Bldg. 20, Denver Federal Center
Denver, Colo. 80225

May 5, 1965

~~ORIGINAL~~
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O. M. E.
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Mr. T. A. Boyden
Dist. Geologist
Susquehanna-Western, Inc.
Rigmont, South Dakota

Re: DMEA-2768 (Uranium)
Mining Research Corporation
Lion Group of Claims, et al.
Fall River County, South Dakota
Idm-E520

Dear Mr. Boyden:

This responds to your letter of May 4, 1965 regarding the subject contract.

The following land was subordinated as shown in Annex I of the contract.

"The following land located in Township 8 South, Range 3 East, B.H.B.M., is included in the contract:

"(1) Mining claims leased from Royce A. McElhaney, R.M.A. Nos. 2 and 3, in Section 15.

"(2) Mining claims leased from John McKnight and James McKnight, McK-Nos. 2, 3, and 5, in Section 15.

"(3) Mining claims leased from Carl V. Gull and Robert E. Gull, Sheep Canyon Nos. 4, 5, and 6, in Section 22.

"(4) Land leased from Nina McKnight-
S1/2 of Section 14.
N1/2 of the NE1/4 of Section 22.

"(5) Land leased from Robert E. Gull-
S1/2, the NW1/4, and the SW1/4 of the NE1/4 of Section 23.
SE1/4, and the S1/2 of the NE1/4 of Section 22."

The royalty repayment period to the Government expires May 14, 1965. All broken ore on or before that date will be subject to Government royalty. If the broken ore is in stopes, stockpiles, in transit, in the mill, or wherever it is on or before May 14, 1965, royalty to the Government will apply.

Yours very truly,

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC (5-5-65)
cc: G. C. Selfridge
E 520
Chron

E-520

For royalty payment of $7.82, dated February 5, 1965, see transmittal letter file.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E520, Docket DMEA-2768 (uranium), dated May 14, 1953, with

Mining Research Corporation
Box 432
Georgetown, Colorado

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as the Gull Lease and the Lion Group of Claims, et al., located in Fall River County, South Dakota, during the period October 17, 1961, through December 4, 1964.

A certification of discovery or development was issued on February 13, 1957, and, in accordance with Amendments Nos. 2 and 5 of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 12 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated April 26, 1957, indicated accepted costs under the exploration contract amounting to $22,861.95 with the Government's contribution, on an average 82.83 percent basis, being $18,936.31.

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

This review established the total sales of uranium ores for the period to be $847.28. Royalty due the Government at rates specified in the contract is $12.71.

A prior Report of Royalty Review found the sales subject to Government royalty through October 16, 1961, to be $126,727.54, which added to the sales for this subsequent period make a total of $127,574.82. The royalty account as of October 16, 1961, was:

Total Royalty Due	$5,931.96
Total Royalty Paid	5,931.96
Balance of Royalty Due	$ -0-

At December 4, 1964, the royalty account of this project was found to be:

Total Royalty Due	$5,944.67
Total Royalty Paid	5,957.11
Overpayment of Royalty	$ 12.44

C. E. Fisher

December 7, 1964

C. E. Fisher, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

By quit claim deeds and releases executed during December 1957, the Operator relinquished all of its interests in the properties included in the exploration project contract. The last shipments by the Operator were made during May 1957. Thereafter, shipments by other lessees were made as follows: September 1958 through August 1959 from the Gull Lease by the Montana Chemical & Milling Corporation, Phoenix, Arizona; during February 1960 from Lion No. 1 claim by Matthew J. Brown, Edgemont, South Dakota; and during August and September 1960 from the Gull Lease by M.S.B. Mining Company, Edgemont, South Dakota. The property was inactive from September 1960 until June 1964.

Under the provisions of Annex II, which by Amendment No. 2 was substituted for Article 6 of the contract, the Operator is surety for the payment of the Government's percentage royalty. However, by letter dated June 11, 1960, George F. Barbary, First National Bank Building, Denver, Colorado, an attorney for the Operator, advised that "the stockholders of Mining Research Corporation have heretofore voted a dissolution of the company and that dissolution is nearly completed".

During the period June through September 1964 Mines Development, Inc., furnished OME with copies of ten settlement sheets covering purchases of uranium ore shipped by Robert Gull, Edgemont, South Dakota, from the Gull Lease. This ore was very low grade and the purchaser withheld from settlements and paid to OME royalty at the 1½ percent rate appropriate under the contract. These royalty computations were based on the value of the uranium and vanadium contents of the ore, whereas they should have been based on such values, less hauling charges deducted from the settlements with Robert Gull. This resulted in overpayment of royalty amounting to $12.44.

This review included a thorough examination of the docket file and a tabulation and recomputation of the ten settlement statements covering sales of the aforementioned production by Robert Gull. A summary of the sales during the period this review covers and to date follows:

Idm-E520 | Mining Research Corporation | DMEA-2768

	Prior Review	This Review	Totals to Date
Short Wet Tons	6,794.68	1,841.16	8,635.84
Short Dry Tons	6,479.72	1,740.19	8,219.91
U_3O_8: Average Assay	.189	.062	.162
Pounds	24,526.99	2,151.77	26,678.76
V_2O_5 Pounds	4,937.27	88.27	5,025.54
U_3O_8: Base payment	$ 76,128.17	$1,672.27	$ 77,800.44
Premiums	1,712.37	-0-	1,712.37
Development	12,191.92	-0-	12,191.92
Haulage Allowance	3,228.35	-0-	3,228.35
Haulage Charge	-0-	(828.52)	(828.52)
Bonus	31,935.77	-0-	31,935.77
V_2O_5 Payment	1,530.96	3.53	1,534.49
Total Proceeds	$126,727.54	$ 847.28	$127,574.82
Royalty Payable	$ 5,931.96	$ 12.71	$ 5,944.67
Royalty Paid	5,931.96	25.15	5,957.11
Overpayment of Royalty	$ -0-	$ 12.44	$ 12.44

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

(1) The files indicate that all production during the period covered by this review has been properly accounted for;

(2) The Operator has not been in possession of the property since 1957 and apparently is no longer a legal entity; and

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

DEC 7 - 1964

Memorandum

To: Acting Field Officer, Region III
/s/ C. E. Fisher

From: Contract Administration and Audit Division

Subject: DMEA-2768 (Uranium)
Mining Research Corporation
Gull Lease and Lion Group of Claims, et al.
Fall River County, South Dakota
Contract Idm-E520

The original and two copies of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Office of Management Operations, Office of the Secretary, Department of the Interior, Washington, D. C. 20240;
(b) One copy for Messrs. Carl V. Gull and Robert E. Gull (instead of the Operator); and
(c) One copy for your files.

As evidence of your concurrence, a copy of your letter transmitting the copy of the report to the Gulls should be furnished this Division. If for any reason you do not concur, the original and both copies of the report should be returned to this Division with your comments.

Enclosures

CEFisher/ama 12-7-64

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

E-520

For royalty payment of $1.08, dated October 2, 1964, see transmittal letter file.

E-520

For royalty payment of $1.46, dated September 25, 1964, see transmitala letter file.

E-520

For royalty payment of $4.09, dated September 11, 1964, see transmittal letter file.

E-520

For royalty payment of $4.54, dated August 21, 1964, see transmittal letter file.

E-520

For royalty payment of $11.60, dated August 7, 1964, see transmittal letter file.

E-520

For royalty payment of $2.38, dated July 10, 1964, see transmittal letter file.

Susquehanna-Western, Inc.
Mines Development, Inc.

T. A. Boyden

Edgemont, South Dakota

S. S. Merwin

December 31, 1963

E 520

OME
DEPARTMENT OF THE INTERIOR
JAN 2 1964
REGION III
DENVER, COLORADO

On November 12, 1963, we received the enclosed map from George Fumich, Acting Director, Office of Minerals Exploration, which outlines the property subordinated under DMEA-2768 (Uranium) Contract Idm-E520. I have been informed by Hugh Connors of the OME here in Denver that the outline as shown on this map will be that which controls, for purposes of royalty payment to the OME.

Please keep this map in your files in Edgemont and use it as a guide for our acquisition and exploration activities in addition to future settlements.

ORIGINAL SIGNED BY
S. S. MERWIN

SSM/cm
Enclosure
cc Hugh Connors THIS COPY FOR

Mr Selfridge
Mr Talbert

EXTRA COPY
O. M. E.
RECEIVED JAN 6 1964

DATE	INITIALS	CODE
		800

AUG 19 1963

Mr. Paul H. Russell
Attorney at Law
Box R
Edgemont, South Dakota, 57735

Re: DMEA-2768 (Uranium)
Mining Research Corporation
Lion Group of Claims, et al.
Fall River County, South Dakota
Contract Idm-E520

Dear Mr. Russell:

Your August 14 letter requests advice as to the expiration date of the Government's lien on the property owned by Robert E. Gull and Carl V. Gull and included in the referenced contract.

The Consent to Lien forms executed by Robert E. Gull and Carl V. Gull in consideration of the contract grant to the Government a lien upon the land and the production therefrom to secure payment of the Government's royalty as provided in the contract. This lien expires on May 14, 1965, or upon repayment of the Government's contribution of $18,936.31, whichever occurs first. Repayments to this date aggregate $5,931.96.

In accordance with your request a copy of this reply is being sent to Robert E. Gull.

Sincerely yours,

George Fumich, Jr.

Director

EDTalbert/ama 8-19-63

cc:
Docket
Director's Reading File
CA & A Division
Region III w/c inc. ltr.
Robert E. Gull
Edgemont, South Dakota, 57735

PAUL H. RUSSELL
ATTORNEY AT LAW
BOX R
EDGEMONT, SOUTH DAKOTA
TEL. 662-7751

800

August 14, 1963

Acting Director
United States Department of the
Interior
Office of Mineral Exploration
Washington 25, D. C.

Re: Docket No. DMEA-2768 (Uranium)
Mining Research Corporation
Lion Group of Claims, et al.
Fall River County, South Dakota
Contract No. Idm-#520

Dear Sir:

Writing for Robert E. Gull and Carl V. Gull, owners of part of the property involved under the above contract, would you please advise the date of the above DMEA loan will be released? We believe the contract will expire May 14, 1964, which is the end of the ten years period of the contract.

Please verify this information, and advise both Mr. Robert E. Gull and me, at Edgemont, South Dakota, 57735.

Thank you.

Yours very truly,

Paul H. Russell

PHR:b

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E520, Dockat DMEA-2768 (uranium), dated May 14, 1953, with

Mining Research Corporation
Box 432
Georgetown, Colorado

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as the Gull Lease and the Lion Group of Claims, et al., located in Fall River County, South Dakota, during the period May 4, 1960, through October 16, 1961.

A certification of discovery or development was issued on February 13, 1957, and, in accordance with Amendments Nos. 2 and 5 of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 12 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated April 26, 1957, indicated accepted costs under the exploration contract amounting to $22,861.95 with the Government's contribution, on an average 82.85 percent basis, being $18,936.31.

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

This review established the total sales of uranium ores for the period to be $3,532.47. Royalty due the Government at rates specified in the contract is $145.58.

A prior Report of Royalty Review found the sales subject to Government royalty through May 3, 1960, to be $123,195.07, which added to the sales for this subsequent period make a total of $126,727.54. The royalty account as of May 3, 1960, was:

Total Royalty Due	$5,786.58
Total Royalty Paid	5,166.80
Balance of Royalty Due	$ 619.78

At October 16, 1961, the royalty account of this project was found to be:

Total Royalty Due	$5,931.96
Total Royalty Paid	5,931.96
Balance of Royalty Due	$ -0-

October 19, 1961

E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW AND REASONS THEREFOR

By quit claim deeds and releases executed during December 1957, the Operator relinquished all of its interests in the properties included in the exploration project contract. The last shipments by the Operator were made during May 1957. Thereafter, shipments by other lessees were made as follows: September 1958 through August 1959 from the Gull Lease by the Montana Chemical & Milling Corporation, Phoenix, Arizona; during February 1960 from Lion No. 1 claim by Matthew J. Brown, Edgemont, South Dakota; and during August and September 1960 from the Gull Lease by M.S.B. Mining Company, Edgemont, South Dakota. The property has been inactive since September 1960.

Under the provisions of Annex II, which by Amendment No. 2 was substituted for Article 6 of the contract, the Operator is surety for the payment of the Government's percentage royalty. However, by letter dated June 11, 1960, George F. Barbary, First National Bank Building, Denver, Colorado, as attorney for the Operator, advised that "the stockholders of Mining Research Corporation have heretofore voted a dissolution of the company and that dissolution is nearly completed".

This review included a thorough examination of the docket file and a tabulation and recomputation of the three settlement statements received from Mines Development, Inc., Edgemont, South Dakota, covering sales of the aforementioned production by the MS.B. Mining Company. A summary of the sales during the period of this review and to date follows:

	Prior Review	This Review	Totals To Date
Short Wet Tons	6,542.985	251.695	6,794.68
Short Dry Tons	6,236.216	243.506	6,479.722
U_3O_8: Average Assay	.189	.19	.189
Pounds	23,599.47	927.52	24,526.99
V_2O_5 Pounds	4,937.27	-0-	4,937.27
U_3O_8: Base Payment	$ 73,241.83	$2,886.34	$ 76,128.17
Premiums	1,650.83	61.54	1,712.37
Development	11,728.15	463.77	12,191.92
Haulage	3,107.53	120.82	3,228.35
Bonus	31,935.77	-0-	31,935.77
V_2O_5 Payment	1,530.96	-0-	1,530.96
Total Proceeds	$123,195.07	$3,532.47	$126,727.54
Royalty Payable	$ 5,786.58	$ 145.38	$ 5,931.96

The $619.78 balance of royalty due, as stated in the prior Report of Royalty Review, was paid to the Government by a June 6, 1960, personal check of Robert E. Gull, one of the owners of the land from which the applicable production was made.

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

(1) The files indicate that the property has been inactive since September 1960 and sales of all production to that date have been properly accounted for;

(2) The Operator has not been in possession of the property since 1957 and apparently is no longer a legal entity; and

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

MME Form 22
Dec. 60

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name and Address

Mining Research Corporation

Lion Group of Claims, et al

Fall River County, South Dakota

Contract No.	Docket No.
Idm E520	**DMEA-2768 (Uranium**

Prepared by (Signature)	Date
TMR	**October 16, 1961**

T. M. Romslo

Yes	No		
		1. (a)	Does the Operator stockpile ore subject to royalty repayment?
		(b)	If so, is segregation and identification procedure adequate?
		2. (a)	Does the Operator commingle production subject to DMEA or OME royalties with exempt production?
		(b)	If so, is the allocation of the commingled production equitable?
		3. (a)	Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?
		(b)	If so, are adequate records maintained on such material to protect the Government's interest?
		4.	Are the assay controls in effect adequate?
		5.	Does the manner of disposing of production give the Government its fair royalty returns?
		6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?
		7.	Does the Operator buy from or sell to other Operators?
		8.	Current status of property. (Check one).
			Operating.
			Inactive. **Indicated**
			Abandoned.
			Date of last production if not operating.

September 1960

Comment on items 1(b), 2(b), 3(b), and 4 to 6, if answer is No:

According to AEC records there was no production from this property during the 4th quarter of 1960 and the 1st and 2nd quarters of 1961. Their records for the 3rd quarter of 1961 will not be available at Denver until December.

An on-site inspection will be made probably next month when I am in the vicinity on an application examination.

84861-60

EXTRA COPY
O. M. E.
RECEIVED OCT 30 1961

DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

October 26, 1961

Mr. Clifton W. Livingston
Mining Research Corporation
P. O. Box 432
Georgetown, Colorado

Re: IDMEA 2768 (Uranium)
Contract I&m-E520
Mining Research Corporation
(Gall Lease and Lion Group of Claims, et al.)
Fall River County, South Dakota

Dear Mr. Livingston:

Enclosed is a copy of the Report of Royalty Review on the subject contract dated October 19, 1961 covering the period May 4, 1960, through October 16, 1961, which shows that no royalty is due the Government at this time.

Yours very truly,

(Original signed)

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosure
HMC/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E520
Chron

EXTRA COPY
O. M. E
RECEIVED OCT 30
DATE | INITIALS

Building 20 - Federal Center
Denver 25, Colorado

October 26, 1961

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA 2768 (Uranium)
Contract I&m-E520
Mining Research Corporation
(Gull Lease and Lion Group of Claims, et al.)
Fall River County, South Dakota

Enclosed is the original of the Report of Royalty Review on the subject property dated October 19, 1961 covering the period May 4, 1960, through October 16, 1961.

Original signed by

Hugh M. Connors

Attachment
HMC/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E520
Chron

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-2768 (Uranium)
Mining Research Corporation
Gull Lease and Lien Group of Claims, et al.
Fall River County, South Dakota
Contract Idm-R520

The original and two copies of a Report of Royalty Review covering the subject contract are attached. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.;
(b) One copy for Messrs. Carl V. Gull and Robert E. Gull (instead of the Operator); and
(c) One copy for your files.

As evidence of your concurrence, a copy of your letter transmitting the copy of the report to the Gulls should be furnished this Division. If for any reason you do not concur, the original and both copies of the report should be returned to this Division with your comments.

Attachments

EDTalbert/ama
October 23, 1961

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Rothrock

OCT 1 0 1961

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-2768 (Uranium)
Mining Research Corporation
Lion Group of Claims, et al.
Fall River County, South Dakota
Contract Idm-5520

This Division is preparing a Report of Royalty Review on the subject contract. Accordingly, your submission of an original and one copy of MME Form 22, Check Sheet of Examining Engineer, will be appreciated.

It appears that this project has been inactive since September 1960. If this is so, please make an appropriate statement under item 8 of MME Form 22.

EDTalbert/ama
October 10, 1961

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

E-520

For royalty payment of $145.38, dated October 24, 1960, see transmittal letter file.

September 1, 1960

OME
DEPARTMENT OF THE INTERIOR
SEP 27 1960
REGION III
DENVER, COLORADO

E 520

Mr. Harold Webb, Manager
Mines Development, Inc.
Edgemont, South Dakota

Dear Mr. Webb:

Please use this letter as your authority to deduct payments, as per the following schedule, from all ores purchased by you from the Robert Gull mine and remit them to the Defense Minerals Exploration Administration, Denver, Colorado.

Docket #DMEA - 276A (uranium)

Contract # IEM - E520

Schedule: On the gross payment

Deduct 1½%	on ores from	.01	thru	$8.49
2%	"	8.50	"	8.99
2½%	"	9.00	"	9.49
3%	"	9.50	"	9.99
3½%	"	10.00	"	10.49
4%	"	10.50	"	10.99
4½%	"	11.00	"	11.49
5%	"	11.50	and over.	

EXTRA COPY
O. M. E
RECEIVED SEP 28 1960

DATE	INITIALS	COPY
		800

Uranium ore will be shipped to your mill from the Robert Gull property under the name of the H. S. S. Mining Co.

Thanking you kindly, I remain

Very truly yours,

Harold D. Hickey

H. S. S. Mining Co.

cc: Robert Gull
cc: Defense Minerals
Exploration Admin.
Denver, Colorado

W. O. (2)

E-520

For royalty payment of $619.78, dated June 6, 1960, see transmittal letter file.

JUN 9 1960

Mr. Paul H. Russell
Attorney at Law
Box 514
Edgemont, South Dakota

Re: Docket No. DMEA-2768 (Uranium)
Mining Research Corporation
Lion Group of Claims, et al.
Fall River County, South Dakota
Contract No. Ida-8529

Dear Mr. Russell:

Receipt is acknowledged of Mr. Gull's personal check in the amount of $619.78 for royalty due to the Government under provisions of the subject contract which accompanied your letter dated June 6, 1960.

This payment covers the net amount of royalty known by this office to be due, as indicated in a Report of Royalty Review dated May 3, 1960, a copy of which was furnished to Messrs. Carl V. Gull and Robert E. Gull with a letter dated May 24, 1960, from the Acting Field Officer, OME, Region III, Denver, Colorado.

