Surname copy

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Knowso (12/08)
Ellis
Lamb
Nelson
Selfridge

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

Mr. John J. McFadden
Secretary-Treasurer
Desert Treasure, Inc.
605 East 11th Street
Kansas City 6, Missouri

DEC 19 1956

Re: Docket No. DMEA-4401 (Uranium)
Abby Group of Claims
Rio Arriba County, New Mexico

Dear Mr. McFadden:

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

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

Careful study of all our information, although noting some radioactive anomalies were reported on your claims, indicates that the probability of disclosing significant ore reserves on your property is not sufficiently promising to justify Government participation. We regret to advise you that, under these circumstances, your application for exploration assistance is denied. Such denial, however, is made without prejudice to the property. If future work on your property reveals evidence which could materially alter this opinion, we will be pleased to consider a new application.

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

Sincerely yours,

C. O. Mittendorf

Administrator

FIKnouse/gla
12-18-56
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. JECrawford, 3643
THKiilsgaard, 5224
JOHosted, 3210, GSA
Code 700
Mr. Knouse
DMEA Field Team, Region III (2)

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

DOCKET COPY

December 17, 1956

Summary of Proposed Project

Object: Denial of application for an exploration project.

Docket No.: DMEA-4401

Commodity: Uranium

Applicant: Desert Threasure, Inc. (a Missouri corporation)
605 East 11th Street
Kansas City 6, Missouri

Property is known as the Abby Group of claims, and consists of 46 contiguous unpatented lode claims named Abby Nos. 5 to 50, inclusive, in secs. 17, 18, 19, 20, 29, and 30, T. 25 N.,R. 2 E., N.M.P.M. & B., Rio Arriba County, New Mexico.

The Applicant is the owner of the property.

Date of Application: July 26, 1956.

Work Proposed: The exploration program is not detailed. However, Applicant proposed an initial program of 29 or 30 holes on 600-foot centers to prospect a "channel" in the Morrison formation followed by the drilling of 36 or 37 additional holes, in some cases drilled on 300-foot centers, to explore for "tributaries" provided the initial drilling indicates favorable uranium mineralization, the estimated total drilling to be 20,000 feet (3,300 feet of core and the balance non-core) at a total estimated cost of $30,203.02.

The property has no exploratory workings and has been prospected only by radiometric surveys from the air and on the ground. An aerial radiometric log submitted by Applicant showed readings ranging from 0.011 to 0.045 mr/hr, with an average background count of 0.02 mr/hr.

Cost of Proposed Work:

Independent Contracts		
50 hours of tractor operating time @ $12.00/hr.	$ 600.00	
20,000 feet drilling (core and non-core) @ $17.50/hr - 20-ft. minimum/hr.	17,500.00	
20% additional for stand-by time	3,500.00	
Moving on time	900.00	
		$22,500.00
Labor, Supervision, Consultants		
Supervision	2,000.00	
Consultants	1,000.00	
		3,000.00
Operating Materials and Supplies		
Gas and oil	235.00	
Batteries	5.00	
		240.00
Operating Equipment		
Station wagon depreciation	240.00	
Truck depreciation	120.00	
Electronic equipment depreciation	160.00	
		520.00
Miscellaneous		
Analytical work	330.00	
Accounting	500.00	
Insurance	167.50	
General overhead	1,250.00	
		2,247.50
Contingencies		
7% of $28,507.50	1,695.52	1,695.52
Estimatedtotal cost of the project		$30,203.02
Government participation @ 75%		$22,652.23

Field Team report: Dated November 27, 1956 (Joint report by Howard F. Albee, USGS, and Edward N. Buel, USBM).

The property is in an area about 85 miles north-northeast of the Anaconda Company's Jackpile mine on the eastern side of San Juan Basin.

Rocks exposed in the vicinity of the property range in age from Triassic to Cretaceous and are, in ascending order, the Triassic Chinle formation, the Jurassic Entrada, Todilto, and Morrison formation, and the CretaceousDakota sandstone.

The claims on which the work isproposed lie on a high mesa capped by Dakota sediments about 120 feet thick, and is underlain by about 400 feet of Morrison sediments.

There are no known ore deposits on the property. The Applicant indicated on a map that two samples were taken and one taken from the Morrison sandstone assayed 0.164% U_3O_8. However, the examining team members were not shown where the sample was taken. Several radioactive anomalies were discovered on the property, but the property has not been sufficiently prospected to allow a determination of the geological relationships or to evaluate their uranium potential.

Therefore, it is concluded that there is not sufficient information on which to base an exploration program, and that the Applicant should prospect the property and obtain the needed information.

Under these circumstances, the application should be denied without prejudice to the property.

The FieldTeam concurs with the recommendation of the examining team.

Comments of Commodity Specialists:

U. S. Geological Survey, N. E. Nelson, December 13, 1956.

Concurs with recommendations of Field Team.

U. S. Bureau of Mines, John E. Crawford, December 14, 1956.

Concurred in denial of application.

Rare and Miscellaneous Metals Division, F. L. Knouse, December 14, 1956.

Since only scattered radioactive anomalies were observed by the DMEA examining team, enough information is not available to indicate the uranium potential of the property and, also, on which to base an exploration program. However, additional prospecting of the property may produce information that would justify an exploration program. Under these circumstances, the application should be denied without prejudice to the property.

Conclusions:

A review of all our information relating to the proposed project indicates that the available information concerning the uranium potential of the property does not justify an exploration program. Therefore, the application should be denied without prejudice to the property.

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

700

12/17/56 gla

RECEIVED DEC 14 1956 DMEA

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

Date December 14, 1956

DMEA Docket No. 4401
DMEA Contract No.
Commodity Uranium
Name of applicant Desert Treasure, Inc.
Name of property Abby Group of Claims
Location of property Rio Arriba County, N. Mex.
Estimated cost of project $30,203.00

Memorandum ✓

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

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

Subject: Review of Application
(Application, Field Team Report, etc.)

1. Date of subject document: 12/3/56. 2. Date received by reviewer: 12/11/56.

3. Prior reports on this property known to reviewer: Yes ☐ No ☐

4. Prior reports on nearby properties known to reviewer: Yes ☐ No ☐

5. Information available on past production: Yes ☐ No ☐

6. Other pertinent factors known to reviewer: Yes ☐ No ☐

7. Explain items marked yes above:

8. Factors needing special consideration:
   a. Location ☐
   b. Ownership ☐
   c. Evidence of mineralization ☐
   d. Geology ☐
   e. Proposed exploration method ☐
   f. Alternate exploration method ☐
   g. Costs ☐
   h. ☐

9. Action advised:
   a. Obtain information from applicant ☐
   b. Refer to Field Team ☐
   c. Denial [x]
   d. Agree with Field Team [x]
   e. Disagree with Field Team ☐
   f. Suggest alternate plan ☐
   g. Request another examination ☐
   h. Approval ☐
   i. Consult with Mr. ____ at ____ AEC office.

Remarks: (Use back of page if necessary) Mr. J. O. Hosted, Washington representative of the Atomic Energy Commission, assisted in the review.

12-14-56

IN REPLY REFER TO:

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

RECEIVED DEC 14 1956 D.M.E.A.

December 13, 1956
Re: DMEA 4401
Desert Treasure, Inc.
Abby Group
Rio Arriba County, New Mexico
$30,203.00 - Uranium

Memorandum

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

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

Subject: Review of Field Team Report

The applicant requested assistance in prospecting, by drilling, a group of claims underlain by the Morrison formation. Radiometric surveys, aerial and ground, have shown areas of low anomalous readings but no area of probable significant radioactivity has been pinpointed.

The applicant indicated on a map where two samples had been taken, one of which assayed 0.164% U_3O_8. The examiners were not shown the place the sample was taken and apparently no showings of radioactive material are to be seen. The consultant for the applicant says, "It is not possible in the light of present information to determine which part of the property would be most likely to produce."

Obviously any drilling that might be done would be of a decidedly prospective nature. Therefore the examiners and the Field Team recommend that the application be denied without prejudice.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

12/7/56

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

224 New Customhouse
Denver 2, Colorado

RECEIVED DEC 5 1956 D.M.E.A.

December 3, 1956

Memorandum

To: Secretary to the Operating Committee

From: DMEA Field Team, Region III

Subject: Joint Report of Examination Docket DMEA 4401 (Uranium) Desert Treasure, Inc. (Abby Group of Claims) Rio Arriba County, New Mexico

Enclosed are the original and three copies of a joint geologic and engineering Report of Examination covering the subject application by E. W. Buel, Mining Engineer, USBM, and H. F. Albee, Geologist, USGS, transmitted to the Executive Officer by John F. Shaw, Supervising Engineer, and E. N. Harshman, member, Region III Field Team.

The examiners conclude that, although several radioactive anomalies are in evidence on the Abby group, insufficient prospecting work has been accomplished to determine geologic relationship to evaluate the uranium ore potential of the claims. They recommend denial of the application without prejudice, and the Field Team concurs.

DMEA Field Team, Region III

W. M. Traver

By W. M. Traver
Executive Officer

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
12-7-56
(date)

IN REPLY REFER TO:

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

TRANSMITTED
DEC 3 1956

November 28, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw
E. N. Harshman

Subject: DMEA Docket 4401 (Uranium), Desert Treasures, Inc., (Abby group of claims), Rio Arriba County, New Mexico

Enclosed are the original and nine copies of a joint report of examination by H. F. Albee, U. S. Geological Survey, and E. W. Buel, U. S. Bureau of Mines.

