, Eight Hundred Eight and 20/100ths Dollars is valid and proper, provided that the Regional Executive Officer, the Director, or other competent official has accepted or will accept the project as being consistent and the terms of the contract.

Amount payable to Operator	$66,808.20
Amount authorized	66,[illegible]
Balance due Operator	$ [illegible]

April 23, 1959

Donald T. Finch
Donald T. Finch
Chief Auditor

REASONS FOR REPORT OF REVIEW IN LIEU OF FINAL AUDIT

NEW JERSEY MINING AND CHEMICAL COMPANY

CONTRACT NO. [illegible] DOCKET NO. [illegible]

(a) The monthly reports were supported by documentary proof of that portion ($81,688.45) of the costs which covered work performed at unit rates under independent contract and that portion ($[illegible]) which covered other costs for contribution by the Government on the basis of actual costs (per Summary attached).

(b) The balance ($6,654.14) of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed; and

(c) The administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances thereunder.

SUMMARY OF DOCUMENTED COSTS

NEW IDRIA MINING AND CHEMICAL COMPANY

CONTRACT NO. Idm-E1181 | DOCKET NO. IDRIA A826

	Project No. 1	Project No. 2	Total
Independent Contracts			
Bulldozing			
95 hours at $12.00/hr.	$ 1,140.00		
124 hours at $11.9415/hr.		$ 1,480.75	$ 2,620.75
Non-Core Drilling			
0 - 300 Feet			
10,755 feet at $2.00/ft.	21,510.00		
8,957 feet at $2.00/ft.		17,914.00	
300 - 600 Feet			
3,875 feet at $2.10/ft.	8,133.30		
3,075 feet at $2.10/ft.		6,457.50	54,014.80
Core Drilling			
0 - 400 Feet			
1,465 feet at $4.40/ft.	6,446.00		
1,292 feet at $4.40/ft.		5,684.80	
400-600 Feet			
1,233 feet at $4.90/ft.	6,041.70		
896 feet at $4.90/ft.		4,390.40	
600 - 800 Feet			
135 feet at $6.00/ft.	810.00		
53 feet at $6.00/ft.		318.00	23,690.90
Standby Time			
40 hours at $12.00/hr.	480.00		
735 hours at $12.00/hr.		882.00	1,362.00
Total Independent Contracts	$44,561.00	$37,127.45	$81,688.45
Miscellaneous			
Sample Analyses			
83 at $5.00/each	$ 415.00		
62 at $5.00/each		$ 310.00	$ 725.00
Total Documented Costs	$44,976.00	$37,437.45	$82,413.45
Fixed Unit Costs			
Incidental Allowance			
17,461 feet of acceptable Drilling at 21¢/ft.	$ 3,666.81		
14,273 feet of acceptable Drilling at 21¢/ft.		$ 2,997.33	$ 6,664.14
Total Accepted Costs	$48,642.81	$40,434.78	$89,077.59

EXTRA COPY O. M. E. RECEIVED APR 23 1959		
DATE	INITIALS	CODE
		800

20th New Customhouse
Denver 2, Colorado
April 20, 1959

Memorandum

To: Donald F. Finch, OME Auditor

From: Executive Officer, OME Field Team, Region III

Subject: Project No. DMI 4806 (Uranium) Contract IAm-8181, Red Maria Mining and Chemical Company, (Robbard Rosenwald, Frank Hat, et al. claims) Mesa County, Colorado

The subject contract was terminated before completion of all work originally provided for, by Termination Agreement dated February 27, 1959, which was made effective January 28, 1959. A copy of the Termination Agreement is enclosed for your records.

The Operator's final engineering and geological report had been received, therefore final payment of the Operator's account is now in order, contingent on release to this office of a Certificate and Report of Audit, or Report of Review, of reported project costs, whichever the case indicates.

Work or service completed on a fixed unit cost basis consisted of Incidental Allowance for 31,734 feet of acceptable drilling.

The sum of $500.00 was withheld from reimbursement to the Operator in processing its final Form AF-108, Operator's Monthly Report and Voucher, which was for the period, December, 1958, and January, 1959.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosure

JWT:bmh

cc: Chief, Op. Cons. (2)
Harshman
Robertson, OME/G.Jct.
Carter, File, Reg. III
Cooper
Chafee

EXTRA COPY
O. M. E.
RECEIVED MAY 7 1959

DATE	INITIALS	CODE

AEC War Contractors
Denver 2, Colorado
May 5, 1959

Memorandum

To: T. A. Christensen

From: Executive Officer, GSE Field Team, Region III

Subject: Project No. [illegible] (Uranium) Contract [illegible], Ray Mesa Mining and Chemical Company, and Rocky Mesa Uranium, Inc., a Joint Venture, (Hubert Hammond, Frank Rak, et al. claims) Mesa County, Colorado - FINAL PAYMENT

Reference is made to our memorandum of March 16, 1959, whereby we forwarded the final Form NF-104, Operator's Monthly Report and Voucher for the period December 19, 1958, and January, 1959, and requested that you withhold an amount of $500.00 from reimbursement to the Operator, pending resolution of matters prerequisite to closing the account.

The Operator's final report has been received, therefore final payment to the Operator is to be made on the following basis, which is in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, GSE, dated April 23, 1959.

Basis for Final Payment

Total accepted cost	$89,077.59
Government participation at 75 percent	66,808.20
Total prior payments	66,308.20
Balance due the Operator	$ 500.00

$1590.00

Original signed by
J. W. TOWNSEND

5/5/59 OME 59-105 J. W. Townsend

JWT:kmh

cc: Chron. Op. Comm. (2)
Reviewer
Roberiamy, GSE/S.L.C.
GSE, NFC
Contrac. File, Reg. III
NF-104 File, Reg. III
Cooper
Chron

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

MAR 20 1959 D.M.E.

Month of January, 1959 Docket No. DMEA 4026 Contract No. Idm 2-1101
Operator's Name New Idria Mining and Chemical Company, Agent Minerals Uranium
Address Post Office Box 311, Grand Junction, Colorado
Contract Amount, $ 102,680.00 Government Participation: 75 % Amount, $ 76,965.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent [redacted] Contracts:						
Drilling Non-Core	2,400.00	37,024.00	39,424.00			
[redacted] " "	1,659.00	12,931.80	14,590.80			
[redacted] "		12,130.80	12,130.80			
[redacted] "	1,004.50	9,427.60	10,432.10			
"	78.00	1,050.00	1,128.00			
(2) [redacted]						
[redacted] Standby Time	252.00	1,110.00	1,362.00			
[redacted] Bulldozing	701.75	1,919.00	2,620.75			
Incidental [redacted] Allow.	463.68	6,200.46	6,664.14			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	25.00	700.00	725.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	6,583.93	82,493.66	89,077.59	6583.93	82493.66	89,077.59

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Feb. 12/59 *Payee New Idria Mining & Chemical Co., Agent

Per Wesley Shadkins Title Asst. Treasurer

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 4437.95

Signature [illegible]
(Authorized Certifying Officer)

Date 3/17/59 Vou. No. DME 59-94

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E118 in accordance with the terms of the contract.

Signature H. J. Robertson $4,937.95 Title Mining Engr. Date 2/20/59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date MAR 16 1959

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

MAR 20 1959 O.M.I.

Month of January 1959 Docket No. DMEA [illegible] Contract No. Idm [illegible]-1101
Operator's Name New Idria Mining and Chemical Company, Agent Minerals Uranium
Address Post Office Box 311, Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting				STAGE I				
Crosscutting								
Raising								
[redacted] Drilling core	Foot			6,446.00	1,465	4.40	1,515	4.40
[redacted] " "	"			6,041.70	1,253	4.90	1,280	4.90
Drilling: [redacted] "	"			810.00	135	6.00	205	6.00
[redacted] Hole "	"			21,510.00	10,775	2.00	11,175	2.00
[redacted] " "	"			8,133.30	3,875	2.10	4,185	2.10
[redacted] Bulldozing	Hour			1,140.00	95	12.00	80	12.00
[redacted] Standby Time	"			480.00	40	12.00	40	12.00
[redacted] Analysis	Each			415.00	83	5.00	100	5.00
Roads and Trails								
Incidental Allowance	Foot			3,666.81	17,461	.21	18,320	.21
TOTAL DISTRIBUTED COSTS				48,642.81				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				48,642.81				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

New Idria Mining and Chemical Company, Agent

Date Feb. 12, 1959 Operator

Per Wesley Wadsworth Title Asst. Treasurer

REMARKS: N.I.R.

NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc.". The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1959 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals Uranium
Address Post Office Box 311, Grand Junction, Colorado

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting				STAGE II				
Crosscutting								
Raising								
[illegible] Drill Hole Costs	Foot	2,400.00	1,000	17,914.00	8,957	2.00	11,175	2.00
Wages " " "	"	1,501.00	700	6,457.30	3,073	2.10	4,145	2.10
Drilling: Cable Tools	"			5,504.30	1,252	4.40	1,515	4.40
" Rotary "	"	1,024.50	225	4,370.40	875	4.90	1,250	4.90
" Auger "	"	70.00	13	330.00	55	6.00	205	6.00
Supervision by Time	Hour	252.00	21	892.00	73	12.00	42	12.00
Equipment Rehabilitation	"	701.75	58	1,400.75	114	11.94	90	12.00
Assayers Analysis	Each	25.00	5	310.00	62	5.00	100	5.00
Roads and Trails								
Incidental Allowance	Foot	403.60	2,000	2,937.55	14,275	.21	10,320	.21
Total Distributed Costs		6,[illegible]		42,434.70				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		6,[illegible]		42,434.70				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Feb. 1/59 Operator Gov Ethis Mining & Chemical Company, Agent

Per Wesley Shackelford Title Asst. Treasurer

Remarks: N.J.R.

NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

EXTRA COPY
O. M. E.
RECEIVED MAR 20 1959
DATE | INITIALS | CODE
8/90

FINAL DISTRIBUTION

MADE MAR 17 1959

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

New Idria Mining & Chemical Co.
Post Office Box 311
Grand Junction, Colorado

Date: March 17, 1959
Payee's Reference: January 1959

Gentlemen:

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ 6,583.93

Difference $ None

Amount Approved $ 6,583.93

The reason for the difference was due to:

Withheld an amount of $500.00 from reimbursement to the Operator, pending resolution of matters prerequisite to closing the account. All approved work under the contract has been completed and the contract was terminated effective January 28, 1959.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

25th New Customhouse
Denver 2, Colorado
March 16, 1959

Memorandum

To: F. A. Christensen

From: Executive Officer, GSE Field Team, Region III

Subject: Contract No. [illegible] (Uranium) Contract [illegible]
New Idria Mining and Chemical Company, (Robert Hampstead, Puck rat, et al. claims) Mesa County, Colorado - Operator's Monthly Progress Report for the months of December, 1958 and January, 1959

Enclosed are the original and four copies each of Forms RF-104 and RF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

As noted by the examining engineer, the estimated costs for bulldozing and standby time have been exceeded. The additional time required was necessary to the project work. Therefore as these items are not designated "maximum" the costs of the excess bulldozing and standby time are acceptable to this office.

The work is being performed partly under independent subcontract, and partly at fixed unit costs. The drilling rates are as low or lower than the rates established in the lowest and best bid submitted with the application. Bids were not submitted for bulldozer work; however, the bulldozing rates are in line with the standard rates prevailing in the project locality for the size and type of bulldozer used on the project. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 79 percent of the amount reported on Form RF-104 for the months of November, 1958, and January, 1959, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deduction:

Withhold an amount of $500.00 from reimbursement to the Operator, pending resolution of matters prerequisite to closing the account. All approved work under the contract has been completed and the contract was terminated effective January 28, 1959.

Remarks:

Date of Report---------- February 12, 1959
Date Received in Field Office---------- February 18, 1959
Date Received in Region Office---------- February 24, 1959

Original signed by
J. W. TOWNSEND
J. W. Townsend

Enclosures

JWT:hmh

cc: Chmn. Op. Comm. (2)
Robertson, GMK/GJ
MP-10b file, Reg. III
Barshman
Ensler
MPE
Cooper
Caron
} w/copy of Engr's Report

OME
DEPARTMENT OF THE INTERIOR
FEB 24 1959
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

February 20, 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: H. F. Robertson

Subject: Docket No. DMEA 4826 (Uranium), Contract Idm-E 1181, New Idria Mining and Chemical Company (Rubbard Homestead, Peak Rat, et al., claims), Mesa County, Colorado. Progress report for December 1958 and January 1959.

Work on the final Stage II drill holes commenced in December 1958, but no holes were completed until January 1959. All authorized work under the contract was completed on January 21, 1959. A final inspection was made by H. F. Robertson and J. W. Hasler, accompanied by Dean Nicholson, on February 17, 1959.

The operator's claim (received at Grand Junction on February 18, 1959) covers the costs incurred in the completion of a total of 1,990 feet of noncore drilling and 218 feet of core drilling in 4 Stage II holes as follows:

Actual Cost Items		
Noncore drilling		
0-300 feet	1,200 feet at $2.00/ft.	$ 2,400.00
300-600 feet	790 feet at $2.10/ft.	1,659.00
Core drilling		
400-600 feet	205 feet at $4.90/ft.	1,004.50
600-800 feet	13 feet at $6.00/ft.	78.00
Standby time	21 hours at $12.00/hr.	252.00
Bulldozing	58-1/2 hours at $11.996/hr.	701.75
Miscellaneous items		
Chemical analyses	5 samples at $5.00/spl.	25.00
Fixed Unit Cost Items		
Incidental allowance	2,208 feet at $0.21/ft.	463.68
Total amount claimed, January 1959		$ 6,583.93

The claims for drilling, standby time, and bulldozing are supported by invoices from the respective subcontractors. A chemical assay certificate and invoice was included to verify the claim for the 5 chemical analyses for V_3O_8 and V_2O_5.

The holes completed during January 1959 are located as shown on the operator's map. The drilling was performed in conformance with contract specification as to core size, cored interval, penetration of underlying red sandstone, and radiometric probing.

It is noted that two of the actual cost items, bulldozing and standby time, exceeded the contract estimates. The additional time required for the items was the direct result of the location of holes JS-72 and JS-73 at the base of the Burro Canyon cliff on the Hubbard Homestead. The drill sites were considerably more difficult to construct and the holes were subject to continual caving of the loosely consolidated ground. Thus, the reported units were necessary to attain the project objective and approval of payment for the excess amounts is recommended by the inspecting engineer. The unit cost involved is reasonable and not greater than the maximum applicable unit cost established in the contract. The total amount authorized for Category (1), Stage II is not exceeded.

Of the 4 holes completed during the month, JS-72 was an ore hole, JS-73 was strongly mineralized, and JS-70 and JS-71 were barren. All work authorized under the subject contract and subsequent work approvals is now completed and the operator has requested termination.

The operator submitted in quintuplicate a signed narrative report with map, MF-104, MF-104A (Stage I), MF-104A (Stage II), geologic logs, and radiometric probing results. One copy each of the assay certificate and invoices for drilling, standby time, bulldozing, and chemical analyses accompanied the claim. The monthly and cumulative totals on the MF-104 forms are correct.

The inspecting engineer recommends payment of $4,937.95, representing 75 percent of the total amount ($6,583.95) claimed for December 1958 and January 1959 operations.

H. F. Robertson

H. F. Robertson
Mining Engineer

Table 1.--Summary of drilling results--December 1958, January 1959

NMEA 4826 Contract Dmn-S 1181

Hole No.	Nonsore	Core	Total	Mineralization: Radiometric Interval	Radiometric UO_3O_8	Chemical Interval	Chemical UO_3O_8	Chemical WO_3
JB-70	540	73	613	Barren		Barren		
JB-71	530	70	600	Barren		Barren		
JB-72	460	45	505	477.0-477.4	0.45	476.8-477.8	0.69	1.00
				481.5-482.0	0.26			
				482.0-482.5	0.32	482.1-483.0	0.27	0.11
				482.5-483.0	0.36			
				483.0-483.5	0.03			
JB-73	460	30	490	469.0-470.0	0.24	467.3-468.2	0.12	0.20
				470.0-471.0	0.36			
				471.0-473.0	0.04	472.2-473.8	Tr.	0.03
				475.0-476.0	0.14			
				476.0-477.0	0.08	475.2-476.9	0.05	Tr.
Totals	1,990	218	2,208					

NEW IDRIA MINING & CHEMICAL COMPANY

URANIUM DIVISION - BOX 311, GRAND JUNCTION, COLORADO

February 3, 1959

Mr. J. W. Townsend
Executive Officer
OME Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Docket No. DMEA-4826 (Uranium)
Contract No. Idm-E1181
Hubbard Homestead, Pack Rat, et al., Claims
Mesa County, Colorado
Report for January, 1959

Dear Mr. Townsend:

Drilling on Stage II, the final four holes approved, was continued during the month of January, 1959, and the four holes were completed on January 21, 1959, thus completing the entire contract as approved. Termination of the drilling requirements on the above contract was requested in a letter of January 29, 1959, to your office.

The program covering the final four holes was commenced in December, 1958, however, no drill holes were completed until into January, 1959. The completion of the four holes on January 21, 1959, was prior to the amended completion date of January 31, 1959.

The final report covering the engineering and geological data obtained as a result of the entire program is in preparation and will be submitted to your office as soon as completed.

The four holes completed during the month comprised 2,208 feet of drilling of which 1,990 feet were non-core drilling and 218 feet were core drilling. The four holes were all located on the Hubbard Homestead.

All four holes were favorable holes and JS-72 was an ore hole, JS-73 was strongly mineralized and JS-70 and JS-71 were barren.

Two of the four holes were located under the Dakota rim on the cliffside of the Hubbard Homestead and a considerable excess of dozer work was required to build the drill locations.

Water was encountered in all four holes and JS-73 presented a very considerable problem due to the continued caving of the upper portion of the hole. As located under the rim, the upper portion of the hole was in loose ground which did not stand at all well.

The following table gives the pertinent data on the four holes drilled during January, 1959:

Hole	Date Started	Date Completed	Non-Core	Core	Total	Mineralization Thick	U308	V205	Classification
JS-70	1-9	1-16	540	73	613		Barren		Favorable
JS-71	1-16	1-21	530	70	600		Barren		Favorable
JS-72	12-27	1-2	460	45	505	1.0	0.69	1.00	Favorable
						0.9	0.27	0.11	
JS-73	1-2	1-8	460	30	490	0.9	0.12	0.10	Favorable
						1.6	Tr	0.03	
						1.7	0.05	Tr	
Totals			1990	218	2208				

Very truly yours,

NEW IDRIA MINING & CHEMICAL CO.

Dean Nicholson

Dean Nicholson

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

DEC 30 1958 O.M.E.

Month of November, 1958 Docket No. DMEA 4826 Contract No. Ios 2-1181
Operator's Name New Idria Mining and Chemical Company, Agent Minerals Uranium
Address Post Office Box 311, Grand Junction, Colorado
Contract Amount, $ 102,620.00 Government Participation: 75 % Amount, $ 76,965.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts:						
Drilling Gas Core	5,600.00	33,424.00	37,024.00			
[redacted] " "	2,646.00	10,305.80	12,951.80			
[redacted] "		12,130.80	12,130.80			
Drifting "	2,136.40	7,291.20	9,427.60			
" "	174.00	876.00	1,050.00			
(2) [redacted]						
[redacted] Standby Time	354.00	756.00	1,110.00			
[redacted] Bulldozing		1,919.00	1,919.00			
Incidental Allowance [redacted]	740.25	5,460.21	6,200.46			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	60.00	640.00	700.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	9,710.65	72,783.01	82,493.66	9,710.65	72,783.01	82,493.66

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Dec. 11/58 *Payee New Idria Mining & Chemical Co. Agent

Per [signature] Title Asst. Sec'y

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$72,783.99

Signature [signature]
(Authorized Certifying Officer)

Date 12/19/58 Vou. No. 9 DMEA 59-76

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1181 in accordance with the terms of the contract.

Signature H. F. Robertson #728299 Title Mining Engr. Date 12/16/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Engineering Approvability

Signature [illegible] Title Executive Officer Date DEC 18 1958

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

DEC 30 1958
O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1958 Docket No. DMEA 4026 Contract No. Idn D-1181
Operator's Name New Idria Mining and Chemical Company, Agent Minerals Uranium
Address Post Office Box 311, Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting				STAGE I				
Crosscutting								
Raising								
Shafts Drilling-Core	Foot			6,446.00	1,465	4.40	1,515	4.40
Raises " "	"			6,041.70	1,255	4.90	1,280	4.90
Drilling Core	"			810.00	135	6.00	205	6.00
" n " "	"			21,510.00	10,755	2.00	11,175	2.00
" r " "	"			8,132.30	3,873	2.10	4,145	2.10
Bulldozing	Hour			1,140.00	95	12.00	80	12.00
Standby Time	"			480.00	40	12.00	40	12.00
Analysis	Each			415.00	83	5.00	100	5.00
Roads and Trails								
Incidental Allowance	Foot			3,666.91	17,461	.21	18,320	.21
TOTAL DISTRIBUTED COSTS				48,642.91				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				48,642.91				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Dec. 11/58 Operator New Idria Mining and Chemical Co., Agent

Per [signature] Title Assistant Sec'y

REMARKS: H.S.R.

NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

DEC 30 1958
O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1958 Docket No. DMEA 4826 Contract No. Idm E-1181
Operator's Name New Idria Mining and Chemical Company, Agent Minerals Uranium
Address Post Office Box 311, Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting				STAGE II				
Crosscutting								
Raising								
Drilling NonCore Ft		3,600.00	1,800	15,514.00	7,757	2.00	11,175	2.00
" " "	"	2,646.00	1,250	4,798.50	2,285	2.10	4,145	2.10
Drilling: " Nor	"			5,684.80	1,292	4.40	1,515	4.40
" Hi	"	2,136.40	436	3,385.90	691	4.90	1,280	4.90
" Hi	"	174.00	29	240.00	40	6.00	205	6.00
Standby Time	Hour	354.00	29½	630.00	52½	12.00	40	12.00
Bulldozing	"			779.00	65½	11.89	80	12.00
Analysis	Each	60.00	12	285.00	57	5.00	100	5.00
Roads and Trails								
Incidental Allowance	Foot	740.25	3,525	2,533.65	13,065	.21	18,320	.21
TOTAL DISTRIBUTED COSTS		9,710.65		33,850.85				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		9,710.65		33,850.85				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

New Idria Mining and Chemical Company, Agent

Date Dec. 11/58 Operator

Per [signature] Title Assistant Sec'y

REMARKS: H.S.R.

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(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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GPO 872894

FINAL DISTRIBUTION MADE DEC 23 1958

EXTRA COPY
O. M. E.
RECEIVED DEC 30 1958

DATE	INITIALS	CODE
12/30	J. G.	225
		800

2?? New Customhouse
Denver 2, Colorado
December 18, 1958

Memorandum

To: T. A. Christensen

From: Executive Officer, GGE Field Team, Region III

Subject: Docket No. DMEA 4?26 (Uranium) Contract Ida-?????, ??? ????? Mining and Chemical Company, (Hubbard Homestead, ??? ??? et al. claims) Mesa County, Colorado - Operator's Monthly Progress Report for the month of November, 1958

Enclosed are the original and four copies each of Forms NF-104 and NF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

The work is being performed partly under independent subcontract, and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Bids were not submitted for bulldozer work; however, the bulldozing rates are in line with the standard rates prevailing in the project locality for the size and type of bulldozer used on the project. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

The reported units of standby time are in excess of the estimated units for Stage II. Neither the maximum allowable unit cost, nor the total allowable cost for work under Category 1 have been exceeded; therefore, as the standby time was necessary to the project drilling, the reported cost thereof is acceptable to this office.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form NF-104 for November 1958, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Remarks:

Date of Report----------December 11, 1958
Date Received in Field Office----------December 15, 1958
Date Received in Region Office----------December 17, 1958

Enclosures
JRC:lmk
cc: Chron. Op. Comm. (2)
Robertson, GGE/GJ
NF-104 File, Reg. III
Harshman } w/copy of
Hunter } Engr's Report
Compton }

Original signed by
J. W. TOWNSEND
J. W. Townsend

OME
DEPARTMENT OF THE INTERIOR
DEC 17 1958
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

December 15, 1958

Memorandum

To: Executive Officer, OME Field Team, Region III

From: E. F. Robertson

Subject: Docket No. DMEA 4826 (Uranium), Contract Idm-X 1181, New Idria Mining and Chemical Co. (Hubbard Homestead, Pack Rat, et al., claims), Mesa County, Colorado. Progress report for November 1958.

Work continued on Stage II drilling throughout the month of November. An inspection was made on December 2, 1958, by E. F. Robertson accompanied by Dean Nicholson, the operator's field manager.

The operator's claim (received at Grand Junction on December 15, 1958) covers the costs incurred in the completion of a total of 3,060 feet of noncore drilling and 465 feet of core drilling in 6 second stage drill holes as follows:

Actual Cost Items

Noncore drilling		
0-300 feet	1,800 feet at $2.00/ft.	$ 3,600.00
300-600 feet	1,260 feet at $2.10/ft.	2,646.00
Core drilling		
400-600 feet	436 feet at $4.90/ft.	2,136.40
600-800 feet	29 feet at $6.00/ft.	174.00
Standby time	29-1/2 hours at $12.00/hr.	354.00
Miscellaneous items		
Chemical analyses	12 samples at $5.00/spl.	60.00

Fixed Unit Cost Items

Incidental allowance	3,525 feet at $0.21/ft.	740.25
Total amount claimed, November 1958		$ 9,710.65

The claims for drilling and standby time are supported by invoices from the drilling contractor. Chemical assay certificates and invoices were included to verify the claim for the 12 chemical analyses.