Sincerely yours,

George C. Selfridge

Acting Director

Copy to:

Mr. Clifton W. Livingston
President, Mining Research Corporation
Box 432
Georgetown, Colorado

Messrs. Carl V. Gull and Robert E. Gull
Edgemont, South Dakota

CEFisher/ama
June 9, 1960

Copy to: Docket
Director's Reading File
CA & A Division
AFO, Reg. III (2) w/2 cys incoming ltr.

JUN 9 1960

Memorandum

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

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

Subject: Docket No. OMKA-2768 (Uranium)
Mining Research Corporation
Lion Group of Claims, et al.
Fall River County, South Dakota
Contract No. Ida-8320

Attached for deposit to the subject account as a royalty receipt is a personal check from Robert E. Gull dated June 6, 1960, in the amount of $619.78, drawn on the Southern Hills Bank, Edgemont, South Dakota, for delinquent royalty on the above cited contract.

A copy of this memorandum is being forwarded to the Acting Field Officer, OME, Region III, for his information.

Attachment

AMAlley/ama
June 9, 1960

Copy to: Docket
Director's Reading File
CA & A Division
Acting Field Officer, OME, Region III

MAY 25 1960

Mr. Paul E. Russell
Attorney at Law
Box 316
Edgemont, South Dakota

Re: [illegible] (Complaint)
Mining Research Corporation
Lien Group of Claims, et al.
Fall River County, South Dakota
Contract No. [illegible]

Dear Mr. Russell:

This is in response to your letter of May 17, 1960, addressed to Mr. Frank E. Johnson, Acting Director, CAA.

With a letter, dated January 11, 1960, our Regional Office furnished you a copy of my letter of August 28, 1959, to Mr. J. A. Burton, president of the Western Mineral and Milling Corp., advising him that the responsibility for payment of the Government's supply line with the Mining Research Corporation and the premise who controlled the Government's lien on the land involved. This letter covered your question regarding any liability on the part of the Mining Research Corporation for these payments.

Our letter of May 3, 1960, stated that if the delinquent condition due since September 25, 1959, was not remedied by June 4, 1960, we would proceed with legal action for collection. The action will allow your clients, Robert E. Gall and his son, Earl V. Gall, as well as the Mining Research Corporation, as the parties responsible for payment. However, as also stated in our letter to each you, with a copy to the Mining Research Corporation, we will withhold institution of collection proceedings until June 10, 1960.

Sincerely yours,

George C. Selfridge

Acting Director

Copy to:

Mr. Clifford W. Livingston
President, Mining Research Corporation
Box 632
Evergreen, Colorado

Messrs. Earl V. Gall and Robert E. Gall
Edgemont, South Dakota

Processing s/c 5-25-60
Ac to: Director's Reading File
CAAA Division
Region XIX (2) w/Boys
Mr. Russell's letter 5/17/60
Docket
Chron
Code 500

MAY 25 1980

Mr. Paul C. Rosenzweig
Attorney at Law
Box 546
Kensington, Maryland 20895

Re: Freedom of Information
Union Pacific Corporation
Long Island City, Inc., et al
Civil Action Number, Civil Action
Docket No. 79-[illegible]

Dear Mr. Rosenzweig:

This is in response to your letter of May 21, 1980, addressed to Mr. Thomas H. Johnson, Acting Director, OPA.

With a letter, dated January 31, 1980, our Regional Office forwarded a copy of the Decision of August 28, 1979, to Mr. A. Moreno, President of the Trucking Job Local Dog Fighting Corp., advising him that the "responsibility for payment of the Corporation's monthly fee rests the entire Corporation Commission and has revoked the authorized to do business in Texas on the last inventory. This letter expressly requested information on the status of the Corporation's authorization to transact business.

For letters dated May 7, 1980, stated that it the Corporation's authorization was revoked August 23, 1979, was not reinstated by June 6, 1980, we could be dealt with legal action for collection. The account will cite your client, Robert L. Hall and Mr. Gary V. Cull, as the Corporation. However, to avoid this for this issue to take place, we ask to the Texas Corporation Commission, as well whether Corporation is authorization revoked June 10, 1980.

Sincerely yours,

George C. Saltridge

Enclosure

cc: Director, Job Corporation
Texas Corporation Commission
Box 546
Kensington, Maryland

Regional Attorney
Regional Office Texas

Regional Office Texas

Regional Office Texas

PAUL H. RUSSELL
ATTORNEY AT LAW
BOX 514
EDGEMONT, SOUTH DAKOTA
TEL. MOHAWK 2-7751

May 17, 1960

Mr. Frank E. Johnson, Acting Director
Office of Minerals Exploration
United States Dept. of Interior
Washington 25, D. C.

Re: DMEA-2768
Mining Research Corporation
Lion Group of Claims, et al.
Fall River County, S. Dak.
Contract No. Idm-1520

Dear Mr. Johnson:

This is to acknowledge your letter of May 5, 1960, and to advise that we are still attempting to collect the Government's royalty in the amount of $763.87 due on bonus payments for uranium ore produced from lands owned by Mr. Robert E. Gull of Edgemont, South Dakota, under lease to Montana Chemical & Milling Corporation.

The Montana Chemical & Milling Corporation received the AEC payments for the ore in September, 1959, and we were not advised until several months afterward that they had received this payment. Since then, Mr. Gull has continuously attempted to collect the bonus due the Government, in addition to the landowner's royalties which are still unpaid. The company's lease with Mr. Gull provided for all payments of landowner's royalties and Government DMEA payments to be made within ten days after receipt of returns. The company therefore have breached their contract with the landowner for failure to pay, and also because of failure to work the claims, and we will cancel the leases with the said company on or about May 27, 1960.

We understand that Montana Chemical & Milling is in serious financial difficulties, and we have not started suit against the company as there are now several

PAUL H. RUSSELL
ATTORNEY AT LAW
[illegible] 514
EDGEMONT, SOUTH DAKOTA
TEL. MOHAWK 2-7751

May 17, 1960

other judgments of record against them, unsatisfied. All of the property of the company is heavily mortgaged and there are County tax liens in addition to Federal tax liens now unsatisfied of record.

We would appreciate anything the Government could do to assist us in the matter of this collection so that Mr. Gull not have to pay this royalty until he is able to collect royalties due him.

Will you please advise whether or not there is any liability on the part of Mining Research Corporation for these payments?

Yours very truly,

Paul H. Russell

PHR:b

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., and the Acting Field Officer, Region III, Denver, Colorado, pertaining to Contract No. Idm-8520, Docket No. DMEA-2768 (Uranium), dated May 14, 1955, with

Mining Research Corporation
4215 Balsam Street
Wheatridge, Colorado

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Lion Group of claims, et al., located in Fall River County, South Dakota, during the period August 26, 1957, through May 3, 1960.

A certification of discovery or development was issued on February 13, 1957, and, in accordance with Amendments Nos. 2 and 5 of the contract royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 12 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final cost audit dated April 26, 1957, indicated accepted costs under the exploration contract amounting to $22,861.95 with the Government's contribution, ~~on a 80 percent basis,~~ being $18,936.31.

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

This review established the total sales of uranium ore for the period to be $85,735.78. Royalty due the Government at rates specified in the contract is $3,953.06.

A prior Report of Royalty Review found the sales subject to Government royalty through August 25, 1957, to be $37,461.29 which added to the sales for this subsequent period make a total of $123,195.07. The royalty account as of August 25, 1957, was:

Total Royalty Due	$1,853.52
Total Royalty Paid	1,849.79
Overpayment of Royalty	$ 16.27

At May 3, 1960, the royalty account of this project was found to be:

Total Royalty Due	$5,786.58
Total Royalty Paid	5,166.80
Balance of Royalty Due	$ 619.78

C. E. Fisher

C. E. Fisher, OME Auditor

May 3, 1960

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

The mining property known as Gull Lease has been idle since August, 1959. The last sale of ore from the Gull property included in this report was covered by Mines Development, Inc., liquidation No. 1689 covering a shipment of 89.921 SDT by Montana Chemical & Milling Corporation received at the buyer's station on September 1, 1959.

In February 1960 one sale of ore produced from Lion No. 1 claim was made by Mathew J. Brown to Mines Development, Inc., as evidenced by liquidation statement No. 1906. Proper royalty has been received on this shipment in amount of $89.47 computed as follows:

Receiving station value	$991.75	5% royalty	$49.59
Base price subject to AEC royalty	$797.72	5% royalty	39.88
		Total royalty	$89.47

My review included a tabulation and recomputation of all settlement statements received during the period under review. This tabulation is filed as a part of my audit work-papers. A summary of sales to date together with computation of royalty due and paid is shown on the attached Schedule "A". Statement of net additional royalty due is attached as Schedule "B".

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

(1) Review of inspection reports submitted by field representatives of Region III, and other correspondence and documents in the files indicates that all production to date has been reported; and

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

Schedule "A"

Idm-E520 | Mining Research Corporation | DMRA-2768

Summary of Sales and Royalty Due

	5/14/53 thru 8/25/57	8/26/57 thru 5/3/60	Totals
Sales			
Short Wet Tons	1,697.910	4,845.075	6,542.985
Short Dry Tons	1,640.556	4,595.660	6,236.216
U_3O_8 - Average assay	.169	.196	.189
" - Pounds	5,551.98	18,047.49	23,599.47
" - Pounds in excess of 4 per SDT	268.54	1,932.56	2,201.10
V_2O_5 - Pounds	4,937.27	-0-	4,937.27
Proceeds			
Base payment - U_3O_8	$16,125.08	$57,116.75	$ 73,241.83
Development allowance	2,704.28	9,023.87	11,728.15
Premium - Excess 4 pounds per SDT	201.39	1,449.44	1,650.83
Haulage allowance	774.30	2,333.03	3,107.33
V_2O_5	1,530.96	-0-	1,530.96
Total Receiving Station Value	$21,336.21	$69,923.09	$ 91,259.30
AEC Production Bonus	16,125.08	15,810.69	31,935.77
Total value subject to royalty	$37,461.29	$85,733.78	$123,195.07
Total Royalty Due	$ 1,833.52	$ 3,953.06	$ 5,786.58
Total Royalty Paid	1,862.33	3,304.47	5,166.80
Balance of Royalty Due	$ * (28.81)	$ 648.59	$ 619.78

* Includes $12.54 applicable to Liquidation No. 517 received subsequent to prior Report of Royalty Review.

Schedule "B"

Idm-B520 | Mining Research Corporation | DMRA-2768

Statement of Net Additional Royalty Due

Lot No.	Proceeds subject to royalty: Rec. Station	Proceeds subject to royalty: AEC Bonus	Royalty: Rate	Royalty: Due	Royalty: Paid	Royalty: Under-payment (Over-payment)
Mining Research Corporation						
517	$ 449.31	$ 250.74	1⅓%	$ 10.50	$ 35.01	$
544	215.21	215.21	1⅓	6.46	10.76	
Totals - Mining Research				$ 16.96	$ 45.77	$(28.81)
Montana Chemical & Milling Corp.						
1231	$	$ 132.90	1⅓%	$ 1.99	$	$
1241		2,282.07	5	114.10		
1247		2,144.49	5	107.22		
1257		347.36	5	17.37		
1260		2,382.57	5	119.13		
1261		912.05	5	45.60		
1297		2,852.57	5	142.63		
1308		2,985.99	5	149.30		
1311		1,330.63	5	66.53		
Sub-totals		$15,370.63		$ 763.87		$ 763.87
1538*	$ 631.29		1½	$ 9.47	$ 24.36	$(14.89)
1539*	607.90		1½	9.12	22.13	(13.01)
1547*	2,013.41		5	100.67	86.43	14.24
1568*	486.05		1½	7.29	17.69	(10.40)
1569*	1,238.95		5	61.95	53.38	8.57
1570*	587.99		1½	8.82	21.38	(12.56)
1577*	845.36		1½	12.68	31.79	(19.11)
1579*	814.30		1½	12.21	31.42	(19.21)
1582*	1,207.98		5	60.40	52.11	8.29
1588*	917.44		3	27.52	36.20	(8.68)
1600*	1,302.59		5	65.13	56.18	8.95
1604*	1,359.60		1½	20.39	51.07	(30.68)
1605*	392.44		1½	5.89	14.74	(8.85)
1648*	1,273.63		5	63.68	53.45	10.23
1670*	625.77		1½	9.39	22.80	(13.41)
1689*	652.78		1½	9.79	24.55	(14.76)
Sub-totals				$ 484.40	$599.68	$(115.28)
Totals - Montana Chemical				$1,248.27	$599.68	$ 648.59
Grand Totals				$1,265.23	$645.45	$ 619.78

* Royalty paid on each of these lots was computed on basis of 5 percent applied to base payment for U_3O_8. Royalty due has been recomputed based on total payments by Mines Development, Inc., including premium payments and development and hauling allowances, at the proper contract rates.

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Mining Research Corporation

Address 4215 Balsam Street

Wheatridge, Colorado

Exploration Contract No. Idm-E520 Docket No. DMEA-2768

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

See Acting Director's letter to the Operator's attorney dated 4/26/60.

Original signed by

May 4, 1960
Date

Hugh M. Conners
~~Mining Engineer~~
Acting Field Officer, OME, Region III

53362

EXTRA COPY
O. M. E
RECEIVED MAY 27 1950
DATE | INITIALS | CODE
800

Building 20 - Federal Center
Denver 25, Colorado

May 24, 1960

Messrs. Carl V. Gall &
Robert E. Gall
Edgemont, South Dakota

Re: Docket No. [redacted] (Expunsion)
Contract No. [redacted]
Mining Research Corporation
(Gall Lease and Mica Group of claims etal)
Hall River County, South Dakota

Gentlemen:

Attached is your copy of the report of Royalty Review on the captioned property covering the period August 26, 1957 through May 3, 1960.

This audit report shows that $619.78 is the balance of Royalty due the Government as of May 3, 1960.

Very truly yours,

Original signed by

Hugh M. Clemmons
Acting Field Officer
OGC, Region III

Enclosure
cc: Chief Division of Field Operations (2)
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Carres. [redacted]
Chron

HMC/lm

Building 50 - Federal Center
Denver 25, Colorado

LIBRARY
RECEIVED MAY 27 1960
DATE
900

May 24, 1960

Memorandum

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

From: Hugh M. Cameron, Acting Field Officer, OGR, Region III

Subject: Docket No. DMA 2768 (Uranium)
Contract No. [illegible]
Minding Research Corporation
(Hall Lease and Lion Group of claims etal)
Hall River County, South Dakota

Attached is the original Report of Royalty Review on the subject contract covering the period August 25, 1957 through May 3, 1960.

Original signed by

Hugh M. Cameron

Enclosure

HMC/lm
cc: Chief Division of Field Operations (2)
Royalty Course, [illegible]
Chron

MAY 5 1960

Mr. Paul H. Rasgoll
Attorney at Law
Box 51A
Edgemont, South Dakota

Re: DMEA-2768 (Termination)
Mining Research Corporation
Lion Group of Claims, et al.
Fall River County, South Dakota
Contract No. [illegible]

Dear Mr. Rasgoll:

This is to acknowledge your letter of April 29, 1960, requesting additional time to pay the Government's royalties in the sum of $763.87 due on bonus payments for uranium ore produced from land subordinated under the terms of the subject contract and sold by the Newmont Chemical and Milling Co.

As the above-mentioned company received the AEC payment for the ore on September 29, 1959, we believe that your clients have had sufficient time to collect their royalty and submit the Government's percentage royalty due. Hence, if we have not received the amount due by June 6, 1960, we will proceed with legal action for the collection.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Copies to:

Mr. Clifton W. Livingston
President, Mining Research Corporation
Box 422
Georgetown, Colorado

Messrs. Carl V. Gull and Robert R. Gull
Edgemont, South Dakota

FMMurphy/gla 5-3-60
cc to: Director's Reading File
Contract Adm. & Audit Division
Region III (2) w/2 cys incoming letter
Chron
Code 300 Docket

APR 26 1960

AIR MAIL

Memorandum

To: C. E. Fisher, OGE Auditor

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

Subject: Docket No. DMRA-2748 (Uranium)
Mining Research Corporation
Gull Lease, Lion group of claims, et al.
Fall River County, South Dakota
Contract No. Idu-E328
and

Docket No. DMRA-4721 (Uranium)
La Salle Mining Company
Fair Day et al. claims
Boulder County, Colorado
Contract No. Idu-E1207

Because of the delinquent royalty situation on both of these accounts it is suggested that either royalty reviews or audits, as may be necessary, be performed while you are in Region III.

You probably have them on your list but in view of the amount involved, particularly on Idu-E1207, I thought it best to call your attention to these accounts.

EDTalbert/ama
April 26, 1960

Copy to: Docket
Director's Reading File
CA & A Division - E520

E-520

For royalty payment of $89.47, dated April 12, 1960, see transmittal letter file.

EXTRA COPY
O. M. E
RECEIVED APR 14 1960

DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

April 12, 1960

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA-2768 (Uranium)
Contract No. Idm-E520
Mining Research Corporation
Gull Lease, Lion group of claims, et al.
Fall River County, South Dakota

We have had no reply in this office to the Acting Director's letter dated February 29, 1960, to Mr. Paul M. Russell, Attorney for Robert E. Gull.

Please advise as to what arrangements have been made for the payment of this account.

Original signed by

J. W. Townsend

EXTRA COPY
O. M. E
RECEIVED APR 14 1960

DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

April 12, 1960

CERTIFIED MAIL

Mr. James L. Barker
Edgemont,
South Dakota

Re: Docket No. DMEA 2768 (Uranium)
Contract Idm-E520
Mining Research Corporation
(Lion group of claims, et al.)
Fall River County, South Dakota

Dear Mr. Barker:

A Consent to Lien signed by you covering the Lion group of claims granted to the Government a lien upon all of your 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 provided in the captioned contract.

On February 25, 1960, Matthew J. Brown shipped 39.296 dry tons of ore from the Lion No. 1 claim which contained 227.92 pounds of U_3O_8.

The royalty due the Government on this shipment of ore is $49.59. Please forward this office your check for that amount together with two copies of the agreement which allows Matthew J. Brown to mine and remove ore from the Lion claims.

Very truly yours,

Original signed by

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

HMC/bjo

cc: Chem. Op. Comm. (2)
Royalty corres. Idm-E520
Suspense
Chron.

Building 80 - Federal Center
Denver 25, Colorado

April 5, 1960

EXTRA COPY O. M. E RECEIVED APR 8 1950		
DATE	INITIALS	CODE
		300

Mr. T. J. Vogenthaler
Mines Development, Inc.
777 Grant Street
Denver 3, Colorado

Re: Docket No. [illegible]
Contract No. [illegible]
Lion Group of Claims, et al.
Fall River County, South Dakota

Dear Mr. Vogenthaler:

One shipment of ore from the Lion Number 1 claim was shipped to your mill in February 1960, consisting of 39.[illegible] dry tons containing [illegible] pounds UO. Will you please forward this office two copies of the settlement sheet for this shipment of ore.

Very truly yours,

Original signed by

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

RMC/bjo

cc: Chem. Op. Comm. (2)
Royalty corres. E-520
Chron

Mr. Neal E. Russell
Attorney at Law
Box 514
Edgemont, South Dakota

Re: Docket No. MSEA-2768 (Premium)
Mining Research Corporation
Gull Lease, Lion Group of Claims, et al.
Fall River County, South Dakota
Contract No. [illegible]

Dear Mr. Russell:

Your letter of February 16, 1960, addressed to Mr. J. G. Townsend, Executive Officer, OGE Field Team, Region III, has been referred to this office for reply.

Mr. Townsend, in a letter dated December 4, 1959, advised Messrs. Carl V. Gull and Robert E. Gull that royalty payments, totaling $763.87, were due the Government. This represents the Government's percentage royalties on ABS Bonus payments for ore shipped from land subordinated by three parties under the terms of the subject contract.

We are not in a position to further defer payment of the royalty due the Government. However, we will postpone taking action in this matter if your clients promptly submit a definite proposal for our consideration, stating the time and manner in which they will pay the amount mentioned above.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

cc: Messrs. Carl V. Gull and
Robert E. Gull, Edgemont, South Dakota

EMurphy/gla 2-25-60
cc to: Director's Reading File
OGE Field Team, Reg. III (2)
Docket
Chron
GAAA Division
Code 500

EXTRA COPY
O. M. E
RECEIVED FEB 23 1960

DATE	INITIALS	CODE
2/23		800

Building 20 - Federal Center
Denver 25, Colorado
February 19, 1960

Memorandum

TO: Chairman Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. IMEA 2768 (Uranium)
Contract No. Idm-E520, Mining Research Corp (Lion group of claims etal), Fall River County, So Dak

Enclosed are one copy of each of the following:

(1) Letter dated February 16, 1960 from Paul H Russell, attorney for the Gull interests.