The applicant proposes to explore the Abby group of claims by a program of drilling estimated to cost $30,203. The basis for the proposed exploration is an aerial radiometric survey which indicated slight anomalies on the property.

The examining team concludes that the data available on the property are not sufficient to permit an appraisal of the ore potential of the claims. They recommend denial of the application without prejudice.

We concur with the conclusions and recommendations.

John F. Shaw
Supervising Mining Engineer

E. N. Harshman
Member, Field Team

Enclosures (10)
ENHarshman:mp

Reviewed by
DMEA OPERATING COMMITTEE
12-7-56
(date)

FOR UNITED STATES GOVERNMENT USE ONLY

TRANSMITTED

DEC 3 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

RECEIVED
DEC 5 1956
D.M.E.A.

DMEA 4401

Desert Treasure, Inc.

Abby Group of Claims

Rio Arriba County, New Mexico

Uranium

Joint Engineering and Geological Report

by

Howard F. Albee, Geologist
Geological Survey

Edward W. Buel, Mining Engineer
Bureau of Mines

November 27, 1956

Reviewed by
DMEA OPERATING COMMITTEE
12-7-56
(date)

CONTENTS

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Location, accessibility, and physical features	3
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Applicant's proposal	7
History and production	8
Present status	8
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ILLUSTRATIONS

Figure	Follows page
1. Map showing location of Abby Group, Desert Treasure, Inc., Rio Arriba County, New Mexico. DMEA 4401	3
2. Geologic map of part of the Gallina area showing the location of the Abby group of claims, Desert Treasure, Inc., Rio Arriba County, New Mexico. DMEA 4401	5

RECEIVED
DEC 5 1956
D.M.E.A.

DMEA 4401

DESERT TREASURE, INC.
ABBY GROUP OF CLAIMS
RIO ARRIBA COUNTY, NEW MEXICO

SUMMARY AND CONCLUSIONS

Desert Treasure, Inc., requested DMEA assistance to explore for uranium on its Abby group of claims, Rio Arriba County, New Mexico. The applicant's exploration program is estimated to cost $30,203.

The applicant proposes to explore the Morrison formation by core- and plug-bit drilling in areas indicated to be favorable by an aerial radiometric survey. The Morrison formation is composed mainly of varicolored shales interbedded with lenses of buff-colored sandstone. It is capped by Dakota sandstone, and from available information there are no determinable drilling targets.

It is concluded that insufficient work has been done on the property to make geologic data available from which an evaluation of possible uranium potential may be made at this time.

It is recommended that the application be denied without prejudice.

INTRODUCTION

Desert Treasure, Inc., applied for DMEA assistance to explore for uranium on its Abby group of claims in the Gallina area of Rio Arriba County, New Mexico. The applicant proposes to diamond drill 66 holes, by doing 3,300 feet of coring and 16,700 feet of plug-bit drilling at an estimated cost of $30,203.

A DMEA examining team composed of Howard F. Albee, U. S. Geological Survey, and Edward W. Buel, U. S. Bureau of Mines, conducted a preliminary investigation of the Abby group on September 19, 1956. The team was accompanied by Mr. J. C. Harvey, vice-president, and Mr. McKinley, geologist for the Texaco Company, Albuquerque, New Mexico. Members of the AEC were consulted regarding this application.

PROPERTY AND OWNERSHIP

The Abby group consists of 46 unpatented lode claims named Abby 5 to 50, inclusive. The claims are within the Santa Fe National Forest.

The owner of the Abby group is Desert Treasure, Inc., 605 East 11th Street, Kansas City 6, Missouri.

The property rights were acquired by the present owners from a now-defunct corporation (name unknown). There are no known liens or encumbrances against the property.

LOCATION, ACCESSIBILITY, AND PHYSICAL FEATURES

The Abby group is in secs. 19 and 30, T. 25 N., R. 2 E., New Mexico principal meridian, Rio Arriba County, New Mexico (fig.1). It is less than a mile south of the west branch of the Gallina River, and is about 10 miles northeast of Gallina, New Mexico. The group lies at an estimated average altitude of 7,400 feet.

The property is readily accessible from the Gallina postoffice by traveling eastward, 1.6 miles, along State Highway 96 to the French Mesa road. This road, which passes through a sawmill yard, is followed for 6.7 miles to the Gallina River road; then for 6.1 miles to the Gallegos Spring road. The Spring road passes by the southern boundary of the Abby group, less than 1 mile from the last turnoff.

The property may be reached by conventional types of automobiles when the roads are dry; but heavy rains may cause delays of 24 hours or more, unless 4-wheel-drive vehicles are used.

A number of lumber roads and service roads are near the property.

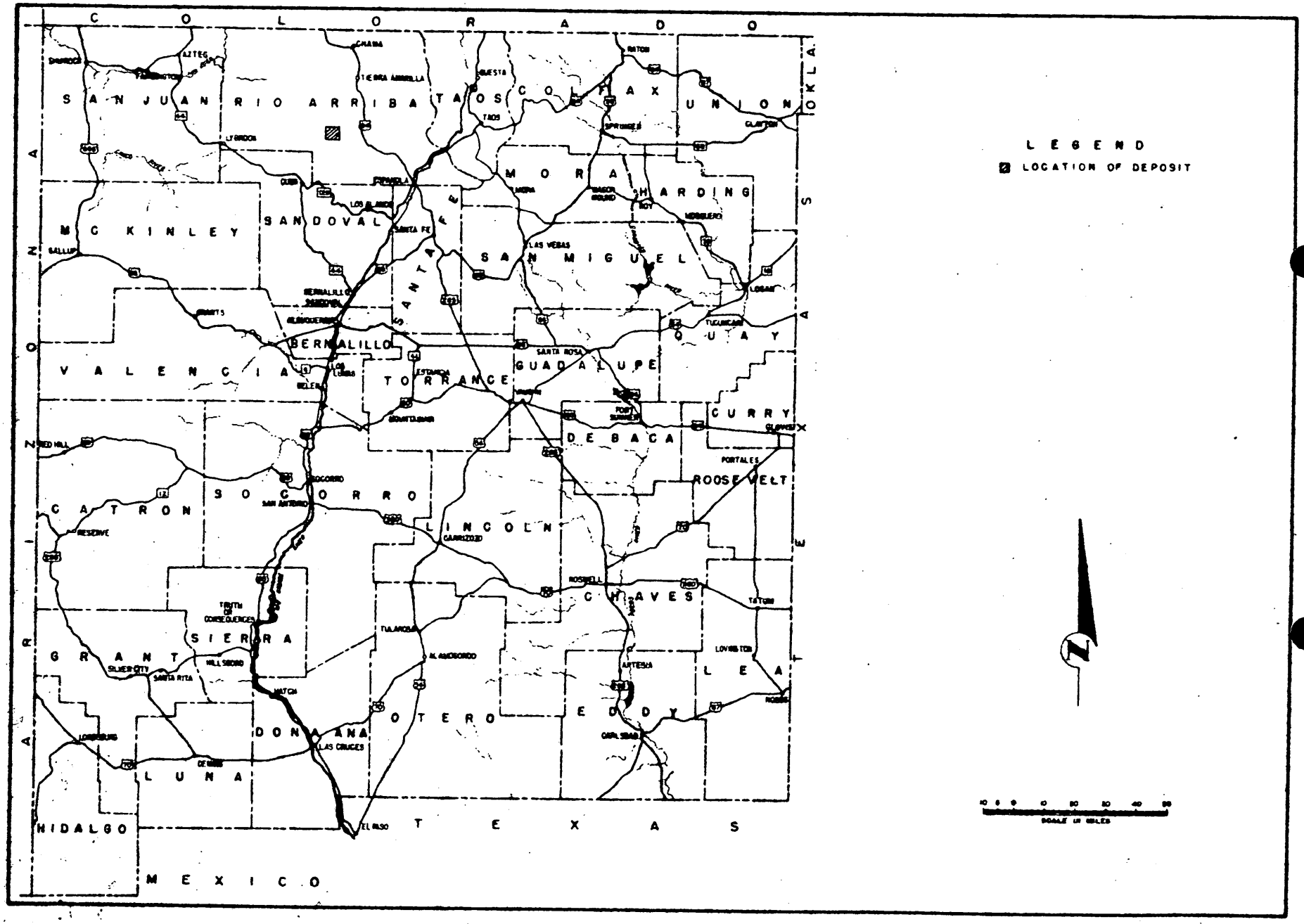


FIGURE 1 - MAP SHOWING LOCATION OF ABBY GROUP, DESERT TREASURE, INC., RIO ARRIBA COUNTY, NEW MEXICO.
DMEA 4401

RECEIVED
DEC 5 1956
D.M.E.A.

The property lies within the Santa Fe National Forest which contains a comparatively heavy growth of ponderosa pine and scrub oak. The general area is deeply dissected by the Gallina River and its tributaries, which have produced numerous steep canyons and gulches, between which are small mesas. The area the applicant proposes to explore lies atop of one of these mesas.

Altitudes in the general area of the property range from about 6,800 along the river valley, to well over 8,000 feet a short distance south of the property and the average altitude is estimated at 7,400 feet.

Abundant timber for mining needs grows on the claims. Water probably must be hauled 8 miles from the Gallina River during the dry season.

The climate is dry during much of the year, as is indicated by the growth of some cacti; but, at the higher elevations, precipitation in the form of summer rains and winter snows, is sufficient to support the growth of larger trees.

Public utilities do not serve the area. This makes necessary the use of portable internal-combustion engines as sources of power.