The holes completed during November 1958 are located as shown on the map accompanying the operator's claim. The drilling was performed in conformance with contract specifications as to core size, cored interval, and penetration of underlying red sandstone. Hole No. JS-64 is apparently located in the fault zone and penetrated no sandstone. The hole was bottomed according to the estimated depth of the ore-bearing sandstone as near as could be reasonably projected from previously drilled holes. Approval of the hole as drilled is recommended.

Stage II of the subject contract authorizes 40 hours of drill crew standby time. An excessive amount of standby time was incurred during November due to the caving of three holes, JS-61, JS-63, and JS-64 and the resultant time spent by the drill crew in washing out the holes for radiometric probing. Consequently, the total amount of standby time claimed has exceeded the units provided for in the contract by 12-1/2 hours. The reported units were necessary to meet the contract requirement of radiometrically probing each drill hole. The unit cost involved is reasonable and not greater than the maximum applicable unit cost established in the contract. The total amount authorized for Category (1), Stage II is not exceeded.

Of the 6 holes completed during the month, JS-61 and JS-62 were ore holes, JS-63 was weakly mineralized, and JS-64, JS-65, and JS-68 were barren. As of the date of this report, the operator has been given verbal approval to drill 4 additional second stage holes which will probably complete the work under the subject contract.

The operator submitted in quintuplicate a signed narrative report with map, NF-104, NF-104A (Stage I), NF-104A (Stage II), geologic logs, and radiometric probing results. One copy each of assay certificates (3) and invoices for drilling, standby time, and chemical analyses accompanied the claim. The monthly and cumulative totals on the NF-104 forms are correct.

The inspecting engineer recommends payment of $7,282.99, representing 75 percent of the total amount ($9,710.65) claimed for November 1958 operations.

H. F. Robertson

H. F. Robertson
Mining Engineer

Table 1.--Summary of drilling results - November 1958.
BMRA 4826 Contract Idm-# 1181

Hole No.	Monsoons	Core	Total	Mineralization: Radiometric Interval	Radiometric eU_3O_8	Chemical Interval	Chemical U_3O_8	Chemical V_2O_5
JB-61	485	87	572	522.0-523.0	0.04	520.8-522.3	0.07	0.04
				523.0-524.0	0.10	522.3-523.8	0.17	0.12
				524.0-526.0	0.11	533.0-534.8	0.01	0.07
JB-62	500	84	584	533.0-534.0	0.17	531.7-532.8	0.22	2.75
				534.0-535.0	0.41			
				535.0-536.0	0.50	532.8-533.8	0.01	0.08
				536.0-537.0	0.08			
				537.0-538.0	0.04	571.1-571.4	Tr.	0.05
JB-63	505	90	595	Barren		549.0-550.9	0.03	0.07
						550.9-553.0	0.01	0.03
						558.5-559.1	0.01	0.02
						578.3-582.9	Tr.	0.01
JB-64	485	60	545	409.8-410.0	0.72	Barren		
JB-65	530	89	619	Barren		565.5-565.6	0.02	0.77
						598.1-602.0	Tr.	0.02
JB-68	555	55	610	Barren		Barren		
Totals	3,060	465	3,525					

NEW IDRIA MINING & CHEMICAL COMPANY

URANIUM DIVISION - BOX 311, GRAND JUNCTION, COLORADO

December 4, 1958

Mr. J. W. Townsend
Executive Officer
OME Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Docket No. DMEA-4826 (Uranium)
Contract No. Idm-E1181
Hubbard Homestead, Pack Rat, et al., Claims
Mesa County, Colorado
Report for November, 1958

Dear Mr. Townsend:

Drilling on Stage II of the above numbered contract was continued during the month of November, 1958, and six holes were completed. These six holes were completed November 26, 1958, and this date marks the completion date of the approved 69 holes as covered by Stage I and Stage II which was before the completion date of November 30, 1958, as specified in the contract.

The latter holes drilled on Stage II indicate a desirability for additional drilling and a request for approval of additional holes is being submitted inasmuch as eleven holes of Stage II as originally covered in the contract remain unused.

The six completed holes comprised 3,525 feet of drilling of which 3,060 feet was non-core drilling and 465 feet was core drilling. The six holes were all collared on the Dakota formation on the Hubbard Homestead.

The results of the drilling were favorable with the following classification of the drill holes: Holes JS-61 and JS-62 were ore holes, JS-63 was weakly mineralized and holes JS-64, JS-65 and JS-68 were barren.

Hole JS-64 must have been located immediately in the fault zone as no sand was recovered at all and no indications of sand found. As hole BV-124 is located on the high side of the fault, the fault line must extend as shown on the accompanying map and running parallel to the north line of the Hubbard Homestead and then turning to the south in the northwest corner.

Drilling for the month was normal for the area and some water was found in all six holes completed.

Continued - Letter to Mr. J. W. Townsend re monthly report on drilling for November, 1958, Docket DMEA-4826 (Uranium), Contract No. Idm-E1181, Hubbard Homestead, Pack Rat, et al., Claims, Mesa County, Colorado.

The following table gives the pertinent data on the six holes drilled during the month of November, 1958.

Hole	Date Started	Date Completed	Non-Core	Core	Total	Mineralization Thick	U308	V205	Classification
JS-61	11-10	11-11	485	87	572	1.5	0.07	0.04	Favorable
						1.5	0.17	0.12	Favorable
						1.8	0.01	0.07	
JS-62	11-12	11-14	500	84	584	1.1	0.22	2.75	Favorable
						1.0	0.01	0.08	Semi-Favorable
						0.3	Tr	0.05	
JS-63	11-18	11-20	505	90	595	1.9	0.03	0.07	Favorable
						2.1	0.01	0.03	Favorable
						0.6	0.01	0.02	
						4.6	Tr	0.01	
JS-64	11-4	11-7	485	60	545		Barren		Unfavorable
JS-65	11-21	11-24	530	89	619	0.1	0.02	0.77	Favorable
						3.9	Tr	0.02	
JS-68	11-24	11-26	555	55	610		Barren		Favorable
Totals			3060	465	3525				

Very truly yours,

NEW IDRIA MINING & CHEMICAL COMPANY

Dean Nicholson

Dean Nicholson

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

RECEIVED DEC 5 1958 O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1958 Docket No. DMEA 4026 Contract No. Idaho E-1181

Operator's Name New Idria Mining and Chemical Company, Agent Minerals Uranium

Address Post Office Box 311, Grand Junction, Colorado

Contract Amount, $ 102,620.00 Government Participation: 75 % Amount, $ 76,965.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contractors:						
Drilling None Core	5,634.00	27,790.00	33,424.00			
" "	1,858.50	8,427.30	10,285.80			
"	2,191.20	9,939.60	12,130.80			
"	1,127.00	6,164.20	7,291.20			
"	66.00	810.00	876.00			
(2)						
Standby Time	132.00	624.00	756.00			
Bulldozing	294.00	1,445.00	1,739.00			
Incidental Allow.	932.61	4,527.60	5,460.21			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	125.00	515.00	640.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	12,360.31	60,242.70	72,603.01	12,360.31	60,242.70	72,603.01
				↳ 180.00	↳ 180.00	

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Nov. 11/58 *Payee New Idria Mining and Chemical Company, Agent

Per [signature] Title Assistant Secretary

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: 60 422.70 72 783.01

$ 9270.23

Signature [signature]
(Authorized Certifying Officer)

Date 12/10/58 Voucher DMEA 59-71

(See other side)

↳ 180.00 Reinstated

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1181 in accordance with the terms of the contract.

Signature H. T. Roberson Title Mining Engr Date 12/5/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature J. W. Tamm Title Executive Officer Date DEC 9 1958

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED DEC 1958 O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1958 Docket No. DMEA 4026 Contract No. Idn E-1101
Operator's Name New Idria Mining and Chemical Company, Agent Minerals Uranium
Address Post Office Box 311, Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
				STAGE I				
Drifting								
Crosscutting								
Raising								
Shafts: Drilling Core	Foot			6,446.00	1,465	4.40	1,515	4.40
Winzes: " "	"			6,041.70	1,255	4.90	1,280	4.90
Drilling: Core None	"			810.00	135	6.00	205	6.00
" " "	"			21,510.00	10,755	2.00	11,175	2.00
" " "	"			8,135.30	3,873	2.10	4,145	2.10
Stripping: Bulldozing	Hour			1,140.00	95	12.00	80	12.00
Trenching: Standby Time	"			480.00	40	12.00	40	12.00
Test Pits: Analysis	Each			415.00	83	5.00	100	5.00
Roads and Trails								
Incidental Allowance	Foot			3,666.81	17,461	.21	18,320	.21
TOTAL DISTRIBUTED COSTS				48,642.81				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				48,642.81				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

REMARKS: N.G.R.

Date Nov. 11, 1958 Operator New Idria Mining & Chemical Co. Agent

Per E. A. [illegible] Title Assistant Secretary

NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1958 Docket No. DMEA 4326 Contract No. Idm 8-1181
Operator's Name New Idria Mining and Chemical Company, Agent Minerals Uranium
Address Post Office Box 511, Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting				STAGE II				
Crosscutting								
[redacted]								
[redacted] Drill, Non-Core	Foot	5,634.00	2,017	11,014.00	5,957	2.00	11,175	2.00
[redacted] " " "	"	1,698.50	805	2,152.50	1,025	2.10	4,145	2.10
Drilling: [redacted] "	"	2,191.20	498	5,684.80	1,292	4.40	1,515	4.40
" [redacted] "	"	1,127.00	250	1,249.50	255	4.90	1,280	4.90
" [redacted] "	"	66.00	11	66.00	11	6.00	205	6.00
[redacted] Standby Time	Hour	132.00	11	276.00	23	12.00	40	12.00
[redacted] Bulldozing	"	294.00	24	779.00	65	11.89	80	12.00
[redacted] Analysis	Each	125.00	25	225.00	45	5.00	100	5.00
Roads and Trails								
Incidental Allowance	Foot	932.61	4,441	1,705.40	8,540	.21	18,320	.21
TOTAL DISTRIBUTED COSTS		12,360.31		24,140.20				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		12,360.31		24,140.20				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date November 11/58 Operator New Idria Mining and Chemical Company, Agent

Per [signature] Title Assistant Treasurer

REMARKS: N.I.R.

NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc.". The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

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224 New Customhouse
Denver 2, Colorado

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EXTRA COPY O. M. E. RECEIVED DEC 15 1958		
DATE	INITIALS	CODE
		802

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4886 (Uranium) Contract I[illegible], New Idria Mining and Chemical Company, (Pack [illegible] et al. claims) Mesa County, Colorado - Operator's Monthly Progress Report for the month of October, 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

The work is being performed partly under independent subcontract, and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Bids were not submitted for bulldozer work; however the bulldozing rates are in line with the standard rates prevailing in the project locality for the size and make of bulldozer used on the project. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form MF-104 for October, 1958, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Remarks:

Date of Report----------November 11, 1958
Date Received in Field Office----------November 17, 1958
Date Received in Region Office----------November 21, 1958
Reason for delay: Held pending receipt of corrected forms from Operator.

Enclosures

Original signed by
J. W. TOWNSEND

JDC:hmh

J. W. Townsend

cc: Chmn. Op. Comm. (2)
MF-104 file, Reg. III
Robertson, OME/GJ
Barshman)
Hasler) w/copy of Engr's Report.
OME/DFC) Chron

DEPARTMENT OF THE INTERIOR

NOV 21 1958

REC

DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

November 20, 1958

Memorandum

To: Executive Officer, OME Field Team, Region III

From: H. F. Robertson

Subject: Docket No. IMEA 4626 (Uranium), Contract Ida-E 11A1, New Idria Mining and Chemical Company (Hubbard Homestead, Pack Rat, et al., claims), Mesa County, Colorado. Progress report for October 1958.

Work on Stage II of the subject project continued throughout the month of October. An inspection was made on November 4, 1958, by H. F. Robertson accompanied by George Kamlati, the operator's geologist.

The operator's claim (received at Grand Junction on November 17, 1958) covers the cost incurred in the completion of a total of 3,702 feet of measure drilling and 739 feet of core drilling in 11 Stage II holes as follows:

Actual Cost Items

Measure drilling		
0-300 feet	2,817 feet at $2.00/ft.	$ 5,634.00
300-500 feet	885 feet at $2.10/ft.	1,858.50
Core drilling		
0-400 feet	498 feet at $4.40/ft.	2,191.20
400-600 feet	239 feet at $5.30/ft.	1,267.00
600-800 feet	11 feet at $6.00/ft.	66.00
Standby time	11 hours at $12.00/hr.	132.00
Bulldozing time	14-1/2 hours at $18.00/hr.	261.00
Miscellaneous items		
Chemical analyses	25 samples at $5.00/spl.	125.00

Fixed Unit Cost Items

Incidental allowance	4,441 feet at $0.21/ft.	932.61
Total amount claimed, October 1958		$ 12,368.31

The claims for drilling and bulldozing are supported by invoices from the respective subcontractors. Chemical assay certificates and invoices were included to verify the claim for the 23 chemical analyses.

The holes completed during October 1958 are located as shown on the map accompanying the operator's claim. The drilling was performed in conformance with contract specifications as to core size, cored interval, and penetration of the underlying red mudstone. Of the 11 holes completed during the month, JE-54, JE-66, and JE-69 were classed as "ore holes"; JE-58 was strongly mineralized; JE-42, JE-56, JE-57, and JE-60 were weakly mineralized; and JE-55, JE-59, and JE-67 were barren (table 1).

As of the date of this report, 4 of the 29 authorized second stage holes are not completed. The operator has indicated that it may request approval of one or two additional second stage hole locations. If so, a request for a time extension would be submitted in conjunction with the proposal. All remaining holes will be located on the western portion of the Hubbard Homestead and will average about 600 feet in depth.

The operator submitted in quintuplicate a signed narrative report with map, NF-104, NF-104A, geologic logs, and radiometric probing results. One copy each of assay certificates (4) and invoices for drilling, bulldozing, and chemical analyses accompanied the claim. The work was performed and claims made in conformance with contract specifications. The monthly and cumulative totals on the NF-104 forms are correct.

The inspecting engineer recommends payment of $9,270.23, representing 75 percent of the total amount ($12,360.31) claimed for October 1958 operations.

H. F. Robertson

H. F. Robertson
Mining Engineer

Table 1.--Summary of drilling results - October 1958.
NGSA 4026 Contract IAs-8 1181

Hole No.	Core	Noncore	Total	Mineralization: Radiometric Interval	Radiometric WO_3	Chemical Interval	Chemical WO_3	Chemical SnO_2
JB-42	57	330	387	Barren		351.2-351.6	0.06	0.60
						360.6-360.8	0.03	0.08
JB-54	90	172	262	206.0-207.0	0.06	205.1-207.6	0.18	0.78
				207.0-208.0	0.22			
				208.0-209.0	0.55	207.6-209.5	0.01	0.10
				209.0-210.0	0.22			
				210.0-211.0	0.02			
JB-55	60	165	225	198.0-199.0	0.07	198.8-199.1	0.02	0.16
				199.0-200.0	0.10			
				200.0-201.0	0.04			
JB-56	60	190	250	Barren		222.3-223.8	0.01	0.21
						228.6-228.9	0.04	0.08
JB-57	86	190	276	231.0-233.0	0.05	225.7-227.9	0.02	0.37
				233.0-234.0	0.19			
				234.0-235.0	0.20	231.6-233.0	0.05	0.07
				235.0-236.0	0.11			
				236.0-237.0	0.02			
JB-58	79	365	444	371.0-372.0	0.10	371.5-372.5	0.08	0.03
				372.0-377.0	0.05	372.5-373.5	0.11	0.12
				377.0-378.0	0.07	373.5-375.5	0.02	0.48
				378.0-380.0	0.10	375.5-377.5	0.01	0.09
				380.0-383.0	0.04	377.5-379.5	0.04	0.03
JB-59	56	360	416	Barren		Barren		
JB-60	75	330	405	Barren		356.2-357.0	0.01	0.08
						357.0-357.7	0.04	0.30
						357.7-359.5	0.03	0.15
JB-66	55	510	565	528.0-529.0	0.04	529.6-531.5	0.30	2.07
				529.0-530.0	0.16			
				530.0-533.0	0.07	531.5-533.4	0.05	0.96
				533.0-535.0	0.03			
				535.0-536.0	0.10	533.4-536.4	0.05	0.11
				536.0-537.0	0.23			
				537.0-538.0	0.03	536.4-538.2	0.31	0.44
JB-67	53	550	603	Barren		582.6-582.9	0.01	0.04
JB-69	68	540	608	570.0-571.0	0.02	547.5-547.7	0.13	0.09
				571.0-572.0	0.13			
				572.0-572.5	0.54	569.2-570.6	0.21	3.72
				572.5-573.0	0.27			
				573.0-574.0	0.03	581.8-585.8	0.01	0.11
Totals	739	3,702	4,441					

NEW IDRIA MINING & CHEMICAL COMPANY

URANIUM DIVISION - BOX 311, GRAND JUNCTION, COLORADO

November 7, 1958

Mr. E. N. Harshman
Acting Executive Officer
OME Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Docket No. DMEA-4826 (Uranium)
Contract No. Idm-E1181
Hubbard Homestead, Pack Rat, et al., Claims
Mesa County, Colorado
Report for October, 1958

Dear Mr. Harshman:

Drilling on Stage II of the above numbered contract was continued during the month of October, 1958, and eleven holes were completed. (Six holes remain to be drilled to complete the contract.) The eleven holes were completed with a total of 4,441 feet of drilling of which 3,702 feet was non-core drilling and 739 feet was core drilling.

Of the eleven holes eight were drilled on the lower bench and three were collared on the Dakota Formation on the Hubbard Homestead. The six remaining holes are all to be collared on the Dakota on the Hubbard Homestead.

The results of the drilling was favorable with the following classification of the drill holes: Holes JS-54, JS-66 and JS-69 were ore holes, JS-58 was strongly mineralized, JS-42, JS-56, JS-57 and JS-60 were weakly mineralized and JS-55, JS-59 and JS-67 were barren.

The ore holes give an indication of an ore body under the deep portion of the Hubbard Homestead that was not previously indicated by any information available.

Drilling for the month was normal for the area and water was encountered in the holes with the exception of a few near the rim. However, an extensive flow was not found as had been encountered in some of the previous holes.

Twenty four and one-half hours of dozer work was done during the month to complete the Stage II drill locations.

Continued - Letter to Mr. E. N. Harshman re monthly report on drilling for October, 1958, Docket DMEA-4826 (Uranium), Contract No. Idm-E1181, Hubbard Homestead, Pack Rat, et al., Claims, Mesa County, Colorado.

The following table gives the pertinent data on the eleven holes drilled during the month of October, 1958.

Hole	Date Started	Date Completed	Non-Core	Core	Total	Mineralization Thick	U308	V205	Classification
JS-42	10-1	10-3	330	57	387	0.4	0.06	0.60	Favorable
						0.2	0.03	0.08	
JS-54	10-7	10-7	172	90	262	2.5	0.18	0.78	Favorable
						1.9	0.01	0.10	
JS-55	10-6	10-7	165	60	225	0.3	0.02	0.16	Favorable
JS-56	10-8	10-8	190	60	250	1.5	0.01	0.21	Favorable
						0.3	0.04	0.08	
JS-57	10-9	10-10	190	86	276	2.2	0.02	0.37	Favorable
						1.4	0.05	0.07	
JS-58	10-12	10-13	365	79	444	1.0	0.02	0.03	Favorable
						1.0	0.11	0.12	
						2.0	0.02	0.48	
						2.0	0.01	0.29	
						2.0	0.04	0.63	
JS-59	10-11	10-12	360	56	416		Barren		Favorable
JS-60	10-20	10-23	330	75	405	0.8	0.01	0.08	Favorable
						0.7	0.04	0.30	
						1.8	0.03	0.15	
JS-66	10-23	10-24	510	55	565	1.9	0.30	2.07	Favorable
						1.9	0.05	0.96	
						2.8	0.05	0.11	
						2.0	0.31	0.44	
JS-67	10-30	10-31	550	53	603	0.3	0.01	0.04	Favorable
JS-69	10-28	10-30	540	68	608	0.2	0.13	0.09	Favorable
						1.4	0.21	3.72	
						4.0	0.01	0.11	
Totals			3702	739	4441				

Very truly yours,

NEW IDRIA MINING & CHEMICAL COMPANY

Dean Nicholson

Dean Nicholson

FINAL DISTRIBUTION

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O. M. E.
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DATE	INITIALS	CODE
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OFFICE OF MINERALS EXPLORATION
[illegible] Rear Courthouse
Denver 2, Colorado
November 17, 1958

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. [illegible] (Uranium) Contract [illegible], New Idria Mining and Chemical Company, (Frank Ben et al. claims) Mesa County, Colorado - [illegible]

Enclosed are the original and four copies of a letter dated October 20, 1958, from the subject Operator, requesting reinstatement of bulldozing costs previously disallowed in processing Form RF-10A for June 1958, and the original and four copies of a relative memorandum dated October 29, 1958, from L. F. Robertson, Mining Engineer, Bureau of Mines.

The engineer states that the bulldozing was necessary to performance of the project work; therefore, as Phase I has been completed, and the total estimated cost for Category I, Independent Contractor, has not been exceeded, the previously disallowed cost of bulldozing is to be reinstated as follows:

Reinstate, previously disallowed costs of bulldozing, 15 hours at $12.00 per hour ---------- $180.00

Government participation at 75 percent ---------- 135.00

Original signed by
J. W. TOWNSEND
J. W. Townsend

Engineers

JWC:kmh

cc: Chron. Op. Cont. (2)
Robertson, OME/JC
RF-10A file, Reg. III
Harbaugh
Mailer
Cooper
Chron

} w/copy of Cptr. letter of 10/20/58 and Robertson's memo. of 10/22/58

Paid $1 135.00
RPO
Paul R. Cooper
Associate Contracts Officer
11-18-58

DMOA-59-62

OME
DEPARTMENT OF THE INTERIOR
OCT 30 1958
REGION III
DENVER COLORADO

NEW IDRIA MINING & CHEMICAL COMPANY
URANIUM DIVISION · [illegible] P.O. Box 311

EXTRA COPY
October 24, 1958
RECEIVED NOV 21 1958

DATE	INITIALS	CODE

OME
DEPARTMENT OF THE INTERIOR
OCT 21 1958
REGION III
DENVER COLORADO

Mr. E. N. Harshman
Acting Executive Officer
OME Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Docket No. DMEA-1826 (Uranium)
Contract No. IdM-E1181
Hubbard Homestead, Pack Rat, et al., Claims
Mesa County, Colorado
Reclaim of June, 1958, disallowance

Dear Mr. Harshman:

As per your enclosed original of Administrative Audit Difference Statement, we wish to reclaim the disallowance of 15 hours of bulldozing at $12.00 per hour for a total of $180.00 on the above numbered contract.

Stage I drilling has been completed on this contract and, as will be noted on Form ET-104A for the month of September, the total cost of this stage was $46,[illegible].91 as compared with a total contract allowance of $[illegible],[illegible].70 for an excess in the contract allowance of $2,[illegible].[illegible].

This excess of 15 hours of bulldozer work was of absolute necessity to prepare the drill sites on the south end of the Johnnie Mae No. 3 Claim. Very difficult topographical conditions were encountered in this area and it was impossible to complete the locations as approved by your office without this excess work. In addition to this excess bulldozer work New Idria has expended for the same account compressor rental, rock drilling time and dynamite in order to complete these drill sites.

We would appreciate your consideration of this reclaim.

Very truly yours,

NEW IDRIA MINING & CHEMICAL CO.

Oren Nicholson

Oren Nicholson

cc: New Idria Mining & Chemical Co.
[illegible], San Francisco, Calif.

OME
TMENT OF THE INTERIOR
OCT 30 1958
REGION III
DENVER, COLORADO

EXTRA COPY
O. M. E.
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DATE	INITIALS	CODE

P. O. Box 30
Grand Junction, Colorado

October 29, 1958

Memorandum

To: Acting Executive Officer, OME Field Team, Region III

From: E. F. Robertson

Subject: Contract No. [illegible] (Uranium), Contract IAm-E 1181, New Idria Mining and Chemical Co. (Hubbard Homestead, Peak Rat, et al. claims), Mesa County, Colorado

The subject operator, on October 20, 1958, reclaimed the reported cost of 15 hours of bulldozing time previously disallowed from the June 1958 voucher. The disallowance was made because the reported bulldozing time exceeded the total number of bulldozing units authorized under Stage I of the contract.

In support of the reclaim, the operator states that the extent work was necessary due to extremely difficult preparation of drill sites on the south end of the Johnnie Man No. 3 claim. The examining engineer concurs with the operator's statement as to the necessity of the bulldozing work in excess of that authorized by the contract. The specified sites for Stage I holes Nos. JM-25, JM-26, and JM-29 are located on a steep, rocky hillside and access to the sites required much more work than was anticipated when the original bulldozing requirements were estimated.

In conclusion, since the unit cost of the reclaimed work is reasonable and does not exceed the maximum unit cost for bulldozing established in the contract, the examining engineer recommends that the previous disallowance of $150.00 (15 hours at $10.00 per hour) be reversed, and that Government participation in the total cost of Stage I bulldozing, as reported by the operator, be approved. Payment of $135.00 (75 percent of $180.00) would be necessary for Government participation in the total cost of bulldozing as claimed.