(2) Assignment of Lease pertaining to the lease dated June 17, 1958 between Robert E. Gull, lessor, and Mathew J. Brown, lessee, which is assigned to Montana Chemical and Milling Corp.

(3) Assignment of Interest dated November 25, 1958 wherein Montana Chemical and Milling Corp assigns their interest in bonus royalty payments, to Mathew J. Brown.

(4) Lease executed May 27, 1959 between Robert E. Gull and the Montana Chemical and Milling Corp pertaining to portions of Sections 22 and 23.

(5) Lease executed May 27, 1959 between Robert E. Gull and the Montana Chemical and Milling Corp pertaining to portions of Sections 27 and 28.

(6) Copy of instrument executed by Montana Chemical and Milling Corp pertaining to the leases referenced in items (4) and (5), above.

The prior leases referred to in the assignment referenced in item (2), above, and the other leases which are replaced by the two new leases, items (4) and (5), were forwarded to you with copy of a letter from this office to Paul H. Russell dated April 27, 1959.

Mr. Carl V. Gull, son of Robert E. Gull, visited this office February 12 and advised that the letter from this office to them dated December 4, 1959 was their first knowledge that the U. S. Atomic Energy Commission had failed to honor the Assignment of Interest dated November 25, 1958, a copy of which was filed with them. Mr. Gull further advised that they anticipate considerable

difficulties, if it is at all possible, to recover the monies from Montana Chemical and Milling Corporation as they have moved from the property and have no assets which can be attached.

We will appreciate your reply to the two questions posed by Mr. Russell on page 2 of his letter, or advice to us as to how we should proceed.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures-6

EXTRA COPY O. M. E RECEIVED JAN 22		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado
January 19, 1960

Mr. Paul H. Russell
Attorney at Law
Box 514
Edgemont, South Dakota

Re: Docket No. DMEA 2768 (Uranium)
Contract No. Dma-E520
Mining Research Corporation
(Gall Lease & Lien group of claims et al)
Fall River County, South Dakota

Dear Mr. Russell:

This will acknowledge receipt of your letter dated January 15, 1960. The copies of the leases to Montana Chemical and Milling Corporation supplied this office do not show any provision for the payment of royalty to the Government by the Lessees.

As stated in our letter to Carl V. Gall and Robert E. Gall dated December 4, 1959, we look to them for the payment of $763.87, the amount of royalty now due the Government.

If we do not receive the royalty now due or a satisfactory arrangement for the payment of $763.87, before February 18, 1960, we will have no further recourse than to refer the matter to the Washington Office for such action as they may deem necessary.

Very truly yours,

Original signed by

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

cc: Messrs. Carl V. Gall
& Robert E. Gall
Edgemont, South Dakota

RMC:ltm
cc: Chmn. Op. Comm. (2)
Roy. Corres. E520
Chron.

JAN 20 1960

Mr. Royce A. McIlhaney
Box 621
Igloo, South Dakota

Re: Docket No. [illegible] (Uranium)
Mining Research Corporation
Lien Group of Claims, et al.
Fall River County, South Dakota
Contract No. [illegible]

Dear Mr. McIlhaney:

This is with reference to the DMEA Administrator's letter, dated February 14, 1957, enclosing a copy of a certification of discovery or development pertaining to the above-referenced exploration project, with covering letter.

At the time of the certification, the exact amount expended had not been determined. Subsequently, an audit of the project costs showed the Government had overpaid $15,[illegible].31 as its share of the costs.

Your attention is called to the final sentence of the above-referenced letter regarding your obligations in any asssignment or lease of the claims described in the Buyer's Consent to Lien signed by you.

The Office of Minerals Exploration is the successor agency to the Defense Minerals Exploration Administration.

Sincerely yours,

(signed) FRANK E. JOHNSON
Acting Director

RMHurphy/gla
1-19-60

cc to: Director's Reading File
Operating Committee
Audit Division
Mr. Lash, [illegible]
Mr. Kirkham, [illegible]
OMX Field Team, Region XIX (X)
Chron
Docket
Dept 100

EXTRA COPY O. M. E. RECEIVED JAN 20 1960		
DATE	INITIALS	CODE
		800

PAUL H. RUSSELL
ATTORNEY AT LAW
BOX 314
EDGEMONT, SOUTH DAKOTA
TEL. MOHAWK 2-7751

OME
DEPARTMENT OF THE INTERIOR
JAN 18 1960
REGION III
DENVER, COLORADO

Jan. 15, 1960

J. W. Townsend
Executive Officer, OME
Field Team, Region III
United States Dep't. of the Interior
Building 20-Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 2768 (Uranium)
Contract No. Idm-E520
Mining Research Corporation
(Gull Lease & Lion Group of claims et al)
Fall River County, South Dakota

Dear Mr. Townsend:

I have your letter of January 11, 1960, including several enclosures of correspondence with Montana Chemical & Milling Corporation.

In order to set the records straight, I wish to advise that when Mr. Gull entered into the leases with Montana Chemical & Milling Corporation, the leases provided that the 5% royalty payments due under the liens to DMEA was to be deducted first and paid directly by the lessee. We gave the mill notice at Edgemont and the division was made by the mill on all ore purchased and sent directly to DMEA. This is what we mean when we state that Wooten and his company are responsible for this payment, it being their contractual agreement with Mr. Gull.

We know that as far as the Government is concerned, the Mining Research Corporation, which secured the DMEA loan, and the property owners who signed the consents, are primarily liable. The underlying trouble in this whole matter is that the lessees, Montana Chemical & Milling Corporation, have never fully complied with the leases in the payment of the landowners' royalties. They either forget to pay, delay payment or deny payments, from time to time. The company owes Mr. Gull at the present time the 15% royalty on the last $15,370.60 bonus payment to Montana Chemical & Milling Corporation. We did not know that they had received this bonus until we received the letter from your office so informing us. Not only that, but they owe other royalties which are considerably delinquent and now that work has stopped on the leased premises, it looks as though the landowners, the Gulls, are going to suffer quite a loss in failure to collect the

1/18/60
copy sent to
Chairman (2)

PAUL H. RUSSELL
ATTORNEY AT LAW
BOX 514
EDGEMONT, SOUTH DAKOTA
TEL. MOHAWK 2-7751

royalties due them, and then have this DMEA payment to make as well.

In the copy of your letter dated August 28, 1959 to Mr. Wooten, some reference is made to Section 28. I don't know what that has to do with this matter, as the mine from which this ore was produced is located on Sections 27 and 34, and is covered by the DMEA loan.

We intend to cancel the lease with Montana Chemical as soon as possible.

I am enclosing an extra copy of this letter so that Mr. Selfridge, Acting Director, can also be advised as to the circumstances.

Yours very truly,

Paul H. Russell

Paul H. Russell

PHR:b
Enc. 1

EXTRA COPY O. M. E RECEIVED JAN 14 1960		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado
January 11, 1960

Mr. Paul H. Russell
Attorney at Law
Box 514
Higmount, South Dakota

Re: Docket No. IMMA 2768 (Uranium)
Contract No. Lim-E520
Mining Research Corporation
(Gull Lease & Lion Group of claims et al)
Fall River County, South Dakota

Dear Mr. Russell:

This has further reference to your letter of December 24, 1959, on the captioned project. Enclosed are one copy each of the following:

(1) Letter from the Acting Director, to J. A. Wooten, dated August 28, 1959.

(2) Letter from J. A. Wooten, to the Executive Officer, Region III, dated November 24, 1959.

(3) Letter from Marian G. Rolf, Secretary, to the Executive Officer, Region III, dated December 23, 1959.

You will note from the tone of Mr. Wooten's letter that he has no intention of paying the royalty due; therefore, we look to the parties who executed the Consents to Lien on the land involved for the payment of $765.87, the amount of bonus royalty due the Government. Will you please so inform your clients.

Very truly yours,

HMC:ltm

Original signed by

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

cc: Chan. Op. Comm. (2)
Roy. Corres. E520
Chron.

cc: Messrs. Carl V. Gull
& Robert E. Gull
Higmount, South Dakota

800 L

OFFICIAL FILE COPY

Date	Surname	Initials
1/5/60		800
		500
		140
		140
		140
		100
		120
		110
		220
		225

MGS Form 7
(10-58)

JAN 14 1960

Mr. Roy Chamberlain

Lusk, Wyoming

Re: Docket No. [illegible]-2756 (Uranium)
Mining Research Corporation
Lion Group of Claims, et al.
Fall River County, South Dakota
Contract No. [illegible]-8520

Dear Mr. Chamberlain:

This is to acknowledge your letter of December 14, 1959, transmitting a copy of the Claim, Lease and Agreement, of the same date, pertaining to mining claims MCK. Nos. 1 through 5.

The agreement is in accordance with Article 7 of the above-referenced contract and is, therefore, approved by the Department of the Interior, Office of Minerals Exploration, the successor agency to the Defense Minerals Exploration Administration.

By the terms of the contract, as amended, all minerals mined or produced during the period May 14, 1959, to May 14, 1965, from mining claims MCK. Nos. 2, 3, and 4, are subject to the Government's percentage royalty as set forth in the contract until the sum of $[illegible], contributed by the Government, is repaid. Mining claims MCK. Nos. 1 and 5, mentioned in the agreement, are not included in the contract.

Royalty payments should be made in accordance with the letter to Mr. [illegible], president, Mining Research Corporation, a copy of which was forwarded to you on February 14, 1957, by the Administrator, [illegible], except that payments should be forwarded to the Executive Officer, OME Field Team, Region III, Building 20, Federal Center, [illegible], Colorado. Checks should be made payable to the Office of Minerals Exploration.

Sincerely yours,

Frank E. Johnson
Acting Director

FMMurphy/gla 1-8-60

cc to: Director's Reading File
Operating Committee
Frank D. Lamb, USGM
Harold Kirkemo, USGS
OME Field Team, Region III (2)
w/2 cys each Mr. Chamberlain's letter
and Mining Lease Agreement, both dated 12/14/59
Docket
Mr Zalbert
500
Chron

PAUL H. RUSSELL
ATTORNEY AT LAW
BOX 614
EDGEMONT, SOUTH DAKOTA
TEL. MOHAWK 2-7751

OME
DEPARTMENT OF THE INTERIOR
DEC 28 1959
REGION III
DENVER, COLORADO

Dec. 24, 1959

United States
Department of the Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 2768 (Uranium)
Contract No. Idm-E520
Mining Research Corporation
(Gull Lease and Lion Group of claims et al)
Fall River County, South Dakota

Gentlemen:

We hereby acknowledge receipt of your letter of December 4, 1959, concerning payments due the Government on above numbered contract.

We have sent Montana Chemical & Milling Corporation notice that these payments are due, asking them to take care of them as soon as possible.

Yours very truly,

Paul H. Russell

PHR:b

EXTRA COPY
O. M. E
RECEIVED DEC 31 1959

DATE	INITIALS	CODE
		800

Chmn (2)

MONTANA CHEMICAL & MILLING CORPORATION

310 ARIZONA SAVINGS BUILDING
PHOENIX, ARIZONA

OFFICE OF THE PRESIDENT
J. A. WOOTEN

December 23, 1959

OME
DEPARTMENT OF THE INTERIOR
DEC 28 1959
REGION III
DENVER, COLORADO

Executive Officer
OME Field Team, Region III
Office of Minerals Exploration
Building 20 - Denver Federal Center
Denver 25, Colorado

Atten: Mr. J. W. Townsend

Re: Docket No. DMEA 2768 (Uranium)
Contract Idm-E520
Mining Research Corporation
(Gull Lease & Lion group of claims et al)
Fall River County, South Dakota

Dear Mr. Townsend:

Referring to your letter of November 30, 1959, this is to inform that we have collected $15,370.60 as bonus payment for ore shipped from the Gull Lease. This ore was mined and shipped prior to December 1, 1958.

Trusting this is the information you requested,

Very truly yours

Marian G. Rolf
Secretary

EXTRA COPY
O. M. E
RECEIVED DEC 31 1959

DATE	INITIALS	CODE
		800

Chmn (2)

EXTRA COPY
O. M. E.
RECEIVED DEC 7 1959
DATE | INITIALS | CODE
800

Building 20 - Federal Center
Denver 25, Colorado
December 4, 1959

CERTIFIED MAIL

Messrs. Carl V. Gull &
Robert E. Gull
Edgemont, South Dakota

Re: Docket No. DMEA 2768 (Uranium)
Contract No. Idm-E520
Mining Research Corporation
(Gull Lease and Lion Group of claims et al)
Fall River County, South Dakota

Gentlemen:

Records of the U. S. Atomic Energy Commission indicate that bonus payment has been made to Montana Chemical and Milling Corporation in the amount of $15,370.60 for ore covered by Liquidation Nos. 1231 - 1311, as here and after listed. The payment was mailed in care of Mellman and Mellman, Attorneys, Empire Building, Denver, Colorado, on September 23, 1959.

Under the terms of Contract Idm-E520, royalty payment is due the Government as follows:

Liquidation No.	Bonus Paid Operator	Royalty due the Government Rate	Amount
1231	$ 132.90	1½%	$ 1.99
1241	2,282.07	5 %	114.10
1247	2,144.49	5%	107.22
1257	347.36	5 %	17.37
1260	2,382.57	5 %	119.13
1261	912.05	5 %	45.60
1297	2,852.57	5 %	142.63
1308	2,985.99	5 %	149.30
1311	1,330.63	5 %	66.53
Total	$15,370.63		$763.87

Please forward payment in the amount of $763.87 due the Government. The check should be made payable to the Office of Minerals Exploration.

Very truly yours,

JWT:ltm

Original signed by

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

cc: Chmn. Op. Comm.)w/cpy to
Roy. Corres. E520)& from
Chron. AEC

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado
November 30, 1959

EXTRA COPY
O. M. E.
RECEIVED DEC 7 1959
OME
DATE | INITIALS | CODE
DEPARTMENT OF THE INTERIOR
DEC 3 1959
REGION III
DENVER, COLORADO

Director, Finance Division
Atomic Energy Commission
Grand Junction, Colorado

Re: Docket No. DMEA 2768 (Uranium)
Contract Idm-E520
Mining Research Corporation
(Gull Lease & Lion group of claims et al)
Fall River County, South Dakota

Dear Sir:

Please advise as to whether or not bonus payments have been made to Montana Chemical and Milling Corporation, 700 West Campbell Avenue, Phoenix Arizona, on production from the referenced property on Liquidation Nos. 1231-1311, or any other settlements. The property is sometimes known as the Gull Lease or Gull No. 3.

Very truly yours,

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

DEC 2 1959

Gentlemen:

Bonus payments have been made to Montana Chemical and Milling Corporation in the amount of $15,370.60 for ores covered by Liquidations Nos. 1231, 1241, 1247, 1257, 1260, 1261, 1297, 1308 and 1311. This payment was mailed in care of Mellman and Mellman, Attorneys, Empire Building, Denver, Colorado on September 23, 1959.

for Lewis W. Stock, Chief
Accounting Branch
Finance Division

12/4/59 Copies to Chairman (2) Royalty Corr.

EXTRA COPY O. M. E. RECEIVED DEC 3 1959		
DATE	INIT.	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado
November 30, 1959

Director, Finance Division
Atomic Energy Commission
Grand Junction, Colorado

Re: Docket No. DMSA 2768 (Uranium)
Contract Lim-1520
Mining Research Corporation
(Gull Lease & Lion group of claims et al)
Fall River County, South Dakota

Dear Sir:

Please advise as to whether or not bonus payments have been made to Montana Chemical and Milling Corporation, 700 West Campbell Avenue, Phoenix Arizona, on production from the referenced property on Liquidation Nos. 1231-1311, or any other settlements. The property is sometimes known as the Gull Lease or Gull No. 3.

Very truly yours,

Original signed by

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

JWT:ltm

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

EXTRA COPY O. M. E. RECEIVED DEC 3 1959		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado
November 30, 1959

Mr. J. A. Wooten
Montana Chemical and Milling Corporation
700 West Campbell Avenue
Phoenix, Arizona

Re: Docket No. DMEA 2768 (Uranium)
Contract Idm-E520
Mining Research Corporation
(Gull Lease & Lion group of claims et al)
Fall River County, South Dakota

Dear Mr. Wooten:

In reference to your letter of November 24, 1959, our understanding of the matter is as stated in the Acting Director's letter to you of August 28, 1959, that your company is not responsible for payment of royalty to the Government on production from the referenced property.

The letters to you from this office dated October 6 and November 16, 1959, were in an effort to obtain first hand information as a basis for further contact with appropriate parties for the payment of any bonus royalty that may have become due, and was not a demand of bonus royalty payment from your company.

We will appreciate your corporation in furnishing us the information requested in our prior letters.

Very truly yours,

Original signed by

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

JWT:ltm

cc: Chmn. Op. Comm. (2)w/cpy
Rey. Corres. E520) incm. ltr.
Chron.

MONTANA CHEMICAL & MILLING CORPORATION
700 W. Campbell Ave.
PHOENIX, ARIZONA

November 24, 1959

OFFICE OF THE PRESIDENT
J. A. WOOTEN

Mr. J. W. Townsend
Executive Officer
OME Field Team, Region III
U. S. Dept. of the Interior
Building 20 - Federal Center
Denver 25, Colorado

Re: Docket DMEA 2768 (Uranium)
Contract Idm-E520
(Gull lease)
Fall River County, S. D.

Dear Mr. Townsend:

You are quite correct in that you have not had any reply to your letter dated October 6, 1959, in re bonus payments received from the Atomic Energy Commission.

I wrote you under date of July 27, 1959. You referred my letter to Washington. I received a reply dated August 7, 1959, from Acting Director, Frank E. Johnson. He agreed with you. I took exception to his letter in my reply of August 12th, and my August 12th letter was answered by Acting Director, George C. Selfridge. I enclose a thermofax copy of Mr. Selfridge's letter.

As far as I am concerned, this ends the matter. You are not entitled to any bonus payments or deductions from me or Montana Chemical. After reading Mr. Selfridge's letter, will you kindly acknowledge your agreement?

Yours very truly,

J. A. Wooten

JAW/eo

Enclosure

EXTRA COPY
O. M. E.
RECEIVED DEC 3 1959

DATE	INITIALS	CODE

OME
DEPARTMENT OF THE INTERIOR
NOV 2 1959
REGION III
DENVER, COLORADO

EXTRA COPY O. M. E. RECEIVED NOV 19 1959		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado
November 16, 1959

CERTIFIED MAIL

Mr. J. A. Wooten, President
Montana Chemical and Milling Corp.
310 Arizona Savings Building
Phoenix, Arizona

Re: Docket No. DMRA 2768 (Uranium)
Contract No. DMs-E520
Mining Research Corporation
(Lion Group of claims, et al)
Fall River County, South Dakota

Dear Mr. Wooten:

We have had no reply to our letter to you dated October 6, 1959, in which we asked if you had received from the Atomic Energy Commission the bonus payments applicable to Liquidation Nos. 1231-1311.

In accordance with the contract, the Government is entitled to its percentage royalty on all bonus payments. Will you please advise by return mail the amount of bonus payments you have received to date, and the liquidations covered.

Very truly yours,

Original signed by

J. W. Youngquist
Executive Officer, CMX
Field Team, Region III

HMC:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres. E520
Chron.

$943.99

EXTRA COPY O. M. E. RECEIVED OCT 9 1959		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

October 6, 1959

Mr. J. A. Wooten, President
Montana Chemical and Milling Corp.
310 Arizona Savings Building
Phoenix, Arizona

Re: Docket No. DMSA 2768 (Uranium)
Mining Research Corporation
(Lion Group of Claims, et al)
Hall River County, South Dakota
Contract No. Dm-E520

Dear Mr. Wooten:

Will you please advise if you have received the bonus payments applicable to liquidation Nos. 1251 - 1311.