Skilled mining labor is reported to be abundant, because gold, silver, and mica mines that had been worked in the area, have now been closed down, resulting in a surplus of skilled labor.

Mining materials, supplies, and equipment can be obtained in Espanola, Santa Fe, and Albuquerque, New Mexico.

Atomic Energy Commission ore-buying stations are at Grants, New Mexico, and Durango, Colorado, both of which are more than 150 miles, by road, from the Gallina area.

GEOLOGY

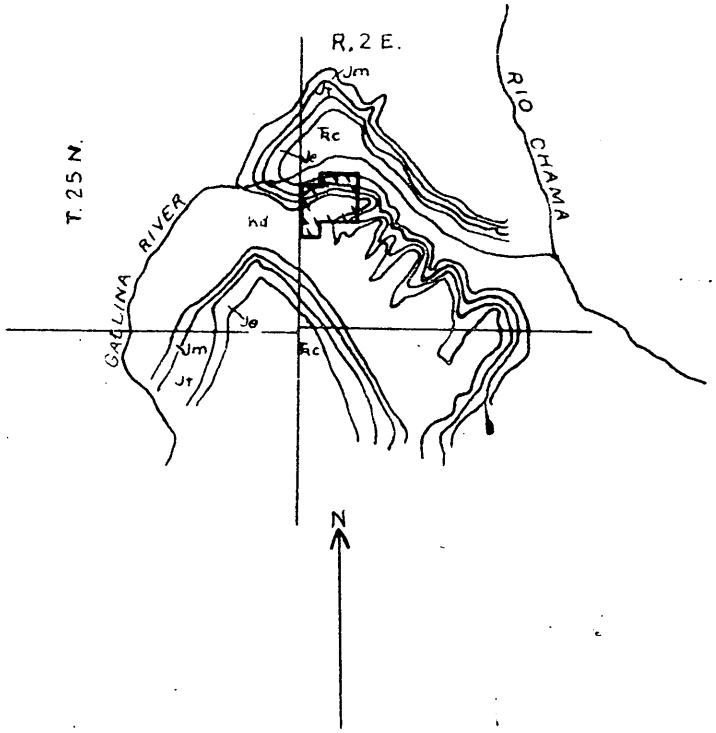
The Abby group of claims lies a few miles north of the northerly-trending Nacimiento and San Pedro Range of mountains that borders on part of the eastern side of the San Juan Basin. The mountains are the southwesternmost extension of the southern Rocky Mountain province and separate the Colorado Plateau province from a northern extension of the Basin and Range province.

The rocks exposed in the vicinity of the claims range in age from Triassic to Cretaceous and are, in ascending order, the Triassic Chinle formation, the Jurassic Entrada, Todilto, and Morrison formations, and the Cretaceous Dakota sandstone (fig. 2). The lower 50 feet or so of the Morrison formation may possibly contain rocks equivalent to the Summerville formation.

The claims on which the exploration work is proposed lie on a relatively high mesa capped by the Dakota sandstone. The Dakota in the vicinity comprises a lower member of massive, cross-bedded sandstone about 120 feet thick, a middle member of 20 feet or more

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
OCTOBER 1956 DOCKET 4401



1 0 2 4 6 8 MILES

DATUM IS MEAN SEA LEVEL.

Kd CRETACEOUS DAKOTA SANDSTONE

Jm JURASSIC MORRISON FORMATION

Jt JURASSIC TODILTO LIMESTONE

Je JURASSIC ENTRADA SANDSTONE

Ꞧc TRIASSIC CHINLE FORMATION

GEOLOGIC CONTACT

LOCATION OF ABBY CLAIMS

NOTE: BASE MODIFIED FROM RECONNAISSANCE GEOLOGIC MAP OF NACIMIENTO UPLIFT AND CHAMA BASIN IN RIO ARRIBA AND SANDOVAL COUNTIES, NEW MEXICO, U.S.G.S. BULLETIN 794.

FIGURE 2.--GEOLOGIC MAP OF PART OF THE GALLINA AREA SHOWING THE LOCATION OF THE ABBY GROUP OF CLAIMS, DESERT TREASURE, INC., RIO ARRIBA COUNTY, NEW MEXICO.

of dark shale and thin-bedded sandstone, and an upper member of about 50 feet of massive hard sandstone (Darton, N. H., 1928). The upper part of the Dakota is eroded in places and the Morrison is overlain by only part of the lower sandstone.

The Morrison formation is composed mainly of greenish, brownish-gray, white, or maroon massive shale or claystone with some buff-colored, lenticular sandstone layers and some thin beds of limestone. The formation was estimated to be about 400 feet thick.

The rocks dip easterly at the claims, from an estimated 7° to 8° on the west to 2° to 3° on the east. The applicant suggested that a fault trends northerly across the property; however, no displacement of strata was seen in the field.

ORE DEPOSITS

There are no known ore deposits on the property. The applicant has indicated on a map that two samples were taken, one of which assayed 0.164 percent U_3O_8, but no supporting data were submitted. Some slight anomalies by an aerial radiometric survey were detected over the property, but no physical prospecting on the ground has been reported.

In the Gallina-Coyote area, about 12 miles south of the property, numerous places that show high radioactivity have been found in strata that range in age from Pennsylvanian to Cretaceous.

Exploration has been done on many of these occurrences, but no shipments are being made from the area.

The known mineralization is usually very small in extent, is mainly of the copper-uranium type, and is commonly associated with carbonaceous material and green mudstone galls.

SAMPLING AND ORE ESTIMATES

An aerial radiometric log submitted by the applicant shows readings of from 0.011 to 0.045 mr/hr or more with an average background count estimated as 0.02 mr/hr or more. These readings indicate that the property has some uranium mineralization.

The applicant reports that a sample taken from the Morrison sandstone contained 0.164 U_3O_8. Details as to this sampling were not given the examining team, nor were the examiners conducted to the place from which the sample was taken.

At the time of the preliminary examination there were no favorably mineralized areas suitable for sampling shown to the examining team. Hence no samples were collected.

There are no known ore reserves in the subject property.

APPLICANT'S PROPOSAL

The applicant's exploration proposal is not given in detail. As nearly as can be determined, the applicant contemplates initial

drilling of 29 or 30 holes, on 600-foot centers, to prospect a "channel". If the initial drilling indicates favorable uranium mineralization, then 36 or 37 additional holes will be drilled, in some cases on 300-foot centers, to explore for "tributaries". The applicant estimates total drilling to be 20,000 feet.

HISTORY AND PRODUCTION

The history of the area and property is not fully known. Uranium minerals were first reported in Rio Arriba County in 1930. The location of the original discoveries is not known, but it is supposedly in the Gallina area, as uranium mineralization has been discovered in several localities in sedimentary rocks and also in igneous dikes and plugs.

It is believed that interest in the Gallina area developed less than four years ago, following the exploration and development of uranium deposits of the Grants, New Mexico area.

There is no known uranium production from the Abby group or from any other properties of the Gallina area.

PRESENT STATUS

The property has no exploratory workings, and has been prospected only by radiometric surveys from the air and on the ground.

There is no mining or milling equipment on the property.

CONCLUSIONS AND RECOMMENDATIONS

Several radioactive anomalies were discovered on the Abby group, but the claims have not been sufficiently prospected to allow a determination of the geological relationships or to evaluate their uranium mineralization potential. R. R. Spurrier, in his report prepared for the applicant, states, "It is not possible in the light of present information to determine which part of the property would be most likely to produce".

The examining team concludes that there is not enough information on which to base an exploration program, and that the applicant should prospect its property so that the needed information can be obtained.

The examining team recommends that the application be denied without prejudice.

August 14, 1956

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg.III

From: Superintendent, Denver Experiment Station, Reg. III

Subject: Docket DMEA 4401 (Uranium) Desert Treasure, Inc., (Abby Group of claims), Rio Arriba County, New Mexico

The application for Desert Treasure, Inc., Docket DMEA 4401, in the amount of $30,203.00 was received in this office on August 14.

A field examination and suitable report will be prepared by an engineer from the Denver office.

wsk
JOHN F. SHAW
John F. Shaw

cc: W. M. Traver (2)
E. N. Harshman
John F. Shaw
Sec. Op. Com. (2)

RECEIVED
AUG 17 1956

8/15/56

RECEIVED
AUG 15 1956

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

August 13, 1956

224 New Customhouse
Denver 2, Colorado

Memorandum

To: J. F. Shaw (2) (With brochure)
E. N. Harshman

From: Field Team, Region III

Subject: Docket DMEA 4401 (Uranium) Desert Treasure, Inc. (Abby Group of Claims), Rio Arriba County, New Mexico

Enclosed is the subject application in the amount of $30,203.00. A field examination and suitable report are requested.

Also enclosed for your further information is a copy of a letter from the Acting Chairman of the Operating Committee dated August 8, 1956 with attached memoranda of review of the application by W. P. Williams and John E. Crawford.

Will you please return the brochure with the Report of Examination.

DMEA Field Team, Region III

W. M. TRAVER,

By W. M. Traver
Executive Officer

Enclosures

HMC:ab

cc: Sec. Op. Comm. (2)
Docket 4401
Chron.

700

FILE COPY
Surname:
Hopkins
Mis
Nelson
Lamb
Martin
Johnson

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

AUG - 8 1956

Desert Treasure, Inc.
605 East 11th Street
Kansas City 6, Missouri

Re: Docket No. DMEA-4401 (Uranium)
Abby Group of Claims
Rio Arriba County, New Mexico

Gentlemen:

The application for assistance in exploring your claims, under the captioned docket number, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration. It has been referred to:

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

The Regional Office will contact you in regard to your project if additional information is required.

