OFFICE COPY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUG 12 1957

DATE	INITIALS	CODE

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Four Corners Exploration Company
Box 116
Grants, New Mexico

pertaining to Exploration Project Contract No. Idm-E967, Docket No. DMEA-3854, including Amendments Nos. 1 and 2, for the months of October, 1956 to June, 1957, covering a project for the exploration of uranium on property known as Red Rock Claims located in McKinley County, New Mexico.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer, DMEA Field Team, 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 following reason:

> All of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs for work actually performed.

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

Total cost as billed by Contractor		$45,125.27
Exceptions: (Schedule attached)		
By DMEA Finance Officer	$208.65	
Herewith	0.00	208.65
Total Accepted Cost		$44,916.62

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 Thirty-three thousand, six hundred eighty-seven and 46/100ths Dollars

** $33,687.46 **

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

August 9, 1957

T. H. Brading, Auditor

SCHEDULE OF EXCEPTIONS

FOUR CORNERS EXPLORATION COMPANY

Contract Idm-E967 | Docket DMEA-3854

The contract provides that drill holes are to be bottomed 5 feet below the contact between the Todilto limestone and the Entrada sandstone. Holes as listed below were drilled in excess of 5 feet beyond the Todilto - Entrada contact; accordingly, cost of this excess footage is disallowed.

	CORE FOOTAGE			
	Hole No.	Claimed	Allowed to Entrada Contact	Excess	
October, 1956					
	B 13	10	5	5	
	H 7	9	5	4	
	H 11	7	5	2	
	J 13	10	5	5	
	J 11	10	5	5	
	Totals	46	25	21	
	21 feet at $3.90 per foot				$81.90
February, 1957					
	C 8	7	5	2	
	D 6	12	5	7	
	Totals	19	10	9	
	9 feet at $3.90 per foot				35.10
March, 1957					
	G 8	6	5	1	
	G 9	10	5	5	
	H 10	5.5	5	0.5	
	I 7	7	5	2	
	I 9	6	5	1	
	I 10	5.5	5	0.5	
	J 10	8	5	3	
	J 12	7	5	2	
	K 11	8.5	5	3.5	
	Totals	63.5	45	18.5	
	18.5 feet at $3.90 per foot				72.15
June, 1957					
	I 9.5	6	5	1	
	E 7.5	6	5	1	
	E 8.5	7	5	2	
	D 8.5	6	5	1	
	Totals	25	20	5	
	5 feet at $3.90 per foot				19.50
	TOTALS	153.5	100	53.5	$208.65

Disallowances made by Finance Officer are approved by Auditor.

EXTRA COPY DMEA RECEIVED 1957		
DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado

August 6, 1957

Memorandum

To: T. H. Breding, DMEA Auditor

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 3854 (Uranium), Contract No. I4m-E967, Four Corners Exploration Company (Red Rock claims, Sec. 24, T 13 N, R 10 W, N.M. P.M.), McKinley County, New Mexico

The Operator has essentially completed the work provided for under the subject contract and has rendered a final engineering and geologic report and a final accounting as required by the contract.

Therefore, final payment of the Operator's account is in order, contingent on release to this office of a Report of Review of reported project costs.

Acceptable units of work or service completed on a Fixed Unit Cost basis are as follows:

Bulldozing	80	hours
Non-core drilling	27,942.5	feet
Core drilling	2,285	feet
Chemical analysis of samples.	22	

The sum of $500.00 was withheld from reimbursement to the Operator in processing the final accounting report, which was for the month of June, 1957.

Original signed by
E. N. HARSHMAN

E. N. Harshman

JWT:prl

cc: Chem. Op. Comm. - 2
Harshman
Townsend
Corres. file
Chron.

$500.00
NS

8/12/57 DMA-58-14

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

Month of June, 1957 Docket No. DMEA 3854 Contract No. Idm E-967
Operator's Name Four Corners Exploration Co. Minerals Uranium
Address Box 116, Grants, N.M.
Contract Amount, $ 48,424.00 Government Participation: 75% Amount, $ 36,318.00

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 Short Form Contracts:						
Drilling Plug	6476.25	28451.87	34928.12			
Bulldozing	250.00	750.00	1000.00			
~~Crosscutting~~ Coring	1524.90	7595.25	9120.15			
~~Drifting~~ Assays	3.50	73.50	77.00			
(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						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	8254.65	36870.62	45125.27	8235.15	36,870.62	45,105.77
				11-	189.15	189.15
						44,916.62

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 7-6-57 *Payee Four Corners Exploration Co.
Per [signature] Title Owner

*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.

(See instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
36,681.47
$6,176.36
Signature [signature]
(Authorized Certifying Officer)
Date 7/23/57 Vou. No. DMA 58-8
(See other side)

- Previous Deductions
Note: Withhold 500.00

(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. Tdm-E 967 in accordance with the terms of the contract.

Signature W D McMillan (# 6176,36) Title Min. Engr Date 7/15/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W H King Title Executive Officer Date JUL 18 1957

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

Month of June 1957 Docket No. DMEA 3854 Contract No. Idm E-967

Operator's Name Four Corners Exploration Co. Minerals Uranium

Address Box 116, Grants, N.M.

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								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	foot	1524.90	391	9120.15	2338.5	3.90		
~~Churn~~ Plug	foot	6476.25	5181	34928.12	27942.5	1.25		
~~Auger~~ Assay	assay	3.50	1	77.00	22	3.50		
Stripping								
Trenching								
Test Pits								
Roads and Trails Dozing	hour	250.00	20	1000.00	80	12.50		
TOTAL DISTRIBUTED COSTS		8254.65		45125.27				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.

Date 7-6-57 Operator Four Corners Exploration Co.

Per [signature] Title Owner

REMARKS:

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)

RECEIVED JUL 29 1957 D.M.E.A.

[signature]

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
MADE JUL 25 1957

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III
224 New Custom House, Denver 2, Colorado
Administrative Audit Difference Statement

Date: July 23, 1957
Payee's Reference: June 1957

Four Corners Exploration Company, Inc.
Box 116
Grants, New Mexico

Gentlemen:

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

Amount Claimed	$	8,254.65
Difference	$	19.50
Amount Approved	$	8,235.15

The reason for the difference was due to:

Disallow the reported cost of 5 ft core drilling @ $3.90 per ft. $19.50

Reinstate $500.00 which was withheld from the March 1957 voucher.

Withhold $500.00 pending resolution of matters prerequisite to closing the account.

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

Very sincerely yours,

N. E. Stokes
Audit Section

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DATE	INITIALS	CODE
7/29	P.K	220
30	[illegible]	100
		800

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

224 New Customhouse
Denver 2, Colorado

July 18, 1957

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DATE | INITIALS | CODE

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3854 (Uranium) Contract Idm-8967, Four Corners Exploration Company, (Red Rock claims, Sec. 24, T. 13 N., R. 10 W., NMPM) McKinley County, New Mexico - Operator's Monthly Progress Report, for the month of June, 1957

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

Except as otherwise indicated below, 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. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made on the following basis, contingent on your verification of arithmetical accuracy within the report.

Under Exhibit "A", Description of the Work, the contract stipulates that the holes shall be bottomed 5 feet below Todilto limestone. Four holes penetrated in excess of 5 feet below the Todilto limestone, as follows:

Hole No.	Penetration Below Todilto Limestone	Excess core footage
I-9.5	6 ft.	1 ft.
E-7.5	6 ft.	1 ft.
E-8.5	7 ft.	2 ft.
D-8.5	6 ft.	1 ft.
Total excess core footage----------		5 ft.

Disallow the reported cost of 5 feet core drilling at $3.90 per foot----------$ 19.50

Reinstate the amount of $500.00 which was withheld from the March, 1957, voucher, pending performance of additional work.

Withhold an amount of $500.00 pending resolution of matters which are prerequisite to closing the account. All approved work has been completed.

Reconciliation with Amount Reported by the Operator on Form MF-104 for June, 1957

Amount reported on Form MF-104 for June, 1957		$8,254.65
Amount to be disallowed		19.50
Acceptable costs for June, 1957		$8,235.15
Government participation at 75 percent		6,176.36
Amount to be reinstated	$500.00	
Amount to be withheld	500.00	
Net deduction		0.00
Balance due the Operator		$6,176.36

Remarks

Date of Report----------July 6, 1957
Date Received in Field Office----------July 11, 1957
Date Received in Region Office----------July 17, 1957

Original signed by
W. H. KING

W. H. King

Enclosures

JDC:hmh
cc: Chmn. Op. Comm. (2) ✓
IMBA, BPC
MF-104 file, Reg.III
Harshman)
IMBA,G.Jct.) w/copy of Engr's
Healer) report
Townsend)
Chron.

DMEA
DEPARTMENT OF THE INTERIOR

REGION III

JUL 17 1957
REGION III
DENVER, COLORADO

Building 20
Denver Federal Center
Denver 2, Colorado
July 16, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: W. D. McMillan

Subject: DMEA Bonint 3654 (Uranium) Contract IAm-2967, Four Corners Exploration Company, Red Rock claims, sec. 24, T. 13 N., R. 10 W., NMPM, McKinley County, New Mexico -- Progress report for June 1957

An inspection of progress was made on July 8, 1957, accompanied by Irving Rappaport of the subject company.

Fourteen holes with a total of 5572 feet were completed under Stage III. The distribution of drilling is shown in the following table:

Hole No.	Plug Bit feet	Core Bit feet	Total Feet	Mineralization
C-7.5	385	22	407	Nil to 0.02% U_3O_8e
D-8.5	393	30	423 + 1	" " 0.03% "
E-6.5	363	30	393	" " trace
E-7.5	383	25	408 + 1	"
E-8.5	380	30	410 + 2	" " 0.03% "
E-9.5	390	23	413	" " trace
F-8.5	364	30	394	" " 0.01% "
F-9.5	376	21	397	"
H-9.5	337	40	377	" " 0.12% "
				367-369.3 0.105% U_3O_8e
I-9.5	362	26	388 + 1	Nil to 0.05% U_3O_8e
J-9.5	358	27	385	"
J-10.5	363	35	398	" " 0.03% "
K-9.5	360	26	386	" " trace
K-10.5	367	26	393	" " 0.02% "
	5181	391	5572	

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The operator submitted an adequate narrative report, MF-104 and 104A, radiometric logs, maps showing structure contours, locations and assays of drill holes in quintuplicate, bulldozing invoice and chemical analysis invoice in triplicate, and one copy of the driller's logs.

The lithologic logs show that Holes I-9.5, D-8.5, and E-7.5 were cored in the Entrada for 6 feet, 1 foot each in excess of contract specifications of 5 feet, and that Hole E-8.5 was drilled 7 feet into the Entrada, an excess of 2 feet. Therefore, 5 feet of core drilling are disallowed. Items recommended for approval are:

5181 feet of non-core drilling at $1.25/ft.	$6476.25
386 feet of core drilling at $3.90/ft.	1505.40
20 hours of bulldozing at $12.50/hr.	250.00
1 chemical analyses at $3.50 ea.	3.50
Total approved costs	$8235.15

It is recommended that 75 percent of the approved total amounting to $6176.36 be paid.

The operator performed all work in accordance with the terms of the contract and is submitting a final report.

W. B. McMillan
Mining Engineer

WBM/mr
cc: 6
Ida-2967
ahron

FOUR CORNERS EXPLORATION COMPANY
IRVING RAPAPORT
FORREST FINCHER
BOX 116
GRANTS, NEW MEXICO
TEL. AT 7-4722

NARRATIVE REPORT RED ROCK CLAIMS SECTION 24, T13N, R10W, N.M.

Idm E-967
Docket 3854

July 6, 1957

Fourteen holes, a total of 5,572 feet, were drilled on the Red Rock Claims in June. This total is composed of 5,181 feet of non-core to the top of the limestone and 391 feet of core thru the limestone into the underlying Entrada sandstone. The average depth of hole was 398.0 feet. Core recovery averaged 97%.

All holes were probed thru the limestone with a Babbel hole logging machine, and the core was boxed and stored after detailed lithologic logs were prepared on acetate.

The drilling of the fourteen holes during June completed the third stage drilling on the Red Rock Claims. One hole, H-9.5, is classified as sub-ore, 11 holes are mineralized and 3 are barren. It can be noted on the structure contour map that the structural picture was little changed by closer spaced drilling. No narrow, sharply defined, ore-controlling troughs were discovered during stage III. drilling and the frequency and dispersion of mineralization was about the same as that of Stage II. It is possible that significant quantities of ore remain to be found on the claims but the drilling depths appear too great to merit further effort.

A final report will follow soon.

Forrest Fincher
Forrest Fincher

DRILL HOLE TABULATION CHART RED ROCK CLAIMS JUNE 1957

Hole No.	Plug	Core	Depth	From	To	Gamma Value
C-7.5	385	22	407	0	392	0
				392	393	tr
				393	396	.02
				396	398	tr
				398	405	0
D-8.5	393	30	423	0	403	0
				403	410	tr
				410	413	.03
				413	422	0
E-6.5	363	30	393	0	363	0
				363	373	tr
				373	386	0
				386	388	tr
				388	392	0
E-7.5	383	25	408	0	408	0

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IRVING RAPAPORT
FORREST FINCHER

FOUR CORNERS EXPLORATION COMPANY

BOX 116
GRANTS, NEW MEXICO

TEL. AT 7-4722

Hole No.	Plug	Core	Depth	From	To	Gamma Value
E-8.5	380	30	410	0	391	0
				391	397	tr
				397	400	.03
				400	401	tr
				401	410	0
E-9.5	390	23	413	0	399	0
				399	401	tr
				401	413	0
F-8.5	364	30	394	0	372	0
				372	377	tr
				377	381	0
				381	384	.01
				384	393	0
F-9.5	376	21	397	0	397	0
H-9.5	337	40	377	0	341	0
				341	347	.02
				347	364	0
				364	367	.05
				367	369.5	.12
				369.5	371	.04
				371	377	0
I-9.5	362	26	388	0	361	0
				361	364	tr
				364	374	0
				374	375	.05
				375	376	tr
				376	386	0
J-9.5	358	27	385	0	382	0
J-10.5	363	35	398	0	387	0
				387	389	tr
				389	391	.03
				391	398	0
K-9.5	360	26	386	0	373	0
				373	375	tr
				375	381	0
K-10.5	367	26	393	0	366	0
				366	371	tr
				371	374	.02
				374	382	tr
				382	392	0
Totals	5,181'	391'	5,572'			

Chem Assay Hole H-9.5 From 367 To 369.3 .105% U_3O_8

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

Month of March, 1957 Docket No. DMEA 3054 Contract No. 10p-1967
Operator's Name Four Corners Exploration Co. Minerals Uranium
Address Box 116, Cronton, New Mexico
Contract Amount, $ 40,444.00 Government Participation: 75% Amount, $ 36,310.00

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:						
Drilling Plug	6,478.79	23,673.18	30,151.97			
Bulldozing	0.00	750.00	750.00			
Crosscutting Cordas	1,516.00	5,669.63	7,185.63			
Drifting Arroyo	21.00	52.50	73.50			
(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						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	8,016.95	29,745.31	38,161.26	8864.20	27,944.27	36,798.47
				4-	117.00	117.00

RECEIVED MAY 1 1957 D.M.E.A.

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

Date 4-1-57 *Payee Four Corners Exploration Co.

Per [signature] Title Owner

*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:
27,827.27 36,681.47
$ 66 40 45

Signature [signature]
(Authorized Certifying Officer)

Date 4/26/57 Vou. No. DMA 57-14
(See other side)

Previous Disallowance
Note: Withhold 500.00

(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. E967 in accordance with the terms of the contract.

Signature Wm. McMullen ($6640.65) Title Min. Engr. Date 4/8/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature E. M. Kirschman Title Acting Executive Officer Date APR 25 1957

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

Month of March 195 7 Docket No. DMEA 3954 Contract No. [illegible]
Operator's Name Four Corners Exploration Co. Minerals [illegible]
Address Box 116, Grants, New Mexico

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								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		
Churn [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		
Auger [illegible]	[illegible]	[illegible]	6	73.56	61	[illegible]		
Stripping								
Trenching								
Test Pits								
Roads and Trails Bulldozing [illegible]		0	0	750.00	60	[illegible]		
TOTAL DISTRIBUTED COSTS		9926.35		36,070.62				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		[illegible]		[illegible]				

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 4-1-57 Operator Four Corners Exploration Co.