Very truly yours,

Original signed by

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

RMC:ltm

cc: Roy. Corres. E520
Chron.
Chmn. Op. Comm. (2)

CA[illegible]A Division

OCT 2 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Chairman, Operating Committee

Subject: Docket No. DMEA-2768 (Uranium)
Mining Research Corporation
Lion Group of Claims, et al.
Fall River County, South Dakota
Contract No. Idm-E520

Your memorandum dated September 25, 1959, states that the method used by Mines Development, Inc., in computing and paying royalty applicable to sales of uranium ore produced by Montana Chemical and Milling Corporation from property under the subject contract has resulted in a net overpayment of $115.28 applicable to liquidations Nos. 1547 - 1689.

In view of the Acting Director's letter to Montana Chemical and Milling Corporation dated August 28, 1959, no further effort should be made to attempt to induce that company to request the buyer to compute the royalty on the proper basis. Instead, any adjustment of the royalty account should be made with the land-owners who have settled for the royalty applicable to liquidations Nos. 1231 - 1509 in accordance with their responsibility for royalty on production from the land subordinated under Owner's Consent to Lien executed by them.

It is suggested that you should ascertain whether bonus payments have now been received applicable to liquidations Nos. 1231 - 1311. When such payments are received demand should be made on the land-owners for the appropriate Government royalty (estimated by us as amounting to $745.99). At that time the amount of the overpayments may be adjusted if the land-owners so request. Such adjustment may be accomplished either by refund or by applying such overpayments to reduce the bonus royalty payment. In any event, no adjustment should be made of the royalty overpayments until the matter of bonus royalty payments is settled.

Mr. Finch's report of royalty review dated September 13, 1957, indicated overpayment of royalty by Mining Research Corporation amounting to $16.27. Since that date a further payment of

$12.54 covering bonus royalty applicable to liquidation No. 517 has been received making a total overpayment by that company of $28.81. This amount should also be allowed when settlement is made of the bonus royalty account.

This course of action is not intended to relieve Mining Research Corporation of their liability for the payment of royalty; however, the Government is not interested in proceeding against that company so long as currently accruing royalty can be collected from the land-owners.

George C. Selfridge

Chairman, Operating Committee

APPROVED:

Frank D. Lamb

Member, Bureau of Mines

Harold Kirkemo

Member, Geological Survey

CEFisher/ama
October 2, 1959

Copy to: Docket
Director's Reading File
Operating Committee
CA & A Division
Mr. James Paone, USBM
Mr. Harold Kirkemo, USGS

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

CERTIFICATE OF DEPOSIT
Standard Form 219

9/23/59 (Date sent) 34 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

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

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

(3) The Sum of $ 10,130.23

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 10,130.23		$ E 520

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

(5) 14-23-040
Office of Minerals Exploration
224 New Custom House
Denver 2, Colorado

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

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

(Authorized signature)

SEP 23 1959
(Date of credit in Treasurer's account)

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 28 1959

DATE	INITIALS	CODE
		808

E-520	Mining Research	24.55
E-984	Pinnacle Exploration	2,957.61
E-984	Pinnacle Exploration	47.42
E-~~981~~ 987,	Hamilton & Simpson Mining Corp.	824.82
E-910	Hecla Mining	793.69
E-1127	Mid Continent	1,314.22
E-933	Food Machinery & Chemical Corporation	4,167.92
		10,130.23

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

CERTIFICATE OF DEPOSIT
Standard Form 219

9/9/59 (Date sent)

28 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

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

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

(3) The Sum of $ $1,719.79

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ $1,719.79		$

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

(5)
14-23-040
Office of Minerals Exploration
224 New Custom House
Denver 2, Colorado

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

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

Bennett
(Authorized signature)

SEP 9 1959
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

E-520 Mining Research 22.80

E-797 Celanese Corporation 1,696.99

1,719.79

1959 SEP 9 PM 12 02
MAIL DEPT-2

SEP 14 1959
O.M.E.

EXTRA COPY O. M. E. RECEIVED SEP 28 1959		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado
September 25, 1959

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMRA 2768 (Uranium) Contract No. Ida-E520, Mining Research Corporation (Ida, McKnight and Stacy Canyon claims and McKnight and Gall deeded land) Fall River County, South Dakota - Gall Lease, Western Chemical and Milling Corporation Lessee - Interim Report on Certified Project

In compliance with your request of August 28, 1959, and supplementing information in my memorandum of September 1959, enclosed are the original and three copies of a Memorandum Report of inspection of the subject property by Jhal H. Van Sant, Mining Engineer, Bureau of Mines, dated September 24, 1959.

Subsequent to Mr. Van Sant's inspection of AEC records of production, we have received royalty payment on Liquidation No. 1689 covering 89.921 dry tons, containing 253.79 pounds U_3O_8.

Beginning with Liquidation No. 1547 of June 4, 1959, royalty payments have been made to the Government by Mines Development, Inc., for Western Chemical and Milling Corporation. Payments have been made on the basis of straight 5 percent of the base value*, and excludes development and haulage allowance; however, the payee has not taken into consideration the variation in value per ton of ore which in some cases reduces the amount of royalty due to 1½ percent of gross proceeds. The erratic computation of the amount of royalty due results in an overpayment according to our records of $113.28, including Liquidation No. 1689 dated September 18, 1959.

* base value plus premium

Regarding non-payment of royalty on development and haulage allowance please refer to Mr. Weston's letter of July 27, 1959, and the reply to him from Frank R. Johnson, dated August 7, 1959.

Original signed by

J. W. Townsend

JWT:lm

cc: Semi-Annual Rept. file
Region III) w/copy Rpts.
Roy. Corres. file) Rept.
Shaler)
Van Sant)
Supervisor
Chron.

EXTRA COPY O. M. E. RECEIVED SEP 28 1959		
DATE	INITIALS	CODE
September 24, 1959		

Memorandum

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

From: Joel H. Van Sant, Mining Engineer

Subject: Docket No. DMRA 2768 (Uranium) Contract No. 14m-E520, Mining Research Corporation (Lion, McKnight and Sheep Canyon claims and McKnight and Gull deeded land) Fall River County, South Dakota - Gull Lease, Montana Chemical and Milling Corporation Lessee

As instructed, I investigated the subject property on September 15, 1959.

First I contacted Glin Hart, Chief Edgemont Section, U. S. Atomic Energy Commission, Edgemont, South Dakota, who made the AEC data pertaining to ore shipments and U_3O_8 content available for examination. These data were compared with those on the Settlement Sheet Calculations made by OME (DMRA) for contract E520, Mining Research Corporation (Montana Chemical and Milling Corporation) for the period January 1959 to August 1959.

It was found that all liquidation numbers and dry tons reported by the AEC for Montana Chemical and Milling Corporation agreed with those shown on the OME Settlement Sheet Calculations cards.

The shipment data pertaining to Montana Chemical and Milling Corporation copied by me from the AEC records, which were reproductions of original typewritten sheets, are as follows:

Liq. No.	Claim Name	Dry Tons	Pounds U_3O_8
1395	Gull Lease	190.685	724.60
1426	Gull Lease	199.486	837.59
1408	Gull Lease	101.459	--- 608.75
1456	do	98.156	353.36
1461	do	34.470	144.77
1463	do	100.905	262.35
1469	do	98.162	274.85
1482	do	96.442	482.21
1494	do	95.693	401.91
1509	do	100.397	240.95
1547	do	94.714	473.57

Liq. No.	Claim Name	Dry Tons	Pounds U_3O_8
1538	do	75.661	211.85
1539	do	97.058	232.94
1568	do	77.592	186.22
1569	do	53.508	288.95
1570	do	93.765	225.04
1577	do	116.442	302.75
1579	Gull No. 3	97.576	273.21
1582	Gull Lease	50.105	280.105 280.59
1588	Gull No. 3	96.530	289.59
1600	Gull No. 3	54.022	302.53
1604	Gull No. 3	187.055	486.34
1605	Gull No. 3	54.001	140.40
1648	Gull No. 3	85.247	323.94
1670	Gull No. 3	99.985	239.96

Other than the shipments made and payed for, the following No Pay shipments were made:

Lot No.	Claim Name	Dry Tons	Pounds U_3O_8
S-2829	Gull Lease	42.904	51.48
S-2865	do	34.548	62.19
S-2989	do	53.096	95.57
S-3135	Gull No. 3	117.908	212.24

Examination of the AEC shipment records for the period January 1959 to August 1959 disclosed that all production from the Gull lease and Gull No. 3 is subject to the royalty payments which have been made. No other production was found in the records that is subject to royalty payments according to Contract E-520.

Because some of the production was reported from the Gull No. 3 and part from the Gull lease, there was a question as to the areas to which these designations were related. According to Glin Hart, the Gull lease pertains to the area indicated as Gull Lease No. 1 on the attached sketch "Lease Status, Gull Mine and Vicinity." Gull No. 3 refers to the area shown on the same map as controlled by Dakota Mines, Inc. (Matthew Brown). According to Hart, when Montana Chemical and Milling Corporation acquired the Gull lease, they thought they had acquired that property shown as controlled by Dakota Mines, Inc. (Matthew Brown). A law suit resulted in the purchase of the Dakota Mines, Inc. lease by the Montana Chemical and Milling Corporation, which now controls the property. This area is now identified as Gull No. 3 by the Montana Chemical and Milling Corporation.

A field trip to the mining area disclosed that most of the production since June 1959 has come from the north part of the mine which occupies the south part of the SW¼ NE¼ sec. 27, T. 8 S., R. 3 E., MSM. This part of the mine is in property identified as Gull No. 3.

A compass and pace survey was made of that part of the mine workings north of the main adit. The area mined out as extended September 15, is shown on the sketch map, "Gull Mine, Montana Chemical and Milling Corporation."

Some mining has been done from an open cut about 1000 feet north of the underground mine portal. It is known as the Railroad mine because it is contiguous to and southeast of the Chicago, Burlington, and Quincy Railroad right-of-way.

No shipments have been made from the Railroad mine according to the AEC records. Mr. Ben Hummell, a miner who has worked at the property for most of the time during operation, stated that no ore has been shipped from the Railroad mine.

According to Hummell, the reserves at the underground mine are about depleted.

Drilling is now being done north and contiguous to the underground mine. From information gained by drilling, Montana Chemical and Milling Corporation, hopes to develop an ore body that might possible occur about 40 feet stratigraphically below the ore body now being mined.

According to Hart and Hummell, no production has come from that part of the Gull lease No. 1 that occupies part of sec. 28, T. 8 S., R. 3 E., MPM.

It is estimated that there are about 2,500 tons of rock stored in piles on the mesa above the mine. This material from the underground mine is estimated by the miners to have a U_3O_8 content of .06 percent. There is no shipping grade ore stockpiled at the underground mine.

At the Railroad mine, there are about 30 tons of rock stockpiled that is estimated by the miners to contain 0.18 percent U_3O_8.

Attached are two maps of the property and MME Form-22, Check Sheet of Examining Engineer.

Joel N. Van Sant
Joel N. Van Sant
Mining Engineer

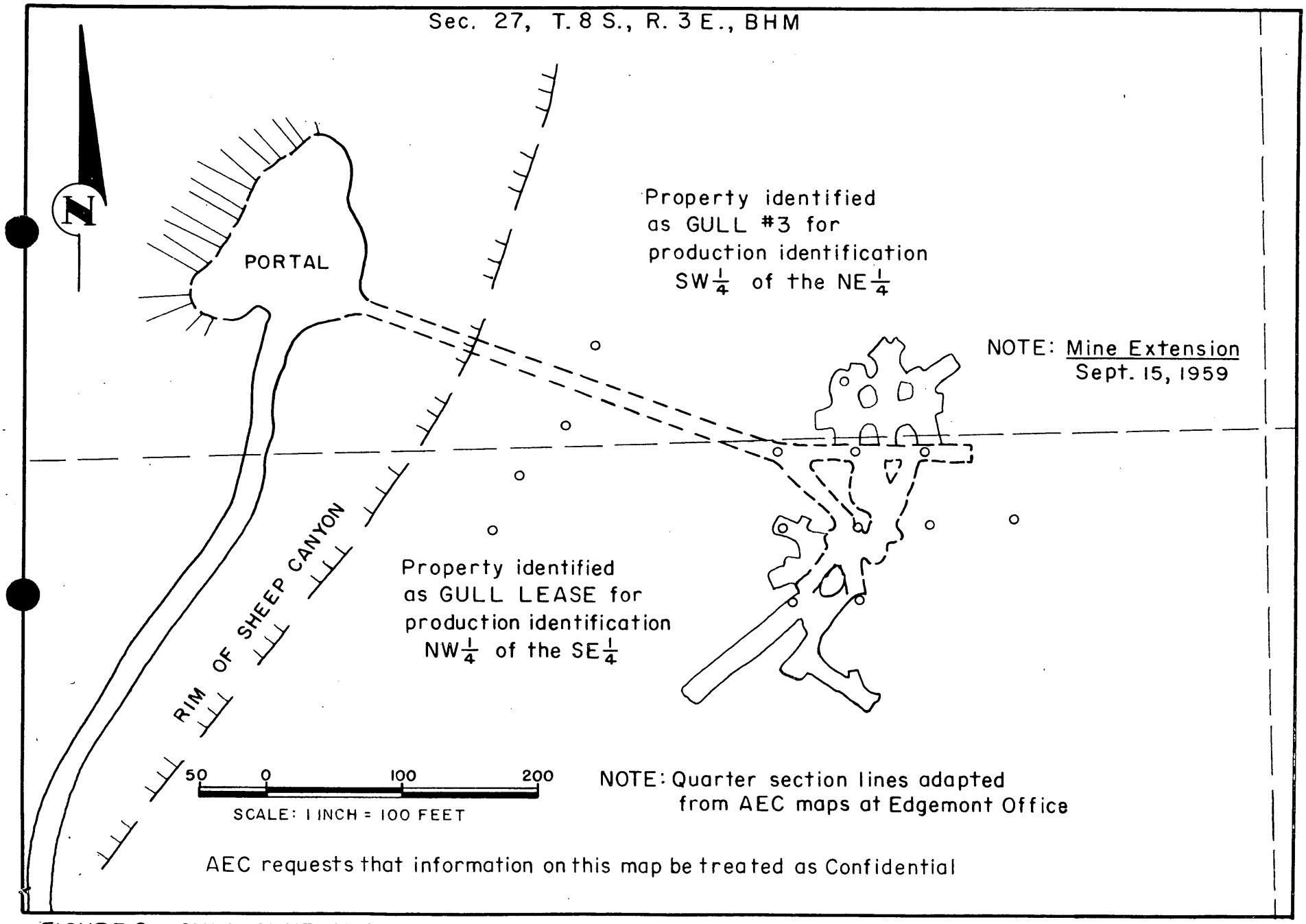

FIGURE 2.- GULL MINE, MONTANA CHEMICAL AND MILLING CORPORATION, FALL RIVER COUNTY, SOUTH DAKOTA. DMEA 2768, CONTRACT Idm-E520.

EXTRA COPY
O. M. E.
RECEIVED SEP 28 1959
DATE
INITIALS

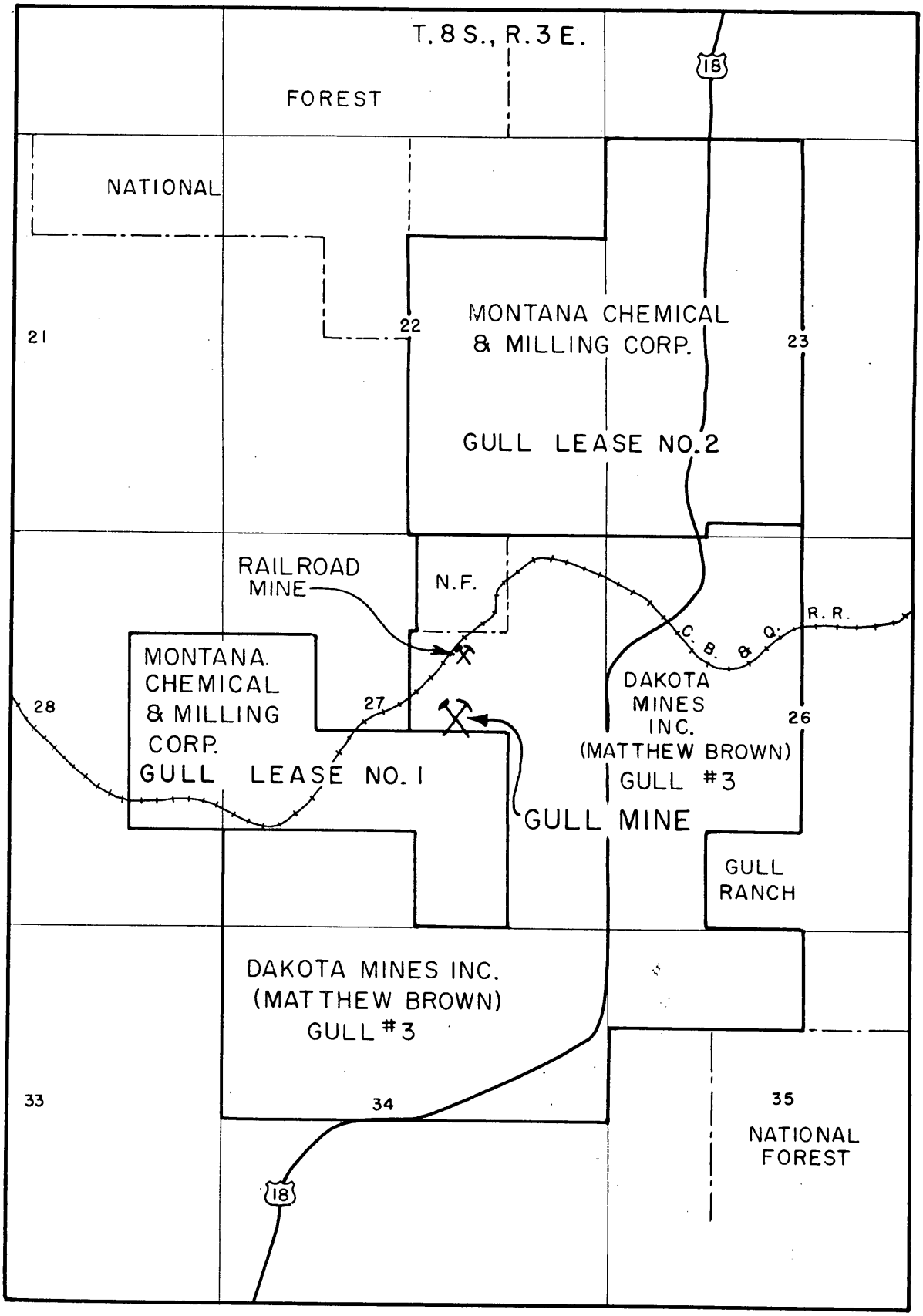

FIGURE 1.- LEASE STATUS, GULL MINE AND VICINITY
DMEA 2768, CONTRACT Idm-E520

EXTRA COPY
O. M. E.
RECEIVED SEP 28 1959
DATE INITIALS
COLE

MMS Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Mining Research Corporation

Address Wheatridge, Colorado

Gull Lease & Gull No. 3

Exploration Contract No. Lim-E520 Docket No. 2768

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

See attached memorandum concerning 3 (a). Estimate of examining engineer only for 3 (b).

September 23, 1959
Date

Joel N. Hoover
Mining Engineer

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

CERTIFICATE OF DEPOSIT
Standard Form 219

8/26/59 (Date sent)

24 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

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

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

(3) The Sum of $ 1,011.82

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 1,011.82		$

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

(5)
14-23-040
Office of Minerals Exploration
224 New Custom House
Denver 2, Colorado

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

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

Joan Schisler
(Authorized signature)

AUG 26 1959
(Date of credit in Treasurer's account)

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

E-520 Mining Research 53.45

E-1127 Mid-Continent 958.37

1,011.82

1959 AUG 26 PM 12 39
MAIL DEPT-2
FEDERAL RESERVE BANK

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 31 1959

DATE	INITIALS	CODE
		800

Code 800

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

AUG 7 1959

Mr. J. A. Wooten, President
Montana Chemical and Milling Corp.
310 Arizona Savings Building
Phoenix, Arizona

Re: Docket No. DMEA-2768 (Uranium)
Mining Research Corporation
Lion Group of Claims, et al.
Fall River County, South Dakota
Contract No. Idm-E520

Dear Mr. Wooten:

This is with reference to your letter of July 27, 1959, which was forwarded to this office by Mr. J. W. Townsend, Executive Officer, OME Field Team, Region III.