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins/izm 8-8-56 (For FLKnouse)
cc to: Docket
Code 700
Mr. Hopkins (Knouse)
Admr.'s Reading File
DMEA Field Team, Region III (2)

R.C.S.

700

FILE COPY
Surname:
Hopkins
Nelson
Laurent
Martin
Hoffman

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

AUG - 8 1956

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

Re: Docket No. DMEA-4401(Uranium)
Desert Treasure, Inc.
Abby Group of Claims
Rio Arriba County, New Mexico

Dear Mr. Traver:

The captioned application is referred to Region III Field Team for investigation, a field examination if deemed advisable, and recommendation.

Enclosed are copies of memoranda dated July 31 and August 3, 1956 by W. P. Williams, USGS, and John E. Crawford, USBM, respectively, relating to the subject application.

Also enclosed is an extra copy of the application and attachments for the use of the Field Team.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (JLB)

Enclosures

APPROVED:

FRANK D. LAMB (JLB)
Member, Bureau of Mines

N. E. Nelson (JLB)
Member, Geological Survey

JHopkins/izm 8-8-56 (For Knouse)
cc to: Docket
Code 700
Mr. Hopkins (For Knouse)
Admr.'s Reading File
Operating Committee
Messrs. JECrawford, Rm. 3643
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

R.C.K.

8/7/56

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

RECEIVED
AUG - 6 1956

August 3, 1956

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

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

Subject: Application for Assistance, DMEA Docket 4401 (Uranium) Desert Treasures, Inc. (Abby group of claims) Rio Arriba County, New Mexico

I have reviewed the attached application, DMEA Docket 4401, Desert Treasures, Inc. (Abby group of claims) Rio Arriba County, New Mexico, dated July 26 and received in this office July 30, 1956. I have also discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

The applicant proposes an exploration project that includes 20,000 feet of plug bit and core drilling. The total estimated cost of the project is $30,203.02.

The justification for exploration is based on results obtained from aerial radiometric surveys which indicate the presence of anomalous radioactivity.

Referral of the application to the Field Team for appropriate action is recommended. Consultation by the field with E. E. Thurlow, Manager, Denver Area Office, AEC, regarding the subject property is also recommended.

John E. Crawford
John E. Crawford

Attachment

8-1-56

IN REPLY REFER TO:

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

July 31, 1956

Memorandum

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

From: W. P. Williams, U. S. Geological Survey

Subject: Review of application, DMEA 4401, (Uranium), Desert Treasure, Inc., Abby claims, T. 25 N., R. 2E., Rio Arriba County, New Mexico.

The applicant proposes to explore for uranium deposits in the Morrison formation in an area that is about 85 miles north-northeast of Anaconda Company's Jackpile mine. The proposed work would consist of 66 drill holes at an estimated total project cost of $30,203.

The applicant's reasons for wishing to explore the tract appear to be based on aerial and ground radiometric surveys with scintillation equipment. The ore zone in the Morrison in the exploration area is covered by the Dakota formation of Cretaceous age. To my knowledge there has been no significant production from the vicinity of the property.

A great many areas of anomalous radioactivity have been found all over the United States by airborne equipment. These areas are, of course, interesting but they do not at all present the basic DMEA requirement that a significant discovery ~~would~~ might result from costly exploration work on those areas. Such areas need further prospecting.

DMEA 3903, 15 to 20 miles southwest of the subject property, with similar geologic conditions was denied.

Admittedly the subject property is in a new and relatively untested area, but I doubt that DMEA participation in exploration on the property is warranted at this time.

The Field Team should be asked if they have late information on the property and for their views on the potentialities of the area.

W. P. Williams

W. P. Williams

RECEIVED
AUG - 1 1956

July 30, 1956

Desert Treasure, Inc.
605 East 11th Street
Kansas City 6, Mo.

Subject: DMEA-4401
Re: Exploration Assistance
Abby Claims 5-50

Gentlemen

The receipt of your application dated July 26, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4401 and referred to the Rare & Misc. Metals Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

July 30, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region III.

DMEA
- 4401 Desert Treasure, Inc.
Abby Claims 5-50

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

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

RECEIVED
JUL 30 1956

224 New Customhouse
Denver 2, Colorado

July 27, 1956

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA Aid (Uranium), Desert Treasure, Inc. (Abby Claims 5 - 50), Rio Arriba County, New Mexico

Enclosed are three copies of subject application in the amount of $30,203.02. One copy of the application is being retained in our file.

W. M. Traver

W. M. Traver

Encl.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
JUL 30 1956

DMEA
Date Rec'd
JUL 27 1956
BUREAU OF MINES
Denver, Colorado

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

Not to be filled in by applicant

Docket No. 4401
Metal or Mineral Uranium
Date Received 7-30-56
Estimated Cost $30,203.02
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: DESERT TREASURE, INC. 605 EAST 11TH ST., KANSAS CITY 6, MO. A MISSOURI CORPORATION. C.N. JARRETT-PRESIDENT, LATHROP BLDG. KANSAS CITY, MO. JULIAN C. HARVEY-V-PRESIDENT, 6106 MCGEE ST., KANSAS CITY, MO. JOHN J. MCFADDEN-SEC-TREAS. 605 E 11TH, KC, MO.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract THE LEGAL DESCRIPTION OF THIS PROPERTY IS CONTAINED ON A PLAT MAP "STADIA SURVEY OF MINING CLAIMS" WHICH IS SUBMITTED HEREWITH AS EXHIBIT "A". THE 46 CLAIMS SHOWN ON EXHIBIT "A" CONSTITUTE THE ENTIRE PROPERTY TO BE EXPLORED.

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

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise DESERT TREASURE, INC. OWNS THE MINERAL RIGHTS ON SUBJECT LAND.

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

(*e*) If you own the land, describe any liens or encumbrances on it THERE ARE NO KNOWN LEINS OR ENCUMBERANCES ON THE MINERAL RIGHTS. SEARCH HAS BEEN MADE.

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. SEE 3. F. ON ATTACHED SHEET

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. SEE ATTACHED SHEET FOR 4(A) THRU (E)

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

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

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

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore URANIUM (CARNOTITE) IN MORRISON SS.

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within 60 days and be completed within 6 months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

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

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

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

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? YES

(*b*) How do you propose to furnish your share of the costs? 5(B), 5(G) THRU 5(H) ON ATTACHED SHEET.

[X] Money [X] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated AT KC, MO. ON 26 JULY, 1956

DESERT TREASURE, INC. (Applicant)

By John J. McFadden

JOHN J. McFADDEN
SECY-TREASURER

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

DESERT TREASURE, INC.
605 EAST 11TH STREET
KANSAS CITY 6, MO.
PHONE BALTIMORE 1-8780

RECEIVED
JUL 30 1956

3. (F) "STADIA SURVEY OF MINING CLAIMS" IS RECORDED IN VOL. 28 ; PAGE 43 ; RIO ARRIBA CO., NEW MEXICO.

3. (F) EACH OF THE 46 RECORDED LOCATION NOTICES ARE RECORDED IN VOL. 28 ; PAGES 43 THRU 65 AS NOTED:

ABBY 5,6 PAGE 43	ABBY 7,8 PAGE 44
ABBY 9,10 PAGE 45	ABBY 11,12 PAGE 46
ABBY 13 PAGE 65	ABBY 14,15 PAGE 48
ABBY 16,17 PAGE 48	ABBY 18,19 PAGE 49
ABBY 20, 21 PAGE 50	ABBY 22,23 PAGE 51
ABBY 24,25 PAGE 52	ABBY 26,27 PAGE 53
ABBY 28,29 PAGE 54	ABBY 30,31 PAGE 55
ABBY 32,33 PAGE 56	ABBY 34,35 PAGE 57
ABBY 36,37 PAGE 58	ABBY 38,39 PAGE 59
ABBY 40,41 PAGE 60	ABBY 42,43 PAGE 61
ABBY 44,45 PAGE 62	ABBY 46,47 PAGE 63
ABBY 48,49 PAGE 64	ABBY 50 PAGE 65

4. PHYSICAL DESCRIPTION-
(A) NO MINING OPERATIONS HAVE BEEN CONDUCTED. EXPLORATION OPERATIONS HAVE BEEN CONDUCTED FROM THE AIR AND FROM THE GROUND. RESULTS OF THESE OPERATIONS ARE CONTAINED IN "EXHIBIT B" IN SOME DETAIL.
(B) NONE.
(C) THE PROPERTY CONTAINS VERY THICK SECTIONS OF MORRISON SS. COVERED WITH SOLID LAYERS OF DAKOTA SS. ASSAYS OF MORRISON SS. TAKEN FROM BEDDED CHANNEL OUTCROPS RUN TO .164. AERIAL RADIO-METRIC SURVEY PLUS GROUND RADIO-METRIC SURVEY SHOW A DEFINATE RADIO-METRIC CHANNEL RUNNING FROM N TO S THRU THE ℄ OF CLAIMS ABBY 25-29 TO ABBY 20-37. THIS RADIO-METRIC CHANNEL IS SHOWN IN RED IN "EXHIBIT B" IN FIELD NOTES, RADIO-METRIC SURVEY. THE RED MARKES ON THE AERIAL STRIP COINSIDING WITH THE FINDINGS ON THE GROUND ARE ALSO SHOWN IN "EXHIBIT B". SINCE BOTH THE RADIO-METRIC SURVEYS AND THE GROUND SURVEYS TEND TO SHOW THE POSSIBILITY THAT A PALEOZOIC STREAM BED IN THE MORRISON SS. MAY RUN THRU THE MESA , WE WISH TO DRILL IT TO FIND OUT.
(D) ACCESS ROADS ARE GOOD, BEING IN MOST PART FOREST SERVICE ROADS. THESE ROADS WOULD NOT BE PASSABLE, HOWEVER, FOR A PERIOD OF 24 HOURS AFTER A HEAVY RAIN. PRESENT ROADS AND TRAILS WOULD ALLOW ACCESS TO ALL BUT A FEW DRILL LOCATIONS.