E. F. Robertson

E. F. Robertson
Mining Engineer

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

RECEIVED
O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1958 Docket No. DMEA 4826 Contract No. Idn B-1181

Operator's Name New Idria Mining and Chemical Company, Agent Minerals Uranium

Address Post Office Box 311, Grand Junction, Colorado

Contract Amount, $ 102,620.00 Government Participation: 75% Amount, $ 76,965.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts:		STAGE I.				
Drilling Non-core	1,200.00	20,310.00	21,510.00			
" "	987.00	7,146.50	8,133.50			
"		6,446.00	6,446.00			
"	592.90	5,448.80	6,041.70			
" "	54.00	756.00	810.00			
Bulldozing		1,140.00	1,140.00			
Standby Time	24.00	456.00	480.00			
Incidental Allow.	252.00	3,414.81	3,666.81			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	20.00	395.00	415.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):				Stage I brought forward		
TOTALS	3,129.90	45,512.91	48,642.81	4,180.80	49,241.90	60,422.70
				4,180.00		4,180.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Oct. 14/58 *Payee New Idria Mining & Chemical Co. Agent

Per Wesley Shadduck Title Assistant Treasurer

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

Currently disallowed (Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: 49,061.90 60,242.70 $8385.59

Signature (Authorized Certifying Officer)

Date 10/24/58 Voucher DMEA 59-55

(See other side)

(For Government use only)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1181 in accordance with the terms of the contract.

Signature H. F. Robertson $2347.43 Title Mining Engr. Date 10/21/58

Approval by DMEA Executive Officer or Alternate:

Checked for Engineering Allowability

Signature E. M. Gleason Title Acting Executive Officer Date OCT 23 1958

MONTHLY REPORT OF OPERATOR.

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1958 Docket No. DMEA 4826 Contract No. Idm C-1161
Operator's Name New Idria Mining and Chemical Company, Agent Minerals Uranium
Address P.O. Box 511, Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting				STAGE I				
Crosscutting								
Raising								
Drilling Core	Foot			6,446.00	1,465	4.40	1,515	4.40
Winzes " "	"	592.90	121	6,041.70	1,253	4.90	1,280	4.90
Drilling: " "	"	54.00	9	810.00	135	6.00	205	6.00
Non "	"	1,200.00	600	21,510.00	10,755	2.00	11,175	2.00
" " "	"	987.00	470	8,133.30	3,873	2.10	4,145	2.10
Bulldozing	Hour			1,140.00	95	12.00	80	12.00
Standby Time	"	24.00	2	480.00	40	12.00	40	12.00
Analysis	Each	20.00	4	415.00	83	5.00	100	5.00
Roads and Trails								
Incidental Allowance	Foot	252.00	1,200	3,666.81	17,461	.21	18,520	.21
TOTAL DISTRIBUTED COSTS		3,129.90		48,642.81				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3,129.90		48,642.81				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

REMARKS: N.J.R.

Date Oct. 14/58 Operator New Idria Mining & Chemical Co. Agent

Per Wesley Thompson Title Assistant Treasurer

NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

[redacted]04 (Rev.)
[redacted]952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1958 Docket No. DMEA 4026 Contract No. Idm E-1181
Operator's Name New Idria Mining and Chemical Company, Agent Minerals Uranium
Address Post Office Box 511, Grand Junction, Colorado
Contract Amount, $ 102,620.00 Government Participation: 75 % Amount, $ 76,965.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts:			STAGE II			
Drilling Non-Core	4,480.00	1,800.00	6,280.00			
[redacted] " "	63.00	231.00	294.00			
[redacted] Core	2,728.00	765.60	3,493.60			
[redacted] "		122.50	122.50			
[redacted]						
[redacted] Standby Time	108.00	36.00	144.00			
[redacted] Bulldozing		485.00	485.00			
Incidental [redacted] Allow	606.90	253.89	860.79			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	63.00	35.00	100.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	8,050.90	3,728.99	11,779.89			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Sept. 14/58 *Payee New Idria Mining & Chemical Co. Agent

Per Wesley Madden Title Assistant Treasurer

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1181 in accordance with the terms of the contract.

Signature N. T. Roberson $6,038.18 Title Mining Engr. Date 10/21/58

Approval by DMEA Executive Officer or Alternate:

Signature [illegible] Title Acting Executive Officer Date OCT 23 1958

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

[redacted]04A
[redacted]2)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1958 Docket No. DMEA 4826 Contract No. Idm 2-1181
Operator's Name New Idria Mining and Chemical Company Minerals Uranium
Address Post Office Box 311, Grand Junction, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting				STAGE II				
Crosscutting								
[redacted]								
[redacted]Drilling NonCore	Foot	4,480.00	2,240	6,280.00	3,140	2.00	11,179	2.00
[redacted]s " NonCore	"	63.00	30	294.00	140	2.10	4,145	2.10
Drilling: [redacted] Core	"	2,728.00	620	3,493.60	794	4.40	1,515	4.40
[redacted] "	"			122.50	25	4.90	1,280	4.90
[redacted] "	"						205	6.00
[redacted]Standby Time	Hour	108.00	9	144.00	12	12.00	40	12.00
[redacted]Bulldozing	"			492.00	41	11.83	80	12.00
[redacted]s Analysis	Each	65.00	13	100.00	20	5.00	100	5.00
[redacted]								
Incidental Allowance	Foot	606.90	2,890	860.79	4,099	.21	18,320	.21
TOTAL DISTRIBUTED COSTS		8,050.90		11,779.89				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		8,050.90		11,779.89				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

REMARKS: H.T.R.

Date Oct. 14/58 Operator New Idria Mining & Chemical Co.
Agent
Per [signature] Title Assistant Treasurer

→ NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc.". The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

FINAL DISTRIBUTION

OCT 27 1958

EXTRA COPY MADE

O. M. E.

RECEIVED OCT 29 1958

DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado
October 23, 1958

Memorandum

To: T. A. Christensen

From: Acting Executive Officer, ~~GMS Field Team, Region III~~

Subject: Docket No. DMEA 4826 (Uranium) Contract Idm-E1181, New Idria Mining and Chemical Company, (Hubbard Homestead, Pack Rat, etal. claims) Mesa County, Colorado - Operator's Monthly Progress Report for the month of September, 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

The work is being performed partly under independent subcontract, and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Bids were not submitted for bulldozer work; however, the bulldozing rates are in line with the standard rates prevailing in the project locality for the size and make of bulldozer used on the project. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form MF-104 for September, 1958, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

The Operator has submitted separate Forms MF-104 and MF-104A, for each stage of work. The total amount reported for the period is as follows:

Reconciliation With Amount Reported by the Operator on
Form RF-104 for September, 1958

Amount reported, Stage I	$ 3,189.90
Amount reported, Stage II	8,050.90
Total acceptable cost for September, 1958	$11,185.86
Government participation at 75 percent	$ 8,385.61

Remarks:

Date of Report ---------- October 14, 1958
Date Received in Field Office ---------- October 20, 1958
Date Received in Region Office ---------- October 22, 1958

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

ENH:kmh

cc: Chmn. Op. Comm. (2)
Robertson, GMK/SJ
RF-104 file, Reg.XII
Harshman
Hualer
GMK/EPC
Chron

w/copy of Engr's Report

DEPARTMENT OF THE ... DENVER, 1958

P. O. Box 360
Grand Junction, Colorado

October 21, 1958

Memorandum

To: Acting Executive Officer, ORE Field Team, Region III

From: H. F. Robertson

Subject: Docket No. DMEA 4826 (Uranium), Contract No. Ida-R 1181, New Idria Mining and Chemical Company (Hubbard Homestead, Peak Rat, et al., claims), Mesa County, Colorado. Progress report for September 1958

The project remained on active status during the month with work continuing on Stage I and Stage II drilling. An inspection was made on October 8, 1958, by H. F. Robertson and J. W. Hasler, accompanied by George Hazlett, the operator's geologist.

The operator's claim (received at Grand Junction on October 20, 1958) covers the costs incurred in the completion of a total of 1,360 feet of noncore drilling and 790 feet of core drilling in 2 Stage I holes and 9 Stage II holes as follows:

Stage I

Actual Cost Items

Independent Contracts		
Noncore drilling		
0-300 feet,	600 feet at $2.00/ft.	$ 1,200.00
300-600 feet,	470 feet at $2.10/ft.	987.00
Core drilling		
400-600 feet,	121 feet at $4.90/ft.	592.90
600-800 feet,	9 feet at $6.00/ft.	54.00
Standby time,	2 hours at $12.00/hr.	24.00
Miscellaneous items		
Chemical analyses,	4 samples at $5.00/spl.	20.00

Fixed Unit Cost Items

Incidental allowance,	1,260 feet at $0.21/ft.	252.00
Total Stage I costs in September 1958		$ 3,129.90

Stage II

Actual Cost Items

Independent Contracts		
Rotacore drilling		
0-300 feet,	2,240 feet at $2.00/ft.	$ 4,480.00
300-600 feet,	30 feet at $2.10/ft.	63.00
Core drilling		
0-600 feet,	600 feet at $4.40/ft.	2,728.00
Standby time,	9 hours at $12.00/hr.	108.00
Miscellaneous items		
Chemical analyses,	13 samples at $5.00/spl.	65.00

Fixed Unit Cost Items

Incidental allowance,	2,890 feet at $0.21/ft.	606.90

Total Stage II costs in September 1958	$ 8,050.90
Total amount claimed, September 1958	$11,180.80

The claim for the cost of drilling during the month is supported by an invoice from Robert J. Colquitt, drilling contractor. Chemical assay certificates and invoices were included to verify the claim for the 13 chemical analyses.

The holes completed during September 1958 are located as shown on the map accompanying the operator's claim. A check of the core indicates that the drilling was done in conformance with contract specifications as to core size, cored interval, and penetration of the underlying red mudstone. Of the 11 holes completed during the month, JB-11 penetrated a significant amount of ore-grade material; JB-43 and JB-48 (both on V_2O_5 content); JB-47, JB-50, and JB-53 were strongly mineralized; JB-46 and JB-49 were weakly mineralized; and JB-15, JB-51, and JB-52 were barren (table 1).

The first stage of the subject project is now completed. As of the date of this report, 9 of the 20 authorized second stage holes remain to be drilled and are all located on the western portion of the Hubbard Homestead requiring deeper drilling to explore the target horizon.

The operator submitted in quintuplicate a signed narrative report with map, MF-104 (Stage I), MF-104 (Stage II), MF-104A (Stage I), MF-104A (Stage II), geologic logs, and radiometric probing results. One copy each of assay certificates (4) and invoices for drilling and chemical analyses accompanied the claim. The work was performed and claims made in conformance with contract specifications. The monthly and cumulative totals are correct on the MF-104 forms for the second stage. The first stage totals do not reflect the $180.00 disallowed for exceeding the bulldozing time allowed for Stage I.

The inspecting engineer recommends payment of the September claim as follows:

Stage I - 75 percent of $ 3,129.90	$ 2,347.43
Stage II- 75 percent of $8,050.90	6,038.18
total payment	$ 8,385.61

H. F. Robertson

H. F. Robertson
Mining Engineer

Table 1.--Summary of drilling results - September 1958.

NMEA 4886 Contract Ida-8 1181

Hole No.	Core	Reserve	Total	Mineralization: Radiometric Interval	Radiometric $\% U_3O_8$	Chemical Interval	Chemical $\% U_3O_8$	Chemical $\% V_2O_5$
JR-11	54	555	609	580.0-581.0	0.02	580.2-580.8	0.00	0.02
				581.0-583.0	0.03	580.8-581.4	8.88	15.27
				583.0-585.0	0.03	581.4-582.1	0.03	0.62
JR-15	76	515	591	Barren		561.5-562.0	0.00	0.01
JR-43	57	330	387	Barren		153.3-154.1	0.02	1.52
JR-46	87	300	387	Barren		138.7-139.4	0.02	0.48
JR-47	60	290	350	324.0-325.0	0.02	324.5-324.7	0.30	0.32
				325.0-325.5	0.13			
				325.5-326.0	0.31			
				326.0-326.5	0.18			
				326.5-327.0	0.06			
JR-48	54	260	314	Trace		292.5-292.9	0.02	1.27
JR-49	49	285	334	Barren		302.6-302.7	0.07	0.07
						319.8-320.8	0.01	0.03
JR-50	60	300	360	326.5-327.0	0.02	326.3-326.4	0.97	0.10
				327.0-327.5	0.15	327.0-328.0	0.09	0.66
				327.5-328.0	0.21	328.0-330.2	0.07	0.28
				328.0-328.5	0.07			
JR-51	98	135	233	Barren		--	--	--
JR-52	79	195	274	Barren		--	--	--
JR-53	96	175	271	801.0-802.0	0.02	802.2-803.0	0.03	0.35
				802.0-803.0	0.03	803.0-803.3	0.30	9.61
				803.0-804.0	0.02	817.8-817.9	0.03	0.38
						817.9-819.3	0.11	0.62
Totals	790	3,340	4,090					

NEW IDRIA MINING & CHEMICAL COMPANY

URANIUM DIVISION - BOX 311, GRAND JUNCTION, COLORADO

October 9, 1958

Mr. E. N. Harshman
Acting Executive Officer
OME Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Docket No. DMEA-4826 (Uranium)
Contract No. Idm-E1181
Hubbard Homestead, Pack Rat, et al., Claims
Mesa County, Colorado
Report for September, 1958

Dear Mr. Harshman:

Drilling on Stage I and Stage II of the above numbered contract was continued during the month of September, 1958, and Stage I drilling was completed. Eleven holes were completed (completing Stage I and completing 12 holes of Stage II) with a total of 4,090 feet of drilling of which 3,340 feet was non-core drilling and 750 feet was core drilling.

Prior to September, 1958, 17 holes had been approved for Stage II drilling by your office and, with the completion of Stage I during the month, a proposal for additional Stage II drilling was submitted and an additional 12 Stage II holes were approved during the month for a total Stage II drilling of 29 holes.

The two Stage I holes were drilled on the Hubbard Homestead collaring on the Dakota Formation and the Stage II holes were drilled on the lower bench.

Hole JS-11 (Stage I) was an ore hole, holes JS-47, JS-50 and JS-53 were half ore holes, holes JS-43 and JS-48 were strongly mineralized, holes JS-46 and JS-49 were weakly mineralized and holes JS-15 (Stage I), JS-51 and JS-52 were barren holes.

Drilling for the month was normal for the area and water was encountered in the holes with the exception of a few of the Stage II holes near the rim which were dry holes.

No dozer work was done during the month, however, preparation of the sites for the additional 12 Stage II holes will be commenced the first part of October.

Continued - Letter to Mr. E. N. Harshman re monthly report on drilling for September, 1958, Docket DMEA-4826 (Uranium), Contract No. Idm-E1181, Hubbard Homestead, Pack Rat, et al., Claims, Mesa County, Colorado.

The following table gives the pertinent data on the eleven holes drilled during the month of September, 1958.

Hole	Date Started	Date Completed	Non-Core	Core	Total	Mineralization Thick	U308	V205	Classification
JS-11	9-4	9-9	555	54	609	0.6	0.00	0.02	Favorable
						0.6	8.88	15.27	
						0.7	0.03	0.62	
JS-15	9-2	9-4	515	76	591	0.4	None	0.01	Favorable
JS-43	9-30	9-30	330	57	387	0.8	0.02	1.52	Favorable
JS-46	9-29	9-29	300	67	367	0.7	0.02	0.48	Favorable
JS-47	9-18	9-19	290	60	350	0.2	0.30	0.32	Favorable
JS-48	9-16	9-17	260	54	314	0.4	0.02	1.27	Favorable
JS-49	9-22	9-24	285	49	334	0.1	0.07	0.07	Favorable
						1.6	0.01	0.03	
JS-50	9-24	9-26	300	60	360	0.1	0.97	0.10	Favorable
						1.0	0.09	0.66	
						2.2	0.07	0.28	
JS-51	9-9	9-10	135	98	233		Barren		Favorable
JS-52	9-10	9-11	195	79	274		Barren		Favorable
JS-53	9-12	9-15	175	96	271	0.8	0.03	0.35	Favorable
						0.3	0.30	9.61	
						0.7	0.03	0.38	
						1.6	0.11	0.62	
Totals			3340	750	4090				

Very truly yours,

NEW IDRIA MINING & CHEMICAL COMPANY

Dean Nicholson

Dean Nicholson

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED OCT 16 1958 DMEA

Month of August, 1958 Docket No. DMEA 4826 Contract No. Ida R-1181
Operator's Name New Idria Mining and Chemical Company, Agent Minerals Uranium
Address Post Office Box 311, Grand Junction, Colorado
Contract Amount, $ 102,620.00 Government Participation: 75% Amount, $ 76,965.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts:		STAGE I				
Drilling Non-Core	3,000.00	17,310.00	20,310.00			
Non-Core	2,100.00	5,046.50	7,146.50			
Core	22.00	6,424.00	6,446.00			
Core	2,214.80	3,234.00	5,448.80			
Core	228.00	528.00	756.00			
(2) L:						
Bulldozing		1,140.00	1,140.00			
Standby Time	60.00	396.00	456.00			
Incide Allow.	628.95	2,785.86	3,414.81			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	65.00	330.00	395.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	8,318.75	37,194.16	45,512.91	12047.74	37194.16	45,512.91
				1	180.00	180.00
					37,014.16	45,332.91
					$ 9035.81	

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept. 14/58 *Payee New Idria Mining and Chemical Company, Agent
Per Wesley Shackelford Title Assistant Treasurer

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

1/ Previous disallowance

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
Signature RRQ
(Authorized Certifying Officer)
Date 10/13/58 Vou. No. DMEA-59-50
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. JOm-E1181 in accordance with the terms of the contract.

Signature H. T. Robertson $6,239.06 Title Mining Engr. Date 9/29/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature [illegible] Title Acting Executive Officer Date OCT 10 1958

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED OCT 16 1958 O.M.E.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1958 Docket No. DMEA 4826 Contract No. Idm E-1181
Operator's Name New Idria Mining and Chemical Company, Agent Minerals Uranium
Address Post Office Box 511, Grand Junction, Colorado
Contract Amount, $ 102,620.00 Government Participation: 75 % Amount, $ 76,965.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contractors:		STAGE II				
Drilling Non-Core	1,800.00		1,800.00			
Non-Core	231.00		231.00			
Core	765.60		765.60			
Core	122.50		122.50			
(2)						
Standby Time	36.00		36.00			
Bulldozing	485.00		485.00			
Incidental Allow.	253.89		253.89			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	35.00		35.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3,728.99		3,728.99			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept. 14/58 *Payee New Idria Mining & Chemical Co., Agent
Per Wesley Shadduck Title Assistant Treasurer

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1181 in accordance with the terms of the contract.

Signature H. T. Robertson $2,796.74 Title Mining Engr. Date 9/29/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED OCT 16 1958 D.M.E.

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 195 8 Docket No. DMEA 4826 Contract No. Idn E-1181

Operator's Name New Idria Mining and Chemical Company, Agent Minerals Uranium

Address Post Office Box 511, Grand Junction, Colorado

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
				STAGE I				
Drifting								
Crosscutting								
Raising								
Shafts								
Wells								
Drilling: Core								
~~Drilling~~ Core	Foot	22.00	5	6,446.00	1,465	4.40	1,515	4.40
~~Drilling~~ Core	Foot	2,214.80	452	5,449.80	1,112	4.90	1,280	4.90
~~Drilling~~ Core	Foot	228.00	38	756.00	126	6.00	205	6.00
Drilling: Churn								
~~Drilling~~ Non-Core	Foot	5,000.00	1,500	20,510.00	10,155	2.00	11,175	2.00
~~Drilling~~ Non-Core	Foot	2,100.00	1,000	7,146.30	3,405	2.10	4,145	2.10
Stripping								
~~Stripping~~ Bulldozing	Hour			1,140.00	95	12.00	85	12.00
Trenching								
~~Trenching~~ Standby Time	Hour	60.00	5	456.00	38	12.00	40	12.00
Test Pits								
~~Test Pits~~ Analysis	Each	85.00	13	395.00	79	5.00	100	5.00
Roads and Trails								
Incidental Allowance	Foot	628.95	2,995	3,414.81	16,261	.21	18,320	.21
Total Distributed Costs		$8,318.75		$45,312.91				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		$8,318.75		$45,312.91				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Sept. 14/58 Operator New Idria Mining and Chemical Company, Agent

Per Wesley Blackmore Title Assistant Treasurer

Remarks: H.J.R.

NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED 1953 O.M.E.

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 195 8 Docket No. DMEA 4826 Contract No. Idm E-1181
Operator's Name New Idria Mining and Chemical Company, Agent Minerals Uranium
Address Post Office Box 311, Grand Junction, Colorado

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
				STAGE II				
Drifting								
Crosscutting								
Raising								
Shafts Drilling NonCore	Ft.	1,800.00	900	1,800.00	900	2.00	11,175	2.00
Winzes " " "	Ft.	231.00	110	231.00	110	2.10	4,145	2.10
Drilling: Core Core	Ft.	765.60	174	765.60	174	4.40	1,515	4.40
Churn Core	Ft.	122.50	25	122.50	25	4.90	1,280	4.90
Auger Core	Ft.						205	6.00
Standby Time	Hour	36.00	3	36.00	3	12.00	40	12.00
Stripping Bulldozing	Hour	485.00	41	485.00	41	11.83	80	12.00
Trenching Analysis	Each	35.00	7	35.00	7	5.00	100	5.00
Test Pits								
Motor and Trucks								
Incidental Allow.	Foot	253.89	1,209	253.89	1,209	.21	18,320	.21
Total Distributed Costs		3,728.99		3,728.99				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		3,728.99		3,728.99				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Sept.14/58 Operator New Idria Mining and Chemical Company, Agent

Per Wesley Shoddhurst Title Assistant Treasurer

Remarks: H.J.R.

NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc.". The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

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GPO 872894

FINAL DISTRIBUTION

MADE OCT 14 1958

224 New Customhouse
Denver 2, Colorado
October 10, 1958

EXTRA COPY O. M. E. RECEIVED OCT 16 1958		
DATE	INITIALS	CODE
		800

Memorandum

To: T. A. Christensen

From: Acting Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4826 (Uranium) Contract Ion Shaft, New Idria Mining and Chemical Company, (Hubbard Homestead, Pack Rat, et al. claims) Mesa County, Colorado - Operator's Monthly Progress Report for the month of August, 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

The work is being performed partly under independent subcontract, and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Bids were not submitted for bulldozer work; however, the bulldozing rates are in line with the standard rates prevailing in the project locality for the size and make of bulldozer used on the project. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form MF-104 for August, 1958, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

The Operator has submitted separate Forms MF-104 and MF-104A, for each stage of work. The total amount reported for the period is as follows:

Reconciliation With Amount Reported by the Operator on Form MF-10% for August, 1958

Amount reported, Stage I----------$8318.75
Amount reported, Stage II---------- 3728.99
Total assessable cost for August, 1958----------$12,047.74

Government participation at 75 percent----------$ 9,035.81

Remarks:

Date of Report----------September 14, 1958
Date Received in Field Office------September 29, 1958
Date Received in Region Office-----October 1, 1958

Original signed by
E. N. HARSHMAN
E. N. Harshman

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2)
Robertson
MF-10% file, Reg. III
Harshman
Ensler
OGE/BPC
Chron

w/copy of Engr's Report

OME
DEPARTMENT OF THE INTERIOR
OCT 1 - 1958
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

September 30, 1958

Memorandum

To: Acting Executive Officer, OME Field Team, Region III

From: H. F. Robertson

Subject: Docket No. [illegible] (Uranium), Contract No. Ida-2 1181, New Idria Mining and Chemical Company (Hubbard Homestead, Puck Rob, et al. claims), Mesa County, Colorado. Progress report for August 1958

Work continued on Stage I and part of Stage II of the subject contract during the month of August 1958.

The operator's claim (received at Grand Junction on September 29, 1958) covers the costs incurred in the completion of a total of 3,510 feet of measure drilling and 6[illegible] feet of core drilling in 5 Stage I holes and 3 Stage II holes as follows:

Stage I

Actual Cost Items

Independent Contracts		
Measure drilling		
0-300 feet,	1,900 feet at $2.00/ft.	$ 3,800.00
300-600 feet,	1,000 feet at $2.10/ft.	2,100.00
Core drilling		
0-400 feet,	5 feet at $4.40/ft.	22.00
400-600 feet,	452 feet at $4.90/ft.	2,214.80
600-800 feet,	38 feet at $6.00/ft.	228.00
Standby time	5 hours at $12.00/hr.	60.00
Miscellaneous items		
Chemical analyses,	13 samples at $5.00/spl.	65.00

Fixed Unit Cost Items

Incidental allowance, 2,995 feet at $0.21/ft.	628.95
Total Stage I costs in August 1958	$ 8,318.75

Stage II

Actual Cost Items

Independent Contracts		
Reverse drilling		
0-300 feet,	900 feet at $2.00/ft.	$ 1,800.00
300-600 feet,	110 feet at $2.10/ft.	231.00
Core drilling		
0-400 feet,	174 feet at $4.40/ft.	765.60
400-600 feet,	25 feet at $4.90/ft.	122.50
Standby time,	3 hours at $12.00/hr.	36.00
Bulldozing,	34 hours at $12.00/hr.	408.00
Bulldozing,	7 hours at $11.00/hr.	77.00
Miscellaneous items		
Chemical analyses,	7 samples at $5.00/spl.	35.00

Fixed Unit Cost Items

Residential allowance, 1,209 feet at $0.21/ft.	253.89
Total Stage II costs in August 1958	$ 3,728.99
Total amount claimed, August 1958	$ 12,047.74

The claim for drilling costs is supported by an invoice from Robert J. Colquitt; Drilling Contractor, and agrees with the footages logged and probed by the operator. The claims for bulldozing are supported by invoices from the respective contractors. Chemical assay certificates and invoices were included to support the claim for the 20 chemical analyses.