Enclosed are one copy each of the subject Contract and Annex II, made a part of the Contract by Amendment No. 2, dated December 31, 1954.

With regard to royalty due the Government, you will note that the terms of Article 9 of the Contract and Item C. of Annex II are in accordance with the statements made in Mr. Townsend's letter, dated June 23, 1959, addressed to your corporation. Therefore, will you kindly conform with Mr. Townsend's request concerning royalty payments due the Government.

Sincerely yours,

Frank E. Johnson

Acting Director

Enclosures

FMMurphy/GMcC
August 7, 1959

cc: Docket
Director's Reading File
Oper. Committee
Mr. Murphy - 500
CA & A Division
Chron.
Region III (2)

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

Treasury Department Circular No. 945 -

CERTIFICATE OF DEPOSIT
Standard Form 219

7/22/59 (Date sent)

8 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

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

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

(3) The Sum of $ 3,365.11

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 3,365.11		$

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

(5)
14-23-040
Office of Minerals Exploration
224 NewCustom House
Denver 2, Colorado

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

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

Shisler
(Authorized signature)

JUL 2 2 1959
(Date of credit in Treasurer's account)

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

E-520 Mining Research	121.99
E-981 Mercury Uran.	28.04
E-1127 Mid Continent	1,199.10
E-797 Colamer Corp.	1,739.38
E-877 Uran. Prospectors	276.60
	3,365.11

1959 JUL 22 AM 11 39
MAIL DEPT-2
FEDERAL RESERVE BANK

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 27 1959

DATE	INITIALS	CODE
		800

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

Treasury Department Circular No. 945 -

CERTIFICATE OF DEPOSIT
Standard Form 219

6/30/59 (Date sent)

167 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

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

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

(3) The Sum of $ 2,012.06

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 2,012.06		$

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

(5)
14-23-040
Office of Minerals Exploration
224 New Custom House
Denver2,Colorado

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

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

(Authorized signature)

JUN 30 1959
(Date of credit in Treasurer's account)

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

E1198 Jen, Inc 877.95

E-969 american 31.35
Ledue

E-520 Mining 52.11
Research

E-520 Mining 36.20
Research

E-910 Hecla
Mining -

1,014.45

2,012.06

DENVER BRANCH
FEDERAL RESERVE BANK
JUN 30 1959
PM 12 4
MAIL DEPT-2

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 6 1959

DATE	INITIALS	
7-1	gad	1120
		800

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

CERTIFICATE OF DEPOSIT

Standard Form 219

6/24/59 (Date sent)

165 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

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

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

(3) The Sum of $ 63.21

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 63.21		$

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

(5)

14-23-040
Office of Mineral Exploration
224 New Custom House
Denver 2, Colorado

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

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

Stanley Margrave Mels
(Authorized signature)

JUN 24 1959
(Date of credit in Treasurer's account)

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

E.520
Mining Research 63.21

6/29 C 220
800

DENVER BRANCH
FEDERAL RESERVE BANK

1959 JUN 24 AM 11 52

MAIL DEPT-2

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

CERTIFICATE OF DEPOSIT
Standard Form 219

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

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

6/23/59 (Date sent)

164 (Deposit No.)

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

(3) The Sum of $ 137.30

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 137.30		$

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

(5) 14-23-040

Office of Mineral Exploration
224 New Custom House
Denver 2, Colorado

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

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

(signed) Stanley Margrave (Authorized Signature)

June 23, 1959 (Date of credit in Treasurer's account)

Depositor will retain this copy.

E-981	Mercury Uran & Oil Co.	44.85
E-520	Mining Research	92.45
		137.30

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 13 1959

DATE	INITIALS	CODE

EXTRA COPY O. M. E. RECEIVED JUN 25 1959		
DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado

June 23, 1959

CERTIFIED MAIL

Newmont Chemical and Milling Corp.
Edgemont,
South Dakota

Re: Contract NMEA 2768 (Uranium)
Contract Lab-5520
Newmont Chemical and Milling
Corporation
(Gull lease)
Fall River County, South Dakota

Gentlemen:

Will you please advise the purchaser of your ore, Minex Development, Inc., that the royalty due the Government is computed on the total gross settlement value, which includes the development and haulage allowances.

The value per ton is the basis for computing royalty, and this is determined by dividing the gross settlement value of the lot by the number of dry tons it contains.

Attached is a copy of the basis for computing royalty payments, which is in accordance with all NMEA contracts.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

Enclosure

Copy to: Robert L. Gull
" " Neal E. Rassell
" " T. J. Vogenthaler

HMC:jy
cc: Chm. Op. Comm. (2)
Roy. Corres. E520
Charon.

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

JUN 22 1959

Mr. Clifton W. Livingston
President
Mining Research Corporation, Inc.
Box 432
Georgetown, Colorado

Re: Docket No. DMEA-2768 (Uranium)
Contract No. Idm-E520
Mining Research Corporation
Lion Group of Claims, et al.
Fall River County, South Dakota

Dear Mr. Livingston:

Thank you for your letter of June 3 to which are attached copies of letters of the same date to the Executive Officer, Office of Minerals Exploration, Denver, and to Messrs. Chamberlain and Barker, owners of certain of the land subject to the exploration contract. All of the letters seemed to indicate your intention of abandoning the project.

Your attention is called to the fact that by the provisions of Article 4 of Amendment No. 1 to the subject contract, the abandonment provision of Article 7 of the contract was deleted. Regardless of this fact, however, we presume that you are aware that Mining Research Corporation remains liable for the payment of such royalties as may accrue under the provisions of Article 6 of the contract as revised by Amendment No. 2 thereto.

We appreciate the fact that you have advised your correspondents of the Government's lien on the property.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

JLynch/JLHofflund/hm/eal
(6/17/59)

Copy to: Director, OME
OME Docket
OME Field Team, Reg. III (2)
Mr. Knouse
Div. of Contract Admin. and Audit

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

Treasury Department Circular No. 945 -

CERTIFICATE OF DEPOSIT
Standard Form 219

6/12/59 (Date sent) 159 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

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

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

(3) The Sum of $ 1,941.83

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 1,941.83		$

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

(5)
14-23-040
Office of Minerals Exploration
224 New Custom House
Denver 2, Colorado

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

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

(Authorized signature)

JUN 1 2 1959

(Date of credit in Treasurer's account)

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

E-969 American Lecture	37.28
E-823 Chimap Uran. Co.	1,372.37
E-649 Camoose	317.67
E-649 Camoose	17.00
E-597 Camoose	12.61
E-597 Camoose	57.98
E-[illegible]20 Mining Research	132.92
	1,941.83

DENVER BRANCH
FEDERAL RESERVE BANK

1959 JUN 12 PM 12 55

MAIL DEPT 2

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 15 1959

DATE	INITIALS	CODE

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

CERTIFICATE OF DEPOSIT
Standard Form 219

6/4/59 (Date sent)

157 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

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

(3) The Sum of $ 2,615.32

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

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 2,615.32		$

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

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

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

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

(Authorized signature)

JUN 4 1959
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

E-520 Mining
Research Corp - 2,615.32

DENVER BRANCH
FEDERAL RESERVE BANK

1959 JUN 4 PM 12 26

MAIL DEPT-2

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 8 1959

DATE	INITIALS	CODE
		800

Orig to 700

EXTRA COPY O. M. E. RECEIVED JUN 11 1959		
DATE	INITIALS	CODE
		800

OME
DEPARTMENT OF THE INTERIOR
JUN 9 - 1959
REGION III
DENVER, COLORADO

MINING RESEARCH CORPORATION
INCORPORATED

Box 437, Georgetown, Colorado

June 3, 1959

E520

Mr. J. W. Townsend
Executive Officer
Office of Minerals Exploration Field Team
New Customhouse, Denver, Colorado

Dear Mr. Townsend:

Enclosed please find copies of letters to Mr. Barker, owner of the Lion Group of Claims, and Mr. R. Chamberlain, owner of the McKnight Group of Claims, cancelling our leases and advising them of DMEA provisions.

We wish also formally to advise you that Mining Research Corporation does not intend to risk further loss in the Edgemont area, and that such arrangements as the government wishes to take with the lessors should be made.

We are in receipt of a copy of a letter to Mr. Paul Russell, attorney, which implies that the Gulls are up to their old tricks. We found them so unreliable to deal with that at one time we had a suit against them in the South Dakota courts for a substantial sum. Rather than continuing to deal with people of such caliber we cancelled our leases with them after Mr. Issaccs had mined out all the ore we were cognizant of, and after DMEA royalties had been paid. A provision of this lease termination releases us from all further liability in connection with the Gull properties.

Yours very truly,

MINING RESEARCH CORPORATION

Clayton W. Livingston

President

CWL:hjl
cc F.E. Johnson

Chairman (2)

Box 432 Georgetown, Colorado

ORIE
REGION III
DENVER, COLORADO

June 5, 1959

Mr. Chamberlain
Ranger Hotel
Lusk, Wyoming

Dear Mr. Chamberlain:

I regret to advise you that Continental Oil Company found it impossible to continue it's studies under our agreement because the AEC is not interested in making any future commitments for the purchase of uranium concentrates.

I therefore must advise you that Mining Research Corporation is unable financially to continue either to experiment further or to do assessment work on the McKnight claims, and therefore must cancel it's leases. An attempt was made to interest Giant Cycle Corporation in carrying on, but after drilling on the property, they concluded that the material is worthless for conventional operations.

The DMEA drilling done by Mining Research Corporation remains as a lien against the property in event of future production.

We regret to advise you in accordance with lease provisions that we must cancel our leases and withdrew from all mining activities in the Edgemont area.

Yours very truly,

Clifton L. Livingston, Pres.

CLL:bgh

Same letter sent to Barker (Lion Group of claims)

Box 432 Georgetown, Colorado

OMIE
THE INTERIOR
JUN 9 - 1959
REGION III
DENVER, COLORADO

June 3, 1959

Mr. J. Barker
Edgemont, South Dakota

Dear Mr. Barker:

I regret to advise you that Continental Oil Company found it impossible to continue it's studies under our agreement because the AEC is not interested in making any future commitments for the purchase of uranium concentrates.

I therefore must advise you the Mining Research Corporation is unable financially to continue either to experiment further or to do assessment work on the Lion group claims, and therefore must cancel it's leases. An attempt was made to interest Giant Cycle Corporation in carrying on, but after drilling on the property, they concluded that the material is worthless for conventional operations.

The DMEA drilling done by Mining Research Corporation remains as a lien against the property in event of future production.

We regret to advise you in accordance with lease provisions that we must cancel our leases and withdraw from all mining activities in the Edgemont area.

Yours very truly,

Clifton B. Livingston, Pres.

CBL:hjl

PAUL H. RUSSELL
ATTORNEY AT LAW
[illegible]
[illegible], SOUTH DAKOTA
[illegible]
[illegible]

May 29, 1959

OME
DEPARTMENT OF THE INTERIOR
JUN 3 - 1959
REGION III
DENVER, COLORADO

Office of Minerals Exploration
J. W. Townsend, Executive Officer
OME Field Team , Region III
224 New Customhouse
Denver 2, Colo.

Re: Docket DMEA 2768 (Uranium)
Contract Idm-E520
Mining Research Corporation
Fall River County, S. D.

Dear Mr. Townsend:

Referring to your letter of May 6, 1959, I wish to advise that we have been able to secure the royalty payment due D.M.E.A. from the present lessees. The amounts thru Liquidation No. 1482 amounted to $2522.36, and for the Liquidation nos. 1494 and 1509 there was an additional $ 92.96 due. The total being due amounting to $2615.32. I am enclosing two checks representing this amount, which should bring all payments up to date. Hereafter the buyer will make the deductions at the Mill and make the remittances directly to your office. We have made such a request of the buyer, Mines Development Corp. Please acknowledge receipt of this payment and advise if this is not correct. Thank you.

Yours very truly,

Paul H. Russell

PHR:b
Enc.

EXTRA COPY
O. M. E.
RECEIVED JUN 5 1959

DATE	INITIALS	CODE

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

DATE	INITIALS	CODE
		900

22A New Customhouse
Denver 2, Colorado

May 12, 1959

Mr. Carl V. Gull
Edgemont,
South Dakota

Re: Docket DMEA 2768 (Uranium)
Contract Ism-E520
Mining Research Corporation
Fall River County, South Dakota

Dear Mr. Gull:

Thank you for your letter of May 7, 1959, regarding a misunderstanding between Mr. Brown and the secretary of Montana Gold and Chemical Company, concerning payment of royalty to the Government on subordinated land. We have no legal instrument giving us any right to collect royalty from either of them.

The landowners are responsible for the payment of royalty to the Government on ore produced from their land. The landowners acknowledged this responsibility when they signed the Owners Consent to Lien.

If no ore has been produced and sold from the property on which you signed the Owners Consent to Lien, you owe no royalty. In the event you lease your property, you should make it clear in the lease which party of the lease is to pay the royalty, as it will still be your responsibility to see that the Government's royalty is paid.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

HMC:jy
cc: Chm. Op. Comm. 2
Harshman
Marshall
Roy. Corres. E520
Chron.
} w/copy of Gull's ltr.

OME
DEPARTMENT OF THE INTERIOR
MAY 11 1959
REGION III
DENVER, COLORADO

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

DATE	INITIALS	CODE

J W Lowrand
OME Field Team, Region B

Dear Sir:

In answer to your letter to Paul Russell of May 6, might I make a few comments?

When my father, Robert E. Gill leased his land or optioned it to Matt Brown, it was well known by Mr. Brown that there was a joint loan on the land. The option that Mr Gill signed stated that if there was one lease or more on the optioned property, all leases would read the same as the option.

When Mr. Brown sold the option or parts of the property to Montana Gold & Chemical Co or others and whether or not he told the ones he transferred it to of the loan is not certain in my mind. Mr Brown says the ones he transferred it to knew of the loan. The secretary of Montana Gold & Chemical says otherwise but the fault is in no way with my father. Sincerely

The only reason the royalty was to drop from 15% to 10% was because of the loan and that reduction was supposed to take care of the loan. Otherwise, the royalty would have stayed at 15%

When my father and I were coerced ~~into~~ ~~sign~~ by ~~Mr~~ Clifton W Livingston of Mining Research Corp ~~into~~ signing those JNEA applications, we were assured by Mr Livingston that any money that was borrowed would have to be used on our land in drilling if it was paid back from our property. (at that time Mr Livingston had extensive holdings of our property + several other peoples properties)

Then Mr Livingston contracted with a custom driller (Johnny McGuire) to drill some holes on our property for which Mr McGuire was paid very nearly $650.00 If Mr Livingston of Mining Research Corp got more than that, it must have gone into his own pocket instead of for exploration

Or I suppose it could have been used on other property under lease

to Mr Livingston but; in such event, why should Robert C. Gull be liable for what was spent on someone else's property?

I would be glad to explain this whole situation to you at any time and by any means if you are really interested.

If there is any further information you might desire feel free to call on me.

Yours truly
Carl C. Gull.

P.S. After extensive investigation of your claims that oil was being mined and sold off of my property, I can only state that wherever or whoever gave you the information must have been all wet.

And if I am wrong, would you kindly tell me who is selling oil from my property so that I might contact them in regard to some royalty?

Carl C. Gull

MAY 19 1959

Paul H. Russell, Esq.
Box 514
Edgemont, South Dakota

Re: Docket No. DMEA-2768 ([illegible])
Contract Lm-[illegible]
Mining Reserve Corporation
Full River County, S. D.

Dear Mr. Russell:

This will refer to your letter of April 21, 1959, addressed to Mr. J. W. Townsend, Executive Officer, Office of Minerals Exploration Field Team, Denver, Colorado, which transmitted copies of the three leases executed by your client, Mr. Robert E. Gull, on that property covered by a Defense Minerals Exploration Administration loan.

On April 28, 1958, the Administrator, DMEA, wrote to you pointing out that the Government is entitled to a royalty on all minerals mined or produced from the land until May 14, 1963, or until the Government's total contribution under the Contract had been repaid. The statement in Article 4 of the leases entitled "WARRANTIES OF LESSOR":

> ". . . The Lessor covenants that he is under no disability that would impair his right to execute this lease and agreement. The Lessor also warrants that there are no conflicting claims."

appears to ignore the Government's prior lien.

You state that "the lessees . . . have known all along that such a lien existed". We think that the lessees of Mr. Gull should notify the [illegible] (Mines Development [illegible]) of the Government's [illegible] and order payment direct to the Government. Please advise us of your action and provide us with a copy of the instructions to the new lessee. In the meantime, royalty already accrued should be paid to date, and we have previously advised you.

CONCURRENCE
MAY 14 1959
CONCURRENCE

In the meantime, Mining Research Corporation, the property and the production therefrom remain liable for the Government's royalty regardless of who is the producer.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director
Office of Minerals Exploration

JLynch/JLHofflund/eal - 5/12/59

Copy to: Mining Research Corporation
Field Team, Region III
F. L. Knouse
J. L. Hofflund
J. Lynch
Dir Rund. File
Mr Tolbert

EXTRA COPY O. M. E. RECEIVED MAY 18 1959		
DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

May 6, 1959

Mr. Paul H. Russell,
Attorney at Law
Box 514
Edgemont, South Dakota

Re: Docket DMEA 2768 (Uranium)
Contract Ida-E520
Mining Research Corporation
Fall River County, South Dakota

Dear Mr. Russell:

This will acknowledge receipt of your letter dated April 30, 1959.

Messrs. Robert E. Gull and Carl V. Gull, as signers of the Owners Consent to Lien, are held responsible to pay the royalty due the Government on all ore sold until May 14, 1965, or until the amount of $18,936.31 is repaid the Government, whichever occurs first. Since the purchasers of the ore are not parties to the contract, we cannot look to them for payment of royalty due the Government.

The royalty now due and payable to the Government, through Liquidation No. 1482, is $2,522.36, and a bonus royalty of $745.99 is due when the bonus is paid the shipper.

We wish to co-operate with you to a reasonable extent in allowing time for making the delinquent payment; however, if the payment is not received within 30 days from the date of this letter, or acceptable arrangements made for the payment, we will have no alternative other than to refer the matter to higher authority for such action as is indicated to protect the Government's interests.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

Copy to:
Messrs. Robert E. Gull
and Carl V. Gull
Edgemont, South Dakota

HMC:jy

cc: Chm. Op. Comm. (2)
Harshman
Marshall, OME/DFC
Roy. Corres. E520
Chron.

} w/copy of Russell's ltr.

PAUL H. RUSSELL
ATTORNEY AT LAW
BOX 514
EDGEMONT, SOUTH DAKOTA
TEL. MOHAWK 2-7751

April 30, 1959

OME
DEPARTMENT OF THE INTERIOR
MAY 1 - 1959
RECD
DENVER COLORADO

EXTRA COPY
O. M. E.
RECEIVED MAY 18 1959

DATE	INITIALS	CODE

Mr. E. N. Harshman
Acting Executive Officer
O. M. E. Field Team
Region 3
Office of Minerals Exploration
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 2768 (Uranium)
Contract IDM-E520
Mining Research Corporation
Fall River County, S. Dak.

Dear Mr. Harshman:

Replying to your letter of April 27, 1959, in which you acknowledged receipt of my letter dated April 21, 1959, with the enclosures therein, and in which you setout the amount of royalty due DMEA at the present time, since there is such a large sum due and I am not sure whether Mr. Gull is able to pay this amount of royalty at once, I am wondering whether or not the Office of Minerals Exploration could file their lien with the Mines Development, Inc., the mill purchasing the ores from this property in Edgemont, and take all of the proceeds from the sales of ore until this obligation to DMEA is paid to date. Mr. Gull and the present lessees will very shortly request the mill to deduct 5% of all future sales and pay this directly to your office.