Per [signature] Title Owner

REMARKS:

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)

[illegible]

RECEIVED MAY 1 1957 D.M.E.A.

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
MADE APR 29 1957

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

Administrative Audit Difference Statement

Date: 4/26/57
Payee's Reference: March 1957

Four Corners Exploration Co.
Box 116
Grants, New Mexico

Gentlemen:

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

Amount Claimed $ 8,926.35

Difference $ 72.15

Amount Approved $ 8,854.20

The reason for the difference was due to:

Disallows
18.5 feet of core drilling at 3.90 per foot 72.15

Retainter
(500.00) which was withheld from the Oct. '56 voucher.

Withholds:
(500.00) pending performance of additional work under the contract.

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

Very sincerely yours,

N. E. Stokes
Audit Section

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DMEA
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DATE	INITIALS	CODE
5/1	C	220
	Com	100
		800

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

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DMEA
RECEIVED MAY 1 1957
DATE | INITIALS | CODE

224 New Customhouse
Denver 2, Colorado

April 25, 1957

Memorandum

To: T. A. Christensen

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket-3854, (Uranium) Contract Idm-E967
Four Corners Exploration Company, (Red Rock claims 3 and 4)
McKinley County, New Mexico - Operator's Monthly Progress
Report, for the month of March, 1957

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.

Except as otherwise noted below, 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. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made on the following basis, contingent on your verification of arithmetical accuracy within the report.

Disallowance, Core drilling

Nine holes penetrated in excess of 5 feet into the Entrada sandstone, which is contrary to the provisions of the contract. The excess drilling is disallowed as follows:

Hole No.	Penetration into Entrada ss.	Max. Allow. Penetration into Entrada ss.	Excess core footage
G-8	6.0	5	1.0
G-9	10.0	5	5.0
H-10	5.5	5	0.5
I-7	7.0	5	2.0
I-9	6.0	5	1.0
I-10	5.5	5	0.5
J-10	8.0	5	3.0
J-12	7.0	5	2.0
K-11	8.5	5	3.5

Total excess core footage———— 18.5 feet

Disallow the cost of 18.5 feet of core drilling at $3.90 per foot ——— $72.15

Reinstate the amount of $500.00 which was withheld from the October, 1956 voucher.

Withhold an amount of $500.00 pending the performance of additional work under the contract. If additional work is not authorized by the Government and performed by the Operator, continue to hold this amount pending resolution of matters which are prerequisite to closing the account.

Reconciliation with Amount Reported by the Operator on Form MF-104 for March, 1957

Amount reported on Form MF-104 for March 1957		$8,926.35
Amount to be disallowed		72.15
Total accepted cost for March, 1957		$8,854.20
Government participation at 75 percent		6,640.65
Amount to be reinstated	$500.00	
Amount to be withheld	500.00	
Net deduction or reinstatement		0.00
Balance due the Operator		$6,640.65

Remarks

Date of Report ——— April 1, 1957
Date Received in Field Office ——— April 4, 1957
Date Received in Region Office ——— April 23, 1957

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures
JTC:hh
cc: Chmn. Op. Comm. (2)
Shaw (2)
Harshman) w/copy of
Townsend) Engr's report
MF-104 File, Reg. III
Chron.

DMEA
DEPARTMENT OF THE INTERIOR

APR 23 1957
REGION III
DENVER, COLORADO

Building 20
Denver Federal Center
Denver 2, Colorado
April 22, 1957

REGION III

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: John F. Shaw
Supervising Mining Engineer

From: W. D. McMillan

Subject: DMEA Docket 3854 (Uranium), Contract Idm-2967, Four Corners Exploration Company, (Red Rock Nos. 3 and 4 claims, sec. 24, T. 13 N., R. 10 W., N.M.P.M.) McKinley County, New Mexico. Progress report for March 1957.

An inspection of work completed under the subject contract was made on April 3, 1957, accompanied by Forrest Fischer, geologist for the applicant.

Sixteen holes were drilled during March which completes the 34-hole program authorized under Stage II of the contract. Of the 16 holes, 2 are barren, 13 penetrated mineralized rock and 1 hole encountered rock of sub-ore grade (more than 1 foot of 0.10 percent U_3O_8, but less than 2 feet of 0.20 percent U_3O_8.)

The operator claims payment based on 5,583 feet of non-core and 494 feet of core drilling which was performed according to contractors drill logs. Nine holes penetrated the Entrada formation more than the 5 feet specified in the contract and the following core footages are disallowed:

Hole No.	Footage into Entrada	Excess footage Disallow
G-8	6.0	1.0
G-9	10.0	5.0
H-10	5.5	0.5
I-7	7.0	2.0
I-9	6.0	1.0
I-10	5.5	0.5
J-10	8.0	3.0
J-12	7.0	2.0
K-11	8.5	3.5
Total		18.5

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DATE	INITIALS	CODE

The following items are recommended for approval:

Item	Claimed	Disallow	Allow	Unit Cost	Amount
Non-core feet	5,583		5,583	$1.25	$6,978.75
Core feet	494	18.5	475.5	3.90	1,854.45
Chemical Assays	6		6	3.50	21.00
Total					$8,854.20
Government participation at 75 percent					$6,640.65

Non-core drilling in Stages I and II exceeded the amount estimated in contract specifications and was covered by transfer of footage from Stage III.

The operator submitted 5 copies of an adequate narrative report, lithologic logs, radiometric logs, Forms MF-104 and MF-104A, and one copy each of assay certificates and driller's logs, all of which accompany this report. He also calls attention to an error in recording the grade of ore in Hole F-9 on map showing holes drilled in February.

W. D. McMillan

WDM:jg
Enclosure

cc: 6
Idn-2947
Chron.

FOUR CORNERS EXPLORATION COMPANY
IRVING RAPAPORT
FORREST FINCHER
BOX 116
GRANTS, NEW MEXICO

of

Forrest Fincher

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RECEIVED MAY 1 1957

DATE	INITIALS	CODE

FOUR CORNERS EXPLORATION COMPANY
IRVING RAPAPORT
FORREST FINCHER
BOX 116
GRANTS, NEW MEXICO
TEL. AT 7-4722

Red Rocks - Drill Hole Tabulation Chart - March 1957

Hole No.	Plug	Core	Depth	Mineralization From	Mineralization To	Mineralization Dabbel Value
G-4	310	38	348	0	320.5	0
				321	322	trace
				322.5	347	0
G-6	345	19	364	0	353.5	0
				354	356.5	.02
				356.5	363	0
G-8	357	25	382	0	353	0
				353.5	367.5	trace
				368	375	03
				375.5	382	0
G-9	354	42	396	0	355	0
				355.5	358.5	02
				359	371	trace
				371.5	375	01
				375.5	384	0
				384.5	385.5	02
				386	394	0
G-10	360	31	391	0	361	0
				361.5	374	02
				374	379.5	0
				380	381	01
				381.5	386	trace
				386	391	0
H-8	327	39	366	0	333	0
				333.5	336.5	trace
				336.5	341.5	01
				342	343	trace
				343.5	347.5	01
				347.5	354	0
				354.5	360	02
				360	366	0
H-10	347	38	385	0	345.5	0
				346	360	trace
				360.5	363.5	02
				364	376	0
				376.5	378	05
				378.5	384.6	0

FOUR CORNERS EXPLORATION COMPANY

IRVING RAPAPORT
FORREST FINCHER

BOX 116
GRANTS, NEW MEXICO

TEL. AT 7-4722

Hole No.	Plug	Core	Depth	Mineralization From	Mineralization To	Babbel Value
I-6	329	26	355	0	345	0
				345.5	347	traces
				347.5	349	04
				349.5	350	traces
				351	355	0
I-7	325	29	354	0	354	0
I-8	343	22	365	0	360	0
I-9	339	40	379	0	365	0
				365.5	370.5	traces
				371	379	0
I-10	366	25	391	0	378	0
				378.5	381.5	06
				382	391	0
I-11	365	25	390	0	374	0
				374.5	379.5	traces
				380	390	0
J-10	390	30	420	0	405	0
				405.5	407.5	06
				408	419	0
J-12	371	25	396	0	372	0
				372.5	374	trace
				374,5	386	0
				386.5	388	trace
				388.5	391.5	03
				392	396	0
K-11	355	40	395	0	356	0
				356.5	358	trace
				359	366	0
				366.5	371	trace
				371.5	378	0
				378.5	383.5	trace
				384	384.5	03
				385	387	trace
				387.5	392.9	0
Total	5583'	494'	6077'			

FOUR CORNERS EXPLORATION COMPANY
IRVING RABAPORT
FORREST FINCHER
BOX 116
GRANTS, NEW MEXICO
TEL. AT 7-4722

Chemical Assays--Red Rocks

March, 1957

Six samples were cut from five of the sixteen holes. The results are as follows:

Hole No.	From	To	U_3O_8
G-6	357	357.4	.114
G-8	372	372.5	.033
H-10	375.5	376	.046
J-10	405.5	406	.044
J-10	406	406.5	.727
K-11	383	383.5	.054

It will be noted that there is little correlation between the chemical assay and the gamma value in hole J-10 from 406 -- 406.5. It is thought that the thin zone and the lack of homogeneous distribution of mineralization thru the zone is responsible for this irregularity.

IRVING RAPAPORT
FORREST FINCHER

FOUR CORNERS EXPLORATION COMPANY

BOX 116
GRANTS, NEW MEXICO

TEL. AT 7-4722

April 30, 1957

Mr. John P. Shaw
U.S. Bureau of Mines

Dear Mr. Shaw,

I regret to inform you that an error was made in the mimeographing chemical analysis to the company after the last report (ADM-457) for the month of January. This error was not noticed in the rush time but you will note that the 2-9 on the top shows a fact increased of .01 ppm. Actually this should be a fact of .271 ppm as is shown on the top copy accompanying the latest report.

I am sorry if I have caused you unnecessary work.

Sincerely yours,

Forrest Fincher

Forrest Fincher

cc: Mr. J. L. Baker
Box 300
Grand Junction, Colo.

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DMEA
RECEIVED MAY 1 1957

DATE	INITIALS	CODE

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

Month of February, 1957 Docket No. DMEA 3854 Contract No. Ida E-967
Operator's Name Four Corners Exploration Co. Minerals Uranium
Address Box 116, Grants, N.M.
Contract Amount, $ 48,424.00 Government Participation: 75% Amount, $ 36,318.00

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:						
Drilling Plug	7882.50	13590.62	21473.12			
Bulldozing	375.00	375.00	750.00			
~~Crosscutting~~ Coring	2115.75	3552.90	5668.65			
~~Drifting~~ Assays	38.50	14.00	52.50			
(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						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	10411.75	17532.52	27944.27	10,376.65	17,532.52	27,909.17
				1/-	81.90	81.90
				17,450.62		27,827.27
				$7782.49		

RECEIVED APR 29 1957 D.M.E.A.

I certify that the above bill is correct and just and that payment therefor has not been received.
Date March 4, 57 *Payee Four Corners Exploration Co
Per Barry Lapaport Title Owner

*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
(Authorized Certifying Officer)

Date 4/25/57 Voucher 57-117
(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. Edm-E967 in accordance with the terms of the contract.

Signature W. Dwe Mullen (#779834) Title Min. Engr Date 4/8/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title acting Executive Officer Date APR 23 1957

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 February 1957 Docket No. DMEA 3854 Contract No. Nm E-967
Operator's Name Four Corners Exploration Co. Minerals Uranium
Address Box 116, Grants, N.M.

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								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	foot	2115.75	542.5	5668.05	1453.5	3.90		
--Churn Plug	foot	7882.50	6306.0	21473.12	17178.5	1.25		
--Auger Assays	assay	38.50	11	52.50	15	3.50		
Stripping								
Trenching								
Test Pits								
Roads and Trails	hour	375.00	30	750.00	60	12.50		
Total Distributed Costs		10411.75		27944.27				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		10411.75		27944.27				

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 March 4, 1957 Operator Four Corners Exploration

By [signature] Title Owner

Remarks:

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)

Wm C. Walton

RECEIVED APR 29 1957 D.M.E.A.

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 ... ION

MADE APR 25 1957

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

Administrative Audit Difference Statement

Four Corners Exploration Company
Box 116
Cranto, New Mexico

Date: April 25, 1957
Payee's Reference: February 1957

Gentlemen

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

Amount Claimed	$	10,411.75
Difference	$	35.10
Amount Approved	$	10,376.65

The reason for the difference was due to:

Disallowed 9ft core drilling @ 3.90 per ft. 035.10.

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DATE	INITIALS	CODE
4-29-57	C	220
	Orm	100
		800

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

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DATE | CODE

224 New Customhouse
Denver 2, Colorado

April 23, 1957

Memorandum

To: T. A. Christensen

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3854, (Uranium) Contract Ida-E967
Four Corners Exploration Company, (Red Rock claims 3 and 4) McKinley County, New Mexico - Operator's Monthly Progress Report for the month of February, 1957

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.

Except as otherwise indicated below, 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 on the following basis, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Lithologic logs submitted by the Operator indicate that drill holes C-8 and D-6 penetrated more than five feet into the Entrada sandstone, which is contrary to the contract provisions. The cost of the excess footage is to be disallowed as follows:

Hole No.	Penetration into Entrada sandstone	Maximum allowable penetration into Entrada sandstone	Excess Core Footage
C-8	7 feet	5 feet	2 feet
D-6	12 feet	5 feet	7 feet
	Total excess core footage		9 feet

Disallow the reported cost of 9 feet of core drilling at $3.90 per foot ——— $35.10

Reconciliation with amount Reported by the Operator on Form MF-104 for February, 1957

Amount reported on Form MF-104 for February, 1957	$10,411.75
Amount to be disallowed	35.10
Total acceptable cost for February, 1957	$10,376.65
Government participation at 75 percent	$ 7,782.49

Remarks

Date of Report — March 4, 1957
Date Received in Field Office — March 11, 1957
Date Received in Region Office — March 18, 1957

Original signed by
E. N. HARSHMAN
E. N. Harshman

JJC:hh
cc: Chmn. Op. Comm. (2)
Shaw (2)
Harshman)w/copy of Engr's
Townsend) report
MF-104 File, Reg. III
Chron.

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DATE	INITIALS	CODE

DMEA
DEPARTMENT OF THE INTERIOR

REGION III

APR 22 1957
REGION III
DENVER, COLORADO

Building 20
Denver Federal Center
Denver 2, Colorado
April 17, 1957

Memorandum

To: Executive Officer, Region III, DMEA Field Team
Through: John F. Shaw
Supervising Mining Engineer

From: W. D. McMillan

Subject: DMEA Docket 3854 (Uranium) Contract I4m-2967, Four Corners Exploration Company, Red Rock Nos. 3 and 4 claims, Sec. 24, T. 13 N., R. 10 W., NMPM, McKinley County, New Mexico -- Progress report for February 1957

An inspection of work completed under the subject contract was made on April 3, 1957, accompanied by F. Fischer, geologist for the applicant.

Eighteen holes consisting of 6306 feet of non-core drilling and 542.5 feet of core drilling were completed. Of the 18 holes, 16 were mineralized, 1 hole penetrated more than 2.7 feet of rock containing an average of 0.22 percent U_3O_8 and 1 hole was barren.

The operator submitted 5 copies of a narrative report, five copies of forms MF-104 and 104A, 5 copies of radiometric logs, 2 copies of lithologic logs, 5 maps showing structure contours, locations and assays in drill holes, 2 copies of assay certificate, 1 copy of bulldozing invoice and one copy of driller's logs on which his charges are listed.

Lithologic logs show that holes C-8 and D-6 were drilled 7 and 12 feet, respectively, into Entrada Sandstone whereas only 5 feet of penetration is allowed by the contract.