The holes completed during August 1958 are located as shown on the map accompanying the operator's claim. A check of the core indicates that the drilling was done in conformance with contract specifications as to core size, cored interval, and penetration of the underlying red sandstone with the exception of hole No. JS-8. All previous information had indicated that the site of JS-8 was on the north, upthrown side of the major fault traversing the area and coring of the hole was commenced accordingly. Information obtained from the hole indicated, however, that the fault passed north of JS-8, thus putting the hole on the downthrown side and resulted in about 90 feet of excess core drilling. It is strongly recommended that no disallowance for excess core drilling be made in this case since it was an unavoidable error on the part of the operator. The information pertaining to the change of fault trend was not known until hole JS-8 was completed and evaluated.

Of the 8 holes completed during the month, JS-8, JS-44, and JS-45 penetrated significant amounts of ore-grade material; JS-1, JS-3, and JS-41 were classed as mineralized holes; and JS-2 and JS-9 were barren (table 1).

All of the Stage I work and 18 of the 29 authorized Stage II holes had been completed as of the date of this report. Drill sites are being prepared for the 18 additional holes (included in the above 29 holes) verbally authorized on September 26, 1958.

The operator submitted in quintuplicate a signed narrative report with map, NF-104 (Stage I), NF-104 (Stage II), NF-104A (Stage I), NF-104A (Stage II), geologic logs, and radiometric probing results. One copy each of assay certificates (4) and invoices for drilling, bulldozing, and chemical analyses accompanied the August 1958 claim. The work was performed--with the exception noted above--and claims made in conformance with contract specifications.

The monthly and cumulative totals on the NF-104 forms for Stage II are correct. The claiming forms for Stage I still do not reflect the previously disallowed bulldozer time.

The inspecting engineer recommends payment of the August claim as follows:

Stage I	-	75 percent of $8,318.75	-	$6,239.06
Stage II	-	75 percent of $3,728.99	-	2,796.74
		Total payment	-	$9,035.80

H. F. Robertson

H. F. Robertson
Mining Engineer

Table 1.--Summary of drilling results - August 1[illegible]
IMMA 4086 Contract IAm-S 1181

Hole No.	Core	Remnore	Total	Mineralization: Radiometric Interval	Radiometric U_3O_8	Mineralization: Chemical Interval	Chemical U_3O_8	Chemical V_2O_5
28-1	76	510	576	544.0-545.0	0.16	545.5-547.2	0.00	0.06
				545.0-546.0	0.84	547.8-550.0	0.13	1.05
				546.0-547.0	0.22	550.0-552.0	0.02	0.22
				547.0-548.0	0.05	559.3-559.5	0.04	1.06
28-2	88	585	613	Barren		601.8-602.1	0.00	0.03
28-3	90	535	625	Barren		560.4-560.7	0.02	1.32
						569.4-570.3	0.00	0.04
						570.3-570.6	0.00	0.02
28-8	181	395	576	519.0-520.0	0.06	518.4-519.4	0.03	0.39
				520.0-521.0	0.18	519.4-520.7	1.75	0.15
				521.0-522.0	0.52	522.7-523.3	0.01	0.03
						585.3-586.0	0.04	0.43
28-9	60	535	595	544.0-545.0	0.16	584.7-585.6	0.01	0.05
				545.0-546.0	0.84			
				546.0-547.0	0.22			
28-41	65	335	400	380.0-381.0	0.02	380.0-380.7	0.03	0.37
				381.0-382.0	0.07	380.7-381.7	0.12	0.85
				382.0-383.0	0.06			
28-44	70	335	405	368.0-369.0	0.16	371.4-375.2	0.22	0.26
				369.0-370.0	0.27			
				370.0-371.0	0.48	375.8-379.0	0.53	1.06
				371.0-372.0	0.76			
				372.0-373.0	0.64	379.0-383.0	0.46	0.74
				373.0-374.0	0.59			
				374.0-375.0	0.46			
				375.0-376.0	0.53			
				376.0-377.0	0.99			
				377.0-378.0	0.66			
				378.0-379.0	0.20			
28-45	64	320	384	351.0-352.0	0.10	354.8-360.0	1.14	7.09
				352.0-353.0	1.00			
				353.0-354.0	1.40	360.0-361.2	0.52	0.08
				354.0-355.0	0.48			
				355.0-356.0	0.37			
				356.0-357.0	1.16			
				357.0-358.0	1.00			
				358.0-359.0	0.52			
				359.0-360.0	0.13			

NEW IDRIA MINING & CHEMICAL COMPANY

URANIUM DIVISION - BOX 311, GRAND JUNCTION, COLORADO

September 7, 1958

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Docket No. DMEA-4826 (Uranium)
Contract No. Idm-E1181
Hubbard Homestead, Pack Rat, et al., Claims
Mesa County, Colorado
Report for August, 1958

Dear Mr. Harshman:

The first stage of drilling on the above numbered contract was continued during the month of August, 1958, and a total of five first stage holes were completed (A total of 38 holes have been completed on the first stage of 40 holes to the end of August, 1958). In addition three holes of the approved 17 holes in the "Proposed First Portion Second Stage Drilling" were also completed. These eight holes totaled 4,204 feet of drilling of which 3,510 feet was non-core drilling and 694 feet was core drilling.

The three second stage holes were drilled to facilitate exploration and the first stage will be completed before drilling additional second stage holes.

The first stage holes drilled were on the Hubbard Homestead collaring on the Dakota Formation and the second stage holes were located on the lower bench.

Holes JS-8, JS-44 (2nd stage) and JS-45 (2nd stage) were ore holes, JS-1, JS-3 and JS-41 (2nd stage) were strongly mineralized and JS-2 and JS-9 were barren.

Holes JS-1, JS-8 and JS-15 were believed to lie north and on the up side of the fault line that was believed to extend through the north portion of the Hubbard Homestead, however, it was found that all holes lie on the down side and are in their proper place in the sand section. Therefore it is assumed that the fault line turns, as indicated on the map, and passes north of all the JS series holes. JS-8, the first hole drilled north of the indicated fault line, was overcored by approximately 90 feet which was the assumed displacement of the sand at that point, however, with this information in hand it was possible to properly core the remaining holes.

Considerable water was encountered in the deep holes and some very hard sections were found in the Dakota Formation.

NEW IDRIA MINING & CHEMICAL COMPANY
URANIUM DIVISION - BOX 311, GRAND JUNCTION, COLORADO

Continued - Letter to Mr. E. N. Harshman re monthly report on drilling for August, 1958, Docket No. DMEA-4826 (Uranium), Contract No. Idm-E1181, Hubbard Homestead, Pack Rat, et al., Claims, Mesa County, Colorado.

During the month dozer work was done to prepare the 17 locations as approved on the first portion of the second stage drilling. The permanent traverse has been brought up to date with the holes drilled.

The following table gives the pertinent data on the eight holes drilled during the month of August, 1958.

Hole	Date Started	Date Completed	Non-Core	Core	Total	Mineralization Thick	U308	V205	Classification
JS-1	8-28	8-30	510	76	586	1.7	None	0.06	Favorable
						2.8	0.13	1.05	
						2.0	0.02	0.22	
						0.2	0.04	1.06	
JS-2	8-11	8-13	525	88	613	0.3	None	0.03	Favorable
JS-3	7-30	8-1	535	90	625	0.3	0.02	1.32	Favorable
						0.9	None	0.04	
						0.3	None	0.02	
JS-8	8-14	8-21	395	181	576	1.0	0.03	0.39	Favorable
						1.3	1.75	0.15	
						2.6	0.01	0.03	
						2.7	0.04	0.43	
JS-9	8-5	8-8	535	60	595	0.9	0.01	0.05	Favorable
JS-41	8-21	8-22	355	65	420	0.7	0.03	0.57	Favorable
						1.0	0.12	0.25	
JS-44	8-25	8-26	335	70	405	3.8	0.22	0.26	Favorable
						3.8	0.53	1.06	
						4.0	0.46	0.74	
JS-45	8-27	8-27	320	64	384	5.2	1.14	7.09	Favorable
						1.2	0.52	0.08	
Totals			3510	694	4204				

Very truly yours,

NEW IDRIA MINING & CHEMICAL COMPANY

Dean Nicholson

Dean Nicholson

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

RECEIVED SEP 1958 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of JULY, 1958 Docket No. DMEA 4026 Contract No. DMA E-1181
Operator's Name NEW IBERIA MINING AND CHEMICAL COMPANY, AGENT Minerals URANIUM
Address POST OFFICE BOX 311, GRAND JUNCTION, COLORADO
Contract Amount, $102,620.00 Government Participation 75 % Amount, $76,965.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contractors:		STAGE 1				
Drilling NON-CORE	5,900.00	11,410.00	17,310.00			
[redacted] "	4,095.00	951.30	5,046.30			
[redacted] CORE	475.20	5,948.80	6,424.00			
[redacted] "	2,145.00	1,087.00	3,234.00			
[redacted] "	528.00		528.00			
[redacted]:						
[redacted]		1,140.00	1,140.00			
[redacted] TIME	120.00	276.00	396.00			
[redacted] ALLOW.	1,162.14	1,623.72	2,785.86			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	65.00	265.00	330.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	14,491.54	22,702.62	37,194.16	14,491.54	22,702.62	37,194.16
					180.00	180.00
					22,522.62	37,014.16

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Aug. 13/58 *Payee NEW IBERIA MINING AND CHEMICAL COMPANY, AGENT

Per [signature] Title ASSISTANT TREASURER

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of: $10868.66

Signature [signature] (Authorized Certifying Officer)

Date 9/4/58 Vou. No. DMA 59-33

(See other side)

Previously disallowed

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1181 in accordance with the terms of the contract.

Signature H. F. Robertson $10,868.66 Title Mining Engr. Date 8/20/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Checked for Engineering Allowability Title Alternate Acting Executive Officer Date SEP 3 1958

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED SEP 8 1958 DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of JULY 1958 Docket No. DMEA 4826 Contract No. IDM L-1161
Operator's Name NEW IBERIA MINING AND CHEMICAL COMPANY, AGENT Minerals URANIUM
Address POST OFFICE BOX 311, GRAND JUNCTION, COLORADO

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
			STAGE 1					
Drifting								
Crosscutting								
Raising								
RANGE DRILLING CORE	FOOT	475.20	108	6,424.00	1,460	4.40	1515	4.40
RANGE "	"	2,146.20	438	3,234.00	660	4.90	1200	4.90
Drilling: RANGE "	"	528.00	88	528.00	88	6.00	205	6.00
RANGE NON-CORE	"	5,900.00	2950	17,310.00	8,655	2.00	11,175	2.00
RANGE " "	"	4,095.00	1950	5,046.30	2,403	2.10	4,145	2.10
RANGE BULLDOZING	HOUR			1,140.00	95	12.00	80	12.00
RANGE STANDBY TIME	"	120.00	10	396.00	33	12.00	40	12.00
RANGE ANALYSIS	EACH	65.00	13	330.00	66	5.00	100	5.00
Roads and Trails								
INCIDENTAL ALLOWANCE	FOOT	1,162.14	5534	2,785.86	13,266	.21	18,320	.21
Total Distributed Costs		14,491.54		37,194.16				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		14,491.54		37,194.16				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date AUGUST 13, 1958 Operator NEW IBERIA MINING AND CHEMICAL COMPANY, AGENT

Per Wesley Shadden Title ASSISTANT TREASURER

Remarks: H.S.R.

NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

EXTRA COPY DMEA RECEIVED SEP 8 1958		
DATE	INITIALS	CODE
9/9	CFM	100
		800

FINAL DISTRIBUTION

MAIL SEP 4 1958

[illegible] New Santaclause
Denver 2, Colorado
September 3, 1958

Memorandum

To: T. A. Christensen

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4006 (Uranium) Contract No. IAr-[illegible] New Idria Mining and Chemical Company (Hubbard Homestead, Peak Rep, et al. Claims) Mesa County, Colorado - Operator's Monthly Progress Report for the month of July 1958

Enclosed are the original and four copies each of Form RF-10b and RF-10bA, Operator's Narrative Report, and Engineer's Report for the above period.

The work is being performed partly under independent subcontract and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form RF-10b for July 1958, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Reports:

Date of report ---------- August 11, 1958
Date received in Field Office ---------- August 18, 1958
Date received in Regional Office ---------- August 21, 1958

Original signed by
J. W. TOWNSEND

J. W. Townsend

JWT:da
cc: Chm. Op. Comm. E
DMEA/DFS
RF-10b File, Reg. III
Hartmann
Bahler } w/cy of Engineer's Rpt.
DMEA/GF
Marsh.

DMEA
DEPARTMENT OF THE INTERIOR
AUG 21 1958
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

August 20, 1958

Memorandum

To: Alternate Acting Executive Officer, DMEA Field Team, Region III

From: H. F. Robertson

Subject: Docket No. DMEA 4826 (Uranium), Contract Ida-X 1131, New Idria Mining and Chemical Company (Hubbard, Homestead, Peak Rat, et al., claims) Mesa County, Colorado. Progress report for July 1958.

Work continued on Stage I of the subject project throughout the month of July 1958. A monthly inspection was made on August 12, 1958, by H. F. Robertson, accompanied by J. W. Beeler, USGS, and George Beslett, the operator's geologist.

The operator's claim (received at Grand Junction on August 18, 1958) covers the costs incurred in the completion of 4,900 feet of non-core drilling and 634 feet of core drilling in 10 first stage drill holes as follows:

Actual Cost Items

Independent Contracts		
Non-core drilling		
0-300 feet,	2,950 feet at $ 2.00/ft.	$ 5,900.00
300-600 feet,	1,950 feet at $ 2.10/ft.	4,095.00
Core drilling		
0-400 feet,	105 feet at $ 4.40/ft.	475.80
400-600 feet,	438 feet at $ 4.90/ft.	2,146.80
600-800 feet,	88 feet at $ 6.00/ft.	528.00
Standby time,	10 hours at $12.00/hr.	120.00
Miscellaneous Items		
Chemical analyses,	13 samples at $ 5.00/spl.	65.00
Fixed Unit Cost Items		
Incidental allowance,	5,534 feet at $0.21/ft.	1,162.14
	Total amount claimed for July 1958	$14,491.54

The drill footage claim is supported by an invoice from Robert J. Colquitt, Drilling Contractor, and agrees with the footage reported on the geologic logs. Chemical assay certificates and invoices were included to verify the claim for the 13 chemical analyses.

The holes completed during July 1958 are located as shown on the map accompanying the operator's claim. A physical check of the core indicates that the drilling was done in conformance with contract specifications as to core size, cored interval, and penetration of the underlying red mudstone.

None of the 10 holes completed during the month penetrated ore-grade material, however, four of the holes (JS-5, JS-6, JS-7, and JS-12) contained thin (less than 1 foot) layers of mineralized rock chemically assaying from 0.08 - 0.11 percent U_3O_8 and from 0.89 - 0.44 percent V_2O_5. The 4 mineralized holes are all located on the Hibbard Homestead. The remaining 6 holes completed during July were essentially barren.

Practically all of the first stage work has been completed as of the date of this report. Verbal approval has been given by the Government for commencing Stage II drilling and the operator has prepared drill sites for the authorized holes such that no delay will occur between stages.

The operator submitted in quintuplicate a signed narrative report with progress map, NF-104, NF-104A, geologic logs, and radiometric probing results. One copy each of assay certificates (3) and invoices for drilling and chemical analyses accompanied the July 1958 claim. The work was performed and claims made in conformance with contract specifications.

The monthly and cumulative totals on the NF-104 forms are correct and would be within contract maximums if the previously disallowed 15 hours of bulldozing time were deducted from the "Costs to date" and "Units to date" columns.

Payment of $10,868.66, representing 75 percent of the total costs claimed ($14,491.54) is recommended by the inspecting engineer.

H. F. Robertson

H. F. Robertson
Mining Engineer

Table 1.—Summary of drilling results - July 1958.
New Idria Mining & Chemical Company
NMMA 4846 Contract Idm-2 1181

Hole No.	Drilling Footage: Ore	Drilling Footage: Non-ore	Drilling Footage: Total	Mineralization: Mallinckrodt Interval	Mallinckrodt Hg_2Cl_2	Mineralization: Chemical Interval	Chemical Hg_2Cl_2	Chemical HgS_2
JD-4	74	530	604	Barren		-	-	-
JD-5	78	515	593	561.0-562.0	0.01	571.8-572.0	0.09	0.03
				562.0-562.5	0.05			
				562.5-563.0	0.02			
JD-6	30	585	615	541.0-542.0	0.05	542.8-543.6	0.01	0.08
						543.6-543.9	0.09	0.13
						591.6-592.0	Tr.	0.03
JD-7	60	535	595	561.0-562.0	0.1	563.5-564.5	0.11	0.06
				562.0-562.5	0.05	564.5-565.5	0.03	0.04
				562.5-563.0	0.02			
JD-10	68	530	598	Barren		-	-	-
JD-12	56	565	621	430.0-431.0	0.02	589.5-590.0	0.01	0.07
				431.0-432.0	0.03	590.0-591.5	0.08	0.09
				432.0-433.0	0.15	591.5-592.7	0.04	0.07
				433.0-434.0	0.08			
				434.0-435.0	0.03			
				435.0-436.0	0.02			
JD-13	48	565	613	Barren		588.5-589.8	0.01	0.21
						600.5-600.8	0.02	0.04
						600.8-601.6	0.01	0.03
JD-14	60	575	635	Barren		612.6-612.7	Tr.	0.03
JD-35	30	310	340	Barren		-	-	-
JD-40	50	268	318	Barren		-	-	-
Totals	654	4,900	5,554					

NEW IDRIA MINING & CHEMICAL COMPANY

URANIUM DIVISION - BOX 311, GRAND JUNCTION, COLORADO

August 7, 1958

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Docket No. DMEA-4826 (Uranium)
Contract No. Idm-E1181
Hubbard Homestead, Pack Rat, et al., Claims
Mesa County, Colorado
Report for July, 1958

Dear Mr. Harshman:

The first stage of drilling on the above numbered contract was continued during the month of July, 1958, and a total of 10 holes were completed (A total of 33 holes have been completed on the first stage of 40 holes to the end of July, 1958). 5,534 feet of drilling was done of which 4,900 feet was non-core and 634 feet core drilling.

Two of the ten holes were on the lower bench and the remaining eight were deep holes on the Hubbard Homestead collaring on the Dakota formation.

No ore holes were encountered during the month, however, four holes, JS-5, JS-6, JS-7 and JS-12, were strongly mineralized and these holes are located to the center and southwest section of the Hubbard Homestead.

Considerable water was found in all the deep holes and rose to within 160 feet to 200 feet of the surface.

Very hard sections were found in the Dakota formation in holes JS-5 and JS-14 and bit consumption was excessive.

Drilling was normal for the area with the exception of hole JS-12 which did cave to quite an extent.

No dozer work was done during the month and the permanent traverse was commenced to tie the holes in with the existing mine maps and to prepare the first portion of the application for second stage drilling which was submitted to you the latter part of July.

NEW IDRIA MINING & CHEMICAL COMPANY
Uranium Division - Box 311, Grand Junction, Colorado

Continued - Letter to Mr. E. N. Harshman re monthly report on drilling for July, 1958, Docket No. DMEA-4826 (Uranium), Contract No. Idm-E1181, Hubbard Homestead, Pack Rat, et al., Claims, Mesa County, Colorado.

The following table gives the pertinent data on the 10 holes drilled during the month of July, 1958.

Hole	Date Started	Date Completed	Non-Core	Core	Total	Mineralization Thick	U308	V205	Classification
JS-4	7-23	7-24	530	74	604		Barren		Favorable
JS-5	7-24	7-29	525	70	595	0.8	0.09	0.03	Favorable
JS-6	7-22	7-23	525	90	615	0.8	0.01	0.02	Favorable
						0.3	0.09	0.13	
						0.4	Tr	0.03	
JS-7	7-19	7-22	535	60	595	0.6	0.11	0.26	Favorable
						0.8	0.03	0.03	
JS-10	7-16	7-19	530	68	598		Barren		Favorable
JS-12	7-7	7-9	565	56	621	1.3	0.01	0.07	Favorable
						0.7	0.08	0.09	
						1.2	0.04	0.07	
JS-13	7-11	7-16	565	48	613	0.3	0.01	0.21	Favorable
						0.3	0.02	0.04	
						0.8	0.01	0.03	
JS-14	7-9	7-11	575	60	635	0.1	Tr	0.03	Favorable
JS-26	7-1	7-3	290	50	340		Barren		Favorable
JS-40	7-1	7-1	260	58	318		Barren		Favorable
Totals			4900	634	5534				

Very truly yours,

NEW IDRIA MINING & CHEMICAL COMPANY

Dean Nicholson

Dean Nicholson

EXTRA COPY
DATE
CODE
80-0

22d Bar Conference
Denver 2, Colorado
August 26, 1958

Memorandum

To: Chairman, Operating Committee, BSMA

From: Alternate Acting Regional Officer, BSMA Field Team, Region XII

Subject: Project No. BSMA 4066 (Mining), Contract No. Bar-8141, Bar Ziegler Mining and Chemical Company, Lynch Children Development, Peak Park #4 et. al. claims, Rio Grande, Colorado

Reference is made to your letter of August 22, 1958, wherein you advised that from your interpretation, the phase of building under Stage I was not considered as maximum, and that we should not have disallowed expenses above units established in Exhibit "A" in preparing the Operator's accounting report for the month of June, 1958.

A review of your letter and of the "Audit Procedure for Exploration Work Under BSMA Exploration Contracts," by the Contract Administration and Audit Division, BSMA, indicates that we have misinterpreted the instructions on Contract Form BM-200 (Revised June 1954) pertaining to work under Category (D). We have interpreted the term to be, in effect, the same as that for Contract Form BM-200 (Revised February 1956).

In preparing the Operator's accounting report, we have interpreted the instructions under Category (D) "the estimated cost of each unit of work" to mean "the estimated total cost of each unit or item of work." Thus, since the "unit cost" and the "estimated unit cost" of each item of work were considered to be maximum, the reported expenses of units of work have been disallowed.

For clarification in the matter, it is suggested that if Form BM-200, or similar form, is used in the future that the instructions under Category (D) be changed to read, "The estimated unit cost of this category and the estimated unit cost of each item of work for performance under an independent contract are maximum."

Because of the lack of control of expenditures for such items of work as building, standby time, packing time, etc., under Category (D), we would prefer that it be as we have interpreted. It is difficult,

on the once a month inspections by the cognizant engineer, to determine whether or not overexpenditures were actually necessary, especially in bulldozing and standby time, or were due to inefficient operation by the operator. In addition, the great an overexpenditure, even though possibly necessary, in any minor item or items of work under Category (1), could leave the major items of work out of balance, thereby disrupting the intent of the exploration program.

In the future, we will present operators' accounting reports on the basis of the instructions in your letter of August 22, unless the total cost of such item of work is specifically designated as "minimum" or the estimates in the descriptive part of Exhibit "A" limits the units of work to be performed.

Original signed by
J. W. TOWNSEND

J. W. Townsend

JWT:pl

cc: Burnham } w/copy of
Garvin, } Chairman's
Geyer } letter of Aug. 22.
Chavez.
Bending, DMEA Auditor

AUG 22 1958

Mr. J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA-4626 (Premium)
New Idria Mining & Chemical Co., Agent
(Hubbard Homestead, Peak Rat, et al. claims)
Contract No. idm-[illegible]

Dear Mr. Townsend:

By letter of August 13, 1958, you advised the referenced Operator that the cost of 15 hours of Stage I bulldozing in excess of the contractual maximum was being disallowed in the processing of the June 1958 MF-104.

Article 6 of the contract provides that only to the extent specified in that article or in Exhibit "A" are any elements maximums. Neither the number of hours nor the total cost of bulldozing are specified as maximums in Article 6 of the contract form. Likewise they are not specified as maximums in either the description of work or estimates of cost portions of Exhibit "A".

Accordingly, it appears that the cost of the 15 hours of bulldozing is allowable unless the Field Team determines that the cost is not reasonable or necessary or the total estimate for the category (which is a maximum) is exceeded.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

P. F. Yopes

Member, Bureau of Mines

N. E. Nelson

Member, Geological Survey

cc: Docket
Admr. Reading File
Operating Committee
Mr. Chambers
THKiilsgaard
OMBishop

EDTalbert/GMcC
August 19, 1958

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED AUG 21 D.M.E.A.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of JUNE, 1958 Docket No. DMEA 4026 Contract No. DMA E-1181
Operator's Name NEW IBERIA MINING AND CHEMICAL COMPANY, AGENT Minerals URANIUM
Address POST OFFICE BOX 311, GRAND JUNCTION, COLORADO
Contract Amount, $ 102,620.00 Government Participation: 75 % Amount, $ 76,965.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts:		STAGE 1				
Drilling NON CORE	7,870.00	3,540.00	11,410.00			
Bulldozing NON CORE	905.10	46.20	951.30			
Crosscutting CORE	3,696.00	2,252.80	5,948.80			
Drifting CORE	1,087.80		1,087.80			
BULLDOZING	828.00	312.00	1,140.00			
STANDBY TIME	192.00	84.00	276.00			
INCIDENTAL ALLOW.	1,139.88	483.84	1,623.72			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	125.00	140.00	265.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	15,843.78	6,858.84	22,702.62	15,663.78	6,858.84	22,522.62

I certify that the above bill is correct and just and that payment therefor has not been received.

Date JULY 16/58 *Payee NEW IBERIA MINING AND CHEMICAL COMPANY, AGENT

Per [signature] Title ASSISTANT TREASURER

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 11,747.84

Signature [signature]
(Authorized Certifying Officer)

Date 8-15-58 Vou. No. DMA-59-19

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1181 in accordance with the terms of the contract.