Please advise whether or not this can be done.

Yours very truly,

Paul H. Russell

Paul H. Russell

PHR:b

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

22½ New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

April 27, 1959

Mr. Paul H. Russell
Box 514
Edgemont, South Dakota

Re: Docket DMEA 2768 (Uranium)
Contract IAm-[illegible]
Mining Research Corporation
Fall River County, S. D.

Dear Mr. Russell:

This will acknowledge receipt of your letter dated April 21, 1959, and the following:

1. Two copies of a Lease from Robert E. Gull to the Montana Chemical and Milling Corporation dated June 17, 1958, on parts of Sections 26 and 27, T. 8 S., R 3 E., Fall River County, South Dakota.

2. Two copies of a Lease from Robert E. Gull to the Montana Chemical and Milling Corporation dated June 17, 1958, on parts of Sections 22 and 23, T. 8 S., R. 3 E., Fall River County, South Dakota.

3. Two copies of a Lease from Robert E. Gull to Matthew J. Brown dated June 17, 1958, on parts of Sections 34, 27, 35 and 26, all in T. 8 S., R. 3 E., Fall River County, South Dakota.

4. Three copies of settlement sheets listed on the attached photo copies.

The amount of royalty now due and payable is $2,522.36, and $745.99 bonus royalty is due when the bonus checks are received. Please make the check payable to Office of Minerals Exploration, which is the successor agency to DMEA. The exact amount of bonus royalty cannot be computed at this time.

Enclosed is a copy of Form MF-203 (Revised March 24, 1955), Consent to Lien, similar to the ones signed by Messrs. Robert E. Gull and Carl V. Gull. In our file we have the fifth signed copy of each set, and they are not suitable to photo copy. The Washington Office has the original of each signed set of Consent to Lien, and you may wish to obtain photo copies from them.

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

DATE	INITIALS	No.

It is the responsibility of Messrs. Robert E. Gull and Carl V. Gull to notify the buyers of the ore that the Government has a lien on all minerals produced from the land subordinated under the contract. The buyer of the ore should be advised to forward this office the royalty due in accordance with the following schedule, which is taken from the contract.

Basis for Computing DMEA Royalty Payments

When Value Per Dry Ton Is:		Royalty Payments Are:	
$0.01 - $8.49		1.5%	
8.50 - 8.99		2.0	
9.00 - 9.49		2.5	of
9.50 - 9.99	Then	3.0	"Gross Proceeds"
10.00 - 10.49		3.5	
10.50 - 10.99		4.0	
11.00 - 11.49		4.5	
11.50 - and over		5.0	

It would be advantageous to all parties concerned to have a map showing the exact location of all mine workings, with a tie to the nearest quarter section corner. Please furnish this office two copies of the map.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
OME Field Team, Region III

Enclosures

Copy to:
Messrs. Carl V. Gull and
Robert E. Gull
Edgemont, South Dakota

HMC:jy
cc: Chm. Op. Comm. (2) w/copies of 3 leases, Attorney Russell's ltr. & copies of royalty computations.
Harshman)
Marshall) w/copies of Attorney Russell's ltr. and royalty computations
Roy. File E520)
Chron.

Settlement Sheet Calculations E520 Sheet No. 54
Mining Research Corporation

Lic. No.	Smelter Value	Allowable Deductions	Net Value	Dry Tons	Value per Ton	Royalty Rate %	Royalty Due	Royalty Paid	Bonus Payment	Bonus Due	Bonus Paid
2-9-59 1408	2,638.72	—	2,638.72	101.459	26.01	5	131.94				
2-27-59 1426	3,482.51	—	3,482.51	199.426	17.46	5	174.13				
3-16-59 1456	1,322.04	—	1,322.04	98.156	13.47	5	66.10				
3-23-59 1461	601.95	—	601.95	34.470	17.46	5	30.10				
3-27-59 1463	733.64	—	733.64	100.705	7.27	1½	11.00				
4-1-59 1469	819.40	—	819.40	98.162	8.35	1½	12.29				
1482	2050.23	-	2050.23	96.442	21.26	5	102.51				
						TOTAL	2522.36				

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

DATE	INITIALS	CODE

Settlement Sheet Calculations E520 Sheet No. 3

Mining Research Corporation

Liq. No	Smelter Value	Allow. Deduct.	Net Value	Dry Tons	Value Per Ton	5%	Royalty Due	Royalty Paid	Bonus Payment	Bonus Roy. Due	Bonus Roy. Pd.
9-15-58 1231	199.52	—	199.52	44.298	4.50	1½	2.99		132.90	1.99	
10-1-58 1241	2,725.64	—	2,725.64	120.744	23.15	5	139.78		2,282.07	114.10	
10-6-58 1247	2,616.63	—	2,616.63	117.828	22.11	5	130.83		2,144.49	107.22	
10-10-58 1257	419.11	—	419.11	31.124	13.47	5	20.96		347.36	17.37	
10-16-58 1260	2,839.45	—	2,839.45	189.998	14.94	5	141.97		2,382.57	119.13	
10-16-58 1261	1,115.84	—	1,115.84	92.501	12.06	5	55.79		912.05	45.16	
11-9-58 1297	3,408.98	—	3,408.98	185.232	18.40	5	170.45		2,852.57	142.63	
11-13-58 1308	3,589.80	—	3,589.80	185.466	19.36	5	179.49		2,985.99	149.30	
11-20-58 1311	1,568.47	—	1,568.47	95.045	16.50	5	78.42		972.97	48.65	
11-26-58 1322	1,821.04	—	1,821.04	94.077	19.36	5	91.05		TOTAL	745.99	
12-3-58 1330	2,152.93	—	2,152.93	96.942	22.21	5	107.65				
12-8-58 1337	2,868.24	—	2,868.24	191.936	14.94	5	143.41				
12-15-58 1350	3,777.46	—	3,777.46	186.040	20.30	5	188.87				
12-19-58 1352	2,342.83	—	2,342.83	105.506	22.21	5	117.14				
1-7-59 1370	3,143.71	—	3,143.71	190.416	16.51	5	157.19				
1-9-59 1377	2,515.44	—	2,515.44	90.134	27.91	5	125.77				
1-28-59 1395	2,850.69	—	2,850.69	190.685	14.95	5	142.53				

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

DATE	INITIALS	CODE

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Denver 2, Colorado

EXTRA COPY

Re: Docket No. [illegible]-A-2[illegible]8 (Uranium)
Contract No. [illegible]

Dear Sir:

Referring to your letter of March 3[illegible], 1959, addressed to Messrs. Robert S. Gull and Carl V. Gull of [illegible], South Dakota, [illegible] advise that we are enclosing herein two copies of [illegible] three (3) leases now in existence on the property [illegible] to the DMEA loan.

Also we are enclosing three (3) copies each of the settlement sheets for all shipments but one. The last one has not been received from the buying station. As soon as the settlement sheet is received for this last one, they will send you a copy.

Also, referring to the Owners Consents to Lien signed by Lessees, Robert S. Gull and Carl V. Gull, will you please send us [illegible] of the consents as signed by the Gulls. They have lost or misplaced all of their copies.

The Lessees have been advised of the DMEA loan or lien and have known all along that such a lien existed. However, the Gulls were under the impression that the 5% was being held back by the buying station, and would prefer that this method be used for all future shipments. They would appreciate your request to Mines Development, Inc., the buyers, that they withhold this 5% and make payment directly to DMEA before disbursing the proceeds from the ore sales.

Yours very truly,

Paul H. Russell

PHR:b
Enc.

EXTRA COPY
O. M. E.
RECEIVED APR 2 1959
DATE
8 01

22½ Rue Centennaire
Denver 2, Colorado
March 30, 1959

CERTIFIED MAIL

Messrs. Robert E. Gall and
Carl V. Gall
Edgemont, South Dakota

Re: Docket No. [illegible]-2755 (Uranium)
Contract No. [illegible]
Mining Research Corporation
Fall River County, South Dakota

Gentlemen:

An inspection of the captioned property was made recently by an engineer from this office. It is noted that production is being made from the property submitted to the Government on which no royalty has been paid.

Please refer to the Covers Concerts to Lien signed by you, which gave the Government prior lien on the land and upon any production therefrom until May 14, 1965, or until the Government's total contribution under the contract has been repaid.

Please also refer to the letters to Robert E. Gall and Carl V. Gall, dated February 14, 1957, from Mr. C. O. Mittendorf, Administrator, RMMA. The Administrator's letter reminded you that you were obligated to commit no act and to assert no claim in conflict with the Governments' rights under the agreements signed by you, and to give advance notice of the Governments' rights to any transferee or lessee, or any part of your interest in the land or the production therefrom.

The inspection indicated the following shipments have been made on which the Government has not received copies of the settlement sheets, or the amount of royalty due:

Shipping Numbers			
1231	1260	1311	1350
1241	1261	1322	1352
1247	1297	1330	1377
1257	1308	1337	1370

In accordance with the Covenants to Lien, please forward this office, without delay, two copies of the instrument, giving the present

Operator the rights to mine and produce ore from the property subcontracted to the Government. It will also be necessary to furnish this office with three copies of each settlement sheet for each liquidation number listed. In addition, please supply three copies of any other settlement sheets to bring the shipments up to date. When the settlement sheets are received in this office, we will advise you the amount of royalty due the Government.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

cc: Mr. Carl V. Gall
Edgemont, South Dakota

HMC/ff
cc: Chmn. Op. Comm. (2)
Harshman
Marshall, OME/DFC
Royalty file, E520
Chron.

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

Denver, Colo.

DEPOSIT NO. 14-23-040-51

$ 66.25

For credit of 9013 Treasury Regional Office, Denver, Colo. 10/30/57
(Name, title, and disbursing or [redacted] identification symbol of accountable officer) [redacted]te sent)

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

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		66.25

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

10/30/57
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

PERMANENT FILE COPY
D M E A
RECEIVED NOV 1 1957

DATE	INITIALS	CODE
11/1/57	J.H.	226
		800

E-984 Pinnacle Exploration Co. 53.71
E-520 Mining Research 12.54

66.25

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

FIRST REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, DMEA Field Team, Region III, Denver, Colorado, pertaining to Contract Idm-5520, Docket No. DMEA-2768 (Uranium) dated May 14, 1953, including Amendments Nos. 1 through 7, with

Mining Research Corporation
4215 Balsam Street
Wheatridge, Colorado

for the purpose of determining the amount of royalties due the United States Government on the sale of Uranium and Vanadium ores produced from Lion group of Claims, et al, located in Fall River County near Edgemont, South Dakota, during the period May 14, 1953 through August 25, 1957.

A Certificate of Discovery or Development was issued February 13, 1957, and in accordance with the contract as amended, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a maximum period of 12 years from the date of the contract. A Report of Review dated April 26, 1957, by T. H. Brading, DMEA Auditor, indicated the accepted costs under the exploration contract amounting to $22,861.95, with the Government's contribution on an average basis of 82.83% being $18,936.31.

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

My review established the total net sales of Uranium-Vanadium ores to be $37,461.29. (See Schedule I attached.) Royalty due the United States Government at the contract rates of 1½ to 5% is $1833.52. The royalty paid and balance due are as follows:

Total Royalty Due	$1,833.52
Total Royalty Received	1,849.79
Overpayment (See Schedule I attached)	$ 16.27

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 23 1957
DATE | [illegible] | [illegible]
9/23 | B | 220
800

September 13, 1957

Donald T. Finch
Donald T. Finch, Auditor.

DESCRIPTION OF REVIEW

AND STATEMENT OF JUSTIFICATION

CONTRACT NO. Idm-R520 DOCKET NO. DMEA-2768

My review included a tabulation and recomputation of all ore settlement sheets for sales of Uranium-Vanadium ores.

All royalty receipts were reconciled with the records of the Finance Office, Region III.

Correspondence with the Field Operations Office of the Atomic Energy Commission confirmed the total U_3O_8 sales.

There remains a balance of U_3O_8 eligible for production bonus, as tabulated below:

Original total available			10,000. lbs.
Total sales (See Schedule I)			5,551.98 "
Balance available			4,448.02 lbs.
Balance per A.E.C. confirmation		4,758.65	
Less: Production Bonus not claimed			
Mines Development Liq. No. 517	167.16 lbs.		
Mines Development Liq. No. 544	143.47 "	310.63	
Balance as above			4,448.02 lbs.

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

(a) All sales of Uranium-Vanadium ores were reconciled with the A.E.C. records.

(b) The Examining Engineer is of the opinion the Operator is properly reporting his production of ores subject to DMEA royalty.

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

SCHEDULE I

MINING RESEARCH CORPORATION

Contract No. Idm-R520

Docket No. DMRA-2768

Schedule of Production, Sales and Royalties
Period May 14, 1953 to August 13, 1957

	COLO. PLATEAU URANIUM ORE PROJECT	LUCIUS PITKIN, INC.	MINES DEVELOPMENT, INC.	TOTAL
Gross Weight, lbs.	343,610	386,640	2,665,570	3,395,820
Dry Weight, lbs.	332,098	373,990	2,575,021	3,281,109
Dry Weight, tons	166.049	186.995	1,287.512	1,640.556
Assays (Averages)				
Uranium (U_3O_8)	.1936	.236	.1563	.169
Vanadium (V_2O_5)	.1367	.167	.1498	.150
Pounds, U_3O_8	642.79	883.96	4,025.23	5,551.98
Base Payment U_3O_8	$1,890.78	$3,093.85	$11,140.45	$16,125.08
Development Allowance	$ 321.39	$ 441.99	$ 1,940.90	$ 2,704.28
Premium				
Excess of 4 lbs. U_3O_8 per ton				
Excess lbs. U_3O_8	112.50	135.98	20.06	268.54
Payment @ 75¢ per lb.	$ 84.37	$ 101.98	$ 15.04	$ 201.39
Haulage Allowance				
Gross Weight, tons	171.82	193.32	1,332.785	1,697.925
Allowance per ton	.48	.48	.45	.456
Amount	$ 82.47	$ 92.79	$ 599.24	$ 774.50
Pounds V_2O_5	453.89	625.00	3,858.38	4,937.27
Payment for V_2O_5 @ 31¢ per lb.	$ 140.71	$ 194.15	$ 1,196.10	$ 1,530.96
Total Receiving Station Payment	$2,519.72	$3,924.76	$14,891.73	$21,336.21
A.E.C. Production Bonus	1,890.78	3,093.85	11,140.45	16,125.08
Total Value Subject to DMRA Royalty	$4,410.50	$7,018.61	$26,032.18	$37,461.29
Average Value per Dry Ton	$ 26.56	$ 37.53	$ 20.22	$ 22.83
Average DMRA Royalty Percentage	5%	5%	4.848%	4.894%
DMRA Royalties Due	$220.53	$350.93	$1,262.06	$1,833.52
DMRA Royalties Received	220.53	350.93	1,278.33	1,849.79
Balance Due (Overpayment)	$ 0.00	$ 0.00	$ 16.27	$ 16.27

Note: Above data includes Mines Development, Inc. Liquidation No. 545 dated 6/14/57 and Certificate of Deposit 57-170 dated 6/24/57.

Overpayments:

Mines Development, Inc. Liquidation No. 517 dated 6/6/57	$11.97
Mines Development, Inc. Liquidation No. 544 dated 6/14/57	4.30
Total Overpayment as above	$16.27

Check Sheet of Examining Engineer

Operator's Name Mining Research Corporation

Address 4215 Balsam Street

Wheatridge, Colorado

Exploration Contract No. Idm-E520 Docket No. DMEA-2768

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

Date 9/10/57

E. O. Binyon
Mining Engineer

Mr. Donald T. Finch
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: First Report of Royalty Review
Mining Research Corporation
Contract No. Idm-2220
Docket No. DMEA-2768

Dear Mr. Finch:

Receipt is acknowledged of your First Report of Royalty Review covering the above-cited project.

The report is acceptable and normal distribution is authorized.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Director
Contract Administration
and Audit Division

CEFisher/wb
September 24, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

For Certificate of Deposit No. 170, dated June 21, 1957, giving royalty payment of $198.18, see E-422.

For Certificate of Deposit No. 166, dated June 12, 1957, giving royalty payment of $22.47, see E-440.

For Certificate of Deposit No. 157, dated May 16, 1957, giving royalty payment of $32.39, see E-360.

E-520

For Certificate of Deposit No. 133, dated March 27, 1957, giving royalty payment of $105.67, see E-440.

Denver, Colo.

THIS DEPOSIT IS NOT SUBJECT TO CHECK

For credit of 413 Treasury Regio[redacted] Office, Denver, Colo. 3/6/57[redacted]
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

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

for accounts listed below. SCHEDULE NOS.

DEPOSIT NO. 14-23-040-121

$ 437.49

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		437.49

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

L Jones
(Authorized signature)

3/6/57
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

16—59686b-1 GPO

✓E-520 Min Research Corp. 437.49

1957 MAR 6 AM 11 45

For Certificate of Deposit No. 114, dated February 21, 1957, giving royalty payment of $59.05, see E-395.

For Certificate of Deposit No. 102, dated January 29, 1957, giving royalty payment of $64.17, see E-29.

Denver, Colorado

THIS DEPOSIT IS NOT SUBJECT TO CHECK

DEPOSIT NO.
14-23-040-93

For credit of 413 Treasury Regional Office, Denver, Colo. 1-16-57
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

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

$ 66.60

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		66.60

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Bonnett
(Authorized signature)

1-16-57
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

E-520 Mining Research 66.60

1957 JAN 16 PM 12 38

For Certificate of Deposit No. 89, dated January 7, 1957, giving royalty payment of $82.35, see E-6.

For Certificate of Deposit No. 88, dated January 2, 1957, giving royalty payments of $92.46 and $44.27, see E-53.

For Certificate of Deposit No. 82, dated December 13, 1956, giving royalty payment of $73.23, see E-53.

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

For credit of 413 Treasury Regional Office, Denver, Colorado 11/23/56
(Name, title, and disbursing or [illegible] identification symbol of accountable officer) [illegible]te sent)

DEPOSIT NO. 14-23-010-70

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

$ 699.05

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		699.05

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

L Jones
(Authorized signature)

NOV 23 1956
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

E-520	277.10
E-875	558.14
E-879	63.81
	699.05

1956 NOV 23 PM 12 27

E-520

For Certificate of Deposit No. 145, dated June 29, 1956, giving royalty repayment of $38.14, see E-54.

For Certificate of Deposit No. 137, dated June 7, 1956, giving royalty repayment of $40.78, see E-333.

For Certificate of Deposit No. 120, dated April 24, 1956, giving royalty repayment of $50.84, see E-333.

E-520

For Certificate of Deposit No. 110, dated April 6, 1956, giving royalty repayment of $66.48, see E-333.

E-520

For Certificate of Deposit No. 102, dated March 13, 1956, giving royalty repayment of $43.48, see E-53.

For Certificate of Deposit No. 86, dated January 27, 1956, giving royalty repayment of $54.64, see E-317.

OFFICIAL FILE COPY
D M E A
RECEIVED APR 29 1957
DATE TIME CODE

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Mining Research Corporation
4215 Balsam Street
Wheatridge, Colorado

pertaining to Exploration Project Contract No. I&m-E520, ~~Docket No. DMEA-1768~~, including Amendments Nos. 1 to 7, for the period June, 1953 to August, 1956, inclusive, covering a project for the exploration of Uranium on property known as Lion Group of claims, et al. located in Fall River County, South Dakota.

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 agreed estimated costs of units of 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		$22,861.95
Exceptions:		
By DMEA Finance Officer	$0.00	
Herewith	0.00	0.00
Total Accepted Cost		$22,861.95

The contract, as amended, calls for a 90 percent participation in the first $11,932.20 and 75 percent participation in the balance of the exploration expenses by the United States Government. Therefore, payment to the Contractor by the Government in the amount of Eighteen thousand, nine hundred thirty-six and 31/100ths Dollars

** $18,936.31 **

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.

April 26, 1957

T. H. Brading, Auditor.

APR 29 1957

Mr. Thomas H. Breding
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: Report of Review
Mining Research Corporation
DMEA-2768, Idaho

Dear Mr. Breding:

Reference is made to your Report of Review, in lieu of a final audit, covering the referenced project.