Therefore 9 feet of core drilling is disallowed. Items recommended for approval are:

6306 feet of non-core drilling at $1.25 a foot	$7882.50
533.5 feet of core drilling at $3.90 a foot	2080.65
30 hours bulldozing at $12.50 an hour	375.00
11 chemical assays at $3.50 each	38.50
	$10,376.65

It is recommended that 75 percent of the approved total amounting to $7782.49 be paid.

cc: 6 I4m-2967 Chron

W. D. McMillan, Mining Engineer

FOUR CORNERS EXPLORATION COMPANY

IRVING RAPAPORT
FORREST FINCHER

BOX 116
GRANTS, NEW MEXICO

TEL. AT 7-4722

March 7, 1957

Idm E967
Docket 3854

Narrative Report - February 1957

Eighteen holes, a total of 6,848.5 feet, were drilled on the Red Rock Claims in March. This total is composed of 6,306 feet of plug drilling to the top of the limestone and 542.5 feet of coring. The average depth of hole was 380.5 feet. Core recovery averaged 97.4%.

One hole, C-8, caved before it could be probed and attempts to clear the block failed. However, core recovery on this hole averaged 97% and a complete evaluation of the mineralization in that hole was possible.

A comparison of the accompanying map and the last progress report illustrates how holes drilled thus far on second stage have served to sharply define the syncline that was vaguely outlined by first stage drilling. Virtually all limestone of the Grants District have been found in sharp downwarps of this type.

The assay results (see drill hole tabulation and attached chemical assay report) of the eighteen hole completed are as follows: 1 hole barren; 16 holes mineralized; 1 hole ore (more than 2 feet of .20% U_3O_8)

It may be noticed that the chemical assays are for thinner zones but yield considerably higher grades when compared with the gamma ray logs for the equivalent depths. These narrow stringers of high grade often imply the presence of a thick high grade ore body within 50 feet.

Drill hole E-9, an ore hole (2.7 feet @ .222% U_3O_8) and F-9 which contains 1 foot at .21% U_3O_8 are 100 feet apart in an east-west direction. (see map) The structure contours at and west of these holes also have an anomalous east-west trend. It may be that these holes are at the edge of a large narrow east-west ore deposit similar to the 110,000 ton body of the Santa Fe Railway Company on Section 25 immediately to the south.

Irving Rapaport

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FOUR CORNERS EXPLORATION COMPANY
IRVING RAPAPORT
FORREST FINCHER
BOX 116
GRANTS, NEW MEXICO
TEL. AT 7-4722

DRILL HOLE TABULATION, MUD ROCK CLAIMS, FEBRUARY, 1957

Hole No.	Plug	Core	Depth	From	To	Gamma Value
A-2	287	29.0	316	0	285	0
				285	288	tr
				288	297	0
				297	300	tr
				300	307	0
				307	310.5	.04
				310.5	314	0
B-2	297	28.5	325.5	0	315.5	0
				315.5	318.5	.02
				318.5	324	0
C-4	324	26.0	350	0	325.5	0
				326	328	tr
				328	341.5	0
				341.5	344.5	.02
				344.5	350	0
C-7	359	36.0	395	0	385	0
				385	386.5	tr
				386.5	388,5	.04
				388.5	390.5	.01
				390.5	394.7	0
C-8	377	35.0	412	Hole Caved		
C-10	404	26.0	430	0	416.5	0
				416.5	417.5	tr
				417.5	421.5	.02
				421.5	429	0
D-6	357	42.0	399	0	351	0
				351	366	.02
				366	393.5	0
D-8	386	31.0	417	0	404	0
				404	406.5	tr
				406.5	408	.01
				408	408.5	.10
				408.5	409.5	.01
				409.5	416.6	0
E-2	294	25.0	319	0	319	0
E-4	328	28.0	356	0	336	0
				336	337	tr
				337	350	0
				350	352	tr
				352	356	0

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FOUR CORNERS EXPLORATION COMPANY
IRVING BAPAPORT
FORREST FINCHER
BOX 116
GRANTS, NEW MEXICO
TEL. AT 7-4722

Hole No.	Plug	Core	Depth	From	To	Gamma Value
E-6	349	35.0	384	0	360.5	0
				360.5	363	tr
				363	366	0
				366	367	.02
				367	379	0
				379	381	.03
				381	384.3	0
E-7	365	30.0	395	0	391	0
				391	392	.05
				392	395	0
E-8	378	26.0	404	0	383.5	0
				383.5	384.5	tr
				384,5	393.5	0
				393.5	396.5	tr
				396.5	403.5	0
E-9	370	36.0	406	0	387	0
				387	389.5	.02
				389.5	391.5	.27
				391.5	401.5	tr
				401.5	406	0
E-10	385	29.0	414	0	400	0
				400	405.5	.01
				405.5	413.5	0
E-12	403	25.0	428	0	417	0
				417	420	.01
				420	427.7	0
F-8	354	29.0	383	0	360	0
				360	363	tr
				363	375	0
				375	377	.02
				377	383	0
I-4	289	26.0	315	0	304	0
				304	306	.01
				306	315	0
Totals	6,306.0	542.5	6,848.5			

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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

Month of October, 1956 Docket No. DMEA 3054 Contract No. Idm-5967
Operator's Name Four Corners Exploration Company Minerals Uranium
Address Box 116, Grants, New Mexico
Contract Amount, $ 48,424.00 Government Participation: 75 % Amount, $ 36,318.000

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:						
Drilling Plug	8,840.00	4,750.62	13,590.62			
Bulldozing		375.00	375.00			
~~Crosscutting~~ Coring	2,143.05	1,409.85	3,552.90			
~~Drifting~~ Assays	14.00		14.00			
(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						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	~~10,983.05~~ 10,997.05	6,535.47	~~17,518.52~~ 17,532.52	10,915.15	6,535.47	17,450.62

RECEIVED DEC 10 1956 D.M.E.A.

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

Date 11-5-56 *Payee Four Corners Exploration Co.

Per [signature] Title Owner

*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:

$ 7,686.36

Signature [signature]
(Authorized Certifying Officer)

Date 11/30/56 Vou. No. 57-61

(See other side)

Note: Withhold 500.00

(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. E-967 in accordance with the terms of the contract.

Signature D. E. Redmon $8186.36 Title Mine Engr. Date Nov. 26, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Inner Title Executive Officer Date NOV 29 1956

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-134A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED DEC 10 1956 D.M.E.A.

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

Month of October 1956 Docket No. DMEA 3054 Contract No. Idm-5967
Operator's Name Four Corners Exploration Co.
Address Box 116, Grants, New Mexico Minerals Uranium

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								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	foot	2,143.05	549.5	3,552.90	911	3.90		
Plug	foot	8,840.00	7072	13,980.62	10,572.5	1.35		
Churn								
Auger								
~~Stripping~~ Assays	assay	14.00	4	14.00		3.50		
Trenching								
Test Pits	hour			375.00	30	12.50		
Roads and Trails								
TOTAL DISTRIBUTED COSTS		~~10,983.05~~ 10,997.05	7,625.5	~~17,518.52~~ 17,532.52				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		~~10,983.05~~ 10,997.05		~~17,518.52~~ 17,532.52				

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 Nov. 5, 1956 Operator Four Corners Exploration

Per [signature] Title Owner

REMARKS: * The 13.5 foot of footwall drilled September have been deducted from the above figure.

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) D. E. Redman

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

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

RECEIVED DEC 10 1956 D.M.E.A.

Administrative Audit Difference Statement

Four Corners Exploration Company
Box 115,
Grants, New Mexico

Date: November 30, 1956
Payee's
Reference: October 1956

FINAL DISTRIBUTION
MADE DEC 6 1956

Gentlemen:

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

Amount Claimed $ 10,997.05

Difference $ 81.90

Amount Approved $ 10,915.15

The reason for the difference was due to:

Disallow: 21 ft of core drilling @ $3.90 per ft. $81.90

Withhold: $500.00 pending possible additional work or pending resolution of matters relative to closing the account.

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

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

224 New Customhouse
Denver 2, Colorado

November 29, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3854 (Uranium) Contract Idm-E967, Four Corners Exploration Company (Red Rock claims 3 and 4) McKinley County, New Mexico - Operator's Monthly Progress Report for the month of October, 1956

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.

Except as otherwise noted below, it is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made on the following basis, contingent on your verification of arithmetical accuracy within the report.

Disallowance, Core Footage

The contract stipulates that drill holes are to be bottomed 5 feet below the Todilto limestone-Entrada sandstone contact. During October, 1956 five holes were drilled in excess of 5 feet beyond the Todilto limestone-Entrada sandstone contact, therefore the excess drilling is disallowed as follows

Hole No.	Excess Core Footage
B-13	5
H-7	4
H-11	2
J-13	5
J-11	5
Total	21

Amount to be disallowed, the cost of 21 feet of core drilling at $3.90 per foot - - - - - - - - - - - - - - - - - - - $81.90

Amount to be withheld

Stage I work has been completed, therefore withhold an amount of $500.00 pending possible additional work. If additional work is not performed under the contract, continue to hold this amount pending resolution of matters relative to closing the account. Stage I work has been completed.

Reconciliation with Amount Reported on Form MF-104 for October, 1956

Amount reported on Form MF-104 for Oct., 1956 - - - -	$10,997.05
Amount to be disallowed - - - - - - - - - - - - - - - - - - -	81.90
Total accepted cost for October, 1956 - - - - - - - - - -	$10,915.15
Government participation at 75 percent - - - - - - - - - -	$ 8,186.36
Amount to be withheld -	500.00
Recommended payment to the Operator - - - - - - - - - -	$ 7,686.36

Remarks

Date of Report - - - - - - - - - - - - - November 5, 1956
Date Received in Field Office - - - November 13, 1956
Date Received in Region Office - - November 27, 1956

Original signed by
W. M. TRAVER
W. M. Traver

Enclosures
JDC:jy
cc: MF-104 File E967
Chm. Op. Comm. (2)
Shaw (2)
Harshman) w/copy engr's report
Townsend) Chron.

REGION III

Memorandum

Building 20
Denver Federal Center
Denver 2, Colorado
November 23, 1956

DMEA
DEPARTMENT OF THE INTERIOR
NOV 27 1956
REGION III
DENVER, COLORADO

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: D. E. Redmon

Subject: Docket DMEA 3854 (Uranium) Contract Idm-E967, Four Corners Exploration Company (Red Rock mining claims Nos. 3 and 4, Sec. 24, T. 13 N., R. 10 W., NMPM) McKinley County, New Mexico. --Progress report for October 1956.

An inspection of completion of stage I was made November 6, 1956, by D. E. Redmon, Bureau of Mines, accompanied by F. Fincher, company geologist.

Four Corners Exploration Company driller's logs show 7072 feet of nonscore-bit drilling and 549.5 feet of core-bit drilling, or a total of 7621.5 feet in 19 holes. This completes the 31 authorized stage I holes.

Page 1, paragraph 2, Exhibit A of contract specifies that holes shall be bottomed five feet below the contact between the Todilto limestone and the Entrada sandstone.

Holes B-9, B-11, D-5, D-9, D-11, D-13, F-9, F-11, F-13, H-5, H-9, H-13, J-7, J-9 penetrated the Entrada sandstone 5 feet or less, but to all intents and purposes have provided the necessary information and should be allowed.

Five holes penetrated the Entrada sandstone more than five feet as follows:

Hole No.	Entrada score	Excess core
B-13	10 feet	5 feet
H-7	9	4
H-11	7	2
J-13	10	5
J-11	10	5
Total	46 feet	21 feet

It is recommended that 21 feet of core drilling be disallowed.

Claim for payment of 4 assays was supported by assay certificate as follows:

Sample	Interval	U_3O_8 percent
F-9	375-375.6	0.226
F-9	387-388	0.272
F-9	388-388.35	0.017
J-11	376.5-377.5	0.117

One copy of assay certificate is retained in this office.

Allowable stage I costs for October are as follows:

Noncore drilling 7072.0 feet at $1.25 per foot	$8,840.00
Core-bit drilling, 549.5 feet reported (disallow 21 feet) 528.5 feet at $3.90 per foot	2,061.15
4 chemical analyses at $3.50 each	14.00
Total allowed	$10,915.15

Government participation at 75 percent would be $8,186.36.

Stage I drilling was completed as follows:

Month	Holes	Footage Drilled Noncore	Footage Drilled Core	Core Disallowed	Core Allowed	Total Allowed
Sept.	12	3800.5	374.0	12.5	361.5	4162.0
Oct.	19	7072.0	549.5	21.0	528.5	7600.5
Total	31	10872.5	923.5	33.5	890.0	11762.5
Contract Allowed	31	10000.0			1100.0	11100.0
Difference	0	872.5			210.0	662.5

Excess noncore drilling——872.5 feet
Allowable core drilling not used—210.0 feet
Net excess over contract——662.5 feet

If the 210 feet of unused core bit footage is credited to noncore footage at noncore rate, then a transfer of 662.5 feet of noncore footage from stage III to stage I can be made, as allowed by the contract. Remaining stage III noncore drilling would then be 6117.5 feet.

Stage I costs:

Bulldozing, 30 hours at $12.50 per hour	$375.00
Nonecore drilling, 10,872.5 feet at $1.25 per foot	13,590.62
Core drilling, 890 feet at $3.90 per foot	3,471.00
Stage I costs (less analyses)	$17,436.62
4 analyses at $3.50 each	14.00
Total Stage I costs	$17,450.62

Holes numbered J-11 and F-9 contained significant uranium mineralization. A request for stage II drilling will probably be submitted.

Payment of 75 percent of the allowed October costs or $8,186.36 is recommended.

The driller's logs and a copy of the lithologic logs are retained at this office.

D. E. Redmon
D. E. Redmon
Mining Engineer

DER:sh
Enc.
cc: 6
Idm-2967
Chron

O. MANOL
IRVING RAPAPORT

FOUR CORNERS EXPLORATION COMPANY
205 PETROLEUM BUILDING
GRAND JUNCTION, COLORADO
TELEPHONE 1774

BRANCH OFFICES
BOX 116, GRANTS, N. M.
BOX 63, NATURITA, COLO.

November 5, 1956

Narrative Report For
October, 1956

Idm-L967
Docket 3854

During the month of October a second Failing 1500 drill was moved onto the Red Rock Claims and the first stage of drilling was completed the 27th of October.

Methods Employed

Both rigs employed were Failing 1500 rotaries with hydraulic pull-downs. All holes were plugged to a point determined to be the top of the limestone with 4½" Hawthorne finger bits and then cored to the bottom of the hole with 3 5/8" double tube, ball-bearing core barrels. Compressed air was used as a circulating medium except where circulation losses dictated the use of drilling mud. Bottom was declared when several feet of what was obviously Entrada sandstone was penetrated. Occassionally a few feet in excess of the five foot contract allowable were cored when the Entrada happened to be especially hard and limey. There is, of course, no objection to the disallowance of this excess footage.

All core was boxed and stored after graphic, detailed litho-logic logs were prepared on acetate. All holes were logged with a carefully calibrated Baltel deep hole gamma ray logger.

Core recovery in limestone was excellent averaging about 95%.

Geologic Evaluation of First Stage Drilling

The results obtained by drilling the 31 authorized first stage holes are considered favorable. Eighty four percent of the holes revealled some degree of uranium mineralization. Several of the cores, notably those from F-9, H-9, J-11, and D-7, contain from fair to good uranium mineralization.

Two other guides to ore which we have found to equal or exceed uranium mineralization in localizing the search for ore are structure and the intensity of associated mineralization.

Two definite synclines have been delineated on the Red Rock Claims. The axis of the larger structure lies roughly along the C line and a smaller syncline may be observed to lie on the E line between the 400 and 900 zone. (see map) This type of structure has been found to be the site of deposition of virtually all limestone ore bodies. This conclusion is confirmed by detailed study of approximately thirty ore bodies in this vicinity.

F. O. MANOL
IRVING RAPAPORT

FOUR CORNERS EXPLORATION COMPANY
205 PETROLEUM BUILDING
GRAND JUNCTION, COLORADO
TELEPHONE 1774

BRANCH OFFICES
BOX 116, GRANTS, N. M.
BOX 63, NATURITA, COLO.