Signature H. J. Robertson $11,747.84 Title Mining Engr. Date 8/8/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE Checked for Engineering Allowability the alternate acting

Signature [illegible] Title Executive Officer Date AUG 13 1958

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

AUG 27 '58

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of JUNE 1958 Docket No. DMEA 4826 Contract No. IDM E-1181

Operator's Name NEW IDRIA MINING AND CHEMICAL COMPANY, AGENT Minerals URANIUM

Address POST OFFICE BOX 311, GRAND JUNCTION, COLORADO

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
[redacted]			STAGE	I				
[redacted]								
[redacted]								
[redacted]								
[redacted] DRILLING CORE	FOOT	3,696.00	840	5,948.80	1,352	4.40	1,515	4.40
[redacted] Core	"	1,087.80	222	1,087.80	222	4.90	1,280	4.90
[redacted] CORE	"	7,870.00	3935	11,410.00	5,705	2.00	11,175	2.00
[redacted] CORE	"	905.10	431	951.30	453	2.10	4,145	2.10
[redacted] BULLDOZING	HOUR	828.00	69	1,140.00	95	12.00	80	12.00
[redacted] STANDBY TIME	"	192.00	16	276.00	23	12.00	40	12.00
[redacted] ANALYSIS	EACH	125.00	25	265.00	53	5.00	100	5.00
Roads and Trails								
INCIDENTAL ALLOWANCE	FOOT	1,139.88	5428	1,623.72	7,732	.21	18,320	.21
TOTAL DISTRIBUTED COSTS		15,843.78		22,702.62				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		15,843.78		22,702.62				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

REMARKS: H. F. P.

Date JULY 16, 1958 Operator NEW IDRIA MINING AND CHEMICAL COMPANY, AGENT

Per [signature] Title ASSISTANT TREASURER

NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

DMEA
RECEIVED AUG 20 1958

DATE	INITIALS	CODE
8/20	H.G.	225
20	Cou	100
		800

FINAL DISTRIBUTION

MADE AUG 18 195

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

[redacted]

Date: [redacted]
Payee's Reference: [redacted]

[redacted]

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ [redacted]

Difference $ [redacted]

Amount Approved $ [redacted]

The reason for the difference was due to:

[redacted]

[redacted]

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

RLC

[redacted]

[redacted]

R-III-B & F Form No. 4
4-15-52 D

224 New Customhouse
Denver 2, Colorado

August 13, 1958

Memorandum

To: T. A. Christensen

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 4826 (Uranium) Contract Idm-E1181, New Idria Mining and Chemical Company, Agent (Hubbard Homestead, Pack Rat, et al. claims) Mesa County, Colorado - Operator's Monthly Progress Report for the month of June 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

The work is being performed partly under independent subcontract and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Bids were not submitted for bulldozer work; however, the bulldozing rates are in line with the standard rates prevailing in the project locality for the size and make of bulldozer used on the project. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form MF-104 for June 1958, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except as follows:

The Operator's total of reported hours for Stage I bulldozing has exceeded the maximum by 15 hours; therefore, the reported costs for the excess bulldozing are disallowed as follows:

<u>Disallow</u>

15 hours of bulldozing at $12.00 per hour --------- $180.00

Reconciliation with Amount Reported by the Operator on Form MF-104 for June 1958

Amount reported on Form MF-104 for June 1958 ----------	$15,843.78
Amount to be disallowed ----------	180.00
Acceptable cost for June 1958 ----------	$15,663.78
Government participation at 75 percent ----------	$11,747.84

REMARKS:

Date of Report ---------- July 16, 1958
Date Received in Field Office---------- July 21, 1958
Date Received in Region Office ---------- August 11, 1958

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

MHM:jy

cc: Chm. Op. Comm. (2)
DMEA,DFC
MF-104 File, Reg. III
Harshman)
Hasler) w/copy of Engr's report
DMEA,G.Jct.)
Cooper)
Chron.

DMEA
DEPARTMENT OF THE INTERIOR

AUG 11 1958
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

August 8, 1958

Memorandum

To: Alternate Acting Executive Officer, DMEA Field Team, Region III

From: H. F. Robertson

Subject: Docket No. DMEA 4326 (Uranium) Contract Idm-X 1181, New Idria Mining & Chemical Company, Agent (Robbend, Homestead, Rock Hat, et al claims) Mesa County, Colorado. Progress report for June 1958.

Work continued on the first stage of the program during the month of June. A progress inspection was made on July 10, 1958, by H. F. Robertson, accompanied by George Bamlett, the operator's geologist supervisor.

The operator's claim (received at Grand Junction on July 21, 1958) covers the costs incurred in the completion of 4,366 feet of non-core drilling and 1,062 feet of core drilling in 16 Stage I drill holes as follows:

Actual Cost Items		
Independent Contracts		
Non-core drilling		
0-300 feet,	3,935 feet at $2.00/ft.	$ 7,870.00
300-600 feet,	431 feet at $2.10/ft.	905.10
Core drilling		
0-400 feet,	848 feet at $4.40/ft.	3,696.00
400-600 feet,	222 feet at $4.90/ft.	1,087.80
Standby time,	16 hours at $12.00/hr.	192.00
Bulldozing,	69 hours at $12.00/hr.	828.00
Miscellaneous items		
Chemical analyses,	25 samples at $5.00 ea.	125.00
Fixed Unit Cost Items		
Incidental allowance,	5,428 feet at $0.21/ft.	1,139.88
Total claimed for June 1958		$ 15,843.78

The claimed amounts in each category are supported by copies of the respective invoices. The drilling footage claimed is in agreement with the invoiced footage and with the footages reported on the geologic logs.

The locations of the completed holes were checked in the field and are as shown on the map accompanying the operator's claim. The work was done in conformance with contract specifications as to core size, cored interval, and penetration of the underlying red mudstone.

None of the 16 holes completed during June could be classed as "ore holes"; two holes, JS-17 and JS-27, were mineralized; and two holes, JS-25 and JS-36, contained traces of uranium mineralization. The operator is currently completing authorized Stage I holes and has requested the Government's approval of 23 Stage II holes.

The operator submitted in quintuplicate a signed narrative report with progress map, NF-104, NF-104A, geologic logs, and radiometric probing results. One copy each of assay certificates (4) and invoices for drilling, bulldozing, and chemical analyses accompanied the claim for June 1953.

The monthly and cumulative totals on the NF-104 forms are correct and within contract maximums with the exception of the bulldozer work. A total of 95 hours bulldozing time has been claimed, whereas the maximum amount authorized under Stage I is only 80 hours. A disallowance of 15 hours at $ 12.00 per hour is recommended by the inspecting engineer. Reinstatement of the amount disallowed may be possible providing the maximum bulldozing time authorized under Stage II is not required.

Payment of $11,747.84, representing 75 percent of the claimed amount, $15,843.78 less $180.00 (excessive bulldozing charge), is recommended by the inspecting engineer.

H. F. Robertson

H. F. Robertson
Mining Engineer

Table I.—Summary of drilling results - June 1958
New Idria Mining & Chemical Company
RMMA Docket 4626 Contract Idm-8 1181

Hole No.	Drilling Footage: Core	Drilling Footage: Non-core	Drilling Footage: Total	Mineralization: Mercury: Interval	Mineralization: Mercury: % Hg	Mineralization: Chemical: Interval	Mineralization: Chemical: % Hg_2Cl_2	Mineralization: Chemical: % Hg_2S_2
JB-16	70	369	439	Barren		407.3-407.4	Tr.	0.04
JB-17	77	360	437	358.5-359.0	Tr.	360.0-360.6	0.09	0.02
				359.0-359.5	0.01	360.6-362.0	0.03	0.06
				359.5-360.0	0.02	362.0-363.0	0.06	0.27
						373.1-373.6	0.03	0.53
						384.5-386.8	Tr.	0.03
						387.7-388.0	0.04	0.03
JB-18	65	384	449	Barren		410.8-411.1	None	0.02
						411.1-412.3	None	0.01
JB-19	66	356	422	Barren		--	--	--
JB-20	60	380	440	Barren		--	--	--
JB-21	70	385	455	Barren		431.3-431.6	Tr.	0.03
JB-22	56	317	373	Barren		343.3-344.1	0.01	0.06
						344.1-345.0	Tr.	0.02
						349.1-349.8	Tr.	0.01
						360.5-360.6	0.01	0.02
JB-23	88	160	248	Barren		--	--	--
JB-25	75	250	325	Barren		285.6-286.0	0.04	0.05
						286.0-287.5	None	0.01
						287.5-289.2	Tr.	0.02
						289.2-292.0	None	0.02
						292.0-292.6	0.01	0.03
						316.8-320.4	None	0.03
JB-27	60	250	310	Barren		256.2-256.5	0.07	0.03
						256.5-258.7	0.01	0.02
JB-28	60	215	275	Barren		255.3-255.4	None	0.05
JB-29	45	250	295	Barren		--	--	--
JB-36	60	155	215	Barren		196.8-197.7	0.03	0.12
JB-37	70	250	320	Barren		--	--	--
JB-38	70	150	220	Barren		--	--	--
JB-39	70	155	225	Barren		211.3-211.4	Tr.	0.06
Totals	1,062	4,366	5,428					

NEW IDRIA MINING & CHEMICAL COMPANY

URANIUM DIVISION - BOX 311, GRAND JUNCTION, COLORADO

July 12, 1958

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Docket No. DMEA-4826 (Uranium)
Contract No. Idm-E1181
Hubbard Homestead, Pack Rat, et al., Claims
Mesa County, Colorado
Report for June, 1958

Dear Mr. Harshman:

The first stage of drilling on the above numbered contract was continued during the month of June, 1958, and a total of 16 holes were completed (A total of 23 holes completed on first stage of 40 holes to end of June, 1958). 5,428 feet of drilling was done and 4,366 feet was non-core and 1,062 feet was core drilling.

The drilling did not produce the results hoped for, however, all holes were favorable and there were four mineralized holes. JS-17 and JS-27 were strongly mineralized and JS-25 and JS-36 were weakly mineralized.

Water was encountered in all holes with the exception of JS-36 and JS-38 which were dry. Trouble was encountered in only one hole, JS-21, which caved and the original hole was lost with 40 feet of casing. The hole was off-set a few feet and completed.

Surveying and dozer work to complete all 40 of the first stage locations was finished during the month.

The following table gives the pertinent data on the 16 holes drilled during the month of June, 1958.

Hole	Date Started	Date Completed	Non-Core	Core	Total	Mineralization Thick	U308	V205	Classification
JS-16	6-18	6-20	369	70	439	0.1	Tr	0.04	Favorable
JS-17	6-11	6-12	360	77	437	0.6	0.09	0.02	Favorable
						1.4	0.03	0.06	
						1.0	0.06	0.27	
						0.5	0.03	0.55	
						2.3	Tr	0.03	
						0.3	0.04	0.03	

NEW IDRIA MINING & CHEMICAL COMPANY
Uranium Division - Box 311, Grand Junction, Colorado

Continued - Letter to Mr. E. N. Harshman re monthly report on drilling for June, 1958, Docket No. DMEA-4826 (Uranium), Contract No. Idm-E1181, Hubbard Homestead, Pack Rat, et al., Claims, Mesa County, Colorado.

Hole	Date Started	Date Completed	Non-Core	Core	Total	Mineralization Thick	U3O8	V2O5	Classification
JS-18	6-10	6-11	364	65	429		Barren		Favorable
JS-19	6-6	6-7	356	66	422		Barren		Favorable
JS-20	6-8	6-9	380	60	440		Barren		Favorable
JS-21	6-5	6-22	385	70	455	0.3	Tr	0.03	Favorable
JS-22	6-22	6-23	317	56	373	0.8	0.01	0.04	Favorable
						0.9	Tr	0.02	
						0.7	Tr	0.01	
						0.1	0.01	0.02	
JS-23	6-17	6-18	160	88	248		Barren		Favorable
JS-25	6-13	6-13	250	75	325	0.4	0.04	0.05	Favorable
						1.5	None	0.01	
						1.7	Tr	0.02	
						2.8	None	0.02	
						0.6	0.01	0.03	
						3.6	None	0.03	
JS-27	6-4	6-5	250	60	310	0.3	0.07	0.05	Favorable
						2.2	0.01	0.02	
JS-28	6-26	6-26	215	60	275		Barren		Favorable
JS-29	6-26	6-27	250	45	295		Barren		Favorable
JS-36	6-24	6-24	155	60	215	0.9	0.03	0.12	Favorable
JS-37	6-30	6-30	250	70	320		Barren		Favorable
JS-38	6-24	6-25	150	70	220		Barren		Favorable
JS-39	6-25	6-26	155	70	225	0.1	Tr	0.06	Favorable
Totals			4366	1062	5428				

Very truly yours,

NEW IDRIA MINING & CHEMICAL CO.

Dean Nicholson

Dean Nicholson

NEW IDRIA MINING & CHEMICAL COMPANY
Uranium Division - P.O. Box 311
Grand Junction, Colorado

August 20, 1957

EXPLANATION AND EXAMPLES FOR USING:

"GRAPH FOR VALUE PER TON OF ORE (A.E.C.)"

1. To determine the value per ton of ore: Place a straight edge on the U308 grade in the left hand % U308 column and place the other end of the straight edge on the V205 grade in the %V205 column, then read the value per ton where the straight edge crosses the left hand $/ton column.

   Example: 0.30% U308 and 2.50% = $41.00/ton (Incl. Dev. Allow.)

2. to determine whether a drill hole can be classified as an ore hole: Place one end of the straight edge on the U308 grade in the right hand % U308 column and the other end of the straight edge on the V205 grade in the %V205 column and note where the straight edge crosses the right hand $/ton column. Place the straight edge horizontal so that one end is on the value in the $/ton column and mark the point where the straight edge intersects the line marked "Minimum thickness required to be classified as ore", then by dropping vertically the thickness required may be determined.

   Example: Using 0.18% U308 and 1.37% V205, a thickness of 1.6 feet is needed.

   A minimum of 28 foot dollars is required to make an ore hole.

EXTRA COPY DMEA RECEIVED AUG 15 1958		
DATE	INITIALS	CODE
		800

[illegible] New Customhouse
Denver 2, Colorado

August 13, 1958

Mr. Arthur W. Goring,
Secretary-Treasurer
New Idria Mining and Chemical Company, Agent
P. O. Box 311
Grand Junction, Colorado

Re: Docket DMEA-1088 (Uranium)
Contract IDm-E1181
New Idria Mining and Chemical Co., Agent
(Hubbard Homestead, Buck Ent et al. claims)
Mesa County, Colorado

Dear Mr. Goring:

Form MP-1D4, Operator's Monthly Report and Voucher, for the month of June 1958, is being presented for payment.

The total number of hours reported for Stage I bulldozing has exceeded the maximum by 15 hours; therefore, the reported cost for dozer bulldozing is disallowed.

You will be further advised of the difference by means of an Administrative Audit Difference Statement, which will be forwarded to you by the Finance Office, Region III.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

MBM:jy
Corres. File E1181
cc: Chm. Op. Comm. (2)
DMEA,DPC
Harshman
Mosher
DMEA,G.Jct.
Cooper
Chron.

Form MF-103 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED JUL 23 1958 D.M.E.A.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of MAY, 1958 Docket No. DMEA 4826 Contract No. IOH E-1181
Operator's Name NEW IONIA MINING AND CHEMICAL COMPANY, AGENT Minerals URANIUM
Address POST OFFICE BOX 311, GRAND JUNCTION, COLORADO
Contract Amount, $ 102,620.00 Government Participation: 75 % Amount, $ 76,965.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent ~~Short Form~~ Contracts:		STAGE 1				
Drilling NON-CORE	3,540.00		3,540.00			
~~Bulldozing~~ NON-CORE	46.20		46.20			
~~Crosscutting~~ CORE	2,252.80		2,252.80			
~~Hauling~~ BULLDOZING	312.00		312.00			
STANDBY TIME	84.00		84.00			
INCIDENTAL ALLOWANCE	483.84		483.84			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	140.00		140.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	6,858.84		6,858.84	6,858.84		6,858.84

I certify that the above bill is correct and just and that payment therefor has not been received.

Date JUNE 16/58 *Payee NEW IONIA MINING & CHEMICAL CO., AGENT

Per Arthur W. Young Title SEC'Y-TREASURER

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$5,441.13

Signature [illegible]
(Authorized Certifying Officer)

Date 7/18/58 Vou. No. DMA 59-5

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1181 in accordance with the terms of the contract.

Signature H. F. Roberson #5,14413 Title Mining Engr. Date 7/7/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature J. W. Townsend Title alternate acting Executive Officer Date JUL 16 1958

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED JUL 23 1958 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of MAY 1958 Docket No. DMEA 4826 Contract No. IDM E-1181

Operator's Name NEW IDRIA MINING AND CHEMICAL COMPANY, AGENT Minerals URANIUM

Address POST OFFICE BOX 311, GRAND JUNCTION, COLORADO

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
[redacted]			STAGE	I				
[redacted]								
[redacted]								
Shafts								
Winzes								
Drilling: Core	FOOT	2,252.80	512	2,252.80	512	4.40	1,515	4.40
[redacted] NON-CORE	"	3,540.00	1,770	3,540.00	1770	2.00	11,175	2.00
[redacted] NON-CORE	"	46.20	22	46.20	22	2.10	4,145	2.10
[redacted] BULLDOZING	HOUR	312.00	26	312.00	26	12.00	80	12.00
[redacted] STANDBY TIME	"	84.00	7	84.00	7	12.00	40	12.00
[redacted] ANALYSIS	EACH	140.00	28	140.00	28	5.00	100	5.00
Roads and Trails								
INCIDENTAL ALLOWANCE	FOOT	483.84	2304	483.84	2304	.21	18,320	.21
TOTAL DISTRIBUTED COSTS		6,858.84		6,858.84				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

REMARKS: H.J.R.

Date JUNE 16, 1958 Operator NEW IDRIA MINING & CHEMICAL CO., AGENT

Per Arthur W. Goring Title SEC'Y-TREASURER

NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

[illegible] New Customhouse
Denver 2, Colorado
July 16, 1958

FINAL DISTRIBUTION
MADE JUL 18 1958
EXTRA COPY
DMEA
RECEIVED JUL 23 1958

DATE	INITIALS	CODE
7/23	Com	100
		800

Memorandum

To: E. A. Christensen

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4046 (Uranium) Contract No. [illegible], New Idria Mining and Chemical Company, Agent, (Richard Rosenstiel, Frank Rak et al, claims) Mesa County, Colorado - Operator's Monthly Progress Report for the month of May, 1958

Enclosed are the original and four copies each of Forms MF-10A and MF-10Ba, Operator's Narrative Report, and Engineer's Report for the above period.

The work is being performed partly under independent subcontract, and partly on fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Bids were not submitted for bulldozer work; however, the bulldozing rates are in line with the standard rates prevailing in the project locality for the size and make of bulldozer used on the project. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount reported on Form MF-10A for May 1958, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Remarks:
Date of Report----------June 16, 1958
Date Received in FIELD Office----------June 18, 1958
Date Received in Region Office----------July 8, 1958

JWC:hmt
Enclosures
cc: Chem. Op. Comm. (2)
DMEA/WDC
MF-10A file, Reg. III
Harshman
Hasler
DMEA/Eliot
Cooper
Caron

w/copy of Engr's report

Original signed by
J. W. TOWNSEND
J. W. Townsend

DMEA
DEPARTMENT OF THE INTERIOR
JUL 8 - 1958
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

July 7, 1958

Memorandum

To: Alternate Acting Executive Officer, DMEA Field Team, Region III

From: H. F. Robertson

Subject: DMEA 4326 (Uranium), Contract Idm-E 1181,
New Idria Mining & Chemical Company, Agent (Hubbard, Homestead, Pack Rat, et al. claims), Mesa County, Colorado.
Progress report for May 1958

Work commenced on the subject contract on May 12, 1958, with surveying and drillsite preparation. Drilling started on May 22, 1958. A progress inspection was made on June 3, 1958, by H. F. Robertson.

The operator's claim (received at Grand Junction on June 18, 1958) covers the costs incurred in the completion of 1,792 feet of non-core drilling and 512 feet of core drilling in seven first stage holes as follows:

Actual Cost Items:

Independent Contracts		
Non-core drilling		
0-300 feet,	1,770 feet at $2.00/ft.	$ 3,540.00
300-600 feet,	22 feet at $2.10/ft.	46.20
Core drilling		
0-400 feet,	512 feet at $4.40/ft.	2,252.80
Standby time	7 hours at $12.00/hr.	84.00
Bulldozing	26 hours at $12.00/hr.	312.00
Miscellaneous items		
Chemical analyses	28 spls. at $5.00 ea.	140.00

Fixed Unit Cost Items:

Incidental allowance	2,304 feet at $0.21/ft.	483.84
	Total claimed for May 1958	$ 6,858.84

The claims are supported by copies of invoices for chemical assaying, bulldozing, and drilling. The drilling footage claimed is in agreement with the invoice and with the footages reported on the operator's geologic logs.

The locations of the completed holes were checked in the field and are as shown on the map accompanying the operator's claim. All holes sites are in accordance with those authorized under Stage I of the subject contract. Inspection of the drill core verified the size, BX, and the penetration into the underlying red mudstone, 1 foot to 9.5 feet. DGGA geologic personnel agree that the cored intervals are within reasonable limits for testing the upper ore-bearing sandstone of the Salt Wash member of the Morrison formation. The probing data of the operator are reported for the cored intervals only. Since this adequately covers the ore-bearing horizon in each hole, it is recommended that the probe data be accepted as conforming to contract specifications. The operator's radiometric logs are in reasonable agreement with results obtained with the DGGA gamma-ray logging unit.

Of the seven holes completed during May 1958, three holes (JS-29, JS-30, and JS-31) penetrated ore-grade material, two holes (JS-32 and JS-35) were mineralized, and two holes (JS-33 and JS-34) were barren of uranium mineralization.

The operator submitted in quintuplicate a signed narrative report with map, MF-104, MF-104A, and geologic and radiometric logs. One copy each of the assay certificate and invoices for drilling, bulldozer work, and chemical analyses accompanied the claim for May 1958.

The monthly and cumulative totals on the MF-104 forms are correct and the work done in conformance with contract specifications and within contract maximums.

The inspecting engineer recommends that the costs incurred in May 1958 be allowed as claimed by the operator. Payment of $5,144.13, representing 75 percent of the claimed amount, $6,858.84, is recommended.

H. F. Robertson

H. F. Robertson
Mining Engineer

Table I.--Summary of drilling results - May 1958
New Idria Mining and Chemical Company
NMMA 4826 Contract Idm-2 1181

	Drilling footage			Mineralization: Radiometric		Mineralization: Chemical		
Hole No.	Core	Non-core	Total	Interval	% eU_3O_8	Interval	% U_3O_8	% V_2O_5
JB-24	81	175	256	195.5-196.0	0.06	188.1-188.3	0.01	0.36
				196.0-196.5	0.40	188.3-190.7	0.02	0.15
				196.5-197.0	0.76	190.7-191.0	0.13	4.77
				197.0-197.5	0.80	195.3-196.9	Trace	0.27
				197.5-198.0	0.52	196.9-198.8	0.93	1.82
				198.0-198.5	0.13	198.8-201.0	0.03	0.10
				198.5-199.0	0.04	201.0-203.4	0.04	0.23
						203.4-206.3	0.02	0.11
						206.3-210.2	0.02	0.03
						208.3-209.0	Trace	0.02
JB-30	74	315	389	356.5-357.0	0.10	339.0-340.7	0.02	0.20
				357.0-357.5	0.83	340.7-341.3	0.05	0.47
				357.5-358.0	0.38	341.3-341.7	0.07	0.10
				358.0-358.5	1.00	355.4-357.0	0.10	0.26
				358.5-359.0	1.24	357.0-359.0	0.30	4.59
				359.0-359.5	0.60	359.0-361.0	0.06	0.74
				359.5-360.0	1.08	361.0-362.5	0.01	0.03
				360.0-360.5	0.36			
				360.5-361.0	0.16			
				361.0-361.5	0.05			
JB-31	75	280	355	319.0-319.5	0.10	320.0-320.5	0.01	0.45
				319.5-320.0	0.21	320.5-321.3	1.45	14.36
				320.0-320.5	0.60	321.3-321.6	0.19	0.14
				320.5-321.0	1.12			
				321.0-321.5	0.34			
				321.5-322.0	0.10			
JB-32	74	185	259	217.0-217.5	0.06	217.4-217.8	0.03	0.20
				217.5-218.0	0.14	217.8-219.2	0.02	0.04
				218.0-218.5	0.16	219.2-220.5	0.06	0.07
				218.5-219.0	0.06	220.5-221.6	0.03	0.04
JB-33	70	302	372	Barren		342.2-343.3	0.05	0.53
JB-34	63	230	293	Barren		246.8-247.2	None	None
JB-35	75	305	380	349.0-349.5	0.08	348.9-349.6	0.09	1.11
				349.5-350.0	0.09	349.6-350.1	Trace	None
				350.0-350.5	0.06			
Totals	512	1,792	2,304					

NEW IDRIA MINING & CHEMICAL COMPANY

URANIUM DIVISION - BOX 311, GRAND JUNCTION, COLORADO

June 10, 1958

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Docket No. DMEA-4826 (Uranium)
Contract No. Idm-E1181
Hubbard Homestead, Pack Rat, et al., Claims
Mesa County, Colorado
Report for May, 1958

Dear Mr. Harshman:

Work commenced on the above contract on May 12, 1958, with surveying and preparation for the drilling program. The bulldozer work to prepare the drill sites was done by Everett J. Edgar, Contractor, 1661 Dolores, Grand Junction, Colorado, with a D-7 "Cat" and working on May 21st, 22nd, 23rd and 28th he prepared ten (10) drill locations during the month.