The regional copies of the report probably have been distributed in accordance with authority delegated to you; however, it is requested that you arrange to correct the reference to amendments to read "including Amendments Nos. 1 to 7" on all copies. This change has been made in the Washington copies.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbertw/b
April 29, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

224 New Customhouse
Denver 2, Colorado

May 3, 1957

Memorandum

To: T. A. Christensen

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

Subject: DMEA Docket-2765 (Uranium) Contract Idm-2520, Mining Research Corporation (McKnight, Lion group of claims) Fall River County, South Dakota
FINAL PAYMENT

Reference is made to our memorandum of October 19, 1956, whereby we transmitted the final form MF-104, Operator's Monthly Report and Voucher, for the month of August, 1956, and requested that you withhold the amount of $163.39 from reimbursement to the Operator, pending performance of additional work under the contract. Work was not resumed by the Operator and the contract was automatically terminated effective January 1, 1957, in accordance with the provisions of Amendment No. 5.

The Operator's final report has been received therefore we recommend that final payment to the Operator be made on the following basis, which is in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, dated April 26, 1957.

$163.39
NS
5/6/57 DMM 97-123

Basis for Final Payment

Total accepted costs	$22,861.95
Government participation at 90% of $11,932.20 and 75% of $10,929.75	18,936.31
Total prior payments	18,772.92
Balance due the Operator	163.39

JDC:bh
cc: Chmn Op. Comm. (2)
Harshman
Kenselman (2)
Townsend
Corres File, Reg. III
MF-104 File, Reg. III
Chron.

Original signed by
E. N. HARSHMAN

E. N. Harshman

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

May 8, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: DMEA Docket-2768 (Uranium) Contract Idm-E520, Mining Research Corporation (McKnight, Lion group of claims) Fall River County, South Dakota - FINAL PAYMENT

Enclosed are two copies of a memorandum to T. A. Christensen, dated May 3, 1957, relative to final payment under the terms of the subject contract.

E. N. Harshman

E. N. Harshman

Enclosures

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 13 1957

		CODE
5/13	C	220
	Com	100
		800

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

Budget Bureau No. 42-R1036.5

RECEIVED
OCT 29 1956

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

Month of August, 1956 Docket No. DMEA 2768 Contract No. Idm. E 520
Operator's Name Mining Research Corporation Minerals Uranium
Address 4215 Balsam Wheatridge, Colorado
Contract Amount, $ 52,873 Government Participation: 75/50 % Amount, $ 42,307.20

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Stage I McKnight Area						
Drilling Core	None	2166.45	2166.45			
Bulldozing Wagon						
Crosscutting 52 at .87	45.24	9720.51	9765.75			
Drifting						
Stage II Lion and Sheep Canyon Area						
(2) Labor and Supervision:						
Labor Core	None	451.47	451.47			
Supervision Wagon						
Technical Services 188 at .87						
(3) Operating Mat'ls. and Supplies:	163.56	10,314.72	10,478.28			
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	208.80	22,653.15	22,861.95	208.80	22,653.15	22,861.95

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

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

Date Sept. 10, 1956 *Payee Mining Research Corporation

Per Alan W. Lingo Jr. Title President

*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:

$ [illegible]

Signature [illegible]
(Authorized Certifying Officer)

Date 10/19/56 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DME 570 in accordance with the terms of the contract.

Signature E. O. Benson (163.39) Title Mining Engineer Date October 8, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Acting Executive Officer Date OCT 18 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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT 29 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 195 6 Docket No. DMEA 2768 Contract No. Ida. R 520
Operator's Name Mining Research Corporation Minerals Uranium
Address 4215 Nelson St. Wheatridge, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core Stage I	Ft.	None	None	2166.45	715	3.03	1695	3.03
Churn Stage II	Ft.	None	None	441.47	149	3.03	3000	3.03
Auger								
Stripping No on Drilling								
Trenching Stage I	Ft.	46.24	62	9766.75	10,213	.07	14,770	0.07
Test Pits Stage II	Ft.	163.55	180	10470.20	12,044	.07	30,000	0.07
Roads and Trails								
TOTAL DISTRIBUTED COSTS		209.80	240	22,001.95				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

REMARKS:

Date Sept. 10, 1956 Operator Mining Research Corporation

Per Clayton W. Livingston Title President

→ 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)

E O Denyon
Note: Under Total Units to Date for Stage I Churn Drilling shown as 18,713 should be 11,225

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

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
OCT 29 1956

Administrative Audit Difference Statement

Mining Research Corporation
4215 Balsam Street,
Wheatridge, Colorado

Date: October , 19, 1956
Payee's Reference: August 1956

FINAL DISTRIBUTION

Gentlemen:

MADE OCT 26 1956.

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

Amount Claimed $ 208.80

Difference $

Amount Approved $ * 208.00

The reason for the difference was due to:

Withhold entire amount pending 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

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
OCT 29 1956

224 New Customhouse
Denver 2, Colorado

October 18, 1956

Memorandum

To: T. A. Christensen

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

Subject: DMEA Docket 2768 (Uranium) Contract Idm-E520, Mining Research Corporation (McKnight and Lion claim groups) Fall River County, South Dakota - Operator's Monthly Progress Report for the month of August, 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.

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.

Withhold

the entire amount of reimbursement due the Operator pending additional work under the contract, as drilling has been suspended by the Operator.

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

Stage I wagon drilling, 52 feet at $0.87 per foot- - $45.24
Government participation at 90 percent- - - - - - - - - $ 40.72
Stage II wagon drilling, 188 feet at $0.87 per foot- -163.56
Government participation at 75 percent- - - - - - - - - 122.67

Total Government participation for August, 1956- - -	$163.39
Amount to be withheld- - - - - - - - - - - - - - - - - -	163.39
Recommended payment to Operator	$ 0.00

Remarks

Date of Report - - - - - - - - - - - - - September 10, 1956
Date Received in Field Office- - - - September 13, 1956
Date Received in Region Office- - - October 11, 1956

J. W. Townsend

J. W. Townsend

Enclosures

JDC:jy
cc: MF-104 File E520
Sec. Op. Comm. (2)
Shaw (2)
Harshman)
Townsend) w/copy of engr's report
Chron.

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OCT 29 1956

DMEA
DEPARTMENT OF THE INTERIOR

OCT 11 1956
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
October 10, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shear
Supervising Mining Engineer

From: E. O. Binyon

Subject: Docket DMEA 2768 (Uranium) Contract Ida-8520,
Mining Research Corporation, (McKnight and Lion claims groups)
Fall River County, S. D. -- Progress report for August 1956

The operator's reports were received September 13, and the field check was made October 3, the field check having been postponed in order to include the subject property with an inspection of others in Fall River County, S. D., and Fremont County, Wyoming.

All holes were found, and the location and depths as reported by the operator are correct. A check of the cuttings from several holes with a geiger counter showed low-grade mineralization from an approximate depth of 34 feet to 48 feet in hole 1703. The check indicating between .03 and .04 percent eU_3O_8. Cuttings from other holes had a count of only slightly above background over intervals of from 2 to 6 feet. No ore grade mineralization was noted or reported for the holes drilled during the period. The drilling was done in conformance with the terms of the contract.

According to the operator's narrative report, and from a conversation with F. J. Moessman, the driller, on October 3, holes 1700, 1701, 1710, and 1711 had been given these numbers through error; Mr. Moessman stating that a drill helper had misunderstood instructions and renumbered old holes 1525, 1526, 1530 and 1531. This information apparently was not available at the time the field check for the July work was made on August 15.

The operator has made an adjustment in the correct report by deducting the total footage - 224 feet for holes 1700, 1701, 1710, and 1711 from the 276 feet reported as drilled in the six holes numbered 1703, 1705, 1708, 1713, 1718 and 1719 during August 1956.

The footages and amounts claimed and as checked are as follows:

Stage I wagon drilling McKnight Drill Area	Feet Drilled	Reported	Cost per foot	Total Cost	% Govt. Part.	Govt.'s Share
	276	52	.87	$45.24	90	$40.72
(less 224 feet for holes 1700, 1701, 1710 and 1711)						
Stage II Lion Drill Area	188	188	.87	$163.56	75	122.67
Totals	464	240		$208.80		$163.39

As F. J. Meesman, the driller, stated that no drilling had been done in September, and also from a telephone conversation with Clifton W. Livingston on October 8, in which he stated confidentially that drilling was being held up pending outcome of negotiation for a sale of the property, it is recommended that payment of the Government's share of expenditures amounting to $163.39 be withheld.

It is noted that again the total units to date shown on the MF-104A for Stage I is incorrect the operator shows 18,713 and the correct total is 11,285.

Mining operations by Isaacs and Martin at the Railroad Cut Mine on the Bull Sheep Canyon property have been resumed. Mining had been discontinued pending settlement of a disagreement between the Chicago Burlington and Quincy Railroad and the operators, over dumping onto the right-of-way. At present operations consist of stripping waste from above the underground workings and no ore is being mined.

E. O. Bingen
E. O. Bingen
Mining Engineer

EOB/mr
cc: 6
Adm-8520
Chron

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OCT 29 1956

Drill Summary
Mining Research Corporation
August 1956

Stage I
90 Percent Participation McKnight Area

Item	Ft. This Month	Previous Total To Date	Total To Date	Feet Remaining
Core Drilling	None	715	715	380
Wagon Drilling	52	11173	11225	3545

Stage II
75 Percent Participation Lion Area

Item	Ft. This Month	Previous Total To Date	Total To Date	Feet Remaining
Core Drilling				
Lion Item 4	None	99	99	901
Sheep Canyon Item 6	None	50	50	1950
Wagon Drilling				
Lion Area Items 1 & 2	188	4458	4646	354
Lion Area Items 3 & 4	None	4999	4999	None

NARRATIVE REPORT

August 1, 1956

The accompanying progress map shows the position of holes drilled during the month. Because of the fact that hole numbers were assigned in amendment No. 7, some confusion arose between holes previously drilled by Mining Research Corporation, and holes as allowed under the contract. Holes 1700, 1701, 1710, and 1711 were drilled prior to amendment No. 7. Due to the similarity of hole numbers in the 1700 series this fact was overlooked when making the July report. The footage in these holes was deducted from this months footage and is not claimed.

Five holes were drilled in the Lion area. These holes are several hundred feet away from the known area of mineralization. All were found to be barren.

Eight holes were drilled in the McKnight area. Hole Number 1703 encountered thick low grade ore. Hole 1715 drilled in July but probed in August showed 2 feet of commercial grade ore. In general the drilling in the McKnight area to date has failed to reveal any continuous bodies of commercial grade ore and is discouraging.

D.M.E.A.

Drill Holes

August 1956

RECEIVED
OCT 29 1956

McKnight Area

Hole	Depth	Collar Elevation	Depth to Shale	Remarks
1713	46		40	Blank
1705	46		46	Blank
1704	Abandoned at 16 ft.		None	Caving Ground
1703	52		None	14 ft. at .06
1707	Abandoned at 14 ft.		None	Caving Ground
1708	48		46	Blank
1719	42		41	Blank
1718	42		None	Blank
	276			

Reported In Error In July

Hole	Depth
1700	52
1701	50
1710	62
1711	60
	224

Correction

276 Total Footage For McKnight Area in August
224 Footage Reported in Error in July
52 Correction Made on McKnight Area Footage

Lion Area

Hole	Depth	Collar Elevation	Depth to Shale	Remarks
1663	60		None	
1639	30		None	
1638	28		None	
1637	36		28	
1636	34		32	
	188			

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED
SEP 7 1956

Month of [illegible], 1956 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $ [illegible] Government Participation: [illegible] % 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 Short Form Contracts:						
Drilling	[illegible]	[illegible]	[illegible]			
Bulldozing	[illegible]					
Crosscutting	[illegible]	[illegible]	[illegible]			
Drifting						
	[illegible]	[illegible]	[illegible]			
(2) Labor and Supervision:						
Labor	[illegible]	[illegible]	[illegible]			
Supervision	[illegible]					
Technical Services	[illegible]					
(3) Operating Mat'ls. and Supplies:	[illegible]	[illegible]	[illegible]			
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]	[illegible]	[illegible]	1213.65	21,439.50	22,653.15

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

Date [illegible] Payee [illegible]

Per Clifton W. Livingston Title President

*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:

$968.96

Signature [illegible]
(Authorized Certifying Officer)

Date 8/29/56 Vou. No. DMA 57-25

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E520 in accordance with the terms of the contract.

Signature Carl Bohn (968.96) Title Mining Engineer Date 8/17/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Raver Title Executive Officer Date AUG 27 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 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP - 7 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 6 195 Docket No. DMEA 2760 Contract No. Edn 3-520
Operator's Name Mining Research Corporation Minerals Uranium
Address 1215 Delsart, Wheatridge, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core Stage X	ft	None	None	2,166.15	715	3.03	1893	3.03
Churn Stage X	ft	None	None	451.47	149	3.03	3000	3.03
Auger								
Stripping Bacon Ridge								
Trenching Stage X	ft	371.00	453	9,723.91	10,661	.87	24,770	0.87
Test Pits Stage X	ft	922.15	945	10,314.72	11,036	.87	30,000	0.87
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1313.66	1398	22,653.15				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 August 6, 1956 Operator Mining Research Corporation

Per Clifton W. Livingston Title President

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) Earl Belan

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

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

RECEIVED
SEP - 7 1956

224 New Customhouse
Denver 2, Colorado

August 27, 1956

FINAL DISTRIBUTION SEP 5 1956
MADE

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 2768 (Uranium) Contract Idm-E520, Mining Research Corporation (Edgemont Uranium Area) Fall River County, South Dakota - Operator's Monthly Progress Report for the month of July, 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.

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.

Stage I Wagon drilling, 450 feet at $0.87 per foot- -$391.50
Government participation at 90 percent- - - - - - - - - -$352.35

Stage II Wagon drilling, 945 feet at $0.87 per foot- ~~$822.15~~ 822.15
Government participation at 75 percent- - - - - - - - - 616.61

Total Government participation for July, 1956 $ 968.96

Remarks

Date of Report - - - - - - - - - - - - - - - - - - August 6, 1956
Date Received in Field Office - - - - - - - - - August 8, 1956
Date Received in Region Office - - - - - - - - August 22, 1956

W. M. TRAVER

W. M. Traver

Enclosures

JDC:jy

cc: MF-104 File E520
Sec. Op. Comm. (2)
Shaw (2)
Chron.

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
August 21, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: Carl Belser

Subject: Docket DMEA 2768 (Uranium) Contract Ida-4520, Mining Research Corporation, Edgemont Uranium Area, Fall River County, S. D. -- Progress report for July 1956

Drilling progress was inspected on July 15, 1956. All holes reported by the operator as drilled in July were found, and, in most cases, checked with the sample sacks on surface. The holes were also checked against the accounts kept by the driller, F. J. Moseman. Holes 1700, 1701, 1710, and 1711 are also numbered 1525, 1526, 1530, and 1531, respectively and the sample sacks looked very old. On questioning, Moseman said he had drilled them in July. Moseman also stated that the reason that he did not get cuttings to the bottom of all holes was that when the ground was damp the cuttings would not blow and that the hole would have to be abandoned. Apparently most of the uranium deposition is near a soft, damp, carbonaceous shale and the A.E.C. geologist believes that there may be black uranium minerals a short distance below. Nine holes were drilled in the McKnight area totaling 450 feet, and 18 holes in the Igen and Sheep Creek area totaling 545 feet. The holes are shown on the operator's map and are listed below:

McKnight Area - Stage I holes

Hole No.	Depth Reported	Checked from sacks	Collar Elev.	Depth to Shale	Remarks
1710	62	old sacks	none	none	.03 36' to 42'
1711	60	"	"	"	.17 38' to 40'
1712	52	44	"	44	.08 23' to 27'
1700	52	52	"	51	Tr. 26' to 28'
1701	50	50	"	50	Tr. 22' to 24'
1714	36	32	"	-	(not probed by company - Slightly above background Geiger check)
1715	40	40	"	-	"
1716	50	50	"	-	"
1717	48	48	"	47	"
9	450				

Stage II holes

Hole No.	Depth Reported	Checked from sacks	Collar Elev.	Depth to Shale	Remarks Company	DEM:
1646	62	62	None	none	Blank	Check with Geiger- no count
1647	52	50	"	"	"	
1648	62	62	"	"	"	
1649	48	46	"	"	"	
1650	62	62	"	"	"	no count
1651	62	60	"	"	"	
1652	62	60	"	58	"	
1656	54	50	"	none	"	
1657	41	40	"	"	"	
1658	60	60	"	"	"	no count
1659	61	60	"	58	"	
1641	46	44	"	none		Holes probed later
1642	30	no sacks	"	" no stake		"
1643	27	"	"	" "		"
1644	38	36	"	" "		"
1660	60	60	"	"	Not probed	"
1661	56	54	"	"	"	"
1662	62	62	"	"	"	"
18	945					

(Driller's notes check with amount claimed by operator)

The cost of 450 feet of Stage I drilling at $0.87 a foot is $391.50 and the cost of 945 feet of Stage II drilling at $0.87 a foot is $822.15.

Payment of 90 percent of $391.50 and 75 percent of $822.15, or a total of $968.96 is recommended.

It will be noticed that the operator's report of the total units of wagon-drilling in Stage I is in error and should read 11,173 units. The other amounts are correct.

Carl Belser

Carl Belser
Mining Engineer

CB/mr
cc: 6
IAm-2320
Chron

NARRATIVE REPORT

July 1956

The accompanying progress map shows the position of holes drilled during the month. The position of holes drilled in the Lion area was specified under Amendment No. 6 and in a letter of May 21, 1956 from the D.M.E.A. Field Team, Region IV. The position of holes drilled in the McKnight area was specified under amendment No. 7 and in a letter of July 19, 1956 from the Field Team.

Eighteen holes were drilled in the Lion area to the north and to the west of the known area of mineralization on grid lines 300 feet apart. All of these holes were blank. All of these hole are beyond the limits of the known mineralized area. It must be concluded therefore that the area in unmineralized. However, before abonding the area, two lines of holes will be drilled as specidied in the letter of May 21 on Lion 13 and Lion 14.

Nine holes were drilled in the McKnight area. Probing and logging has not been done yet for holes 1715,1716, 1717. Holes 1711 penetrated 8 feet of commercial grade ore averaging o.17 percent U_3O_8 and holes 1712 penetrated 4 feet of sub-mineralization averaging 0.08 percent U_3O_8. It appears therefore that the geological inference of structurel control has been verifi d at least for one structure. The position of hole 1716 is properly located to intersect the extension of this structure if it continues to the south. The position of hole 1714 is properly located to intersect an inferred parallel structure.

Yours very truly,

Clifton W. Livingston

Clifton W. Livingston , President
Mining Research Corporation

Drill Summary
Mining Research Corporation
July 1956

Stage I
70 Percent Participation Knight area

Item	Ft. This Month	Previous Total To Date	Total To Date	Feet Remaining
Core Drilling	None	715	715	280
Wagon Drilling	450	10723	11173	3597

Stage II
75 Percent Participation Lion area

Item	Ft. This Month	Previous Total To Date	Total To Date	Feet Remaining
Core Drilling				
Lion Item 1	None	99	99	901
Sheep Canyon Item 6	None	50	50	1950
Wagon Drilling				
Lion Area Items 1 & 2	945	3513	4458	542
Lion Area Items 3 & 4	None	4999	4999	None

F.M.C.A.