The other significant factor is the presence in abundance of the gangue suite, barite-pyrite-marcasite, that was found in association with pitchblende in holes J-11, K-9, and P-9, all of which holes are either in ore on the flanks of the synclinal structures. These gangue minerals have been found to be sharply confined to the significant uranium deposits in limestone in the Grants District.

The ore bodies of the Todilto formation seem to occur in areas of thicker limestone. The average thickness of limestone on the Red Rock Claims is a favorable 25 feet. (see map)

Irving Rapaport

[illegible] BY [illegible], RED ROCK CLAIMS, OCT [illegible] 1956

Hole No.	Plug	Core	Depth
J-7	329	25	354
J-9	345	22.5	367.5
J-11	356	40	396
J-13	390	39	429
H-5	321	26	347
H-7	338	30	368
H-9	345	30	375
H-11	366	30	396
H-13	383	31	414
F-9	367	26	393
F-11	373	27	400
F-13	400	25	425
D-~~11~~5	345	29	374
D-9	392	29	421
D-11	396	26	422
D-13	426	27	453
B-9	376	30	406
B-11	405	26	431
B-13	419	31	450
Total	7,072	549.5	7,621.5

Mineralization

From	To	Gamma Value
344	345	trace
348	349	.045 U_3O_8
		nil
367	372	.05
376-377		.12
380	382	.04
403	404	trace
338		.02
340	343	trace
348	351	trace
365	365.5	.05
368	368.5	trace
386	387	trace
407	409	.04
373	380	.03
390	393	.02
396	397	.06
387	389	.21
384	385	trace
		nil
366	368	trace
369	370	.03
406	409	.02
409	411	trace
411	413	.02
415	417	.01
413	417	.04
429	432	trace
441	442	.03
398.5	400	.03
401	402.5	.02
424	424.5	trace
		nil

Grants Assay Office and Laboratories

ASSAY CERTIFICATE GRANTS, NEW MEXICO Nov 7 1966

Sample No.	U_3O_8	V_2O_5	Lime	Copper	Pb	Zn	OTHER	OTHER	
F-9	0.226								375-375.6
F-9	0.272								387-388.0
F-9	0.017								388-388.35
F-11	0.117								376.5-377.5
				4 assays @		$4.00	16.00		
						Tax	.32		
							16.32		

J. Gurney Jr
Chemist

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 NOV 8 1956 DMEA

Month of SEPT-, 1956 Docket No. DMEA 2284 Contract No. [illegible]-067
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: 75 % Amount, $[illegible]

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: Short Form						
Drilling	4750.00	0	4750.00			
Bulldozing	375.00	0	375.00			
Crosscutting	1375.00	0	1375.00			
Drifting						
(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						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	[illegible]	0	[illegible]	6,535.47	—	6,535.47

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

Date Nov 8, 1956 *Payee [illegible] Corp. Co.

Per [illegible] Title Owner

*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:

$ 4901.60

Signature [illegible]
(Authorized Certifying Officer)

Date 10/31/56 Vou. No. DMA 57-53

(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. E 967 in accordance with the terms of the contract.

Signature D. E. Redmon #490661 Title Min. Engr. Date Oct 19, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Lacy Title Executive Officer Date OCT 29 1956

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 1956

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

Month of October 1956 Docket No. DMEA 3854 Contract No. IDM-E-967
Operator's Name Four Corners Exploration Co. Minerals Uranium
Address Box 116, Grants, New Mexico

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								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	foot	1458.60	374	1458.60	374	3.90	1100	3.90 *
Churn ~~XXXX~~ Plug	foot	4750.62	3800.5	4750.62	3800.5	1.25	10,000	1.25
Auger								
Stripping								
Trenching								
Test Pits								
~~XXXXXXXXXX~~ Roads and Trails Bulldozing	hour	375.00	30	375.00	30	12.50	30	12.50
Total Distributed Costs		6584.22		6584.22				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.

Date October 2, 1956 Operator Four Corners Expl. Co.

Per [signature] Title Owner

Remarks: * Authorized Stage I

→ 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) R. E. Redmon

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

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

RECEIVED NOV 8 1956 D.M.E.A.

Administrative Audit Difference Statement

Four Corners Exploration Company
Box 116,
Cuba, New Mexico

Date: October 31, 1956
Payee's
Reference: [illegible]

FINAL DISTRIBUTION

MADE NOV 6 1956

Gentlemen:

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

Amount Claimed $ 6,564.22

Difference $ 28.75

Amount Approved $ 6,535.47

The reason for the difference was due to:

Deductions

12½ ft. of excess core drilling @ $2.30 per ft. $28.75.

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

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

RECEIVED NOV 8 1956 D.M.E.A.

224 New Customhouse
Denver 2, Colorado

October 29, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3854 (Uranium) Contract Idm-E967, Four Corners Exploration Company (Red Rock claims 3 and 4) McKinley County, New Mexico - Operator's Monthly Progress Report for the month of September, 1956

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.

Except as otherwise noted below it is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made to the Operator on the following basis, contingent on your verification of arithmetical accuracy within the report.

Disallowance, Core footage

The contract stipulates that the drill holes are to be bottomed 5 feet below the contact between the Todilto limestone and the Entrada sandstone. During September, 1956 four holes were drilled in excess of 5 feet beyond the Todilto-Entrada contact, therefore the cost of excess core footage is to be disallowed as follows

Hole No.	Excess core footage
B-3	5.0
F-5	0.5
J-1	4.0
J-3	3.0
Total excess core footage	12.5

Amount to be disallowed, the cost of 12 1/2 feet of core drilling at $3.90 per foot- - - - - - - - - - - - - - - - - -$48.75

Reconciliation with Amount Reported by the Operator on Form MF-104 for September, 1956

Amount reported on Form MF-104 for Sept., 1956- - - -	$6,584.22
Amount to be disallowed- - - - - - - - - - - - - - - - - -	48.75
Total accepted cost for September, 1956	$6,535.47
Government participation at 75 percent	$4,901.60

Remarks

Date of Report - - - - - - - - - - - - - - - October 2, 1956
Date Received in Field Office- - - - - - October 8, 1956
Date Received in Region Office- - - - - October 22, 1956

Original signed by
W. M. TRAVER

W. M. Traver

Enclosures

JDC:jy
cc: MF-104 File E967
Chm. Op. Comm. (2)
Shaw (2)
Harshman)
Townsend) w/copy engr's report
Chron.

RECEIVED 1956

REGION III

Memorandum

Building 20
Denver Federal Center
Denver 2, Colorado
October 19, 1956

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: D. E. Redmon

Subject: Docket DMEA 3854 (Uranium) Contract Idm-E967, Four Corners Exploration Company (Red Rock mining claims Nos. 3 and 4, Sec. 24, T. 13 N., R. 10 W., NMPM) McKinley County, New Mexico —Progress report for September, 1956

An inspection of progress of stage I was made October 9, 1956, by W. D. McMillan, Bureau of Mines, accompanied by I. Rapaport and F. Fincher, company representatives.

Four Corners Exploration Company driller's logs show 3800.5 feet of non-core bit drilling and 374 feet of core bit drilling, or a total of 4174.5 feet.

Page 1, paragraph 2, Exhibit A of contract, specifies that the holes shall be bottomed five feet below the contact between the Todilto limestone and the Entrada sandstone.

Holes J-5, H-3, D-3, F-3, B-5, B-7, D-7, F-7 penetrated the Entrada sandstone less than five feet, but to all intents and purposes have provided the necessary information and should be allowed.

Four holes penetrated the Entrada sandstone more than five feet, as follows:

Hole No.		Entrada core	Excess
J-3		8 feet	3 feet
J-1		9 feet	4 feet
B-3		10 feet	5 feet
F-5		5.5 feet	0.5 feet
	Total	32.5 feet	12.5 feet

It is recommended that 12.5 feet of core drilling be disallowed.

Allowable Stage I costs are as follows:

Non-core drilling, 3800.5 feet at $1.25 a foot	$4750.63
Core bit drilling, 374 feet reported (disallow 12.5 feet) 361.5 feet at $3.90 a foot	1409.85
*Bulldozing - 30 hours at $12.50 a hour	375.00
TOTAL ALLOWED	$6535.48

*Operator reported 48 hours of bulldozing but charged 30 hours, the amount specified in contract for Stage I.

Payment of 75 percent of the above amount or $4901.61 is recommended.

The driller's logs and one copy of the stratigraphic logs are retained at this office.

D. E. Redmon

D. E. Redmon
Mining Engineer

cc: 6
Idm-E967
Chron

F. O. MANOL
IRVING RAPAPORT

FOUR CORNERS EXPLORATION COMPANY
205 PETROLEUM BUILDING
GRAND JUNCTION, COLORADO
TELEPHONE 1774

BRANCH OFFICES
BOX 116, GRANTS, N. M.
BOX 63, NATURITA, COLO.

October 2, 1956

Adm-L-967
Docket 3854

Narrative Report

Preparation

During the month of August, 1956 the 31 authorized holes were surveyed in with transit and chain, thus carefully locating hole sites and requiring accurate collar elevations.

Beginning the 24th of August and continuing into the first part of September drill sites were prepared. The amount of bulldozing required far exceeded the original estimates mostly due to the difficulties encountered in constructing roads thru dune sands and arroyos.

On September 14, a Failing "1500" rotary drill commenced drilling on hole J-3.

Methods Employed

The drill rig employed is a Failing "1500" rotary with a hydraulic pulldown. All holes are plugged to a point determined to be the top of the Todilto limestone with a 4½" Sawtooth finger bit and then cored to the bottom of the hole with a 3 5/8" double tube, ball bearing core barrel. Compressed air is used as a circulation medium. Bottom is declared when several feet of what is obviously Entrada sandstone has been penetrated.

All cores boxed and stored after graphic, detailed lithologic logs have been prepared on acetate. All holes are logged with a carefully calibrated Inadel drill hole probe.

Core recovery in the limestone is excellent averaging better than 95%.

Results of September Drilling

The results obtained by drilling the 12 holes are considered good with 4/7 of the holes being mineralized. A factor considered to be more important than mineralization is the synclinal structure (see map) that is becoming apparent on the Red Rock 3. This is the type structure associated with ore bodies throughout the adjoining section 30 and section 32 T. 13N., R. 9W.

F. O. MANOL
IRVING RAPAPORT

FOUR CORNERS EXPLORATION COMPANY
205 PETROLEUM BUILDING
GRAND JUNCTION, COLORADO
TELEPHONE 1774

BRANCH OFFICES
BOX 116, GRANTS, N. M.
BOX 63, NATURITA, COLO.

In addition to the structure contour map thicknesses of limestone ~~are~~ is also being carefully watched(see map).

Plans

The drilling of the 31 authorized 200' grid holes will continue during the month of October when a 2nd drilling "1500" will be employed.

Forrest Fincher
Geologist

Forrest Fincher

F. O. MANOL
IRVING RAPAPORT

FOUR CORNERS EXPLORATION COMPANY
205 PETROLEUM BUILDING
GRAND JUNCTION, COLORADO
TELEPHONE 1774

BRANCH OFFICES
BOX 116, GRANTS, N. M.
BOX 63, NATURITA, COLO.

Drill Hole Tabulation Chart

Hole No.	Plug	Core	Depth	Mineralization From	To	Babbel Value	Chem.
J-3	277	28	305	291	292.5	Trace	
				293	295	.01	
J-1	263	29	292	267.5	270	Trace	
				270.5	271	.03	
				276	277	Trace	
				277.5	278.5	.01	
J-5	309	26	335		Nil		
H-3	275	36	311	284.5	286	.015	
				289	291	Trace	
D-3	307	28	335	310.5	311.5	.01	
				327.5	329	Trace	
				329.5	331	.02	
F-3	299	28	327	301.5	303.5	.03	
				304	304.5	.01	
				321.5	322	.02	
B-3	317.5	30	347.5	331.5	332.5	Trace	
				333	335	.02	
B-5	342	28	370		Nil		
B-7	352	41	393	383.5	385	Trace	
				385.5	386.5	.01	
D-7	368	33	401	392	392.5	Trace	
				393	394	.05	
F-7	356	30	386	375.5	379	Trace	
				379.5	381	.03	
				381.5	382	Trace	
F-5	335	37	372	337.5	339	.03	
				345.5	347	.02	
				359.5	364.5	Trace	
Totals	3800.5	374	4174.5				

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

Messrs. F. G. Manel and
Irving Rapoport, Copartners
Four Corners Exploration Company
Box 116
Grants, New Mexico

Re: Docket No. DMEA-3854 (Uranium)
Contract No. 14m-1967
Red Rock Claims
McKinley County, New Mexico

Gentlemen:

Reference is made to your completed exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

Your interest in the DMEA exploration program and participation therein are fully appreciated.

Sincerely yours,

C. O. Mittendorf
Administrator

MChing/gla 2-11-58
cc to: Admr.'s Reading File
Contract Adm. & Audit Div.
Mr. Ching
DMEA Field Team, Region III (2)
Volten S. Tietjen and Theressa Tietjen
C. A. Derryberry and Avid Derryberry
Fidel and Rouse, Inc.
W. A. Thigpen
J. T. Hutton and Paralleá Hutton
Robert K. White, President, Gulf Uranium & Development Company
El Rancho Hotel, Gallup, New Mexico

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

FEB 12 1958

Mr. Robert K. White, President
Gulf Uranium and Development Company
El Rancho Hotel
Gallup, New Mexico

Re: Docket No. DMEA-3854 (Uranium)
Contract No. IAm-8967
Four Corners Exploration Company
Red Rock Claims
McKinley County, New Mexico

Dear Mr. White:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the above-cited contract.

This correspondence relates to the Consent to Lien signed by you on May 25, 1956.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

MChing/gla
2-11-58
cc to: Admr.'s Reading File
Contract Adm. & Audit Div.
Mr. Ching
DMEA Field Team, Region III (2)

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

Mr. Volten S. Tietjen and
Mrs. Theresa Tietjen
Bluewater, New Mexico

Re: Docket No. DMEA-3854 (Uranium)
Contract No. Idm-2967
Four Corners Exploration Company
Red Rock Claims
McKinley County, New Mexico

Dear Mr. and Mrs. Tietjen:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the above-cited contract.

This correspondence relates to the undated Subordination Agreement signed by you.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

Identical letters sent to:
C. A. Derryberry and Avid Derryberry, c/o J. T. Hutton, Farmington, New Mexico
Fidel and Rouse, Inc., Grants, New Mexico
W. A. Thiggen, Grants, New Mexico
J. T. Hutton, Farmington, New Mexico
and Parallee Hutton

MChing/gla 2-11-58
cc to: Admr.'s Reading File
Contract Adm. & Audit Div.
Mr. Ching
DMEA Field Team, Region III (2)

284 New Customhouse
Denver 2, Colorado

May 8, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-3654 (Uranium), Contract No. DMe-2967
Four Corners Exploration Company (Red Rock claims)
McKinley County, New Mexico

Enclosed are four copies of confirmation of project work approval issued by the DMEA Field Team, Region III, pertaining to drilling under Stage III of the contract.

Also enclosed are two copies of the Operator's letter of March 30, 1957, with attachment, constituting request for approval of the work, and four copies of a memorandum dated April 6, 1957, from Maurice F. Albee, Geologist, Geological Survey, relative to the work to be approved.

Copies of the confirmation of work approval have been distributed to the Operator, Finance Office, Region III, and to others concerned.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Encls.
JWTRK
cc-Finance Office, Reg. III) w/copy confirmation of work approval
Harshman) w/copy confirmation of work
Monzelman) approval and Geologist's
Kesler) report.

Corres. File E-967) w/copy confirmation work approval, Operator's request and Geologist's report

Townsend
Charon.

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 13 1957
DATE | INITIALS | CODE
800

254 New Customhouse
Denver 2, Colorado

May 8, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 13 1957
DATE | INITIALS | CODE

Mr. Irving Rapaport
Four Corners Exploration Co.
Box 116
Grants, New Mexico

Re: Docket No. DMEA-3854 (Uranium)
Contract No. 14m-1967
Four Corners Exploration Company
(Red Rock claims) McKinley Co., N.M.