Drilling on the project by Robert J. Colquitt, Drilling Contractor, 2460 Hall Avenue, Grand Junction, Colorado, started on May 22, 1958, and a total of seven (7) holes were completed during the month with a total footage of 2,304 feet of which 1,792 feet were non-core drilling and 512 feet were core drilling.

The drilling is being done with a Portadrill using air and a large NX core is being cut.

The following holes were completed during the month: JS-24, JS-30, JS-31, JS-32, JS-33, JS-34 and JS-35. In general the results were good and some excellent ore streaks were found.

Weather conditions were excellent and no trouble was encountered in the drilling. Water was encountered in all the holes, however, no severely fractured

areas were found to complicate the drilling.

We are enclosing drill logs, radioactivity logs and a map showing the location of the drill holes.

Very truly yours,

NEW IDRIA MINING & CHEMICAL COMPANY

Dean Nicholson

Dean Nicholson

Encls.

cc: Mr. Arthur W. Goring, Sec'y-Treas.
New Idria Mining & Chemical Co.

JAN 18 1962

New Idria Mining and Chemical Company
and
Beaver Mesa Uranium, Inc., a Joint Venture
New Idria Mining and Chemical Company, Agent
P. O. Box 311
Grand Junction, Colorado

Re: DMA-4826 (Uranium)
New Idria Mining and Chemical Company, Agent
Robert Homestead, Fish Hat, et al., Claims
Mesa County, Colorado
Contract Ida-81181

Gentlemen:

As a result of the repayment of the Government's participation of $66,808.80 in the subject contract, the Government retains no lien against the property or on any future production therefrom.

We appreciate your interest and participation in the DMA exploration program.

Sincerely yours,

George Fumich, Jr.

Director

FMMurphy/gla
1-16-62
cc to: Director's Reading File
Frank E. Johnson
Div. of Contract Adm. & Audit
Region XII (2)
Docket
Code 300

Division of Contract Adm.&Audit

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: New Idria Mining and Chemical Company
and
Beaver Mesa Uranium, Inc., a Joint Venture
New Idria Mining and Chemical Company, Agent
P. O. Box 311
Grand Junction, Colorado

Pursuant to the provisions of Exploration Project Contract No. Ida-Kilbl, dated March 27, 1958, (Docket No. DMEA-4826), hereinafter called the "contract," between the New Idria Mining and Chemical Company and Beaver Mesa Uranium, Inc., a Joint Venture, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

Exploratory drilling in the project area resulted in the discovery of deposits of uranium ore in the upper sandstone unit of the Salt Wash member of the Jurassic Morrison formation.

Dated: MAY 15 1959

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of
Minerals Exploration

MChing/GMcC
May 1, 1959

cc: Docket
Director's Read. File
Div. of Cont. Adm. & Audit
Finance Office
GSS Field Team, Reg. III (2)
Frank E. Johnson
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Kiilsgaard, Rm. 3224
Mr. Ching (2)

cc: Operator
Mr. Alan M. Simpson, Pres.
Beaver Mesa Uranium, Inc.
Box 567
Grand Junction Colo.
Mr. J. L. Thompson
P. O. Box 364
Denver, Colo.
Mr. Bert Hubbard
Delta, Colo.
Mr. Lyman Hubbard
Gateway, Colo.
Mr. Carter W. Elliott
201 Vereda Del Norte
Palm Springs, Calif.
[illegible]
Mr. Lee Murrin and Mrs. Winifred Murrin
822 Tremaine St.
Los Angeles 5, Calif.
Mr. J. B. Crowley
P. O. Box 1192
Grand Junction, Colo.
Miss Delsie M. Crowley
P. O. Box 1135
Grand Junction, Colo.
Mr. L. R. Baker, Trustee
132 North 6th
Grand Junction, Colo.
Mr. Cecil S. Haynie
P. O. Box 896
Grand Junction, Colo.
Mr. Jesse C. Johnson
Director, Div. of Raw Materials
Washington 25, D. C.
Mr. Elton A. Youngberg
AEC, Grand Junction, Colo.

Divi. of Contract Adm. & Audit

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

MAY 18 1959

New Idria Mining and Chemical Company
and
Beaver Mesa Uranium, Inc., a Joint Venture
New Idria Mining and Chemical Company, Agent
P. O. Box 311
Grand Junction, Colorado

Re: Docket No. DMEA-4826 (Uranium)
New Idria Mining and Chemical Company, Agent
Hubbard Homestead, Pack Rat, et al., Claims
Mesa County, Colorado
Contract No. Idm-E1181

Gentlemen:

Enclosed is a "Certification by the United States of America of a Discovery or Development Under an Exploration Project Contract". This certification covers all the land described in Article 2 of the subject contract.

By the terms of the Exploration Project Contract, as amended, and of the certification, all minerals mined or produced from March 27, 1958, to March 27, 1968, are subject to the Government's percentage royalty as set forth in the contract until the amount contributed by the Government is repaid. This amount is $66,808.20.

Payments should continue to be made to the Executive Officer, OME Field Team, Region III, Room 224, New Customhouse Building, Denver 2, Colorado. Checks should be payable to the Office of Minerals Exploration, which is the successor to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer. Any bonus payments or allowances received by you from production are considered to be a part of the purchase price to which the Government's royalty applies. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify the Executive Officer of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Your attention

is especially called to Article 2(d) of the contract relating to the preservation of the Government's right to a percentage royalty on production. Also, if production ceases at any time for an extended period, please notify the Executive Officer at six-month intervals that no production has been made, when that is the case.

Sincerely yours,

Frank E. Johnson

Acting Director

Enclosure

MChing/sma
May 7, 1959

Copies to: Docket
Director's Reading File
Mr. Ching
Frank E. Johnson
Operating Committee
Div. of Contract Adm. & Audit
OME Field Team, Region III (2)
T. H. Kiilsgaard
Frank D. Lamb

Copies also sent to all signers of consent to lien as shown on certification except:

Mr. Jesse C. Johnson
Mr. Elton A. Youngberg

Audit's copy

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 16 1959

DATE	INITIALS	CODE
		80 Oil

TERMINATION AGREEMENT

This agreement made this 27th day of February, 1959, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and New India Mining and Chemical Company and Beaver Mesa Uranium, Inc., a joint venture, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. [illegible], Docket No. [illegible], dated March [illegible], 1958, as amended, hereinafter called the "Contract," that:

1. Effective January 28, 1959, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall not contribute to the cost of any work performed after January 28, 1959.

3. The Operator shall promptly perform all winding-up and enrollment actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government respecting certification of discovery or development percentage royalty and liens to secure the payment thereof, records (including preservation of Operator's records), accounts, audits, and the right to recover any overpayment are hereby reserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims and demands under or arising out of said Contract, except as otherwise provided in this Termination Agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Jones
Acting Director, Office of Minerals Exploration

NEW INDIA MINING AND CHEMICAL COMPANY, ARIZ

By Arthur W. Goring

Title ARTHUR W. GORING SEC. TREAS.

BEAVER MESA URANIUM, INC.

By [illegible]

Title [illegible]

Audit's Copy

FILE COPY
C. M. E.
RECEIVED DEC 22 1958

DATE	INITIALS	CODE

EXPLORATION PROJECT CONTRACT

NEW IDRIA MINING AND CHEMICAL COMPANY
AND BEAVER MESA URANIUM, INC., A JOINT VENTURE

DOCKET NO. DMEA 4826
CONTRACT NO. Idm-E1181

AMENDMENT NO. 1

It is agreed this 11th day of December, 1958 between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and New Idria Mining and Chemical Company, and Beaver Mesa Uranium, Inc., A Joint Venture, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1181, Docket No. DMEA 4826, dated March 27, 1958, hereinafter called the "Contract," that:

The date fixed in Article 3 of the contract form, on or before which the Operator shall have completed the work, is extended from November 30, 1958, to January 31, 1959.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Executed in quintuplicate the day and year first above written.

NEW IDRIA MINING AND
CHEMICAL COMPANY, AGENT

By Alfred Lewis

Title President

UNITED STATES OF AMERICA

By J W Tanner

Executive Officer, OME
Field Team, Region III

EXTRA

RECEIVED 22 1958

DATE | CODE
800

224 New Customhouse
Denver 2, Colorado
December 18, 1958

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4826 (Uranium) Contract Idm-E1181, New Idria Mining and Chemical Company, (Hubbard Homestead, Pack Rat et al claims) Mesa County, Colorado

Enclosed are the following items pertaining to extension of the contract completion date, and approval for additional Stage II drilling:

1. Government's and Audit's copies of Amendment No. 1 to the subject contract, which has been executed in accordance with the "Special Notice" contained in the Minutes, Operating Committee, No. 11, dated October 24, 1958.

2. Three copies of work approval issued by the OME Field Team for the drilling of four additional holes under Stage II of the contract.

3. Three copies of a Joint memorandum, dated December 9, 1958, by J. W. Hasler, Geologist, Geological Survey, and H. F. Robertson, Mining Engineer, Bureau of Mines, pertaining to extension of the contract completion date and approval for the four additional Stage II holes.

Two copies each of the Operator's two relative letters of December 4, 1958, with attachments, were forwarded to you with copies of our memorandum of December 5, 1958, to the field examiners.

Copies of the amendment and work approval have been distributed to the Operator, the Finance Office, and others concerned in Region III.

Original signed by
J. W. TOWNSEND

JDC:lmh

cc: Fin.Off., Reg.III - w/cpy Amend. No. 1, and Work Approval — J. W. Townsend

Harshman)
Hasler)
Robertson, OME/GJ)
Corres. file, Reg III) — w/cpy Amend. No.1, Work Approval, and Joint Memo. dated 12/9/58

Cooper
Chron.

224 New Customhouse
Denver 2, Colorado
December 17, 1958

EXT COPY
O. M. E.
RECEIVED DEC 22 1958

DATE	INITIALS	CODE

Mr. Dean Nicholson
New Idria Mining and Chemical Company
P. O. Box 311
Grand Junction, Colorado

Re: Docket No. DMEA 4826 (Uranium)
Contract 16n-5118
New Idria Mining and Chemical Company
(Hubbard Homestead, Pack Rat et al. claims)
Mesa County, Colorado

Dear Mr. Nicholson:

In reference to your request by letter of December 4, 1958, this constitutes approval by the Government for the drilling of four (4) additional holes under the provisions of Stage II of the captioned contract. The locations of the four (4) approved holes are indicated by the symbol X on the map entitled, "Map Showing Drill Holes on Hubbard Homestead, and Proposed Additional Stage II Holes," which is attached hereto and made a part of this work approval.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum".

Very truly yours,

GME Field Team, Region III

By J. W. Trammel
J. W. Trammel

By E. M. Harshman
E. M. Harshman

JDC:hmh

cc: Chem. Op. Comm. (3)
Finance Office, Reg.III
Amendment File, Reg.III
Harshman
Hesler
Robertson, GME/GJ
Corres.file, Reg.III
Cooper
Chron

MINERAL DEPOSITS
OME
RECEIVED
DEC 10 1958
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

EXTRA COPY
O. M. E.
RECEIVED DEC 22 1958

DATE	INITIALS	

REPLY REFER TO:
OME
DEC 10 1958
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 360
Grand Junction, Colorado

December 9, 1958

Memorandum

To: Executive Officer, OME Field Team, Region III

Through: E. N. Harshman

From: J. W. Hasler
H. F. Robertson

Subject: Docket DMEA 4826 (Uranium), Contract Idm-E 1181
New Idria Mining and Chemical Company (Hubbard Homestead, Pack Rat, et al., claims), Mesa County, Colorado.
Recommendations concerning additional Stage II drilling

The New Idria Mining and Chemical Company has completed a total of 69 Stage I and Stage II holes under terms of the current DMEA contract Idm-E 1181. Twelve of the 29 Stage II holes were recommended to test favorable ground indicated by the results obtained by first stage drilling on the Hubbard Homestead. These recommended Stage II holes have been completed with encouraging results and the operator has requested that four additional Stage II holes be drilled as offsets to ore holes. An extension of the expiration date to January 31, 1959, has also been requested to allow time for the additional drilling.

A detailed study of Stage II drilling on the Hubbard Homestead has been made and the following table shows the results:

Stage II hole No.	Thickness ore/or mineralized	Depth of mineralization	Percent U_3O_8	Thickness O.B.S.S.
JS-58	1.0'	373'	0.11	--
JS-59	--	--	Barren	--
JS-60	1.0'	357'	0.04	--
JS-61	1.5'	523'	0.17	54'
JS-62	1.1'	--	0.22	60'
JS-63	1.0'	--	0.02	55'
JS-64	--	Barren	--	(penetrated fault zone)
JS-65	--	--	Barren	--
JS-66	8.6'	531'	0.39	51'
JS-67	--	--	Barren	36'
JS-68	--	--	Barren	--
JS-69	1.4'	570'	0.21	57'

Four of the Stage II holes recently completed (JS-61 and JS-62, offsetting Stage I hole JS-8; JS-66 and JS-69, offsetting Stage I hole JS-11) penetrated ore-grade material. The map accompanying the operator's request dated December 4, 1958, shows a probable ore body trending southeast between holes JS-8 and JS-11. Consequently, the operator proposes drilling 3 Stage II holes, spaced 150 feet apart, to test the continuity of the ore between holes JS-61, JS-62, and JS-66, and 1 Stage II hole to test a possible southeastward extension from hole JS-66. ~~The operator has requested 3 Stage II holes to test the continuity of the ore found on 150-foot centers between the ore discovered in holes JS-61, JS-62, and JS-66 and 1 Stage II hole to test the possible southeastward extension of ore from hole JS-66.~~

The examining team has inspected the results of coring of the Stage II holes, and has discussed the proposed offset drilling with the operator's representative, Bum Nicholson.

It is the opinion of the examining team that the four holes as requested by the operator should be drilled to more thoroughly delineate the southeasterly trending ore body on the Hubbard Homestead since the results of the previous drilling have proven so encouraging. Therefore, it is recommended that the four proposed Stage II holes be drilled as shown on the attached map.

The proposed holes are located such that ore holes JS-61 and JS-69 will be offset by one hole each and ore hole JS-66 will be offset by two holes. Stage I holes JS-15 and JS-16 were essentially barren but penetrated good thicknesses of favorable sandstone.

It is also recommended that the operator be granted an additional 60-day extension or until January 31, 1959, in order to complete the four recommended Stage II holes.

J. William Hasler

J. William Hasler
Geologist

H. F. Robertson by JWH

H. F. Robertson
Mining Engineer

Map will be sent under separate cover

EXTRA COPY
O. M. E.
RECEIVED OCT 3 1958
DATE | INITIALS | CODE
800

[illegible] Bar Corporation
Denver 2, Colorado
September 26, 1958

Memorandum

To: Chairman, Operating Committee, OME

From: Acting Executive Officer, OME Field Team, Region III

Subject: Docket No. [illegible] (Vacation), Contract No. [illegible], The [illegible] Mining and Smelting Company (Subject Materials of ch. Claims), Mesa County, Colorado

Enclosed are three copies of confirmation of verbal work approval, issued by the OME Field Team, Region III, for the drilling of twelve holes under the provisions of Stage II of the subject contract.

Also enclosed are three copies of a joint memorandum, dated September 25, 1958, from J. William Butler, Geologist, Geological Survey, and E. F. Robertson, Mining Engineer, Bureau of Mines, pertaining to the subject.

Two copies of the Operator's request, dated September 15, 1958, were forwarded with copies of our memorandum of September 17, 1958 to the field examiners.

Copies of the confirmation of work approval have been distributed to the Operator, the Finance Office, and others concerned in Region III.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

JDC:ysf.

cc: Finance Office,
Region III - w/copy of confirmation of work approval.

Harshman
Butler
Robertson GSS/ET
GSS/NFO
Central File
Cooper
Chron.

} w/copy of confirmation of work approval and joint memorandum.

MINERAL REPLY REFER TO:
DMEA
RECEIVED
SEP 25 1958
GEOLOGICAL SURVEY
DENVER, COLORADO

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O. M. E.
RECEIVED OCT 3 1958

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 361
Grand Junction, Colorado

OME

DEPARTMENT OF THE INTERIOR
SEP 25 1958
REGION III
DENVER, COLORADO

September 23, 1958

Memorandum

To: Office of Minerals Exploration, Region III

Through: E. H. Harshman EHH

From: J. V. Hanley
E. F. Robertson

Subject: Request for additional 14 Stage II holes.
Project DMEA 4886 (Uranium), Contract 28-2 1181,
New Mexico Mining & Chemical Company (Hubbard Homestead et al claims),
Rio Arriba County, Colorado

The operator in a letter dated September 15, 1958, to the Acting Executive Officer, DMEA, Field Team, Region III, requested approval to drill an additional 14 Stage II holes on the Hubbard Homestead, Ruth Ann, et al, claims. Of the 14 holes, 11 holes would be deep holes collaring on the Morrison formation. The 14 requested holes will require about 7,818 feet of drilling of which 6,795 feet will be rotary drilling and 1,023 feet will be core drilling. All of the proposed holes will be no closer than 100 feet from the limits on the Hubbard Homestead nor closer than 150 feet from any previously drilled hole.

The following table shows the number of offset Stage II holes to be drilled with respect to each Stage I hole containing significant mineralization or ore-grade material:

Table 1.

Stage I hole	Number of offsets
JR- 1	2
JR- 7	1
JR- 8	4
JR-11	4
JR-17	3
	14

A detailed review of the drilling completed to date on the Hubbard Homestead shows that of 23 holes drilled all were classified as having penetrated ground considered favorable for the occurrence of uranium ore, according to the thickness of ore-bearing sandstone present, its color, grain size, amount of carbon and the ratio between gray-green sandstone and sandstone. The ore-bearing sandstone ranges from 30-78 feet in thickness and averages 58.5 feet. Thirty feet is considered a good average thickness for the usual ore-bearing sandstone.

Complete results have not yet been received from the applicant on 5 of the 28 Stage I holes specified in the contract, however, 8 holes penetrated material of ore grade and thickness and 5 holes contained uranium-bearing material in significant enough quantities to warrant further investigation by offsetting with Stage II drilling.

The operator, as shown in Table 1, has requested 24 Stage II holes to be drilled as offset holes to Stage I holes found to contain either ore-grade material or significant mineralization. The following recommendations are made relative to additional testing of favorable ground on the Hubbard Reservoir.

Stage I hole JB-1 penetrated 2.8 feet of radioactive material that averaged 0.13 percent U_3O_8 at a depth of 348 feet, and JB-3 was a strongly mineralized hole containing about 0.6 foot of material that averaged 0.07 percent U_3O_8. The applicant has proposed two offset holes JB and JB of JB-1 to test the area between JB-1 and JB-6, but the holes shall be offset from JB-1. Stage I holes JB-6 and JB-7 were classified as strongly mineralized holes by the applicant. Hole JB-6 penetrated 0.3 of a foot of material that averaged 0.09 percent U_3O_8 and JB-7 penetrated 0.6 of a foot of material that averaged 0.11 percent U_3O_8. It is recommended that one Stage II hole be drilled as offset hole JB-7 and to test the mineralized area between JB-6 and JB-7 in the southwest corner of the Hubbard Reservoir.

Stage I hole JB-8 penetrated a thickness of favorable ore-bearing sandstone totaling 75 feet, and 1.3 feet of ore-grade material that averaged 1.73 percent U_3O_8, at a depth of about 300 feet. It is recommended that 4 Stage II offset holes be drilled to test the extent of ore-grade material around this hole as shown on the map accompanying this memorandum. Stage I hole JB-11 penetrated a thickness of 39 feet of favorable ore-bearing sandstone as well as a hot spot of 0.5 of a foot of material that averaged 0.08 percent U_3O_8 and 15.87 percent V_2O_5, at a depth of 380.8 feet. The next hole south of JB-11 on the Hubbard Reservoir, JB-12 penetrated 42.7 feet of favorable ore-bearing sandstone as well as 1.2 feet of material that averaged 0.04 percent U_3O_8, therefore, the 4 requested Stage II holes are recommended for drilling.

Stage I hole JB-17 penetrated 67.5 feet of favorable ore-bearing sandstone and an intermittent zone of mineralized material over a thickness of 6 feet that averaged 0.05 percent U_3O_8. One zone, within the 6 feet averaged 0.06 percent over a thickness of 3 feet. It is recommended that 3 Stage II holes be drilled as offsets to JB-17 to more thoroughly test the high zone of mineralization around JB-17.

The combining team recommends a total of 24 Stage II holes, as requested by the applicant, to be drilled as offsets to Stage I holes JB-6, JB-7, JB-8, JB-11, and JB-17 as shown on the accompanying figure. In order to expedite the work, as the applicant presently has a bulldozer in the area and has prepared the sites for the requested holes, it is requested that approval for such holes on the Field Team Data sheets be given immediately by the operator through the combining team at Grand Junction, Colorado.

J. William Hosler
J. William Hosler
Geologist

H. F. Robertson
H. F. Robertson
Mining Engineer

EXTRA COPY
O. M. E.
RECEIVED OCT 3 1958

DATE	INITIALS	COPY

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		A
		25 1958
		CODE
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[illegible] Ave Auditorium
Denver 2, Colorado
August 22, 1958

Memorandum

To: Chairman, Operating Committee, RMOA

From: Albuquerque Acting Executive Officer, RMOA Field Team, Region III

Subject: Contract No. [illegible] (Terminal), Contract No. [illegible], Star Mesa Mining and Chemical Company (Michael Rodriguez, Frank Ray et al. claims), Mesa County, Colorado

Enclosed are three copies of project work approval, issued by the RMOA Field Team, Region III, for the drilling of seventeen (17) holes under Stage II of the contract.

Also enclosed are three copies of a joint memorandum, dated August 18, 1958, from F. William Bunker, Geologist, Geological Survey, and E. F. Schornick, Mining Engineer, Bureau of Mines, pertaining to the survey.

The copies of the Operator's letter, dated July 23, 1958, with attached drilling data and map, were forwarded to you with copies of our memorandum of July 30, 1958 to the field complaints.

Copies of the work approval have been distributed to the Operator, the Finance Office, and others concerned in Region III.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures:

JWT:pel

cc: Finance Office,
Region III - w/copy of work approval.
Bunker
Shaler
Schornick, BMRA/BJ
BMRA/DPC
Gurnik, File
Cooper
Chron.

} w/copy of work approval and joint memorandum.

EXTRA COPY
DMEA
RECEIVED AUG 25 1958
DATE | INITIALS | CODE

[illegible]
[illegible], Colorado
August 22, 1958

Mr. Dan Mahlikuro, Manager
Ore Mills Mining and Chemical Company
Uranium Division
P. O. Box [illegible]
Grand Junction, Colorado

Re: Project No. [illegible] (Prentice)
Contract No. [illegible]
Ore Mills Mining and Chemical Company
(Mineral Hill, Mark Mat et al. Claims)
San Juan, Colorado

Dear Mr. Mahlikuro:

In reference to your letter of July 21, 1958, this constitutes the Commission's approval for the drilling of exploration (2) holes under the provisions of Page 22 of the contract of the Uranium Industry by [illegible], in the [illegible] Uranium Mining, Inc. which is [illegible] by Mineral Hill Mining Company from [illegible], in project August 25, 1958, which is attached hereto and made a part of this work approval. Such approval for the drilling of exploration (2) of the [illegible] (20) approved holes was given August 1, 1958.

Not of the holes reported in your letter of July 21, 1958 are [illegible] contained in the [illegible] Commission approval for drilling of the six holes in [illegible], the holes which will not be approved for drilling are indicated by an asterisk * on the map enclosed herewith.

Drilling in this work approval shall be conducted to improve the [illegible] and work of the project. The approval [illegible] which the Commission may be prepared to consider. If final [illegible] of any [illegible] of work, you may [illegible] of alteration work which is [illegible] [illegible].

JHP:jrl

Very truly yours,

[illegible] Field Office, Region III

By [illegible]
A. E. [illegible]

By E. M. Hardman
A. E. [illegible]

cc: Chief, Ex. Secy. (3)
Finance Office, Region III
Accounting File, Region III
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]

IN REPLY REFER TO:

DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 360
Grand Junction, Colorado

DEPARTMENT OF THE INTERIOR
AUG 20 1958
REGION III
DENVER, COLORADO

August 18, 1958

Memorandum

To: Alternate Acting Executive Officer, DMEA Field Team, Region III

Through: E. E. Hornbaker

From: J. W. Hasler
H. F. Robertson

Subject: Recommendation for Stage II drilling on the Shaking Quakie, Bank Rat Nos. 1 and 2 claims, New Maria Mining & Chemical Company, DMEA Docket 4586, (Uranium) Contract Nos-E 1188, Mesa County, Colorado

The operator requested approval on July 23, 1958, to drill 23 Stage II holes as offsets to 7 holes considered favorable during Stage I drilling.

Verbal approval for 13 Stage II holes to offset Stage I holes JS-29, JS-30, JS-31, and JS-33 was given the operator on August 1, 1958, by the DMEA Field Team Region III, through J. W. Hasler.