DESERT TREASURE, INC.
605 EAST 11TH STREET
KANSAS CITY 6, MO.
PHONE BALTIMORE 1-8780

4. (D ; CONT'D) DISTANCES TO SHIPPING VIA RAIL: 72 MILES AT SANTA FE, NEW MEXICO. DISTANCES TO SHIPPING BY TRUCK: AT SITE. DISTANCES TO BUYING STATIONS BY TRUCK: SHIPROCK, NEW MEXICO-286 MILES. GRANTS, NEW MEXICO-136 MILES. SUPPLY AND MAINTENANCE POINTS ARE AS FOLLOWS: FOOD, WATER, GAS & OIL-8 MILES AT GALLINA, NEW MEXICO. MAINTENANCE AND HEAVY SUPPLIES-52 MILES AT ESPANOLA, NEW MEXICO.

(E) THE AVAILABILITY OF TRAINED MANPOWER IS EXCELLANT, SINCE MANY GOLD, SILVER, & MICA MINES IN THE AREA HAVE CLOSED RECENTLY. MATERIALS, SUPPLIES & EQUIPMENT ARE IN GOOD SUPPLY IN ESPANOLA, SANTA FE, AND ALBUQUERQUE. WATER IS IN UNLIMITED QUANTITY, BUT WOULD HAVE TO BE HAULED 8 MILES. NO POWER IS LOCALLY AVAILABLE. ROADS WOULD PERMIT ACCESS TO DIESEL/ELECTRIC EQUIP.

5.(B). WE PROPOSE TO DRILL OUT THE RADIO-METRIC CHANNEL SHOWN ON "EXHIBIT C" ON 600' CENTERS, DRILL SIGHTS ARE SHOWN AS SMALL RED "X'S". AS WORK PROGRESSED IT MIGHT BECOME NECESSARY IN SOME CASES TO USE 300' CENTERS TO EXPLORE FOR TRIBUTARIES. WORK IS LOCATED BETWEEN OUTCROPS ON EACH EDGE OF THE MESA AND ALONG ℄ OF RADIO-METRIC STREAM.

(D) MR. HARVEY, VICE-PRESIDENT AND GENERAL MANAGER OF THE DESERT TREASURE CORPORATION HAS 3½ YEARS EXPERIENCE IN EXPLORATION OPERATIONS. HE WILL BE GENERAL SUPERVISOR OF OPERATIONS. MR. R.R. SPURRIER, GEOLOGIST, HAS OVER 9 YEARS EXPERIENCE IN MINING EXPLORATION. HE WILL SUPERVISE ALL OPERATIONS ON THE JOB. THE DESERT TREASURE CORPORATION IS A CORPORATION FORMED SOLELY FOR THE PURPOSE OF EXPLORATION AND MINING OPERATIONS AND HAS THE ABILITY TO CARRY THE FINANCIAL LOAD REQUIRED OF IT IN THIS TYPE OF AN EXPLORATION. MR. C.N. JARRETT, PRESIDENT OF DESERT TREASURE, INC, IS ALSO THE SECY-TREASURE OF ANOTHER MINING CORPORATION AND IS WELL AWARE OF THE PROBLEMS AND SOLUTIONS OF ANY MINING EXPLORATION VENTURE.

DESERT TREASURE, INC.
605 EAST 11TH STREET
KANSAS CITY 6, MO.
PHONE BALTIMORE 1-8780

RECEIVED
JUL 30 1953

6. ESTIMATE OF COSTS.

NOTE: DESERT TREASURE, INC INTENDS TO CONTRACT ALL BUT AN ABSOLUTE MINIMUM OF LABOR. IT INTENDS TO USE MR. HARVEY AND MR SPURRIER FULL TIME, MR. F.C. BARNES, GEOLOGIST, PART TIME AND THE PART TIME SERVICE OF A C.P.A. AS A CONSEQUENCE OF THIS POLICY CERTAIN OF THE FOLLOWING ITEMS MAY APPEAR TO BE SMALL, BUT EACH IS CAREFULLY FIGURED OUT FROM PAST EXPERIENCE. THE CORPORATION INTENDS TO USE ONE STATION WAGON, ONE TRUCK, AND IT'S OWN ELECTRONIC EQUIPMENT.

THREE BIDS FOR DRILLING AND PLUGGING HAVE BEEN OBTAINED, SINCE THESE BIDS DID NOT COME INTO OUR OFFICE IN QUADRUPLICATE BUT ONLY IN SINGLE FORM, THE FIGURES FROM EACH ONLY ARE USED. PHOTOSTATS OF THESE BIDS WILL BE FURNISHED IF REQUIRED.

ESTIMATE OF COSTS.
INDEPENDANT CONTRACTS

(A) PER HOUR OF BULLDOZER OPERATIONS @ $12.00
TOTAL HOURS REQUIRED 50..... $600.00

(B) PER FOOT OF DRILLING 20,000 FEET
SWANK URANIUM DRILLING & EXPLORATION CO.
$1.75 PER FOOT PLUGGING
$5.00 PER FOOT COREING
PLUGGING DEPTH 250'..... $437.50
COREING DEPTH 50'..... 250.00
$687.50
$687.50 X 66 HOLES..... $ 45,375.00

(C) PER FOOT OF DRILLING 20,000 FEET
ALLIED DRILLING CO.
20,000 FEET OF PLUGGING..... $ 29,145.00
3,300 FEET OF COREING IN 20,000 ABOVE. 7,200.00
TOTAL FOR 66 HOLES..... $ 36,345.00

(D) PER FOOT OF DRILLING 20,000 FEET
SOUTHWESTERN DRILL, INC.
20,000 FEET OF PLUGGING & COREING AT
$17.50 PER HOUR-20' MINIMUN PER HOUR... $17,500.00
ADD 20% FOR STANDBY TIME..... 3,500.00
ADDITIONAL FOR MOVING ON TIME..... 900.00
TOTAL FOR 66 HOLES..... $ 21,900.00

DESERT TREASURE, INC.
605 EAST 11TH STREET
KANSAS CITY 6, MO.
PHONE BALTIMORE 1-8780

6. (B) LABOR, SUPERVISION, CONSULTANTS:

DESERT TREASURE, INC.	
FOR SUPERVISION.....	$2000.00
FOR CONSULTANTS.....	1000.00
TOTAL.....	$3000.00

FOR CONTRACTORS OR LABOR....NONE

(C) OPERATING MATERIALS & SUPPLIES:

DESERT TREASURE, INC.	
GAS & OIL.....	$235.00
BATTERIES FOR ELECTRONIC EQUIP.....	5.00
TOTAL.....	$240.00

FOR CONTRACTORS ..... NONE

(D) OPERATING EQUIPMENT:

DESERT TREASURE, INC.	
DEPRECIATION ON STATION WAGON 1/60 PER MO. OF $3,200.00	$ $240.00
DEPRECIATION ON TRUCK 1/60 PER MO. OF $1,800.00.....	120.00
DEPRECIATION OF ELECTRONIC EQUIPMENT 1/60 PER MO. ON $2,400.00.....	160.00
TOTAL.....	$ 520.00

(E) REHABILITATION AND REPAIRS:

NONE

(F) NEW BUILDINGS, IMPROVEMENTS ETC:

NONE

(G) MISCELLANEOUS:

(1) ANALYTICAL WORK (ASSAYS).....	$330.00
(2) ACCOUNTING.....	500.00
(3) INSURANCE (DESERT TREASURE ONLY).....	167.50
(4) GENERAL OVERHEAD FOR EXPLORATION PROJECT ONLY-SEPERATE ACCT.....	1250.00
TOTAL.....	$ 2247.50

DESERT TREASURE, INC.
605 EAST 11TH STREET
KANSAS CITY 6, MO.
PHONE BALTIMORE 1-8780

6. (H) CONTINGENCIES:

DESERT TREASURE, INC. ONLY:

WE BELIEVE THAT A 7% FIGURE WOULD BE IN LINE, HOWEVER, WE BELIEVE IT UNNECESSARY

(SWANK) 7% OF $51,982.50.....$3,638.77

(ALLIED) 7% OF $49,952.50.....$3,496.67

(SOUTHWESTERN) 7% OF $22,507.50.....$1,695.52

GRAND TOTALS:

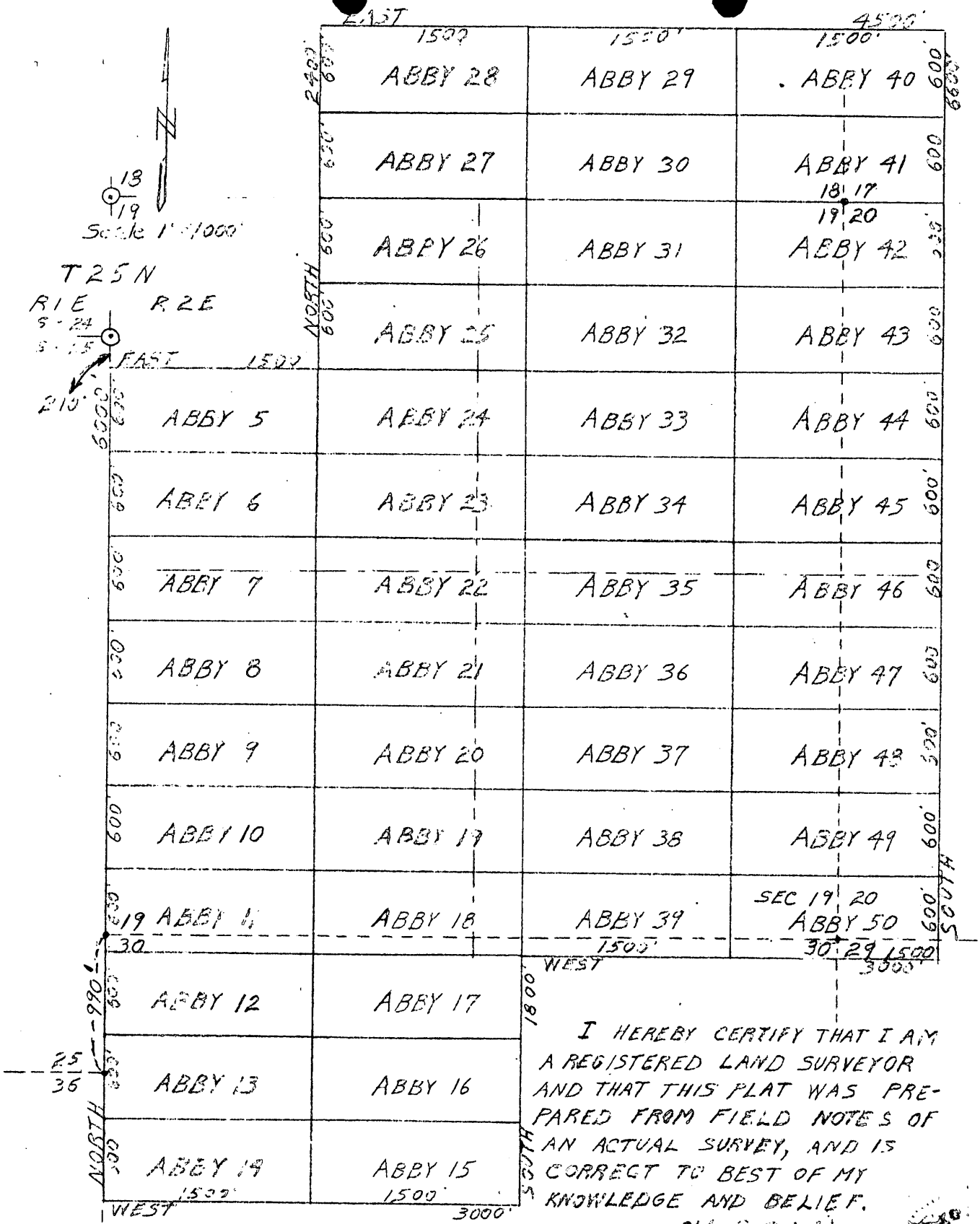
USING SWANK URANIUM DRILLING & EXPLORATION CO...$ 55,621.27

USING ALLIED DRILLING CO.....$ 45,953.17

USING SOUTHWESTERN DRILLING INCORPORATED.....$ 30,203.02

DESERT TREASURE, INC WOULD FAVOR USING SOUTHWESTERN DRILL, INC.

7. (A) YES
(B) DESERT TREASURE, INC. WOULD FURNISH 25% OF THE $30,203.02 LISTED ABOVE IN CASH. IT WOULD DEPOSIT THIS AMOUNT $7,550.75 IN THE FIRST NATIONAL BANK IN SANTA FE, NEW MEXICO WITHIN ONE WEEK OF THE DATE OF THE SIGNING OF A CONTRACT. DESERT TREASURE, INC. WOULD ALSO FURNISH A STATION WAGON, TRUCK AND ELECTRONIC EQUIPMENT NECESSARY TO THE PROJECT.



I HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR AND THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY, AND IS CORRECT TO BEST OF MY KNOWLEDGE AND BELIEF.

Wm J. McLemore

L. S. 7855

STADIA SURVEY OF MINING CLAIMS

RIO ARRIBA COUNTY N.M.

JUNE 1956

RECEIVED
JUL 30 1956

PRELIMINARY GEOLOGICAL REPORT
AND EVALUATION OF SOME NEW MEXICO PROPERTIES

DESERT TREASURES, INC.

JULY, 1956

R. R. Spurrier
Engineer

PRELIMINARY
GEOLOGICAL REPORT AND EVALUATION
DESERT TREASURES, INC.
NEW MEXICO PROPERTIES

INTRODUCTION

New Mexico is currently one of the major uranium producing states of the nation. At the present time the bulk of this production is from the northwest quarter of the state in the Gallup-Grants-Laguna area and from the Chuska Mountain area of San Juan County.

Uranium mineralization has also been discovered in other areas of New Mexico and new discoveries and developments are reported every month. Of the 32 counties in the state, uranium minerals have been found in 23 or 24. Not all these discoveries are of commercial importance at the moment but they are all of considerable geological significance. The way is open for possible commercial uranium ore deposits in at least three fourths of the state if present developments continue.

It is not generall recognized but, as a matter of history, New Mexico is one of the oldest areas of known uranium mineralization in the United States. Uranium occurrences have actually been recognized for over fifty years. The first official report was from the San Lorenzo district of Socorro County where carnotite was reported in 1904. During 1920 uraninite was discovered in the White Signal area of Grant County and some small shipments of ore were made for the radium content. Uranium minerals were found in Rio Arriba County in 1930 and in San Miguel County in 1938. Actual uranium mining in New Mexico began in the Grants area in 1950.

New Mexico is now considered as one of the foremost uranium producing areas of North America. Uranium occurrences are known at widely scattered localities and under a variety of conditions in the western and the northeastern portions of the state. Officials of the Albuquerque, New Mexico office of the Atomic Energy Commission have stated, "a large number of new uranium bearing areas have been discovered at widely dispersed points in the state," (New Mexico) and, "we are confident that most of the present producing districts will be extended and that new producing areas will be developed." (1)

(1) Wolfe, H. D. & Carlson, W. A., "Uranium Prospecting and Exploration in New Mexico," paper presented before the New Mexico Mining Association, Carlsbad, New Mexico, October, 1954.

SCOPE AND PURPOSE OF THIS REPORT

This report is based on a series of investigations of the uranium possibilities of New Mexico extending over the past several years. The uranium industry in the state is only six years old and the author has endeavored to keep abreast of developments during that period. A reconnaissance geological and radiometic investigation of the property referred to in this report was made during May. All data and conclusions are based on information and developments up to that time.

All of the areas involved have been visited by the author on occasion in connection with geological mapping or investigations. The individual properties were visited briefly either on the ground and/or were flown from the air as part of a radiometric survey. None of the property was individually prospected nor were any detailed geological surveys made. Such detailed work was left as the object of later examinations or development projects. No effort was made to determine any mineralization other than uranium.

The purpose of this investigation was to determine the possibility of uranium mineralization in the area where the property of the Desert Treasures, Inc., is located. Furthermore, the investigation was intended to ascertain the advisability of more detailed exploration and development which might involve the expenditure of considerable sums of money. Actual mining activity would depend on the results of additional, detailed exploration and drilling of the individual property.

LOCATION AND ACCESSIBILITY

The property is located in northwestern New Mexico. The area is all easily accessible by dirt road. However, it would be necessary to build access roads for moving drilling equipment or hauling ore from the property. This would not, however, be a major problem.

Uranium mills are located in the Grants area and at Shiprock, New Mexico.

PHYSIOGRAPHY

The property located in Rio Arriba County in the northwestern portion of the state is in the Colorado Plateaus physiographic province. Elevation in the northwestern area averages close to 8,000 feet. Climate is semi-arid and water for camp, drilling or mining would be a consideration in most cases.

GENERAL GEOLOGY

In New Mexico, uranium has been discovered under a variety of conditions that present some extremely interesting possibilities for future development. Uranium

mineralization is now known to occur in sedimentary rocks, in igneous rocks of varying type and age and in veins and pipes. A generalized stratigraphic section of the state showing the uranium bearing formations has been included as Table A

In Northwestern New Mexico, uranium is now being mined from the Todilto limestone and from sandstones in the Morrison formation of Jurassic age. There has also been some ore produced from the Dakota sandstone and the Mesaverde formation of Upper Cretaceous age. Additional possibilities are indicated by mineralization found in the Abo and Glorietta sandstones and in the San Andres limestone of Permian age, in the Chinle formation of Triassic age and in sandstone and conglomerate beds in the Wasatch and Santa Fe formations of Tertiary age.

Ore bodies in the northwestern part of the state have been exclusively in sedimentary rocks and tend to be sheeted and lenticular in nature. Mineralization usually occurs as disseminated bodies in sandstone or as mineralized fracture zones in sandstone, limestone or shale. Minerals have been mainly autunite, carnotite, uraninite. uranophane and torbernite.

LOCAL URANIUM POSSIBILITIES

Aerial radiometric surveys were made of the Desert Treasures, Inc., property. The aerial recorded logs made during these surveys are included in the back of this report. Equipment used consisted of a Precision Radiation Instrument Co. Model 118 "Royal Scintillator," for aerial surveys. In the case of the aerial surveys, the results were recorded on a Well Tab Instrument Co., Model 100 Electronic Recorder.