Dear Mr. Rapaport:

In reference to the request from Mr. Forrest Fincher, dated March 30, 1957, for the Government's approval for drilling under Stage III of the contract, this confirms verbal approval issued by the Government on May 6, 1957, to drill the following listed fourteen holes:

Coordinate Location of Approved Hole	
K-10.5	D-9.5
K- 9.5	D-8.5
J-10.5	D-7.5
G- 9.5	D-6.5
E- 9.5	D-8.5
F- 9.5	I-9.5
F- 8.5	C-7.5

The locations of the above-listed holes are indicated on the map, "Figure 1. - Map Showing Red Rock Nos. 3 and 4 Claims, Previously Drilled Holes, and Location of Proposed Stage III Drill Holes, Four Corners Exploration Co., and Glen R. Williams, McKinley County, New Mexico," which is attached hereto and made a part of this confirmation of work approval.

The Government will not contribute to the cost of an incompleted hole; therefore, if insufficient footage remains to complete an approved hole to its objective, the hole shall not be started.

Nothing in this confirmation of 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, nor the fixed unit cost of any item of work.

Very truly yours,

DMRA Field Team, Region III

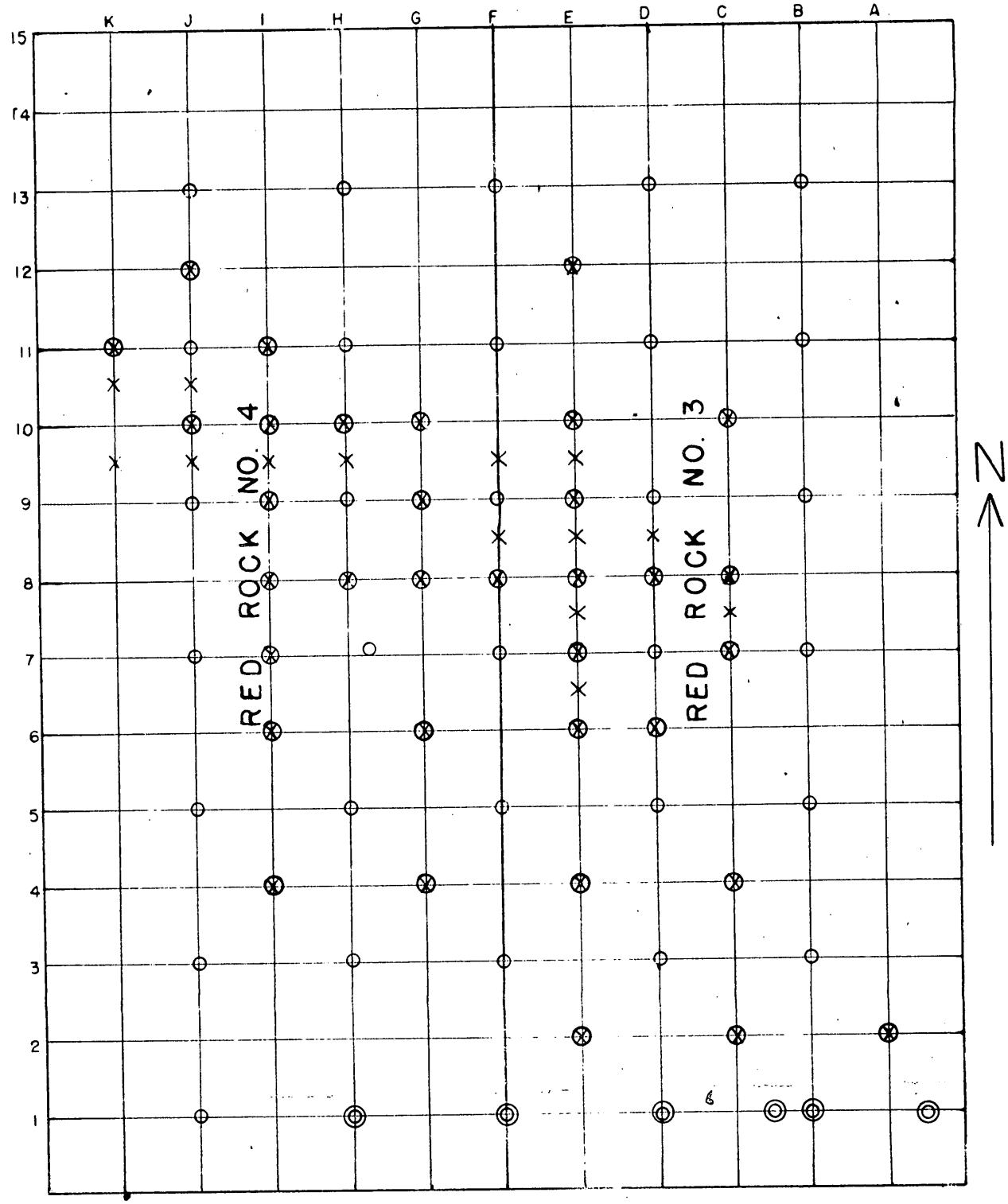
E. M. Hardman

By E. M. Hardman,
Acting Executive Officer

JWT:bh
cc-Chairman, Op. Comm. (4)
Finance Office, Region III
Amendment File, Region III
Hardman
Konselman (2)
Hasler
Townsend
Corres. File E-967
Chron.

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
MAY 1957 Contract idm-E967 DOCKET 3854



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EXPLANATION

◎ HOLES DRILLED BY APPLICANT

○ LOCATION OF STAGE I DRILL HOLE

⊗ LOCATION OF STAGE II DRILL HOLE

× LOCATION OF PROPOSED STAGE III DRILL HOLE

FIGURE 1.--MAP SHOWING RED ROCK NOS. 3 AND 4 CLAIMS, PREVIOUSLY DRILLED HOLES, AND LOCATION OF PROPOSED STAGE III DRILL HOLES, FOUR CORNERS EXPLORATION CO., AND GLEN D. WILLIAMS, MCKINLEY COUNTY, NEW MEXICO.

FORREST EXPLORATION COMPANY
[illegible]
GRANTS, NEW MEXICO

IRVING RAFF [illegible]
FORREST FINCHER

[illegible] AL [illegible]-4722

March 30, 1957

Mr. William Trover
Executive Officer
DMEA Field Team

DMEA
DEPARTMENT OF THE INTERIOR
APR 4 - 1957
REGION III
DENVER, COLORADO

Dear Mr. Trover,

Enclosed you will find, in quintuplicate, our proposal for stage III drilling of the Red Rock Claims, Idc - E967, Docket 3854.

Sincerely yours,

Forrest Fincher

Forrest Fincher

One copy of proposal and map has been sent to Mr. Fischer and Frank Fincher

FOUR CORNERS EXPLORATION COMPANY

IRVING RAPAPORT
FORREST FINCHER

BOX 116
GRANTS, NEW MEXICO

TEL. AT 7-472

DMEA
DEPARTMENT OF THE INTERIOR
APR 4 - 1957
REGION III
DENVER, COLORADO

[illegible] 30, 1957
[illegible] - 1 67
[illegible] - 2034

[illegible] - [illegible] Claims

[illegible] the [illegible] of the [illegible] Claims [illegible] the presence of [illegible] uranium mineralization. This drilling has also shown the presence of the favorable down warped [illegible] in the [illegible] limestone, are invariably mineralized.

It may be noted on the cross sections that there is a line of [illegible] mineralization trending [illegible] from hole [illegible] - 11 to holes C - 7 and C - 8, a distance of nearly [illegible] feet. Within this band there is one [illegible], four out-of-line holes and numerous well mineralized holes.

It is thought that the mineralization is not similar to the one found by the [illegible] in their exploration in the adjacent [illegible], since their discovery is [illegible] by [illegible] mineralized holes [illegible] 10 feet apart on 50 foot centers. This [illegible] necessary [illegible], while [illegible] 3,000 feet long, is extremely narrow and consists of a [illegible] of closely spaced holes oriented roughly along the major east-west trend. Within these holes only [illegible] and some mineralization exist.

Holes [illegible] - [illegible] and [illegible] - 8 are 100 feet north of east-west direction and north respectively of the [illegible]. It is [illegible] possible that they may be on the edge of an [illegible] of the type (see map).

[illegible] results it is [illegible] that [illegible] are present in the vicinity of the [illegible] and it is [illegible] possible that further exploration by drilling in [illegible] may serve to locate or determine the trend of a mineralized area.

Therefore, it is proposed that the remaining three [illegible], 6,[illegible].5 feet, be used in the drilling of 14 holes located on the basis of strong uranium mineralization, and favorable structure, established by previous drilling (see map).

Forrest Fincher

MINERAL DEPOSITS
IN REPLY REFER TO:
DMEA
RECEIVED
MAY 6 1957
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P.O. Box 300
Grand Junction, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
MAY 8 - 1957
REGION III
DENVER, COLORADO

April 6, 1957

Memorandum

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

Through: J. William Hasler JWH
E. N. Harshman ENH
A. G. Konselman AGK

From: Howard F. Albee

Subject: Request for stage III, docket No. DMEA 3854 (Uranium), contract No. Idm-E 967, Four Corners E ploration Company (Red Rock claims), McKinley County, New Mexico

The above captioned operator has requested approval to drill 14 stage III holes at the following proposed locations (fig. 1).

K-10.5	E-9.5
K- 9.5	E-8.5
J-10.5	E-7.5
J(K)- 9.5	E-6.5
H- 9.5	D-8.5
F- 9.5	(C-8.5) I-9.5
F-8.5	C-7.5

Previous drilling has defined two areas of downwarped Todilto strata on the claims and assay results show the best holes to be on or near these structures. Nearly all significantly mineralized Todilto limestone has been found associated with synclinal structures.

The proposed stage III holes are located in two groups around the areas of downwarped strata and, with one exception, are recommended for approval. The proposed hole at C-8.5 should be deleted and a hole at I-9.5 should be drilled.

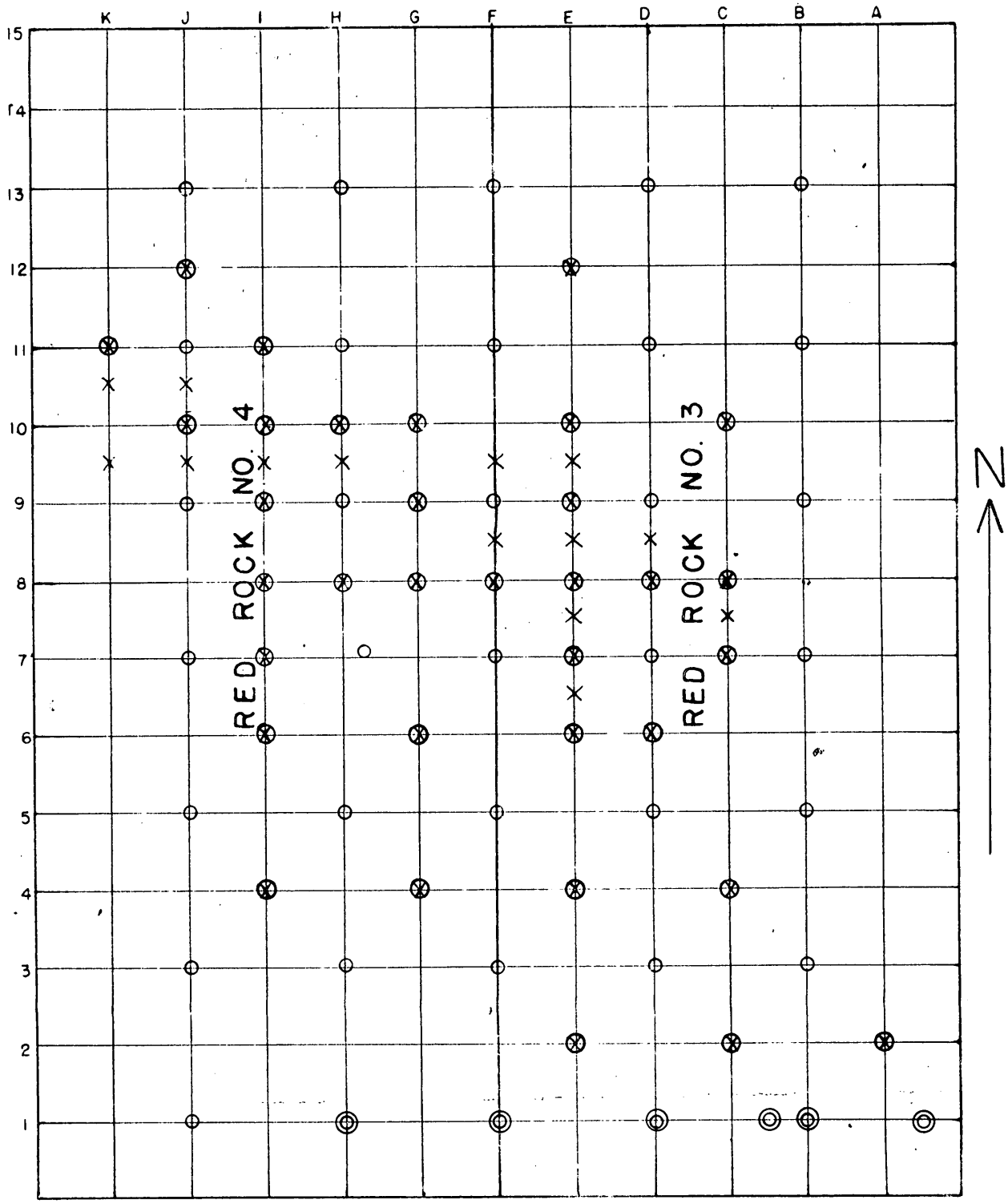
Howard F. Albee
Howard F. Albee, Geologist
U.S. Geological Survey

HFA/mlr

Enclosures
Fig. 1 - 24 copies

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
MAY 1957 Contract Idm-E967 DOCKET 3854



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EXPLANATION

- ◎ HOLES DRILLED BY APPLICANT
- ○ LOCATION OF STAGE I DRILL HOLE
- ⊗ LOCATION OF STAGE II DRILL HOLE
- × LOCATION OF PROPOSED STAGE III DRILL HOLE

FIGURE 1.--MAP SHOWING RED ROCK NOS. 3 AND 4 CLAIMS, PREVIOUSLY DRILLED HOLES, AND LOCATION OF PROPOSED STAGE III DRILL HOLES, FOUR CORNERS EXPLORATION CO., AND GLEN D. WILLIAMS, MCKINLEY COUNTY, NEW MEXICO.

WC

EXPLORATION PROJECT CONTRACT
FOUR CORNERS EXPLORATION COMPANY, A COPARTNERSHIP
DOCKET NO. DMEA 3854
CONTRACT NO. Idm-E967

AMENDMENT NO. 2

It is agreed this 25th day of April, 1957 between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Four Corners Exploration Company, a copartnership, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E967, Docket No. DMEA-3854, dated July 17, 1956, hereinafter called the "Contract," that:

1. The period fixed in Article 1.(a), within which the Operator shall complete the work, is extended from "Ten (10)" to "twelve (12)" months from the date of the Contract.

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, nor the fixed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

FOUR CORNERS EXPLORATION COMPANY

By F. O. Manol
F. O. Manol, Partner

By Irving Rapaport
Irving Rapaport, Partner

UNITED STATES OF AMERICA

By E. M. Hawkman
Acting Executive Officer,
DMEA Field Team, Region III

FISCAL FILE COPY
DMEA
RECEIVED MAY 6 1957
DATE | INITIALS | CODE
800

IRVING RAPAPORT
FORREST FINCHER

FOUR CORNERS EXPLORATION COMPANY

BOX 116
GRANTS, NEW MEXICO

TEL. AT 7-4722

April 19, 1957
Re: [illegible]
[illegible]

DMEA
DEPARTMENT OF THE INTERIOR
APR 22 1957
REGION III
DENVER, COLORADO

Mr. [illegible]
[illegible] Executive Secretary
[illegible] Building, [illegible]

Dear Mr. [illegible],

We have completed the second phase of drilling on the [illegible] and have [illegible] [illegible]. We have not yet [illegible] [illegible], so request that the completion date be extended thirty days [illegible] [illegible].