A detailed study of the core, logs, and assay data shows there is justification for the approval of the following holes (see table I):

Number of holes recommended	Hole being offset
3	JS-29
3	JS-30
4	JS-31
4	JS-32
3	JS-33
Total 17	

Holes JS-29, JS-30, and JS-31 penetrated good ore-grade material assaying from 0.596 percent U_3O_8 to 1.12 percent U_3O_8 and having a maximum thickness of 3.6 feet. It is recommended to drill the 10 holes requested around holes JS-29, JS-30, and JS-31. Hole JS-32 although only mineralized (3.8 feet of 0.037 percent U_3O_8) penetrated a very favorable sandstone with a thickness of 66.5 feet, possessing a good color and altered sandstone underlying the sandstone. It is advisable to recommend the 4 offset holes requested by the operator to further test the ground around hole JS-32. These 4 offset holes were not included in the verbal approval as the core had not yet been inspected.

Hole JS-35 penetrated mineralized material and contained a fairly good thickness of sandstone and lies in a transition zone between two areas containing ore-grade material, consequently it is recommended that the 3 holes requested as offsets from JS-35 be completed.

Holes JS-33 and JS-27 penetrated thickness portions of favorable sandstone, but were not mineralized sufficiently enough to warrant offsetting at this time. It is, therefore, recommended that the request for offsetting holes JS-27 and JS-33 be denied.

In summary, therefore, it is recommended that 17 Stage II holes, offsetting Stage I holes JS-24, JS-30, JS-31, JS-32, and JS-35 be drilled, approximately as shown on the map accompanying the operator's request. The 17 holes will average about 325 feet and will total approximately 4,875 feet of plug bit (scrapers) drilling, 1,856 feet of core drilling for a total footage of 5,531 feet.

Table I.

Hole No.	Thickness CORE	Depth of Mineralization	Thickness Mineral	Percent U_3O_8	Percent V_2O_5
JS-24	77.4	395.9-398.8	1.9	0.93	1.82
JS-27	58.4	454.2-456.5	0.3	0.07	0.05
JS-30	40.0	335.4-339.0	3.6	0.346	2.65
JS-31	52.7	388.5-391.6	1.1	1.118	10.18
JS-32	65.5	417.8-421.6	3.8	0.037	0.04
JS-33	46.1	348.8-348.3	0.1	0.05	0.55
JS-35	52.3	348.9-349.6	0.7	0.09	1.11

J. William Hosler

J. William Hosler
Geologist

H. F. Robertson

H. F. Robertson
Engineer

MME Form 14
Sept. 1958

Contract No. Idm-E) 1181
14825)

Docket No. DMEA) 4826
MMEX

Date of Action May 19, 1959
Terminated Contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Accounts Section, Finance Branch, Bureau of Mines

From: Director, Division of Operations Control and Statistics

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:

New Idria Mining & Beaver Mesa Uranium Co.
P. O. Box 311
Grand Junction, Colorado

Date of Contract	Region	State	Commodity
March 27, 1958	III	Colorado	Uranium

	Reserve	Obligation
Prior Amount	0	76,965.00
Increase	0	0
Decrease	0	10,156.80
Revised Amount	0	66,808.20

Remarks:

cc: 800
210

43244

DMEA Form 14

Contract No. Idm-E 1181

Docket No. 4826

Executed contract

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
March 27, 1958	III	Colorado	Uranium

Name and Address of Operator: New Idria Mining & Chemical Co., & Beaver Mesa Uraniu, Inc.
New Idria Mining & Chemical Co., Agent
~~2618 North 12th Street~~ P. O. Box 311
Grand Junction, Colorado

	Reserve	Obligation
Prior Amount	76,965.00	0
Increase	0	76,965.00
Decrease	76,965.00	0
Revised Amount	0	76,965.00

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington 5/16/58

22845

RECEIVED MAY 16 1958

Audit copy

MF-200
(Revised June 1954)

Docket No. DMEA 4826

Commodity Uranium

Contract No. Idm-E 1181

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 27 MAR 1958 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] New Idria Mining and Chemical Company, a Nevada corporation, and Beaver Mesa Uranium, Inc., a Nevada corporation, comprising a Joint Venture, whose mailing address is New Idria Mining and Chemical Company, Agent P.O. Box 311 ~~2618 North 12th Street~~, Grand Junction, Colorado, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, xxx Annex II, and map (Figure 3)

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Colorado, County of Mesa, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] See Annex I of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of an assignment of lease recorded in Book --, page --, official records of said County; and and deeds

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Interests of Beaver Mesa Uranium, Inc., J.L. Thompson, L. R. Baker, Trustee, Cecil S.Haynie, Lyman Hubbard, Bert Hubbard, Carter W.Elliott, Lee Murrin, Winifred Murrin, J.B.Crowley and Delsie M. Crowley

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

of the land (lessor, seller, optionor, etc.), are attached, as follows: Consents to Lien and Subordination Agreements of the parties listed in Article 2(b)(2).

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium. The work to be performed is described in Exhibit "A." The Operator on or before May 12, 1958 shall commence the work, and on or before November 30, 1958 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work ~~or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable costs set forth in Exhibit "A"~~ except as otherwise provided in Exhibit "A" with respect to stages of work. See Annex II.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $102,620.00. The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $76,965.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage [illegible] See Annex II.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums.

CATEGORY (2)—PERSONAL SERVICES. See Annex II.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article ~~9~~ 8. See Annex II.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and related costs incurred.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value therof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13. *Changes and added provisions.*—

See Annex II.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf

Administrator, Defense Minerals Exploration Administration

NEW IDRIA MINING AND CHEMICAL CO.
(Operator)

By C. Hyde Lewis
~~xx~~ Title President

BEAVER MESA URANIUM, INC.
By C. Hyde Lewis Agent
Title President

I, ARTHUR W. GORING, certify that I am the Treasurer and secretary of the corporation named as Operator herein; that C. Hyde Lewis who signed this contract on behalf of the Operator, was then President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Arthur W. Goring

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

[illegible]

[illegible]

[illegible]

The land referred to in Article 1 of the [illegible] is situate in Ward [illegible], Borough of [illegible], City of [illegible], and is [illegible] of the [illegible] Tract, [illegible] Tract No. 1, [illegible] Tract No. 2, [illegible] Tract No. 3, [illegible] Tract No. 4, [illegible] Tract No. 5, [illegible] Tract No. 6, [illegible] Tract No. 7, [illegible] Tract No. 8, [illegible] Tract No. 9, [illegible] Tract No. 10, [illegible] Tract No.

The land is shown on the map entitled "Figure 1 - Previous and Proposed Drilling on the Hubbard Homestead and Adjoining Claims, Van Zerle Mining and Chemical Company, Mesa County, Colorado," attached hereto and made a part hereof.

The Operator is the lessee of the Hubbard Homestead, and is owner of the unpatented mining claims.

MF-205
(Combines and supercedes MF-[illegible] and MF-203)
June 1956

For Government's Use Only
EXPL[illegible]TION PROJECT CONTRACT
Operator New Idria Mining & Chem. Co.
Docket No. DMEA-4826
Contract No. Idm-E
Contract Date

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Mesa, State of Colorado, described as follows: 2/

Lot 1, Section 35, Township 51 North, Range 20 West, New Mexico Principal Meridian, a patented homestead consisting of 59.33 acres, more or less

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 3rd day of April, 1958

Alan M. Simpson	[Seal]	Box 567 Grand Junction Colo.	[Address]
Beaver Mesa Uranium, Inc.			
Lyman Hubbard	[Seal]	Galloway, Colo.	[Address]
Lyman Hubbard			
Bert Hubbard	[Seal]	Delta, Colo.	[Address]
Bert Hubbard			
Carter W. Elliott	[Seal]	201 Vereda Norte Palm Springs Calif	[Address]
Carter W. Elliott			
Lee Murrin	[Seal]	822 Tremaine St L.A. 5	[Address]
Lee Murrin			
Winifred Murrin	[Seal]	Delta "	[Address]
Winifred Murrin			

I, Mark Holloway certify that I am the Secretary-Treasurer (Secretary, etc.) of the corporation named herein; that Alan M. Simpson who signed this agreement was then president (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

Mark Holloway

Beaver Mesa Uranium, Inc. [Corporate Seal]

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By_____

Address:
3175 Federal Boulevard
Denver, Colorado

I,_____, certify that I am the secretary of The Prudential Insurance Company of America; that _____ _____ who signed this agreement was then _____ _____ of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
Corporate Seal

MF-205
(Combines and supercedes MF-[illegible] and MF-203)
June 1956

For Government's Use Only
EXPL[illegible]TION PROJECT CONTRACT
Operator New Idria Mining & Chem. Co.
Docket No. DMEA-4826
Contract No. Idm-E
Contract Date

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Mesa, State of Colorado, described as follows: 2/

Unpatented lode mining claim, Shakin Quakie Fraction, located in Section 36, Township 51 North, Range 20 West, N.M.P.M., consisting of 2.41 acres, more or less

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 3rd day of, April, 1958.

Alan M. Simpson Beaver Mesa Uranium, Inc.	[Seal]	Box 567, Grand Junction, Colo.	[Address]
J. E. Thompson J. E. Thompson	[Seal]	P.O. Box 364, Danbury, Conn.	[Address]
L. E. Baker, Trustee L. E. Baker, Trustee	[Seal]	132 No 6th, Grand Junction, Colo.	[Address]
Cecil B. Haynie Cecil B. Haynie	[Seal]	P. O. Box 896, Grand Jct., Colo.	[Address]
	[Seal]		[Address]
	[Seal]		[Address]

I, Mark Holloway certify that I am the Secretary-Treasurer (Secretary, etc.) of the corporation named herein; that Alan M. Simpson who signed this agreement was then President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

Mark Holloway

Beaver Mesa Uranium, Inc. [Corporate Seal]

MF-205
(Combines and supercedes MF-[illegible] and MF-203)
June 1956

For Government's Use Only
EXPL[illegible]TION PROJECT CONTRACT
Operator New Idria Mining & Chem. Co.
Docket No. DMEA-4826
Contract No. Idm-E
Contract Date

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Mesa, State of Colorado, described as follows: 2/

Unpatented lode mining claims, Pack Rat Nos. 1, 2, and 3, Johnnie Mae No. 3, and western 100 feet of Johnnie Mae No. 1, located in Sections 25 and 36, Township 51 North, Range 20 West, N.M.P.M.

, which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 3rd day of April, 1958.

Alan M. Simpson [Seal] Box 567, Grand Jct., Colo. [Address]
Beaver Mesa Uranium, Inc.

J. B. Crowley [Seal] P.O. Box #192 Grand Junction [Address]
J. M. Crowley

Delsie M. Crowley [Seal] P.O. Box 1135 Grand Junction Colo. [Address]
Delsie M. Crowley

J. L. Thompson [Seal] P. O. Box 364, Danbury, Conn. [Address]
J. L. Thompson

L. R. Baker, Trustee [Seal] 132 No. 6th, Grand Junction, Colo. [Address]
L. R. Baker, Trustee

Cecil E. Haynie [Seal] P.O. Box 896, Grand Junction, Colorado [Address]
Cecil E. Haynie

I, Mark Holloway certify that I am the Secretary-Treasurer (Secretary, etc.) of the corporation named herein; that Alan M. Simpson who signed this agreement was then President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

Mark Holloway

Beaver Mesa Uranium, Inc. [Corporate Seal]

[illegible]

[illegible]

[illegible]

ANNEX II

Article 13. [illegible]

(a) That part of the last sentence of Article 3 beginning with the word "Either" is deleted and replaced by the words "are completed the work except as otherwise provided in Exhibit 'B' with respect to stages of work."

(b) That part of the last sentence in the first paragraph of Article 6(a) commencing after the semicolon is deleted.

(c) Categories (4) through (6) of Article 6(a) are deleted.

(d) In addition to the costs of work estimated in Exhibit "A" by categories of actual costs, the costs of work requirements specified in Exhibit "A" as "Fixed Unit Costs" are allowable costs of the project. The Government will contribute to the fixed unit costs as work units are performed. A "fixed unit cost" is an agreed price for each unit of work to be performed regardless of costs incurred by the Operator. Units set forth in Exhibit "A" include all allowable costs of the work to be performed under the Contract.

(e) In the last sentence of Article 6(a), the words "Article 6" are substituted for the words "Article 3."

(f) Notwithstanding any other provisions of the Contract, the allowable unit cost per foot of a drilling item is the average unit cost per foot computed for the sum of all the actual unit costs of that drilling item incurred by the Operator. Further, that the Government will not contribute to any portion of an average unit cost of a drilling item that exceeds the estimated unit cost of said item set forth in the Contract and provided further, that the costs of each stage of work SHALL be computed separately.

[illegible]

[illegible]

[illegible]

No hole shall be drilled closer than 100 feet the outer boundaries of the land described in Annex I, or to underground stopes.

The Government will not contribute to any costs of an incompleted drill hole.

Access roads and drill sites shall be prepared with a D-7 bulldozer, or an equivalent unit of the same or another make.

The project shall be supervised at all times by a geologist or mining engineer, who shall devote full time to the project work.

The location, direction, inclination, and extent of all project work are subject to the approval of the Government.

The work is divided into two stages as hereinafter described. The Operator shall complete Stage I, and shall perform as much of Stage II as the Government approves in writing in advance.

Stage I

Prepare access roads and drill sites, and drill not to exceed 48 holes, aggregating an estimated 18,320 feet of drilling, at the locations indicated on the attached map (Figure 3). (The proposed hole on the Sunkin Quakie claim located 180 feet southwest of completed hole 35-115 shall be omitted.) As indicated, the holes are located in an irregular drilling pattern, with spacing ranging from 200 to 400 feet, and with previously completed holes fitted into the overall pattern. If the 48 holes require more than 18,320 feet of drilling to reach the desired horizon, the additional footage and funds required may, with the written approval of the Government, be transferred and deducted from Stage II.

Stage II

Prepare access roads and drill sites and drill

[illegible] more than 4[illegible] miles, representing not more than 10,000 feet of drilling, on account to previously drilled holes that show significant mineralization. Offset holes on the Ashford Homestead Gold Ltd. [illegible] shall be not less than 150 feet from the previously completed holes with the following exceptions: Where the property is found to be not permit such a minimum offset distance, a lesser spacing may be used if approved in advance by the Government.

Offset holes on land other than the Ashford Homestead Gold Ltd. shall be not less than 150 feet from any previously completed hole.

Estimated Costs of the Project

Phase I

Actual Costs

Category (1) Exploration Contracts

11,[illegible] feet reverse drilling, [illegible] feet depths @ [illegible]/ft.	[illegible]	
4,[illegible] feet reverse drilling, [illegible] feet depths @ [illegible]/ft.	8,[illegible].50	
1,[illegible] feet core drilling, 0-400 feet depths @ $[illegible]/ft.	6,[illegible].00	
1,[illegible] feet core drilling, [illegible] feet depths @ $[illegible]/ft.	5,[illegible].00	
[illegible] feet core drilling, 600-[illegible] feet depths @ $[illegible]/ft.	1,[illegible].00	
36 hours drill crew standby time @ $[illegible]/hr.	[illegible].00	
60 hours bulldozing @ $12/hr.	[illegible].00	$46,[illegible].00

Categories (2) through (6)

None

Category (7) Miscellaneous

Core boxes:
300 cardboard core boxes @ $1/each $300.00

100 chemical samples analyzed @ $5/sample	$500.00	$500.00
		$47,468.50

Field Unit Costs (See Annex II-d)

Incidental allowance 1/ for each foot of hole drilled, 18,500 feet @ $0.21/ft.	$3,885.20	

Estimated Total Cost of Stage I $51,309.70

Stage II

Estimated Costs of Stage II are identical to those of Stage I $51,309.70

Summary of Costs

Estimated Total Cost of Stage I	$51,309.70
Estimated Total Cost of Stage II	$51,309.70
Estimated Total Cost of the Project (rounded)	$102,620.00
Government Participation @ 75 percent	$76,965.00

1/ Includes all allowable costs of the project under Categories (1) through (7) of Article 5(a), except as otherwise scheduled in Exhibit "A."

NEW IDRIA MINING AND CHEMICAL COMPANY
IDRIA, SAN BENITO COUNTY, CALIFORNIA
Telephone: New Idria Toll Station

May 10, 1958

DMEA
DEPARTMENT OF THE INTERIOR
MAY 14 1958
REGION III
DENVER, COLORADO

United States
Department of The Interior
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Attention: Mr. E.N. Harshman
Acting Executive Officer

Subject: Docket No. DMEA 4826 (Uranium)
New Idria Mining & Chemical Co.,
Agent (Hubbard Homestead, Pack Rat,
et al. claims) Mesa County, Colorado -
Proposed Exploration Project Contract
No. Idm-E1181

Gentlemen:

We enclose executed copies of the Government's, Audit, Finance Office, and Field Team subject contract.

The insertion date for Article 3 will be May 12, 1958.

Thank you for your courtesy.

Very truly yours,

Arthur W. Goring

Arthur W. Goring
Secretary-Treasurer

Enclosures

AWG/eck

MASTER COPY
D M S E
RECEIVED MAY 16 1958
DATE
CODE
800

[illegible] Ave Customhouse
Denver 2, Colorado
May 14, 1958

Memorandum

To: Chairman, Operating Committee, DMSE

From: Acting Executive Officer, DMSE Field Team, Region III

Subject: Project No. DMSE [illegible] (Uranium), Contract No. [illegible], Sun Maria Mining & Chemical Company, Agent (Without Respondent, Peak Mat, et al. clients), Mesa County, Colorado

Enclosed are the Government's and Agent's copies of Exploration Project Contract No. [illegible], which was forwarded by your letter of March 27, 1958 for inserting of a suitable starting date in Article 3, attachment of three executed Contract to Item Sheet, and signature by the Operator.

The contract was signed by an official of Sun Maria Mining and Chemical Company for itself and as Agent for Peaks Mat Vanadium, Inc., the other member of the joint venture. In addition, the signer inserted a new mailing address in the heading of the contract form.

Also enclosed are two copies of the Operator's letter by which the executed copies of the contract were returned to this office, and three copies of a letter from this office, dated May 14, 1958, thereby we forwarded the "Operator's Copy" of the contract, blank report forms, instructions relative to reporting on work performed under the contract, and procedures to be followed in communicating with this office in all matters pertaining to the contract.

The contract, dated March 27, 1958, provides for exploration work estimated to cost $[illegible], toward which the Government shall contribute 75 percent, or not to exceed of $[illegible].

Copies of the contract have been distributed to the Finance Office and others concerned in Region III.

Original signed by
E. N. HARSHMAN

Enclosure.
cc: Finance

Finance Office, Region III Harshman DMSE/Co-Ord. Baker DMSE/RPS Durant, File - w/copy of letter to Operator. Bedford Comm.	w/copy of contract and letter to Operator.

E. N. Harshman

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

MAY 14 1958

New Idria Mining & Chemical Company
P. O. Box 311
Grand Junction, Colorado

Re: Docket No. DMEA 4826 (Uranium)
Contract No. Idm-E1181
New Idria Mining & Chemical Company, Agent
(Hubbard Homestead, Pack Rat et al. claims)
Mesa County, Colorado

Gentlemen:

Enclosed is the "Operator's Copy" of Exploration Project Contract No. Idm-E1181, Docket No. DMEA 4826.

Also enclosed are six copies of Form MF-104, "Operator's Monthly Report and Voucher," and six copies of Form MF-104A, "Operator's Unit Cost and Progress Report." At the end of the first calendar month after work is commenced, and monthly thereafter, you are required to submit the original and four copies of each form to the

Defense Minerals Exploration Administration
P. O. Box 360
Grand Junction, Colorado.

The extra copy is for your records.

Forms MF-104 and MF-104A are to be combined into five sets of one of each form. Each set of the combined forms is to be accompanied by a map or sketch, showing the location and extent of work performed, and a signed narrative report which describes the work performed, conditions encountered, and results of the work. The monthly accounting report will not be processed for reimbursement unless it is accompanied by a signed narrative report and other required or pertinent data. Additional copies of Forms MF-104 and MF-104A will be forwarded to you each month on receipt of your report for the prior month.

The U. S. Geological Survey and the U. S. Bureau of Mines maintain a field office in the A.E.C. Compound at Grand Junction. DMEA representatives of the two Services can be contacted as follows:

J. W. Hasler, Geologist, Geological Survey;

M. H. Salsbury, Mining Engineer, Bureau of Mines;

Telephone: Grand Junction, Chapel 3-2110,
Extension 272 or 282.

P. O. Box 3[illegible], Grand Junction, Colorado.

For your information, and in reply to many questions that have been asked, after Forms MF-104 and MF-104A are received, an engineer will check progress on the project and review your accounts, after which the report forms will be forwarded to this office for administrative examination and vouchering. If the report is in order, a check will be issued by the Treasury Department for the Government's portion of the approved costs. If you have any difficulty in completing these forms and the reports, please call on either the field representatives or this office for assistance.

In the matter of your claim for reimbursement of drilling costs under the terms of the contract, reimbursement to you will be on the basis of a hole or holes completed to the objective, which has, or have been, drilled in compliance with the conditions under the "General Provisions" section of Exhibit "A" and the special conditions pertaining to the drilling under each stage. Therefore, your monthly report should include only such holes which are completed to that extent, and the required records made a part of your claim for reimbursement.

The contract is prepared on form MF-200, and under its provisions and as outlined in Exhibit "A" attached to the contract, the allowable costs are a combination of "Actual Costs" and "Fixed Unit Costs," with established maximum average unit costs for the drilling and maximum unit costs which cannot be exceeded for the other items of work under Category (1). Under the provisions of Article 6 of the contract, the work outlined in Exhibit "A" under Category (1) is to be performed by an independent contractor. The actual costs of the work completed under Category (1) are to be recorded under item (1) on Form MF-104 and must be supported and documented by a signed or certified true copy of the billing from the subcontractor. The costs of core boxes and sample analyses under Category (7) are to be recorded under item(7)on Form MF-104. In reference to core boxes, you are to report only the quantity used in each reporting period, and the charge must be documented by copy of the original invoice for the purchase of the core boxes. The number of sample analyses reported must be documented by a copy of the assay return and a signed or certified true copy of the billing from the assayer. Amounts reported on the basis of the "Fixed Unit Costs" require no documentation, as they are otherwise verified. However, costs on a "Fixed Unit Cost" basis are to be recorded on Form MF-104 under item (1). The foregoing applies to both stages of work described in Exhibit "A". For further information relative to documentation of costs, please refer to instructions on the reverse side of Form MF-104. Also, please refer to instructions on the reverse side of Form MF-104A regarding preparation of that form.

In reference to the drilling work under "Category (1)" of Exhibit "A", please refer to item (f) of Annex II attached to the contract pertaining to the average unit cost. If costs incurred any month cause the average unit cost to be in excess of the maximum allowable average unit cost, such excess costs will be suspended, subject to reinstatement at a later date within the aggregate of such suspensions, should the costs incurred any subsequent month cause the average unit cost to fall below the maximum allowable average unit cost. The foregoing applies to each separate class of drilling under each work Stage.

In the event you desire to perform the work under Category (1) on company account instead of subcontracting it, as provided in the contract, it will be necessary that you request and obtain an appropriate amendment to the contract before reimbursement can be made to you for the Government's portion of the allowable incurred costs.

Your requests to this office for work approval, changes in the contract, or any other communication pertaining to operations under the contract, must be in writing, of which please supply the original and five copies, each copy complete with maps or other pertinent data. Each request for action by this office must pertain to one matter only. Such requests are <u>not</u> to be incorporated in your narrative report accompanying monthly progress report Forms MF-104 and MF-104A.

The location of the work to be performed under Stage I is indicated on the map, "Figure 5," attached to the contract. Should conditions encountered necessitate any appreciable change in the location or direction of any of the work, approval must be obtained from this office for the change prior to performance of the work. Otherwise, the work may not be acceptable for reimbursement to you under the terms of the contract.

Your attention is directed to the provision that Stage II work is contingent on results obtained from Stage I, and performance of the work under Stage II is subject to the prior written approval of the Government.

When work under Stage I has been completed, or sufficiently so to permit evaluation of the results of the work, you must request approval from this office for the work you propose to perform under the next stage. Your request for the work approval must be in sextuplicate, each copy complete with a map showing the location and extent of the work completed and the location of the additional work proposed. Your request must also include an evaluation of the work completed and include assay returns and any other pertinent data which will be of value to the Government in appraising the results of the work.

If the work under Stage I is completed in its entirety before you request approval for work under Stage II, you should anticipate a suspension of operations between stages of work, to enable the Government

geologist and engineer to evaluate the results of the work performed and make recommendations to this office relative to the additional work you propose.

To eliminate as much delay to operations as possible, if that is of serious consideration, you should expedite forwarding of the results of work completed and your request for the Government's approval of the additional work you propose.

No oral statement of any person shall be construed to modify or change the terms of the contract. Field representatives of the Government are not authorized to approve any changes in the work program or contract provisions. Such approval can only be given by the Washington Office, DMEA, or by the DMEA Field Team, Region III.

It is a regulation that reimbursement for the cost of work accomplished prior to the date of the contract will not be allowed. It is a requirement and imperative that you notify this office in writing the date work actually commences under the contract.

Very truly yours,

Original signed by
E. N. HARSHMAN

Acting Executive Officer, DMEA
Field Team, Region III

Enclosures

JWT:prl

cc: Chmn. Op. Comm. (3)
Finance Office, Region III
Amendment file, Region III
Harshman
DMEA/DFC
DMEA/Gr.Jct.
Hasler
Corres. file
Townsend
Chron.