RIO ARRIBA COUNTY

The company properties in Rio Arriba County total 948 acres. Uranium mineralization has been found in this county at a number of scattered localities and there is some small mining activity in the Gallinas area. Mineralization has been found in sandstone of the Cutler formation (Permian), Todilto limestone and in the Wasatch formation. In addition, radioactivity has been found in igneous dikes and plugs.

The surface outcrop in the vicinity of the Rio Arriba County property consists of Dakota sandstone of Upper Cretaceous age. Some radioactive anomalies were found on the Rio Arriba County property. This property would warrant additional and more detailed prospecting because uranium has been found in the Dakota and Morrison formation in sandstones at several localities in northwestern New Mexico.

CONCLUSION

The property is located in an area where uranium mineralization has been discovered under varying conditions. The property is so situated, geologically, that it duplicates the general conditions under which uranium has been found in adjoining areas. The property has not however, been thoroughly explored for local mineralization.

It is not likely that all the property will produce commercial uranium or even uranium mineralization. On the other hand, the property is so located in relation to present uranium activity and discoveries in New Mexico, that detailed prospecting would be warranted. If a proper exploration and development program were carried out with sufficient financial backing and proper equipment and personnel, it is entirely possible that such an effort could develop commercial ore.

It is not possible in the light of present information to determine which part of the property would be most likely to produce. However, the claims which have shown the most decided radioactive anomalies would represent the most logical areas for initial exploration.

EVALUATION

Attempts to evaluate undeveloped uranium claims are fraught with many problems and dangers. There is no clearly established method or engineering basis for such an evaluation. Local custom, going price and the intensity of activity in an area do, however, present a rather ill defined guide. The value of an undeveloped uranium claim is actually whatever someone is willing to pay for it.

In New Mexico an undeveloped uranium claim is generally conceded to be worth a minimum of $50.00 due to the time and expense involved in staking and filing the claim. This amounts to $2.50 per acre since there is 20 acres in a full claim. An undeveloped claim with a good radioactive anomaly or with mineralization or both that is situated in an active area is usually conceded to be worth from $100.00 to $200.00 per claim or $5.00 to $10.00 per acre.

A detailed geiger counter survey on 300 foot centers of Claims 21 to 24 and 33 to 36 has shown that this area has an unusually high surface count. Background count out of the area varied from a .49 to .58 MR/Hr. Several points in these claims counted as much as .70 and the area as a whole is generally higher than normal background. Readings were taken by digging a six inch (6") hole in the surface dirt and laying the probe in this hole to obtain uniformity. It is not unreasonable to assume that these claims may be worth several thousands of dollars apiece, making the total value of the 4 claims somewhere between 40 and 50 thousand dollars. It would be extremely difficult and comparatively expensive to assemble a block such as this anywhere with a similar geologic and radioactive setting.

RECOMMENDATIONS

After a study of the areas and property involved and based on present information, it is hereby recommended that Desert Treasures, Inc., undertake a thorough and detailed exploration program of the New Mexico property. Such a program should include detailed radiometric studies and survey of all property. This should be coordinated with geological studies and prospecting of each property. Likely looking areas should be further developed by exploratory drilling, and preliminary mining work to outline any possible ore bodies.

All of the company property should be so explored, regardless of the fact that this survey did not develop exceptional anomalies in all cases. More detailed work would undoubtedly reveal additional data not possible within the alloted time for this reconnaissance survey.

It is estimated that minimum exploration of these properties would cost about $3.00 to $5.00 per acre.

R. R. Spurrier
Engineer (Reg. #618)

Santa Fe, New Mexico
July, 1956

TABLE A

Generalized Stratigraphic Section, New Mexico

Area

RECEIVED
JUL 30 1956

AGE	Northwest	Southwest	East
Tertiary	* Santa Fe * Wasatch Nacimiento	* Santa Fe Datil Volcanics * Baca fm.	Ogallala fm. * Santa Fe * Galisteo fm.
Cretaceous	* Ojo Alamo ss. * Mesaverde group Mancos shale * Dakota ss.	Mesaverde group Mancos shale * Dakota ss.	Vermejo fm. Pierre group * Dakota ss.
Jurassic	* Morrison fm. * Summerville fm. * Todilto ls. Entrada		* Morrison fm. Wanakah fm. Entrada ss.
Triassic	* Chinle fm.	* Chinle fm.	* Chinle fm. * Santa Rosa ss.
Permian	* San Andres fm. * Glorietta ss. Yeso fm. * Cutler fm.	San Andres fm. Glorietta ss. Yeso fm. * Abo fm.	* San Andres fm. * Glorietta ss. Yeso fm. * Abo fm.
Pennsylvanian	* Madera fm. Sandia fm.	Madera fm. Sandia fm.	* Madera fm. Sandia fm.

* Uranium mineralization or production

STATEMENT OF QUALIFICATIONS OF AUTHOR

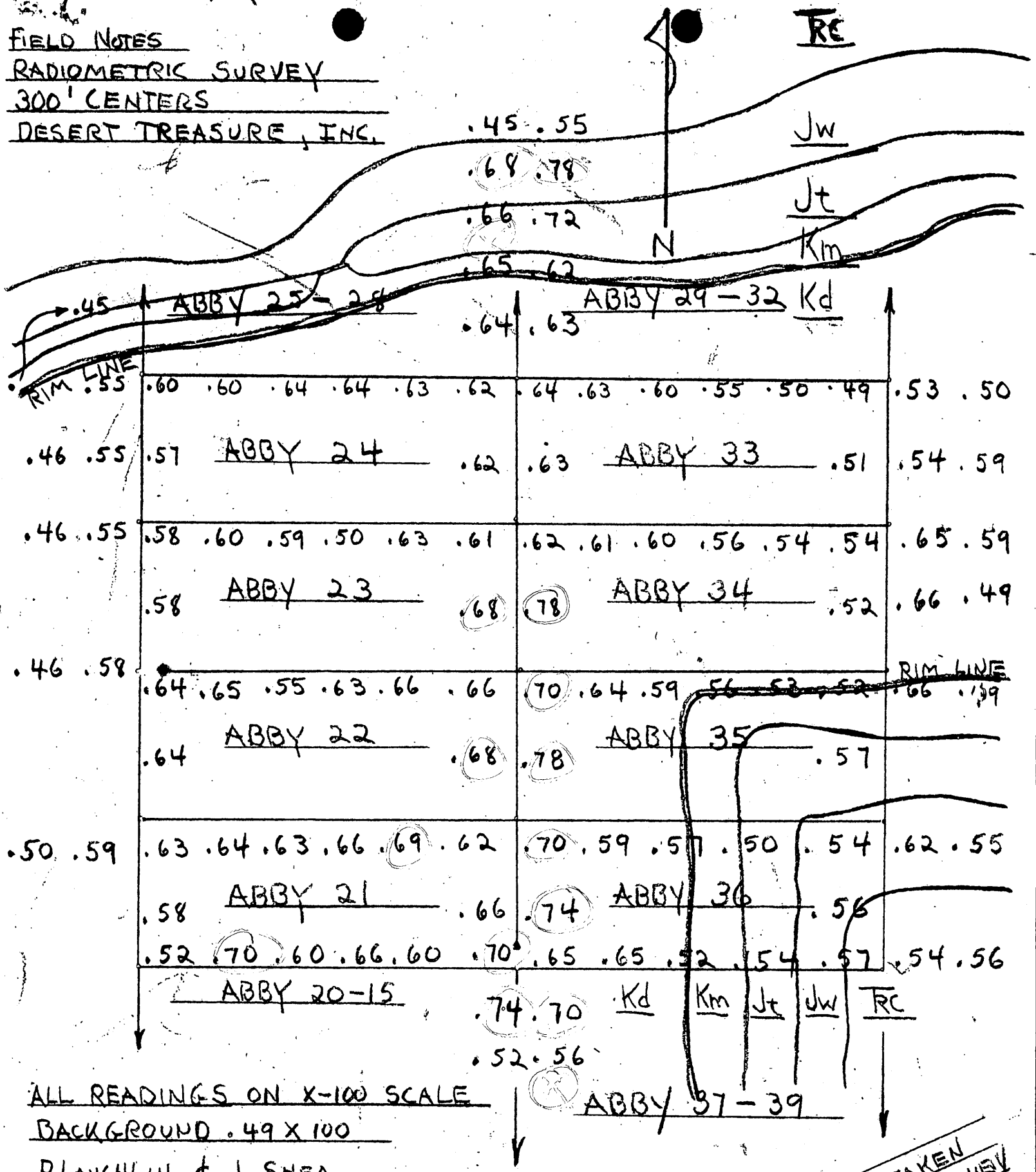
R. R. SPURRIER

Completed three years Mining Engineering at Ohio State University, 1933 to 1938. New Mexico School of Mines Petroleum Engineering 1939 and 1940 - Degree in Petroleum Engineering in 1945.

New Mexico State Geologist and Director of the Oil Conservation Commission of New Mexico from October, 1945 to July, 1954. New Mexico Professional Engineer, Registry Number 618.

Over 11 years experience as Professional Engineer and as Geologist in New Mexico and adjoining states.