Sincerely yours,

Forrest Fincher

Forrest Fincher

OFFICE FILE COPY
DMEA
RECEIVED MAY 6 1957
CODE

EXTRA COPY
D.M.E.A.
RECEIVED
DATE
8.00

324 New Customhouse
Denver 2, Colorado

April 15, 1957

Mr. Irving Rapaport
Four Corners Exploration Company
P. O. Box 116
Grants, New Mexico

Re: Docket No. DMEA 3854 (Uranium)
Contract No. IAm-5267
Four Corners Exploration Company
(Red Rock claims)
McKinley County, New Mexico

Dear Mr. Rapaport:

In reference to the request, dated March 30, 1957, from Forrest Fischer, and consistent with provisions in the Contract, the Government approves transfer of not to exceed 589 feet of core drilling and applicable funds from Stage III to Stage II to permit completion of the thirty-four (34) approved Stage II holes to the desired horizon. Stage III drilling footage and funds will be reduced an equal amount.

Nothing in this approval for transfer of footage and funds shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

By E. M. Harshman

E. M. Harshman
Acting Executive Officer

JWT:prl
cc: Chairman, Op. Comm. (4)
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
Shaw (2)
Hasler
Townsend

Corres. file
Chron.

DMEA
DEPARTMENT OF THE INTERIOR

APR 15 1957
REGION III
DENVER, COLORADO

Building 20
Denver Federal Center
Denver 2, Colorado
April 12, 1957

Memorandum:

To: Executive Officer, DMEA Field Team, Region III
Through: John F. Shaw, Supervising Mining Engineer

From: W. B. McMillan

Subject: Docket DMEA 3054 (Uranium), Contract Ldm-2967, Four Corners Exploration Company, (Red Rock Nos. 3 and 4 claims, sec. 24, T. 13 N., R. 9 W., NMPM), McKinley County, New Mexico. Reconciliation of footages.

Stage I contract specifications are for 10,000 feet of non-core drilling and 1,100 feet of core drilling

During the execution of Stage I drilling, additional footage of non-core drilling was considered necessary, and on November 23, 1956, 663 feet was transferred from Stage III.

Approved drilling in Stage I was 10,872.5 feet of non-core and 890.0 feet of core drilling resulting in an excess of 872.5 feet less transfer of 663 or 209.5 feet of non-core drilling and 210 unused feet of core drilling. Stage II contract specifications are for 11,300 feet of non-core drilling and 1,290 feet of core drilling.

Work was completed on Stage II in March, 1957, with approved footages of 11,809.0 feet of non-core drilling and 1096.5 feet of core drilling, resulting in an excess of 509.0 feet of non-core drilling, and 193.5 unused core drilling. Stage II work has been checked in the field, and the progress report for February and March, 1957, have been received, but cannot be processed until a transfer from Stage III of non-core drilling is approved.

After deduction of unused core footage, the total non-core footage to be transferred from Stage III is 395 feet, leaving a balance in Stage III of 5,722 feet of non-core and 710 feet of core footage.

It is recommended that transfer from Stage III of 395 feet be approved.

W. B. McMillan

WBM:jg

Attach.

cc: 9
Ldm-2967
Hershman
Circen.

RAPAPORT
FORREST FINCHER

FOUR CORNERS EXPLORATION COMPANY

BOX 116
GRANTS, NEW MEXICO

TEL. AT 7-4722

DMEA
DEPARTMENT OF THE INTERIOR
APR 4 - 1957
REGION III
DENVER, COLORADO

March 30, 1957

Mr. William Trover
Executive Officer
DMEA Field Team

Dear Mr. Trover:

This is to inform you that the second stage of drilling on the Red Rock Claims, IDC-1967, has been completed. The plug footage exceeded the contract limit by 725.0 feet, while the core footage was 195.5 feet below the contract allowance.

We request that the excess plug footage be deducted from stage III in the same manner as the excess in stage I was handled. We refer you to Exhibit "A", paragraph nine of the contract.

Sincerely yours,

Forrest Fincher

C.C. Mr. J. W. Hasler
Box 960
Grand Junction, Colo.

EXPIRATION DATE
RECEIVED
DATE
MAR 27 1957
CASE

EXPLORATION PROJECT CONTRACT
FOUR CORNERS EXPLORATION COMPANY, A COPARTNERSHIP
DOCKET NO. DMEA-3854
CONTRACT NO. IDM-E967

AMENDMENT NO. 1

It is agreed this 16th day of January, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Four Corners Exploration Company, a Copartnership, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E967, Docket No. DMEA-3854, dated July 17, 1956, hereinafter called the "Contract," that:

1. The period of "six months from the date of the contract." fixed in Article 1 (a), as the period within which the Operator shall complete the work, is changed to "ten (10) months from the date of the contract."

2. The maximum period for payment of royalty and lien for payment thereof, provided for in the contract, is increased to eleven (11) years from the date of the contract.

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, nor the fixed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

FOUR CORNERS EXPLORATION CO.

By F. O. Manol
F. O. Manol, Partner

By Irving Rapaport
Irving Rapaport, Partner

UNITED STATES OF AMERICA

By W. M. Ingles
Executive Officer, DMEA
Field Team, Region III

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 25 1957

DATE	INITIALS	CODE
1-25	C	220
		800

FOUR CORNERS EXPLORATION COMPANY
IRVING RAPAPORT
FORREST FINCHER
BOX 116
GRANTS, NEW MEXICO
TEL. AT 7-4722

January 16, 1957

Mr. [illegible]
Acting Executive Officer
Gold Loan Option III

DMEA
DEPARTMENT OF THE INTERIOR
JAN 15 1957
REGION II
DENVER, COLORADO

Dear Mr. [illegible]:

[illegible] we believe you that under the present circumstances it is impossible for us to complete our [illegible] approved work program for [illegible] - 1957 by January 31, 1957. We received authorization to [illegible] to [illegible] drilling on December 4, 1956, [illegible] drilling there [illegible] Fiscal Year - 1956.

[illegible] - 1956 was completed during the [illegible] and the major work started [illegible] drilling on the [illegible]. Inclement weather and [illegible] prevented us from drilling [illegible] the [illegible] 1957.

[illegible] that there may also be a stage III on the Gold [illegible] it is necessary to request a 120 day [illegible] extension [illegible] Fiscal Year - 1957.

Very truly,

Forrest Fincher

Forrest Fincher

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 25 1957

DATE	INITIALS	CODE

cc: [illegible] - [illegible]

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

[illegible] New Customhouse
Denver 2, Colorado

December 11, 1956

Mr. Irving Rappaport
Four Corners Exploration Company
P. O. Box 116
Grants, New Mexico

Re: Docket No. DMEA 3854 (Uranium)
Contract No. [illegible]
Four Corners Exploration Company
(Red Rocks claims)
McKinley County, New Mexico

Dear Mr. Rappaport:

In reference to your request of November 6, 1956, and consistent with provisions in the Contract, this constitutes confirmation of verbal approval by the Government on December 3, 1956, for you to drill thirty-four (34) holes under Stage II of the Contract.

The locations of the thirty-four (34) approved holes are shown by the symbol X on the map entitled, "Figure 1. -- Map Showing Red Rock Nos. 3 and 4 Claims, Previously Drilled Holes, and Location of Proposed Stage II Drill Holes, Four Corners Exploration Co., and Glen B. Williams, McKinley County, New Mexico," which is attached hereto and made a part of this confirmation of work approval.

The locations of the holes are as shown on the map attached to your request, except that holes I-2 and G-2 will be omitted, and instead, hole G-6 will be drilled.

Nothing in this confirmation of 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, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

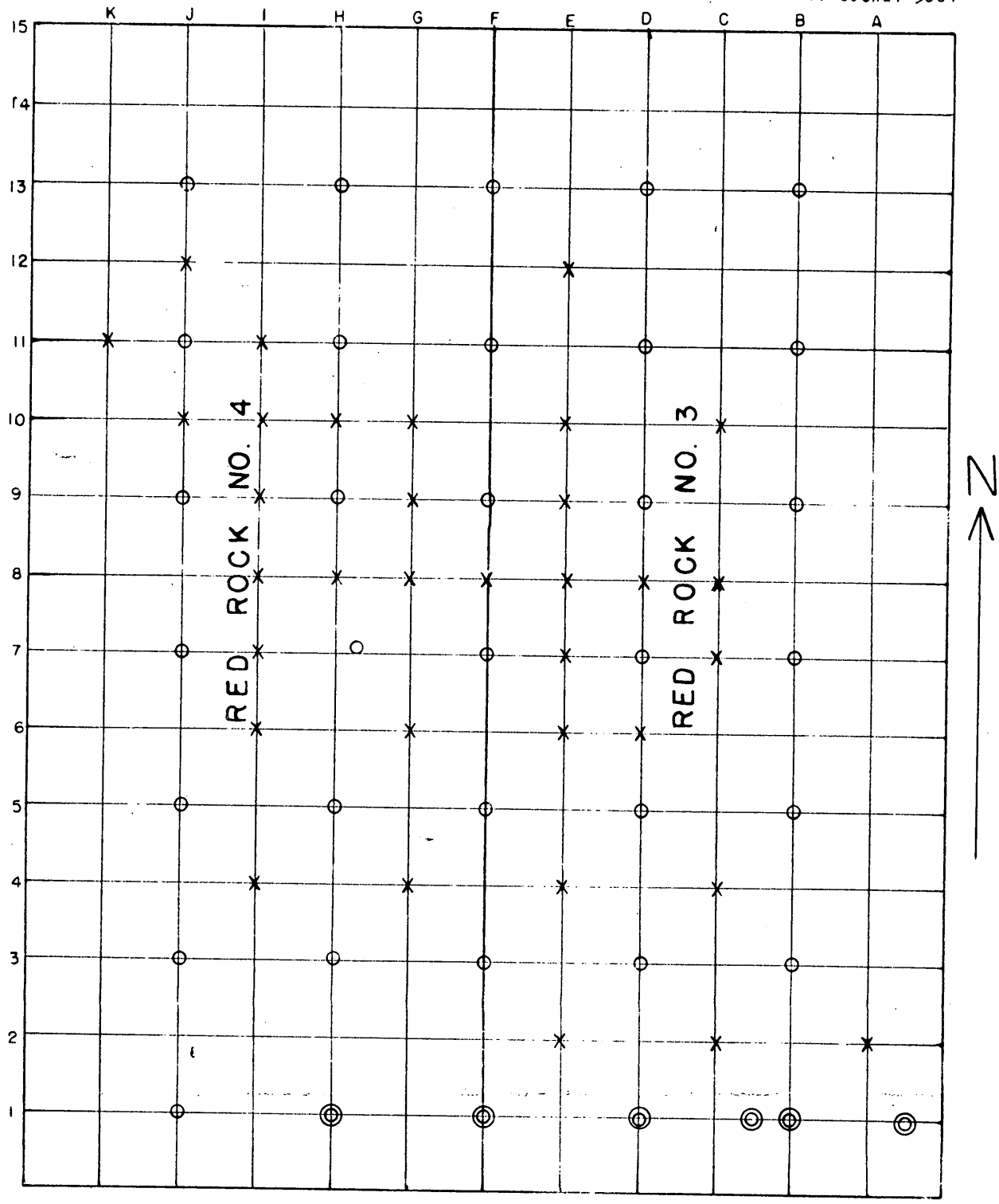
W. M. Jones
W. M. Trover

E. M. Hawkins
E. M. Hawkins

JWT:prl
cc: Chairman, Op. Comm. (4)
Finance Office, Reg. III
Amendment file, Reg. III
Hawkins
Shaw (2)
Hanlar
Townsend
Carran, file
Chron.

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERAL EXPLORATION ADMINISTRATION
DECEMBER 1956 Contract Idm-E967 DOCKET 3854



EXPLANATION

◎ HOLES DRILLED BY APPLICANT

○ LOCATION OF STAGE I DRILL HOLE

× LOCATION OF PROPOSED STAGE II DRILL HOLE

FIGURE 1.--MAP SHOWING RED ROCK NOS. 3 AND 4 CLAIMS, PREVIOUSLY DRILLED HOLES, AND LOCATION OF PROPOSED STAGE II DRILL HOLES, FOUR CORNERS EXPLORATION CO., AND GLEN D. WILLIAMS, MCKINLEY COUNTY, NEW MEXICO.

RECEIVED
DEC 17 1956
D.M.E.A.

MINERAL DEPOSITS
IN REPLY REFER TO:

DMEA
RECEIVED
DEC 10 1956

U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 360
Grand Junction, Colorado

December 7, 1956

DMEA
RECEIVED
DEC 17 1956

Executive Officer, DMEA Field Team, Region III

Through: J. William Bailey
R. H. Marshall
John F. Shaw

From: Howard F. Albee
M. H. Salsbury

Subject: Request for Stage II drilling, Docket DMEA 3654 (Uranium), contract IDM-4 267, Four Corners Exploration Company (Red Rock claims), McKinley County, New Mexico.

The operator has requested 35 stage II drill holes. Stage I drilling has been completed and shows widespread uranium mineralization associated with pyrite, barite, and marcasite in a favorable thickness of limestone host rock. Structure contours at the base of the Todilto limestone show synclinal structures in the formation.

The combination of the above factors indicates that further drilling is desirable. Mineralized rock in the Todilto limestone, generally, has never proved significant unless it is associated with synclinal structures. Many of these folds are tight and narrow and therefore may not be picked up on the 200-foot spacing designated in the stage I drilling. Nevertheless, as no folds are indicated in the southern part of Red Rock No. 4, it is recommended that the proposed holes at coordinates I-2 and G-2 be omitted and one hole at coordinates G-6 be drilled.

The requested stage II drilling, with the above changes, is recommended.

Enclosed are 24 copies of figure 1 showing the location of the recommended drill holes.