DMEA Form 14

Contract No. Idm-E 1181

Docket No. 4826

DEPARTMENT OF THE INTERIOR

Approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
March 27, 1958	**III**	**Colorado**	**Uranium**

Name and Address of Operator: **New Idria Mining & Chemical Co., & Beaver Mesa Uranium, Inc.**
New Idria Mining & Chemical Co., Agent
2618 North 12th Street
Grand Junction, Colorado

	Reserve	Obligation
Prior Amount	0	0
Increase	76,965.00	0
Decrease	0	0
Revised Amount	76,965.00	0

Remarks:

(Name)
Allen S. Daken, Chief
Operations Control and
Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington 3/27/58

22845

POWER OF ATTORNEY

We, the undersigned, NEW IDRIA MINING AND CHEMICAL COMPANY and BEAVER MESA URANIUM, INC., jointly do hereby appoint New Idria Mining and Chemical Company to act as our Agent in all matters connected with an application on Form NF-183, "Application for Aid in an Exploration Project," under the United States Department of the Interior, Defense Minerals Exploration Administration Program which has been docketed DMEA No. 4826, and should the Applicant enter into a contract with the Government as a result of said application, said Agent is authorized to sign the contract, submit all necessary reports and information required, to receive, and to receipt for, any moneys that are now or may hereafter become due to us by reason of said Docket No. DMEA 4826.

Executed this 14 day of January, 1958.

NEW IDRIA MINING AND CHEMICAL COMPANY

By C. Hyde Lewis
President

ATTEST:

Malcolm Burgess
Secretary

BEAVER MESA URANIUM, INC.

By Alan M. Simpson
President

ATTEST:

Mark Holloway
Secretary

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BENITO)

The foregoing instrument was acknowledged before me this 14 day of January, 1958, by C. Hyde Lewis as President, and Malcolm Burgess as Secretary of New Idria Mining and Chemical Company, a corporation.

Witness my notarial seal.

My commission expires My Commission Expires Nov. 4, 1961.

Virginia Hadlich
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF M E S A)

The foregoing instrument was acknowledged before me this 8th day of January, 1958, by Alan M. Simpson as President, and Mark Holloway, as Secretary, of Beaver Mesa Uranium, Inc., a corporation.

Witness my notarial seal.

My commission expires My Commission expires July 1, 1959

Kathryn A. Hogge
Notary Public

AGREEMENT

THIS AGREEMENT, Made and entered into this 29th day of November, 1957, by and between NEW INDIA MINING AND CHEMICAL COMPANY, a Nevada corporation, hereinafter referred to as first party, and BEAVER MESA URANIUM, INC., a Nevada corporation, hereinafter referred to as second party,

WITNESSETH:

WHEREAS, the first party is the owner of the following described unpatented lode mining claims, situate in the Gateway (unorganized) Mining District, in Mesa County, Colorado, to-wit:

Pack Mule Nos. 1, 2 and 3
Shakin Quakin Fraction
Johnnie Mae No. 3
West 100 feet of Johnnie Mae No. 1

and the lessee of the following described land situate in the County of Mesa, and state of Colorado, to-wit:

Lot One (1) of Section 35,
Township 51 North, Range 20
West of the New Mexico Principal
Meridian;

and

WHEREAS, the second party has heretofore leased from the first party said mining claims and sub-leased from the first party said patented ground; and

WHEREAS, the first party has heretofore filed with the Defense Minerals Exploration Administration its application for exploration assistance in conducting exploratory drilling upon said mining claims, and

WHEREAS, it is the mutual wish and desire of the parties hereto to make said loan application a joint application, upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, For and in consideration of the premises and the mutual covenants and agreements herein contained, the parties agree as follows, to-wit:

1. The second party agrees that it will join with the first party in its present application (Docket D.M.E.A. No. 4026 - Uranium) for exploration assistance from the Defense Minerals Exploration Administration in exploratory drilling upon the mining claims and patented ground hereinabove described.

2. It is agreed by and between the parties hereto that any payment of royalty due the Government on ores produced from said lands will be made from the first party's share of returns from ore shipments.

3. First party agrees that it will pay all costs of such exploratory drilling project conducted upon said mining claims not furnished and paid by the Defense Minerals Exploration Administration, and first party does agree to hold and save the second party free and harmless from the obligation to pay any part of the cost of said project.

4. The parties agree that they shall jointly instruct the Defense Minerals Exploration Administration to make all advances paid by it, under the terms and conditions of any contract made with the Defense Minerals Exploration Administration for said project, direct to the first party.

5. The parties agree that the first party shall be responsible for the management, direction and conduct of said drilling project. First party agrees that it will furnish all reports required by the Defense Minerals Exploration Administration, and send copies of same to second party, and the second party shall have no responsibility in the management of said drilling project or in making reports to the Defense Minerals Exploration Administration as required by it. That should first party receive any Notices of forfeiture, either oral or written, from the D.M.E.A. it will immediately notify second party of same, and should first party decide to abandon or relinquish said D.M.E.A. contract, it will first offer to assign same to second party subject to approval of D.M.E.A.

6. Second party agrees to execute any consents to lien required by the Government.

7. Insofar as this program of exploration is concerned, Paragraph 16 of the Agreement of June 1, 1956, between the parties hereto, shall have no force or effect.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

NEW IDRIA MINING AND CHEMICAL COMPANY

ATTEST: M. A. Burgess
Secretary

By _____
President

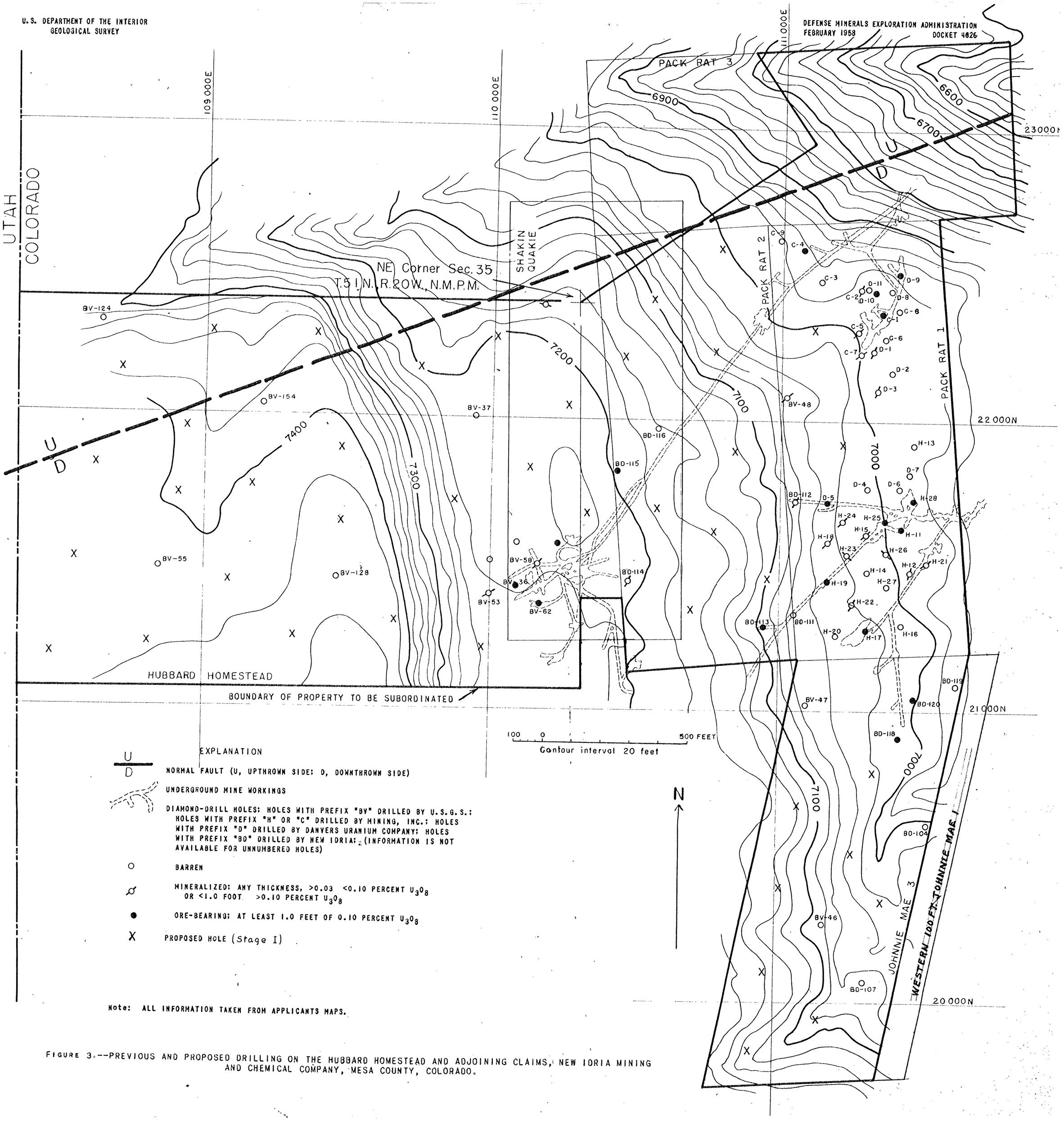
BEAVER MESA URANIUM, INC.

ATTEST: Mark Holloway

By _____
President

U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
FEBRUARY 1958
DOCKET 4826



Note: ALL INFORMATION TAKEN FROM APPLICANTS MAPS.

FIGURE 3.--PREVIOUS AND PROPOSED DRILLING ON THE HUBBARD HOMESTEAD AND ADJOINING CLAIMS, NEW IDRIA MINING AND CHEMICAL COMPANY, MESA COUNTY, COLORADO.

LEGEND

- FAULT
- UNDERGROUND WORKINGS
- BARREN HOLES
- PREVIOUSLY DRILLED MINERALIZED HOLES
- JS SERIES WEAKLY MINERALIZED HOLES
- JS SERIES STRONGLY MINERALIZED HOLES
- HALF ORE HOLES; ORE GRADE, NOT MINEABLE THICKNESS
- ORE HOLES

NOTE:

FIRST STAGE HOLES: JS-1 TO JS-40, INCL.

SECOND STAGE HOLES: JS-41 TO JS-73, INCL.

FINAL REPORT

TOP CONTOURS OF OBSS

URANIUM DIVISION
NEW IDRIA MINING & CHEMICAL COMPANY

P. O. BOX 311, GRAND JUNCTION, COLORADO

DMEA DOCKET NO. 4826 (URANIUM)
CONTRACT NO. IDM-E1181
HUBBARD HOMESTEAD, PACK RAT, ET AL., CLAIMS
MESA COUNTY, COLORADO

SCALE: 1" = 200'
BY: D. N.
MARCH 1959

LEGEND

- FAULT
- UNDERGROUND WORKINGS
- BARREN HOLES
- PREVIOUSLY DRILLED MINERALIZED HOLES
- JS SERIES WEAKLY MINERALIZED HOLES
- JS SERIES STRONGLY MINERALIZED HOLES
- HALF ORE HOLES, ORE GRADE, NOT MINEABLE THICKNESS
- ORE HOLES

NOTE:

FIRST STAGE HOLES: JS-1 TO JS-40, INCL.

SECOND STAGE HOLES: JS-41 TO JS-73, INCL.

FINAL REPORT

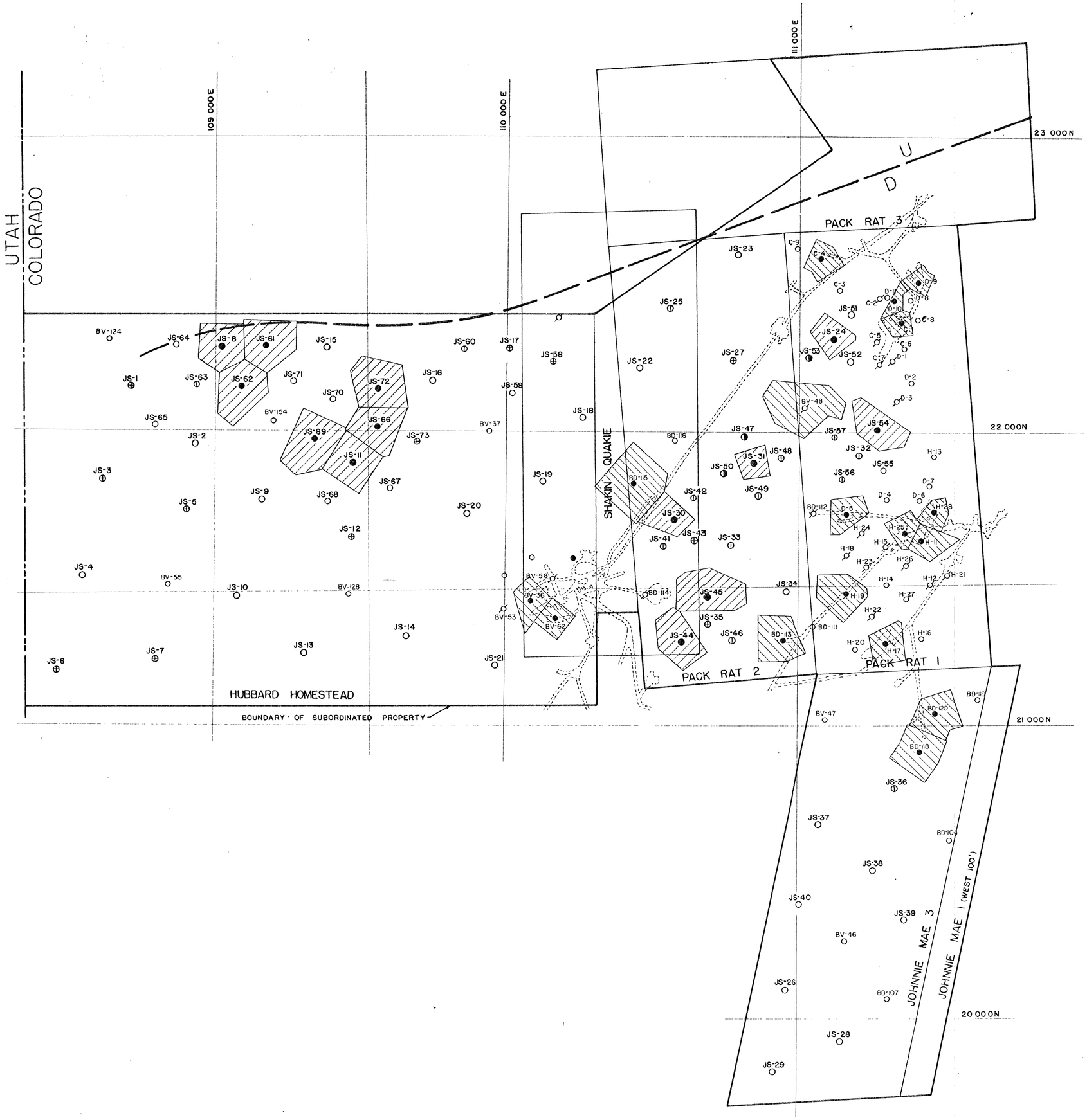
THICKNESS OF OBSS

URANIUM DIVISION
NEW IDRIA MINING & CHEMICAL COMPANY

P.O. BOX 311, GRAND JUNCTION, COLORADO

DMEA DOCKET NO. 4826 (URANIUM)
CONTRACT NO. IDM-E1181
HUBBARD HOMESTEAD, PACK RAT, ET AL., CLAIMS
MESA COUNTY, COLORADO

SCALE: 1"=200'
BY: D.N.
MARCH 1959



LEGEND

- FAULT
- UNDERGROUND WORKINGS
- BARREN HOLES
- PREVIOUSLY DRILLED MINERALIZED HOLES
- JS SERIES WEAKLY MINERALIZED HOLES
- JS SERIES STRONGLY MINERALIZED HOLES
- HALF ORE HOLES, ORE GRADE, NOT MINEABLE THICKNESS
- ORE HOLES
- ORE RESERVES FROM DMEA DRILLING
- ORE RESERVES FROM PREVIOUS DRILLING

NOTE:

FIRST STAGE HOLES: JS-1 TO JS-40, INCL.

SECOND STAGE HOLES: JS-41 TO JS-73, INCL.

FINAL REPORT

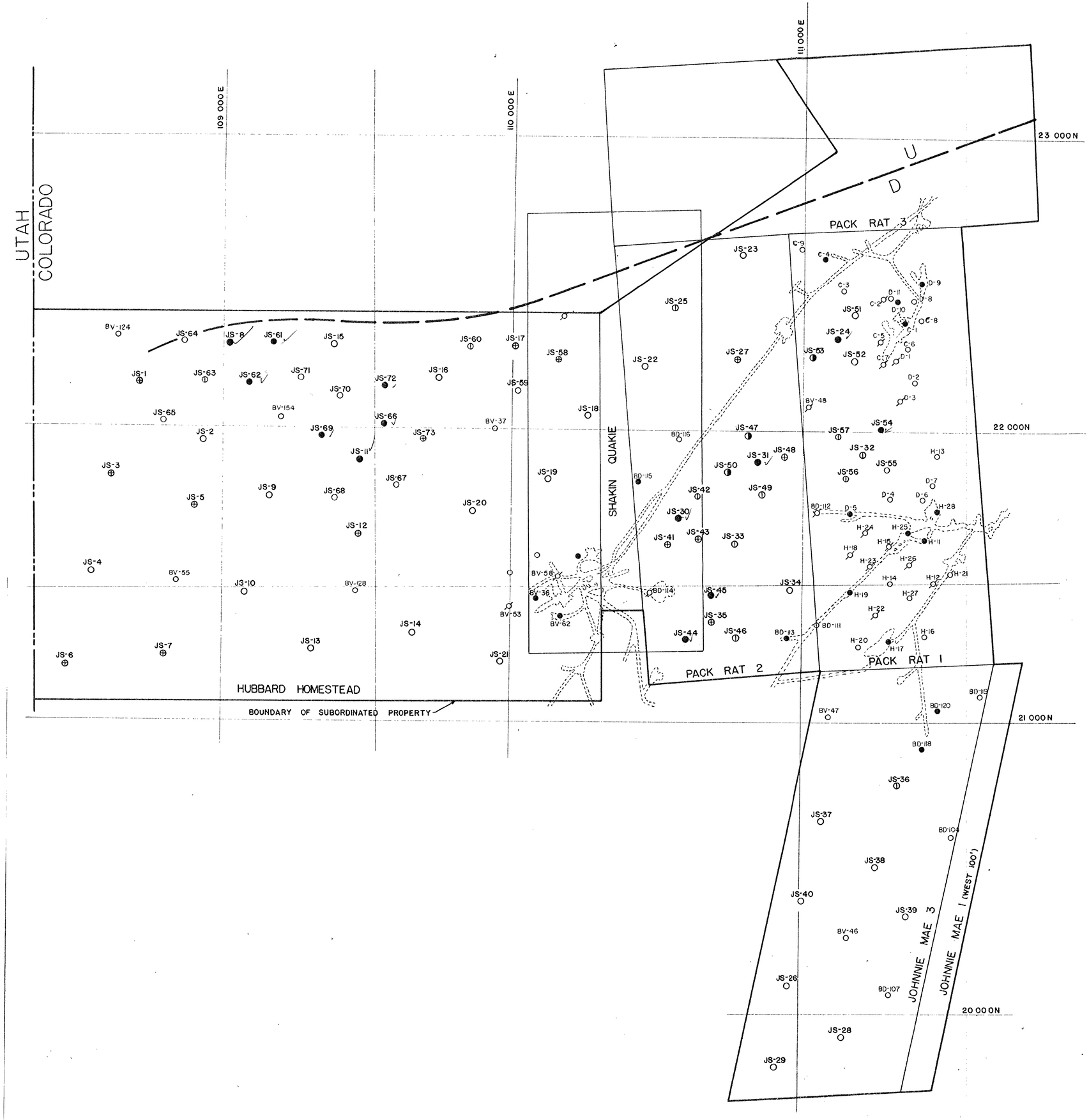
ORE RESERVES

URANIUM DIVISION
NEW IDRIA MINING & CHEMICAL COMPANY

P.O. BOX 311, GRAND JUNCTION, COLORADO

DMEA DOCKET NO. 4826 (URANIUM)
CONTRACT NO. IDM-E1181
HUBBARD HOMESTEAD, PACK RAT, ET AL., CLAIMS
MESA COUNTY, COLORADO

SCALE: 1" = 200'
BY: D.N.
MARCH 1959



LEGEND

- FAULT
- UNDERGROUND WORKINGS
- BARREN HOLES
- PREVIOUSLY DRILLED MINERALIZED HOLES
- JS SERIES WEAKLY MINERALIZED HOLES
- JS SERIES STRONGLY MINERALIZED HOLES
- HALF ORE HOLES, ORE GRADE, NOT MINEABLE THICKNESS
- ORE HOLES

NOTE:

FIRST STAGE HOLES: JS-1 TO JS-40, INCL.
SECOND STAGE HOLES: JS-41 TO JS-73, INCL.

FINAL REPORT

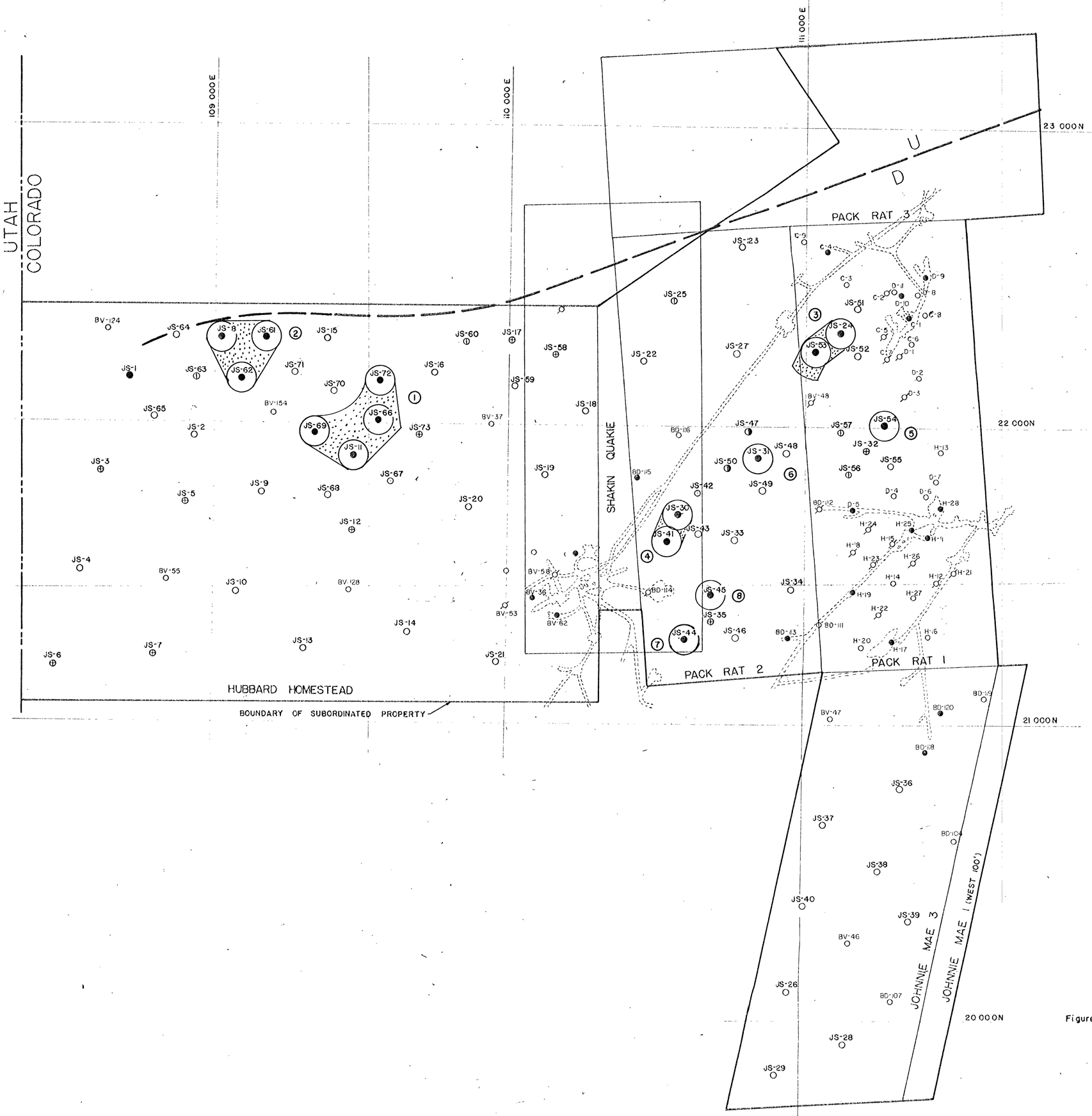
FINAL DRILL PATTERN

URANIUM DIVISION
NEW IDRIA MINING & CHEMICAL COMPANY

P.O. BOX 311, GRAND JUNCTION, COLORADO

DMEA DOCKET NO. 4826 (URANIUM)
CONTRACT NO. IDM-E1181
HUBBARD HOMESTEAD, PACK RAT, ET AL., CLAIMS
MESA COUNTY, COLORADO

SCALE: 1" = 200'
BY: D.N.
MARCH 1959



LEGEND

- FAULT
- UNDERGROUND WORKINGS
- BARREN HOLES
- PREVIOUSLY DRILLED MINERALIZED HOLES
- JS SERIES WEAKLY MINERALIZED HOLES
- JS SERIES STRONGLY MINERALIZED HOLES
- HALF ORE HOLES; ORE GRADE, NOT MINEABLE THICKNESS
- ORE HOLES
- INDICATED RESERVE
- INFERRED RESERVE
- (2) - ORE BODY NUMBER

NOTE:

FIRST STAGE HOLES: JS-1 TO JS-40, INCL.

SECOND STAGE HOLES: JS-41 TO JS-73, INCL.

OFFICE OF MINERALS EXPLORATION

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Figure 3.-- CLAIM MAP OF NEW IDRIA MINING AND CHEMICAL COMPANY PROPERTY SHOWING SUBORDINATED GROUND, DRILL HOLES, AND ORE RESERVE BLOCKS