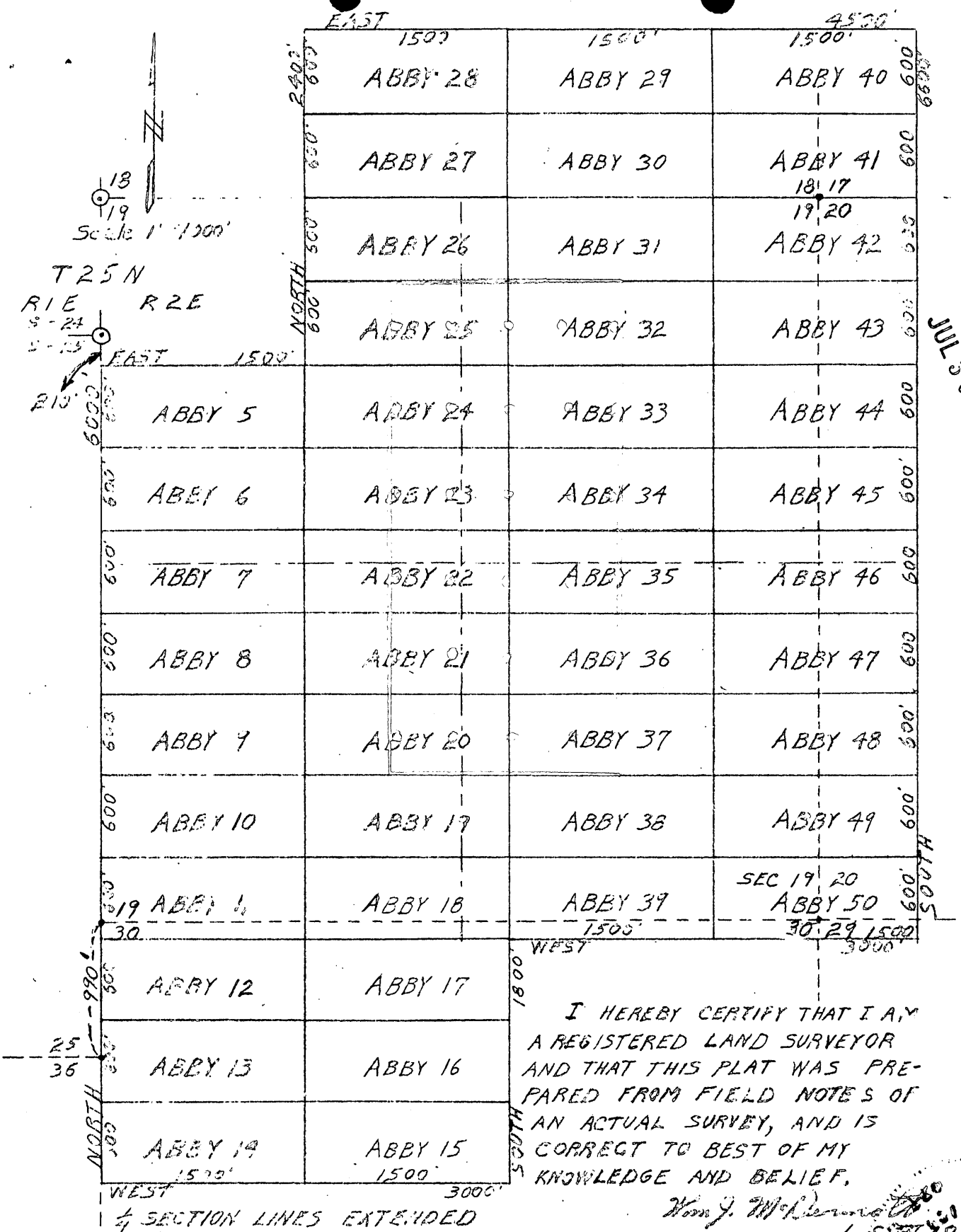
FIELD NOTES
RADIOMETRIC SURVEY
300' CENTERS
DESERT TREASURE, INC.



ALL READINGS ON X-100 SCALE
BACKGROUND .49 X 100
P. LAUGHLIN & J. SHEA
8 JULY 1956
ELEV. 8000'

AREAS OF HIGH COUNT
OUT CROP SAMPLES

NOTE: BASIC GRID TAKEN FROM GROUND SURVEY BY Wm McDERMOTT, LISENCED SURVEYOR NO. 7855



I HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR AND THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY, AND IS CORRECT TO BEST OF MY KNOWLEDGE AND BELIEF.

Wm J. McDonald
L. S. 7855

RECEIVED
JUL 30 1956

STADIA SURVEY OF MINING CLAIMS

RIO ARRIBA COUNTY N.M.

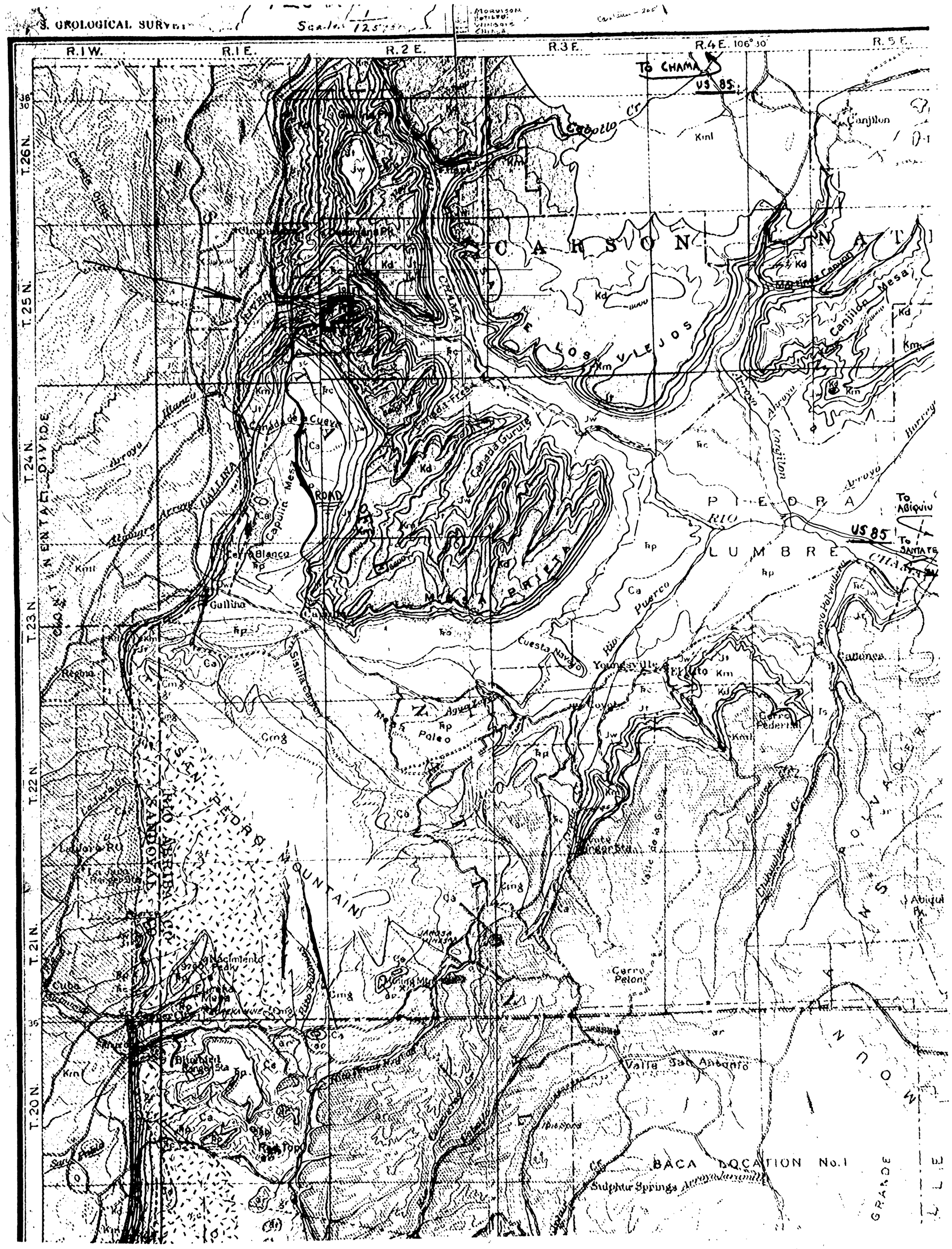
JUNE 1956

AREA TO BE [illegible]

DRILL SITES, [illegible] PATTERN, 1ST [illegible]

PART OF EXHIBIT "B"

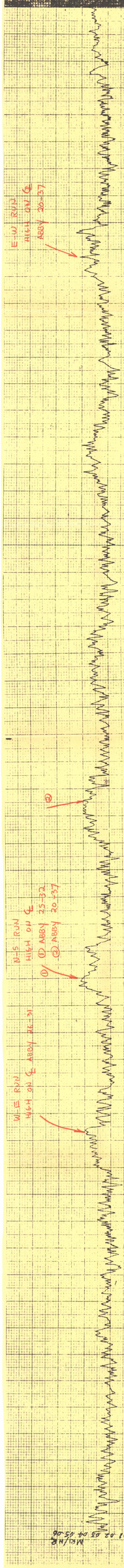
TO BE RETURNED



DESERT TREASURE, INC.
46 ABBY CLAIMS
RIO ARRIBA CO., N.M.

PART OF EXHIBIT "B"

AERIAL RADIOMETRIC LOG

Date: 7 June State New Mexico
Area Gallina County Rio Arriba

Company: Desert Treasures, Inc.
Sec. 17 - 20 T 25N R 2E
Av. Ht. above ground 200'
Air Temp. 60°
T. I. A. S. 90 MPH
Magnetic Bearing
Instrument: Royal 118
Remarks: Well Tab recorder #20