Howard F. Albee
Howard F. Albee,
Geological Survey

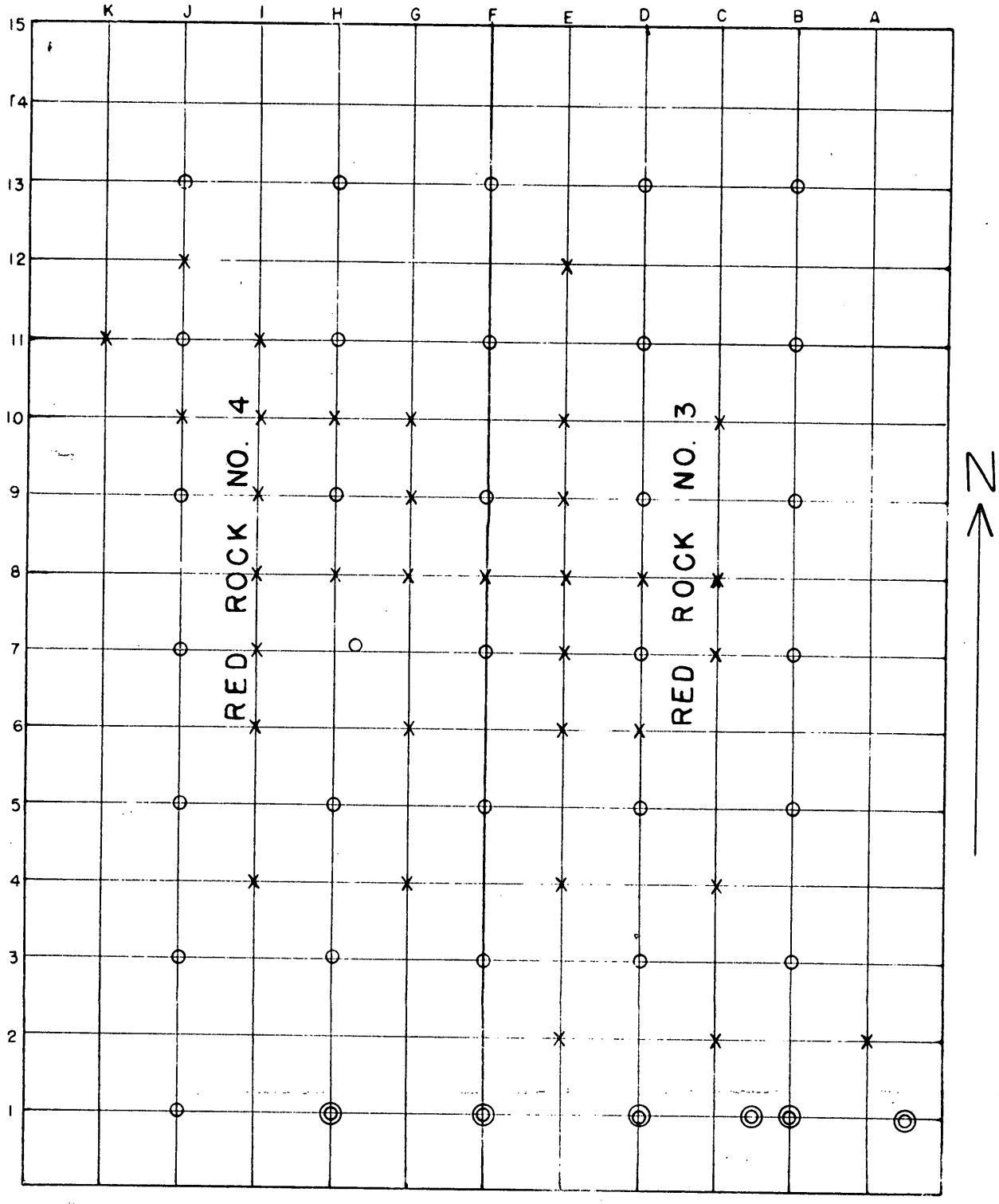
M. H. Salsbury
M. H. Salsbury,
Bureau of Mines

DMEA
DEPARTMENT OF THE INTERIOR
DEC 11 1956
REGION III
DENVER, COLORADO

HFA/alr

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DECEMBER 1956 Contract Idm-E967 DOCKET 3854



200 0 600 FEET

EXPLANATION

◎ HOLES DRILLED BY APPLICANT

○ LOCATION OF STAGE I DRILL HOLE

× LOCATION OF PROPOSED STAGE II DRILL HOLE

FIGURE 1.--MAP SHOWING RED ROCK NOS. 3 AND 4 CLAIMS, PREVIOUSLY DRILLED HOLES, AND LOCATION OF PROPOSED STAGE II DRILL HOLES, FOUR CORNERS EXPLORATION CO., AND GLEN D. WILLIAMS, McKINLEY COUNTY, NEW MEXICO.

RECEIVED
DEC 17 1956
D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20
Denver Federal Center
Denver 2, Colorado
November 27, 1956

DMEA
DEPARTMENT OF THE INTERIOR
NOV 28 1956
REGION III
DENVER, COLORADO

REGION III

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: Supervising Mining Engineer

Subject: Proposed second stage drilling, Four Corners Exploration Co., Docket DMEA 3854, Contract Idm-E967

We enclose four copies of proposal for second stage drilling and four copies of maps pertaining thereto. Five copies of each were received and one copy of proposal and map is being retained for our files.

JOHN F. SHAW

John F. Shaw

Enclosures

cc 9
Idm-E967
Chron

/ph

F. S. MANOL
IRVING RAPAPORT

FOUR CORNERS EXPLORATION COMPANY

205 PETROLEUM BUILDING
GRAND JUNCTION, COLORADO
TELEPHONE 1774

BRANCH OFFICES
BOX 116, GRANTS, N. M.
BOX 63, NATURITA, COLO.

DMEA
...MENT OF THE INTERIOR
NOV 28 1956
REGION III
DENVER, COLORADO

November 6, 1956

Idm-E967
Docket 3854

PROPOSED SECOND STAGE

First stage drilling on the Red Rock Claims has shown the presence of widespread uranium mineralization, synclinal structures, the gangue minerals pyrite, barite, and marcasite associated with pitchblende, and a favorable average thickness of limestone.

It is proposed that the 35 allowable holes of second stage be spaced on 100 foot centers and be drilled in areas of favorability as defined by the above criteria. (see map)

In selecting the holes to be drilled an attempt has been made to place holes where both uranium and gangue mineralization occur within synclinal structures. However, it is difficult to place most emphsis on the uranium mineralization detected by the drilling of a 200 grid. The nature of uranium occurrences in limestone is such that halos of mineralization often do not extend more than a few feet from ore deposits. Limestone ore bodies are also usually quite narrow and torturous in form despite their thick and high grade character. It is improbable that a hole on a 200 foot grid would penetrate the ore body proper.

It is hoped that some of the second stage holes will penetrate ore and that a trend can be established that will aid in the blocking out of a significant ore body.

The proposed position of second stage holes are x'ed upon the accompanying map.

Irving Rapaport

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

[illegible] New Customhouse
Denver 2, Colorado

November 23, 1956

Mr. Irving Rappaport
Four Corners Exploration Company
[illegible] Petroleum Building
Salt Lake City, Utah

Re: Contract No. DMA [illegible] (Uranium)
Amendment No. [illegible]
Four Corners Exploration Company
(Red Rock Claims)
McKinley County, New Mexico

Dear Mr. Rappaport:

In reference to your request of November 5, 1956, and consistent with provisions in the Contract, this constitutes the Government's approval to transfer not to exceed 663 feet of non-core drilling footage and appropriate funds from Stage III to Stage I to permit completion of the thirty-one (31) holes to the stated objectives.

The footage and funds provided under Stage III for non-core drilling will be decreased on account equal to that transferred to and used under Stage I.

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, nor the fixed unit cost of any item of work.

Very truly yours,

DMEA Field Team, Region III

W. M. Traver
W. M. Traver

E. E. Hardman
E. E. Hardman

JWT:prl

cc: Chairman, Op. Comm. (4)
Finance Office, Reg. III
Amendment file, Reg. III
Hardman
Shaw (2)
Kessler
Townsend
Corres. file
Chron.

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

[illegible] New Customhouse
Denver 2, Colorado

November 26, 1956

RECEIVED
NOV 29 1956

Mr. Irving Rapaport
Four Corners Exploration Company
205 Petroleum Building
Grand Junction, Colorado

Re: Docket No. DMEA 3854 (Uranium)
Contract No. Ida-3967
Four Corners Exploration Company
(Red Rock claims)
McKinley County, New Mexico

Dear Mr. Rapaport:

Enclosed is approval from the DMEA Field Team, Region III, to transfer not to exceed 663 feet of non-core drilling footage and appropriate funds from Stage III to Stage I.

The amount of footage for transfer was arrived at on the following basis:

Total footage reported as necessary for Stage I	11,783.5 feet
Allowed by Contract	11,100.0 feet
Difference	683.5 feet
October reported footage to be disallowed	21.0 feet
Balance	662.5 feet
Maximum additional footage needed	663.0 feet.

Very truly yours,

Original signed by
W. M. TRAVER

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

JWT:prl
cc: Chairman, Op. Comm. (4)
Marshman
Shaw (2)
Hasler
Townsend
Corres. file
Chron.

REGION III

Memorandum

Building 20
Denver Federal Center
Denver 2, Colorado
November 20, 1956

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: D. E. Redman

Subject: Docket DMEA 3854 (Uranium) Contract Ida-2967, Four Corners Exploration Company (Red Rock mining claims Nos. 3 and 4, Sec. 24, T. 13 N., R. 18 W., NMPM) McKinley County, New Mexico, Transfer of drilling footage to stage I from stage III.

The operator requests a transfer of 783.5 feet of drilling to stage I from stage III as authorized in the contract. This footage transfer request is arithmetically in error.

Corrected footage transfer request:

Month	Holes	Footage drilled Noncore	Footage drilled Core	Core Disallowed	Core Allowed	Total Allowed
Sept.	12	3800.5	374.0	12.5	361.5	4162.0
Oct.	19	7072.0	549.5	21.0	528.5	7600.5
Total	31	10,872.5	923.5	33.5	890.0	11,762.5
Contract Allowed	31	10,000.0			1100.0	11,100.0
Difference	0	872.5			-210.0	662.5

Excess noncore drilling——————872.5 feet
Allowable core drilling not used--210.0 feet
Net excess over contract——————662.5 feet

It is believed that the request should be for a transfer of 662.5 feet of noncore drilling to stage I from stage III, and crediting the unused core-bit footage to noncore-bit footage at noncore rate. The extent noncore footage was used to reach the objective of stage I drilling. It is recommended that 662.5 feet of noncore drilling be transferred to stage I and deducted from stage III. Stage III noncore footage would then be 6117.5 feet.

cc: 9
Ida-2967
Chron

D. E. Redman
Mining Engineer

NOL
IR G RAPAPORT

FOUR CORNERS EXPLORATION COMPANY
205 PETROLEUM BUILDING
GRAND JUNCTION, COLORADO
TELEPHONE 1774

BRANCH OFFICES
BOX 116, GRANTS, N. M.
BOX 63, NATURITA, COLO.

RECEIVED
NOV 29 1956
DMEA

November 5, 1956

Mr. John F. Shaw
U.S. Bureau of Mines
Room 137, Bldg. 20
Denver Federal Center
Denver 2, Colorado

Re: Red Rock Claims #3 & #4
Docket DMEA 3354 (Uranium)
Contract Idm-4967

Dear Sir:

A total of 11,783.5 feet of hole, exclusive of the 12.5 feet of core disallowed September, has been required to complete Stage 1.

Under paragraph 1 of page 2, Exhibit A of Contract Idm-4967, we request that the 783.5 feet of drilling in excess of the 11,000 foot contract estimate for Stage I be deducted from Stage III..

Actually this authorization involves an increase of only $283.22 above the contract estimate as less coring was done than anticipated. The original computation of depth of hole based on an assumed dip was, of course, an approximation.

Sincerely,

Irving Rapaport

Irving Rapaport

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

[illegible] New Customhouse
Denver 2, Colorado

August 21, 1956

Four Corners Exploration Company
P. O. Box 116
Grants, New Mexico

Attention: Mr. Forrest Fischer, Geologist

RECEIVED

Re: Docket DMEA 3954 (Uranium)
Contract IDm-[illegible]
Four Corners Exploration Company
(Red Rock Claims)
McKinley County, New Mexico

Gentlemen:

Reference is made to the letter dated August 18, 1956, from Forrest Fischer, Geologist, wherein the Government's approval is requested for the relocation of holes J-9, J-7, J-5, E-5, and E-3 because of terrain conditions.

Your attention is directed to the provisions in the contract that specify Stage I holes are to be drilled on a 200-foot grid pattern and that except for one hole (Hole No. E-1) all outside holes are to be drilled not closer than 200 feet to the property boundaries.

You are authorized to change the locations of the holes as requested, maintaining as nearly as possible the required spacing as outlined in the contract.

Very truly yours,

DMEA Field Team, Region III

By W. M. Drewer
W. M. Drewer
Executive Officer

w/copy of Operator's letter

JWF:prl
cc: Chairman, Op. Com. (3)
Finance Office, Reg.III
Amendment file, Reg.III
Hartman
Shaw (2)
Townsend
Corres. file
Chron.

Capporaport
Does it need to go to Sugiyama

FOUR CORNERS EXPLORATION COMPANY

~~100 MAIN STREET~~ 116
~~GRAND JUNCTION, COLO~~ GRANTS NEW MEXICO

IRVING RAPAPORT
F. O. MANOL

INCOMING
DMEA
AUG 1955
BUREAU OF MINES
Denver Colorado

Mr. William Traver
204 New Customhouse
Denver 2, Colo.

Aug. 18, 1956

Dear Mr. Traver

While staking holes on the Red Rock Claims located in the Grants district of New Mexico, DMEA Docket 3854 (Uranium) Contract Idm-E967, it was noted that several hole sites would require moveing a few feet from their present positions to make construction of drill sites possible. The terrain is of such nature that an occasional site falls in a very narrow rocky gully or on the edge or against the face of a cliff. In these cases it becomes necessary to move the location to allow room for the drill truck, compressor truck and auxiliary vehicles.

The following moves are requested:

J-9 - Offset 8'-10'

J-7 - Offset 15'-20' S.W.

J-5 Offset 10'-15' E.

H-5 Offset 20'-25' S.

B-3 Offset 20' E.

Sincerely yours
Forrest Fincher
Geologist

DMEA Form 14

Contract No. Idm-E 967

Docket No. 3854

DEPARTMENT OF THE INTERIOR

Terminated 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
July 17, 1956	III	New Mexico	Uranium

Name and Address of Operator: Four Corners Exploration Co.
Box 116
Grants, New Mexico

	Reserve	Obligation
Prior Amount	0	36,318.00
Increase	0	0
Decrease	0	2,630.54
Revised Amount	0	33,687.46

Remarks:

ALLEN S. DAKAN
(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 8/28/57

16418

Contract No. Idm-E 967

Docket No. 3854

DEPARTMENT OF THE INTERIOR **Executed contract**

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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
July 17, 1956	**III**	**New Mexico**	**Uranium**

Name and Address of Operator: **Four Corners Exploration Company**
Box 116
Grants, New Mexico

	Reserve	Obligation
Prior Amount	**$36,318.00**	**0**
Increase	**0**	**$36,318.00**
Decrease	**$36,318.00**	**0**
Revised Amount	**0**	**$36,318.00**

Remarks:

W. N. Chamberlain
(Name)
Robert E. Adams, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 8/8/56

98963

Government's Copy

MF-200A
(Rev. April 1956)

RECEIVED
AUG - 6 1956

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	*Commodity*	*Contract No.*	*County*	*State*
3854	Uranium	*Idm–E* 967	McKinley	New Mexico

It is agreed JUL 17 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Four Corners Exploration Company, a Copartnership composed of F. O. Manol and Irving Rapaport.

whose mailing address is Box 116, Grants, New Mexico

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF–200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before September 1, 1956, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within six months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $48,424.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $36,318.00, in accordance with the provisions of Articles 4 and 5.

(c) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: Royalty claims of eight parties

(b) 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 of the land (lessor, seller, optionor, etc.) are attached, as follows: Consent to Lien of Gulf Uranium and Development Co. Subordination Agreement of 8 royalty claimants.

(c) 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. 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. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(b) *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 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 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of 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. 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 all pertinent books, documents, papers, and records of the Operator.

(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 a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit 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 the unit costs thereof.

(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 6. *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 the Operator has rendered a sufficient final report (see Article 5), 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 (for example, if the Operator either transfers or fails to retain his interest in the land), 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, for 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, 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, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(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 thereof in the form in which and at the time 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 7. *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 the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further 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 the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and 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 Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *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 the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *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 10. *Changes and added provisions.*—

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Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

FOUR CORNERS EXPLORATION COMPANY
(Operator)

By F. O. Manol (Partner)
(F. O. Manol)

By Irving Rapaport (Partner)
(Irving Rapaport)

By C. O. Mittendorf
Administrator, Defense Minerals
Exploration Administration

I, ..., certify that I am the ..... secretary of the corporation named as Operator herein; that ....., who signed this contract on behalf of the Operator, was then ..... 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.

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

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EXPLORATION PROJECT CONTRACT
FOUR CORNERS EXPLORATION COMPANY
DOCKET NO. DMEA-3854

ANNEX I

The land referred to in Article 2 of the contract form consists of the unpatented lode mining claims Red Rock No. 3 and Red Rock No. 4, situated in section 24, T. 13 N., R. 10 W., N.M.P.M. & B, McKinley County, New Mexico. The claims are shown on the map entitled "Figure 2, Red Rocks #3 and #4, Section 24, T. 13 N., R. 10 W., McKinley County, N. M.," attached hereto and made a part hereof. The notices of location are recorded in the Office of the Recorder of McKinley County, New Mexico, in Book 3, Page 358.

The Four Corners Exploration Company owns a 50 percent interest in the land and the Gulf Uranium and Development Company owns the remaining 50 percent. The latter company has executed a Consent to Lien dated May 25, 1956, and in a letter of the same date to Four Corners Exploration Company expressed its full accord in the proposed exploration program. All holders of royalty interests in the land have signed the attached Subordination Agreement.

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Four Corners Exploration Company
Docket No. DMEA- 3854
Contract No. Idm-E
Contract Date

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JUN 27 1956

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of McKinley, State of New Mexico, described as follows:1/

Lode Mining Claims, Red Rock No. 3 and Red Rock No. 4, located in the South West Quarter (SW¼) of Section 24 in Township 13 North, Range 10 West, N.M.P.M., as per location notices thereof dated October 6, 1951, and recorded in the office of the County Clerk and Ex-Officio Recorder of McKinley County, New Mexico, on October 9, 1951, in Book 3, Mining Claim Record, page 358.

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;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ 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.

2/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

Dated this 25th day of May, 1956.

GULF URANIUM AND DEVELOPMENT COMPANY [~~Seal~~]

By Robert K. White [~~Seal~~]

Title President [~~Seal~~]

I, Henry C. Reynolds certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that Robert K. White 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.

Henry C. Reynolds

[Corporate Seal]

RECEIVED
JUN 27 1956

MF-201
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Four Corners Exploration Company
Docket No. DMEA- 3854
Contract No. Idm-E
Contract Date

SUBORDINATION AGREEMENT

To the United States of America:

Referring to that certain land in the County of McKinley, State of New Mexico, described as follows:1/

Lode Mining Claims, Red Rock No. 3 and Red Rock No. 4, located in the South West Quarter (SW¼) of Section 24 in Township 13 North, Range 10 West, N.M.P.M., as per location notices thereof dated October 6, 1951, and recorded in the office of the County Clerk and Ex-Officio Recorder of McKinley County, New Mexico, on October 9, 1951, in Book 3, Mining Claim Record, page 358

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. Subordinates whatever right, claim, lien or encumbrance the undersigned may have in or against the land to whatever interests, equities, and rights the Government may acquire under the contract (a) with respect to purchased property in or upon the land to the cost of which it has contributed, including the right to dismantle, sever, and remove it from the land; and (b) with respect to a percentage royalty on production from the land and a lien to secure the payment thereof; and

2. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Subordination Agreement; and (b) to give advance notice of this Subordination Agreement to any transferee of the right, claim, lien, or encumbrance hereby subordinated; and

3. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Subordination Agreement shall extend and apply thereto.

1/ 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.

(OVER)

Dated this _____ day of _____, 195__.

_____ [Seal]

_____ [Seal]

_____ [Seal]

I, _____, certify that I am the _____, (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (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.

_____

[Corporate Seal]

Volten S. Tietjen (Seal)
Volten S. Tietjen

Theressa Tietjen (Seal)
Theressa Tietjen

C. A. Derryberry (Seal)
C. A. Derryberry

Avis Derryberry (Seal)
Avis Derryberry

P. L. Rouse, President (Seal)
Fidel and Rouse, Inc.

W. A. Thigpen (Seal)
W. A. Thigpen

J. T. Hutton (Seal)
J. T. Hutton

Parallee Hutton (Seal)
Parallee Hutton

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AUG - 6 1956

EXPLORATION PROJECT CONTRACT
FOUR CORNERS EXPLORATION COMPANY
DOCKET NO. DMEA-3854

EXHIBIT "A"

Description of the Work

General Provisions

The work consists of the preparation of access roads and drill sites by a D-7 bulldozer or equivalent unit and exploration by core and non-core (plug bit) drilling to test the Todilto limestone of Jurassic age. The location of the work is indicated on the map (Figure 2), referred to in Annex I.

Each hole shall be started with a plug bit and drilled non-core through the upper formations to the estimated position of the top of the Todilto limestone. Core drilling shall follow until the hole is bottomed five feet below the contact between the Todilto limestone and the underlying Entrada sandstone. Drilling depths are expected to range from 292 feet to 441 feet and to average 358 feet. The minimum size of core shall be AX. All holes shall be reamed and cased as necessary.

All core and cuttings from the cored section of drill holes shall be saved and checked for radioactivity. Sections indicating significant mineralization shall be split for samples, and such samples shall be analyzed chemically for uranium. All the remaining core and cuttings saved shall be properly labeled and stored for inspection and disposition by the Government.

All drill holes shall be logged geologically and probed radiometrically, and the record of such logging and probing, together with certified copies of all assay certificates, shall be submitted to the Government with the Operator's monthly progress reports.

The project shall be supervised by a competent engineer or geologist 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 shall be divided into three stages as hereinafter described. The Operator shall complete Stage I and perform as much of Stages II and III as the Government approves in writing in advance.

Stage I

Prepare access roads and drill sites and drill 31 holes aggregating not more than 11,100 feet as indicated on the map (Figure 2). The

holes shall be drilled on a 200-foot grid and all outside holes, with the exception of one, shall be located 200 feet or more from the property boundaries. If the 31 holes require more than 11,100 feet to reach the desired horizon, the additional footage and funds required may be transferred and deducted from Stage III upon the written approval of the Government. Stage I work shall be used to determine the location and trend of possible ore-bearing structures and to delineate areas that have a favorable thickness of Todilto limestone.

Stage II

Prepare access roads and drill sites and drill approximately 35 holes, aggregating not more than 12,530 feet, as offsets to favorable holes of Stage I. The offset holes shall not be drilled closer than 100 feet to any previously drilled hole or to the property boundaries. If the holes require more than 12,530 feet to reach the desired horizon, the additional footage and funds required may be transferred and deducted from Stage III upon the written approval of the Government.

Stage III

Prepare access roads and drill sites and drill not more than 21 holes aggregating not more than 7,520 feet as offsets to Stage I and Stage II holes that show significant mineralization. The offset holes shall not be drilled closer than 50 feet to any previously drilled hole nor closer than 100 feet to the property boundaries.

Estimated Cost of the Project

Fixed Unit Costs

(The unit costs include all costs whatsoever necessary to complete the work.)

Stage I

30 hours bulldozer work @ $12.50/hr.	$ 375.00		
10,000 feet nonecore drilling @ $1.25/ft.	12,500.00		
1,100 feet core drilling @ $3.90/ft.	4,290.00		
20 chemical sample analyses @ $3.50 each	70.00	$17,235.00	

Stage II

30 hours bulldozer work @ $12.50/hr.	$ 375.00
11,300 feet non-core drilling @ $1.25/ft.	14,125.00

1,230 feet core drilling @ $3.90/ft.	$ 4,797.00	
40 chemical sample analyses @ $3.50 each	140.00	$19,437.00
Stage III		
20 hours bulldozer work @ $12.50/hr.	$ 250.00	
6,780 feet non-core drilling @ $1.25/ft.	8,475.00	
740 feet core drilling @ $3.90/ft.	2,886.00	
40 chemical analyses @ $3.50 each	140.00	11,751.00
Estimated Total Cost of the Project (rounded)		$48,424.00
Government Participation @ 75%		$36,318.00

Contract No. Idm-E 967

Docket No. DMEA-3854

DEPARTMENT OF THE INTERIOR

Approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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
July 17, 1956	III	New Mexico	Uranium

Name and Address of Operator: Four Corners Exploration Company
Box 116
Grants, New Mexico

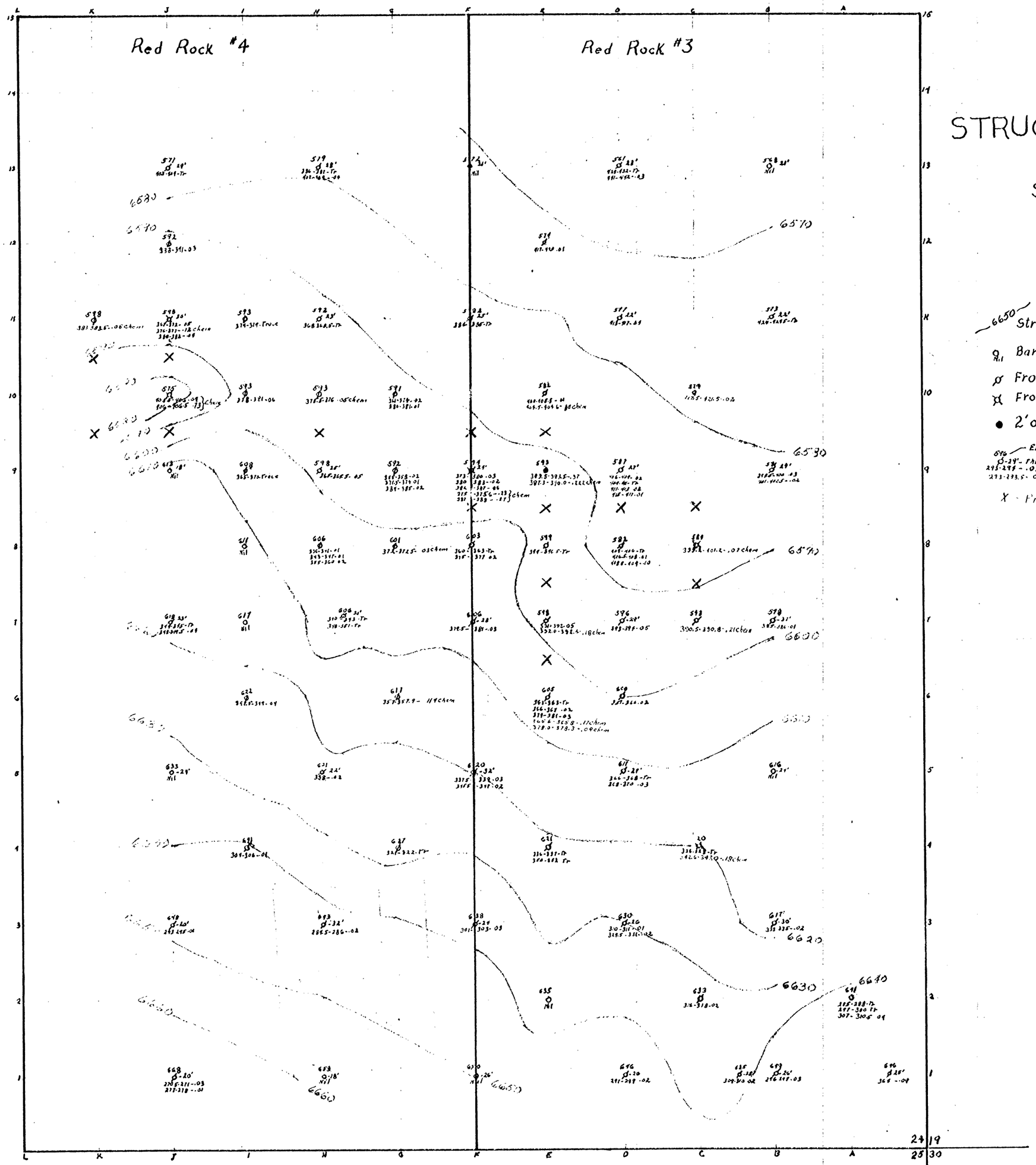
	Reserve	Obligation
Prior Amount	0	0
Increase	836,318.00	0
Decrease	0	0
Revised Amount	836,318.00	0

Remarks:

(Name)
Robert E. Adams, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 7/17/56

98963



N

STRUCTURE CONTOUR MAP

RED ROCKS #3 and #4
SECTION 24 T.13N., R.10W.
McKINLEY COUNTY N.M.

SCALE
1" = 100' 0' 50' 100'
contour - 10' interval

LEGEND

6650 — Structure contour on base of Todilto formation

Nil — Barren drill hole

Ø — From trace to .10% U_3O_8

Ø — From 1' of .10% U_3O_8 to 2' of .20% U_3O_8

● — 2' of .20% U_3O_8 and better

570 — Elev. Jt-Je contact
Ø-29' - Thickness of Todilto limestone
295-299 - .05 Gamma value
293-293.5 - .08 chem - Chem. Assay value

X - Proposed drill sites

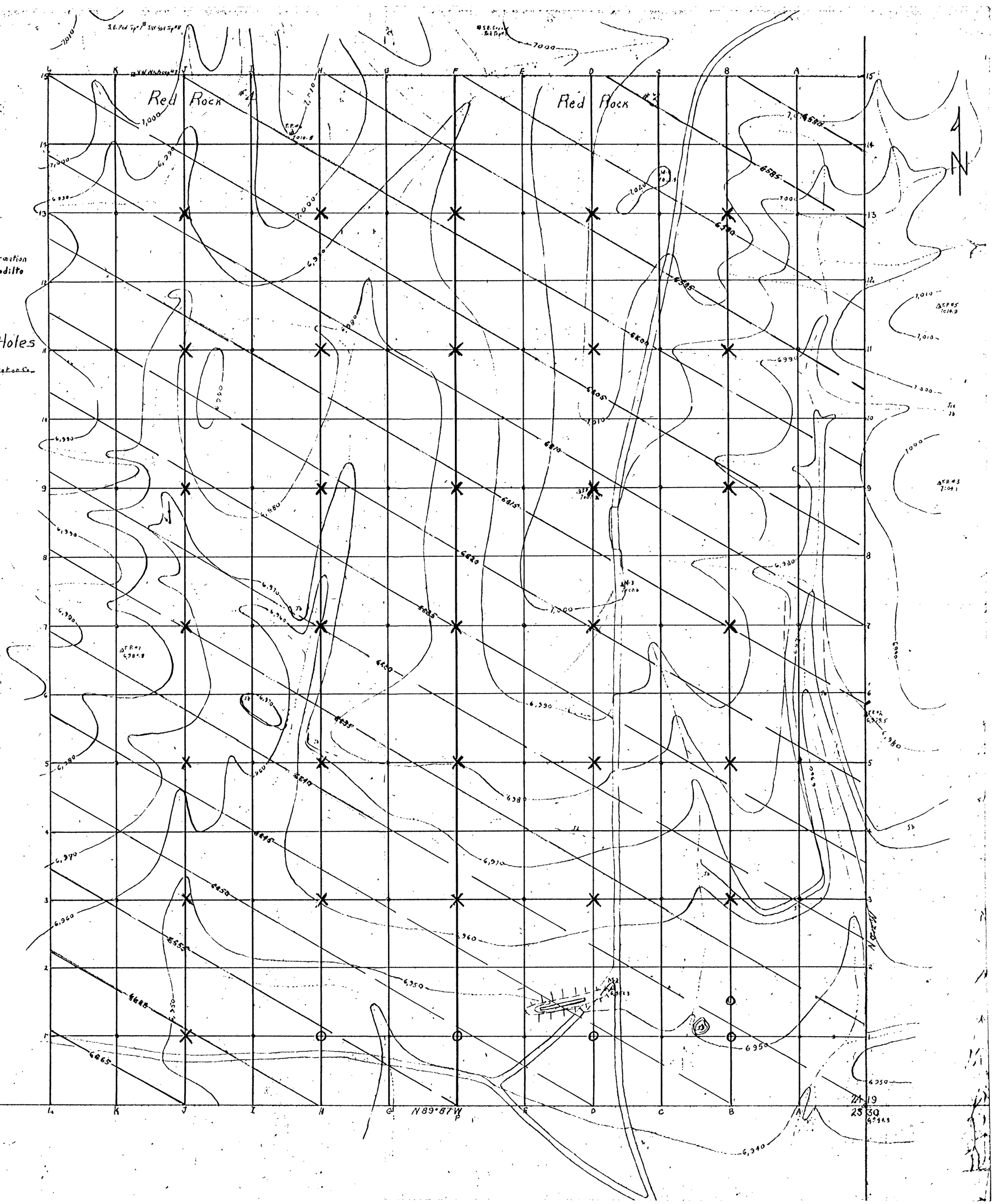
Figure 2

RED ROCKS #3 and #4
SECTION 24, T.13N., R.10W.
MC KINLEY COUNTY, N.M.

SCALE
1" = 100'

LEGEND

- Contour 10' Interval - sea level datum
- TP#6 Survey Station
- Discovery Pit
- Joint directions
- Jb Bluff formation - San Rafael Group
- Jrc Recapture Creek Member - Morrison formation
- Structure Contours on base of Todilto
- ~~Proposed Drill Holes - Stage 1~~
- o Holes Completed by Applicant
- X Proposed Stage I Holes

~~Report~~
~~Four Corners Exploration Co.~~
~~February 15, 1985~~

DMEA - 3854