Drill Holes

July 1956

RECEIVED
SEP - 7 1956

Midnight Area

Hole	Depth	Collar Elevation	Depth to Shale	Remarks
1710	62		None	.03 36' to 42
1711	50		None	.17 38' to 40
1712	52		44	.08 .23 to 27
1700	52		51	Tr. 26' to 28
1701	50		50	Tr. 22 to 24
1714	36			Not Probed
1715	40			Not Probed
1716	50			Not Probed
? 1717	1711 48		47	Blank
	450			

Lion Area

Hole	Depth	Collar Elevation	Depth to Shale	Remarks
1646	62		None	Blank
1647	52		None	Blank
1648	62		None	Blank
1649	48		None	Blank
1650	62		None	Blank
1651	52		None	Blank
1652	62		58	Blank
1656	54		None	Blank
1657	41		None	Blank
1658	60		None	Blank
1659	61		55	Blank
1641	46		None	Blank
1642	30		None	Blank
1643	27		None	Blank
1644	38		None	Blank
1660	60		None	Not Probed
1661	56			Not Probed
1662	62			Not Probed
	705			

Form [illegible]04 (Rev.)
(April 1[illegible])

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED
JUL 23 1956

Month of June, 1956 Docket No. DMEA _____ Contract No. _____
Operator's Name Mining Research Corporation Minerals _____
Address 4215 Balsam St. Thornton, Colorado
Contract Amount, $ 2,873 Government Participation 72 % Amount, $ 43,997.20

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Stage I Moonlight Area						
~~Drilling~~ Core	None	2166.45	2166.45			
~~Bulldozing~~ Rasco						
Crosscutting 115 ft. at	109.[illegible]	9220.09	9329.01			
Drifting .87						
Stage [illegible] Rasco and Cherry Canyon Area						
(2) Labor and Supervision:						
Labor Core	None	451.47	451.47			
Supervision Rasco 32%						
Technical Service at .87	312.70	9149.79	9462.49			
(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	443.70	20995.80	21,439.50	443.70	20,995.80	21,439.50

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

Date July 3, 1956 Payee Mining Research Corporation

Per Clifton W. Livingston Title President

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(Instructions on reverse)

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

$ 347.91

Signature _____
(Authorized Certifying Officer)

Date 7/19/56 Vou. No. 2224 59-8

(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. DMEA 520 in accordance with the terms of the contract.

Signature E. O. Bunyan (#347.91) Title Mining Engineer Date July 10, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature For W. M. Trower Title Executive Officer Date JUL 16 1956

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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".

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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.

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Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 23 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 195[illegible] Docket No. DMEA _____ Contract No. [illegible]
Operator's Name [illegible] Research Corporation Minerals [illegible]
Address [illegible] Colorado, Beatrice, Colorado

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core [illegible]	ft.	None	None	2,1[illegible]	21[illegible]	3.03	[illegible]	3.03
Churn [illegible]	ft.	None	None	[illegible]	[illegible]	3.03	[illegible]	3.03
Auger								
Stripping [illegible]					10723			
Trenching [illegible]	ft.	1[illegible]	13[illegible]	[illegible]	10211	.07	[illegible]	0.07
Test Pits [illegible]	ft.	[illegible]	[illegible]	[illegible]	10711	.07	[illegible]	0.07
Roads and Trails								
Total Distributed Costs		[illegible]	[illegible]	21,[illegible]				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 July 3, 195[illegible] Operator [illegible] Research Corporation

Per Clyde W. Thompson Title President

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.

Remarks:

(Instructions on reverse)

E. O. Benyon

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

5210 West 38th Denver 14, Colorado

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JUL 23 1956

June 1956

Mr. W. M. Traver
Executive Officer
U.M.T.A. Field Team Region 5
Defense Minerals Exploration Adm.
224 New Customhouse
Denver 2, Colorado

Attn.
John F. Shaw
Supervising Mining Engineer
Bldg. 20
Denver Federal Center
Denver 2, Colorado

Gentlemen:

Enclosed you will find the original and 4 copies of our monthly progress report and unit cost summary statement for June, 1956.

Yours very truly,

Clifton W. Livingston

Clifton W. Livingston, President
MINERAL DEVELOPMENT CORP.

NARRATIVE REPORT

June 1956

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The accompanying progress map shows the position of holes drilled in the Lion area and in the Midnight area. Holes 1654, 1664, and 1665 in the Lion area on the northwest extension of the Lion # 3 orebody showed only trace mineralization.

Hole 1625 in the Midnight area likewise showed only trace mineralization.

Only 9 holes were drilled during the month. Seven were in the Lion area. Two were in the Midnight area. Because of unfavorable rim topography it was found impossible to get the drill to the approved position for holes 1600-1602, 1612-1614, 1620-1623 and 1615-1619. Accordingly none of these holes will be drilled.

Yours very truly,

Clifton W. Livingston

Clifton W. Livingston, President
MINING RESEARCH CORPORATION

MINING RESEARCH CORPORATION

DRILL SUMMARY

June 1956

Stage I
(90 Percent Participation)
McKnight area

Item	Ft. This Month	Previous Total To Date	Total To Date	Feet Remaining
Core Drilling	None	715	715	880
Wagon Drilling	116	10607	10723	4047

Stage II
(75 Percent Participation)
McKnight area

Item	Ft. This Month	Previous Total To Date	Total To Date	Feet Remaining
Core Drilling				
Lion area Item 4	None	99	99	901
Sheep Canyon Item 6	None	50	50	1950
<u>Wagon Drilling</u>				
Lion area Item 1&2	394	3119	3513	1487
Item 3&4	None	4999	4999	None

U.M.E.A.

Drill Holes

June 1956

McKnight Area

Hole No.	Hole Depth	Collar Elevation	Depth To Shale	Remarks on Mineralization
1624	56		No Shale	Blank
1626	60		No Shale	.03- 42to44
Total	116			

Lion Area

Hole No.	Hole Depth	Collar Elevation	Depth To Shale	Remarks on Mineralization
1645	54		No Shale	Blank
1653	52		No Shale	Blank
1654	56		No Shale	Tr. 16-22
1655	62		No Shale	Blank
1664	62		62	Tr. 28-30
1665	54		52	Tr. 26-28
1666	54		No Shale	Blank
Total	394			

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

224 New Customhouse
Denver 2, Colorado

July 16, 1956

FINAL DISTRIBUTION MADE JUL 20 1956

RECEIVED
JUL 23 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 2768 (Uranium) Contract Idm-E520, Mining Research Corporation (Edgemont Uranium Area) Fall River County, South Dakota - Operator's Monthly Progress Report for the month of June, 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.

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-206A, therefore, we recommend that payment be made as follows, contingent on your verification of arithmetical accuracy within the report.

Stage I Wagon drilling, 116 ft. at $0.87 per foot---$100.92
Government participation at 90 percent----------$90.83

Stage II Wagon drilling, 394 ft. at $0.87 per foot- 342.78
Government participation at 75 percent---------- 257.08
Total amount of Government participation----- $347.91

Remarks

Date of Report----------July 3, 1956
Date Received in Field Office---------- July 6, 1956
Date Received in Region Office---------- July 13, 1956

W. M. TRAVER

W. M. Traver

Enclosures
JDG:jy
cc: MF-104 File E520
Sec. Op. Comm. (2)
Shaw (2) Chron.

DMEA
Date Rec'd.

JUL 13 1956

BUREAU OF MINES
Denver, Colorado

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
July 12, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw

RECEIVED
JUL 23 1956

From: E. O. Bixyon

Subject: Docket DMEA 2768 (Uranium) Contract Idm-8520, Mining Research Corporation (Edgemont Uranium Area) Fall River County, S. Dak. - Progress report for June 1956

The operator's reports on the drilling completed in June 1956 were received July 6. On June 26 when a field check of the work reported for May 1956 was made, the drilling reported in the subject or June report had been completed and was also checked.

During the period 9 wagon drill holes with an average depth of 56.6 feet or a total of 510 feet were drilled. Of the 9 holes two holes numbered 1624 and 1626, 56 and 60 feet in depth respectively were drilled in Area I (Rev. Amend. 6) as shown on the map included with the operator's reports. The remaining 7 holes numbered 1645, 1653, 1654, 1655 and 1664 through 1666 with a total depth of 394 feet were drilled in the Lion claim group drilling Area on the Lion No. 3 and No. 4 claims.

A check showed all holes with the exception of hole No. 1645 to be located and spaced as shown on the operator's progress map. Hole 1645 is aligned with the row of holes 1656 - 1666 but is spaced at 147.5 feet rather than 170 feet from hole 1666.

No check was made of the trace mineralization reported in hole 1626, on the Week night No. 2 claim or holes 1654, 1664 and 1665 drilled in the Lion claim group area.

An error is noted on the MF-104A under "Units to Date" in the footage for Stage I Wagon drilling. The operator has apparently not added in the footage of 512 feet drilled in May. The correct footage should be 10,607 + 116, or 10,723 feet for the total units drilled to date under Stage I.

In a telephone conversation with C. W. Livingston on the morning of July 10, he was asked if the company intended to continue drilling under the contract as no work was in progress on June 26 when the field check of the May report was made. He was also informed that if no further work under the contract was intended it would be necessary to withhold $300.00 from the amount claimed in the correct MF-104 for a for a final report. The operator stated that at the time the property was visited no drilling was being done under the contract as a road was being constructed to reach showings of ore on the Sheep Canyon No. 1, No. 2 and No. 3 claims, and that the drill operator was doing the drilling and blasting required in the road construction. The operator further stated that at present drilling under the contract was in progress and that the company intended to continue the contract drilling.

The work reported by the operator as completed in June 1956 was checked and was done in conformance with the terms of the contract (amended). It is recommended that the operator be paid $347.91, which is $90.83 at 90 percent Government participation for the 100.92 claims for Stage I footage plus $257.08 or 75 percent of the $342.78 claimed for drilling under Stage II.

The contract expires January 1, 1957.

E. O. Binyon
Mining Engineer

EOB/mw
Idm-8320
Chron
cc: 6

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

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

Month of May, 1956 Docket No. DMEA 2768 Contract No. Kdm P-520
Operator's Name Mining Research Corporation Minerals Uranium
Address 4215 Balsam Wheatridge, Colorado
Contract Amount, $ 52,873.00 Government Participation: 75% Amount, $ 42,307.20

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Stage I Moonlight Area						
Drilling Core	None	2166.45	2166.45			
Bulldozing Lagon						
Crosscutting 512 ft. at	445.44	8782.65	9,228.09			
Drifting 87 ft						
Stage II Lion and Sheep Canyon Area						
(2) Labor and Supervision:						
Labor Core	None	451.47	451.47			
Supervision Lagon	None	9,149.79	9,149.79			
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	445.44	20,550.36	20,995.80	445.44	20,550.36	20,995.80

I certify that the above bill is correct and just and that payment therefor has not been received.
Date June 15, 1956 Payee Mining Research Corporation

Per Clifford W. Livingston Title President

*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:

$ 700.90

Signature
(Authorized Certifying Officer)

Date 7/9/56 Vou. No. Gma 57-5
(See other side)

APPROVED
JUL 12 1956

(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-570 in accordance with the terms of the contract.

Signature E. D. Bunyon Title Mining Engineer Date June 29, 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Irwin Title Executive Officer Date JUL 5 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 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1956 Docket No. DMEA _____ Contract No. Idm E-520

Operator's Name Mining Research Corporation Minerals Uranium

Address 4215 Balsam St. Westridge, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core Stage I	Ft.	None	None	2,166.45	715	3.03	1595	3.03
~~Churn~~ Stage II	Ft.	None	None	451.47	149	3.03	3000	3.03
Auger								
~~Stripping~~ Wagon Drill								
Trenching Stage I	Ft.	445.44	512	9,220.09	~~12055~~ 10607	.87	14,700	0.87
Test Pits Stage II	Ft.	None	None	9,149.79	10517	.87	30,000	0.87
Roads and Trails								
TOTAL DISTRIBUTED COSTS		445.44	512	20,995.80				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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

REMARKS:

Date June 12, 1956 Operator Mining Research Corporation

Per Clifton W. Livingston Title President

Clifton W. Livingston

→ 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)

E O Benson

RECEIVED
JUL 12 1956

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 83-38475

NARRATIVE REPORT
May 1956

Work was resumed under amendment No. 6 of the contract. All during the month of May drilling was confined to the McKnight deeded land of Areas III, Stage I. The limits of Areas III, as revised under admendment No. 6 are shown on the progress map. The position of drill holes is that approved in a joint conference between Townsend, Traver, Marshman and Livingston. It now is evident that holes 1600 to 1603 and 1612 to 1614 as orginally planned can not be drilled because of rim topography.

McKnight Area

Eleven holes were drilled. Three of these holes 1607, 1625 and 1628 encountered traces of uranium. The others were blank

Respectfully Submitted

Clifton W. Livingston

Clifton W. Livingston
President

P. S. May 21, 1956 is the date of resumption of work under amendment No. 6.

MINING RESEARCH [illegible]
DRILL SUMMARY
May 1956

Stage I

(90 Percent Participation)

*Figures revised to agree with D.M.E.A. as of May 1, 1956

Item	Ft. This Month	*Previous Total To Date	Total to Date	Feet Remaining
Core Drilling	None	715	715	880
Wagon Drilling	512	10095	10607	4163

Stage II

Core Drilling	Feet This Month	*Previous Total	Total To Date	Feet Remaining
Lion Area Item 4	None	99	99	901
Lion Area Item Sheep Canyon Item 6	None	50	50	1950

Wagon Drilling	Feet This Month	Previous Total	Total To Date	Feet Remaining
Lion Area Item 1-2	None	3119	3119	1881
Lion Area Item 3-4	None	4999	4999	None

MINING RESEARCH CORPORATION
D.M.E.A. DRILL HOLES
May 1956

Hole No.	Depth Hole	Collar Elevation	Depth Shale	Remarks on Mineralization
1604	54		No Shale	Blank
1605	52		No Shale	Blank
1606	54		No Shale	Blank
1607	52		56	Tr. 40-42
1608	38		36	Blank
1609	28		No Shale	Blank
1611	34		No Shale	Blank
1625	52		No Shale	Tr. 42-44
1627	48		No Shale	Blank
1628	56		No Shale	Tr. 40-42
1629	44		No Shale	Blank
	512			

FINAL DISTRIBUTION
JUL 9 1956
MADE

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

Administrative Audit Difference Statement

[illegible]

Date: [illegible]
Payee's Reference: [illegible]

[illegible]

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

Amount Claimed $ [illegible]

Difference $

Amount Approved $ [illegible]

The reason for the difference was due to:

[illegible]

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

Very sincerely yours,

RECEIVED
JUL 12 1956

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

July 5, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 2768 (Uranium) Contract Idm-E520, Mining Research Corporation (Edgemont Uranium Area) Fall River County, South Dakota - Operator's Monthly Progress Report for the month of May, 1956

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

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 for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

In addition to reimbursement on the basis of the enclosed voucher, please reinstate the amount of $300.00 withheld from reimbursement to the Operator in processing Form MF-104, Operator's Monthly Report and Voucher, for the period July-August, 1955 which was forwarded to you by memorandum of May 18, 1956.

Remarks

Date of Report----------June 15, 1956
Date Received in Field Office---------- June 19, 1956
Date Received in Region Office---------- July 5, 1956

W. M. TRAVER

W. M. Traver

RECEIVED
JUL 1 0 1956

Enclosures
JWT:jy
cc: MF-104 File E520
Sec. Op. Comm. (2) Townsend
Shaw (2) Chren.

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
July 3, 1956

Memorandum

DMEA
Date Rec'd.
JUL 5 1956
BUREAU OF MINES
Denver, Colorado

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: E. O. Binyon

Subject: Docket DMEA 2768 (Uranium) Contract Idm-2520, Mining Research Corporation (Edgemont Uranium Area) Fall River County, S. Dak. -- Progress report for May 1956

The subject reports were received June 25, and a field check of of the work reported by the operator was made June 26.

Eleven holes numbered 1604 through 1609, 1611, 1625, and 1627 through 1629 with a total footage of 512 feet were drilled during the period. A Brunton tape survey shows the holes to be located and spaced as shown on the map accompanying the progress reports and to be within the boundaries of Drill Area III. A check of hole depths showed some caving in all holes, the amount of caved material varying from .25 feet in hole 1629 to as much as 4.2 feet in hole 1604. However, the sample sacks left at each hole show the depths as reported, and the footage claimed as drilled is no doubt correct. No check of the trace mineralization reported for holes 1607, 1625 and 1628 was made.

On the MF-104A under "Units to Date" for Stage I Wagon Drill the operator has failed to include the footage of 512 feet drilled during the period covered by the reports. The correct figure should be 10,607 (10,095 + 512).

The drilling as reported and checked was done in conformance with the terms of contract (amended) and it is recommended that the operator be paid $400.90 or 90% of the total expenditure of $445.44. The contract expires January 1, 1957.

E. O. Binyon
E. O. Binyon
Mining Engineer

EOB/mr
cc: 6
Idm-2520
Chron

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Expires 6-30-53.

RECEIVED
MAY 28 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July-August, 195 5 Docket No. DMEA 2768 Contract No. Idm E-520
Operator's Name Mining Research Corporation Minerals Uranium
Address 4215 Balsam Street, Wheatridge, Col.
Contract Amount, $ 52,873.00 Government Participation: 75 / 90 % Amount, $ 42,307.20

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Stage I McKnight Area						
Drilling (Core)	none	2,166.45	2,166.45			
~~Bulldozing~~ (Wagon						
Crosscutting 106 at.87	92.22	8,895.75	8,987.97			
Drifting						
Stage II Lion & Sheep Canyon Areas						
(2) Labor and Supervision:						
Labor (Core)	none	451.47	451.47			
Supervision (Wagon)	1,185.81	8,344.17	9,529.98			
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	1278.03	19857.84	21135.87	692.52	19,857.84	20,550.36

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Dec. 6, 1955 Payee Mining Research Corp.
Per Clifton W. Livingston Title President

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 202.43
Signature [illegible] (Authorized Certifying Officer)
Date 5/23/56 Vou. No. DMA 56-110
(See other side)

*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)

Withhold 300.00

(For Government use only)

For payment of $972.56

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. IAm-2520 in accordance with the terms of the contract.

Signature E O Hannyon Title Mining Engineer Date Jan. 19, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Shaver Title Executive Officer Date MAY 18 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.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAY 28 195

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July-Aug. 195 3 Docket No. DMEA 2768 Contract No. Ida L-320
Operator's Name Mining Research Corporation Minerals Uranium
Address 4215 Balsam Street, Wheatridge, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core Stage I	ft	none	none	2,166.45	715	3.03	1595	3.03
Churn Stage II	ft	none	none	451.47	149	3.03	3000	3.03
Auger								
Stripping Wagon Drill								
Trenching Stage I	ft	92.22	+ 106	8,987.97	10,331	.87	14770	0.87
Test Pits Stage II	ft	1185.81	1303	9,529.98	10,954	.87	30000	0.87
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1278.03	1409	21135.87				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1278.03		21135.87				52,875.00

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

Date Dec. 6, 1955 Operator Mining Research Corp.
Per Clifton W. Livingston Title President

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)

+ See adjustment Hole 670 Summary Sheet credited 56 feet

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

RECEIVED
MAY 28 1956

Administrative Audit Difference Statement

Mining Research Corporation
1215 Pelham Street,
Westridge, Colorado

Date: May 23, 1956
Payee's Reference: July and August 1955

FINAL DISTRIBUTION

MADE MAY 24 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	$ 1,278.03	92.22	@ 90%
		1,185.81	@ 75%
Difference	$ 585.51	205.32	@ 90%
		380.19	@ 75%
Amount Approved	$ * 692.52		

The reason for the difference was due to:

Disallows:

Stage I, 230 ft. Wagon Drilling @ .87 per ft.	205.32
Stage II, 437 ft. Wagon Drilling @ .87 per ft.	380.19
	585.51

Outside approved drilling area.

*Withheld: $300.00 pending resumption of work.

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

Amount to be disallowed

Stage I, 236 feet of wagon drilling
at $0.87 per foot----------$205.32
Government participation at 90%----------$184.79
Stage II, 437 feet of wagon drilling
at $0.87 per foot---------- 380.19
Government participation at 75%---------- 285.14

Government participation disallowed----------469.93

Approved Government participation----------$502.43
Amount to be withheld pending resumption of work 300.00

Balance due the Operator----------$202.43

Remarks

Date of Report----------December 6, 1955
Date Received in Field Office---------- January 5, 1956
Date Received in Region Office---------- January 26, 1956
Reason for delay: The report was held in the Regional Office pending execution of Amendment No. 6 which clarifies the drilling areas.

W. M. TRAVER

W. M. Traver

Enclosures

JDC:jy
cc: MF-184 File E520
Sec. Op. Comm. (2)
Runke
Townsend w/copy of Engr's. Report
Chron.

DMEA
Date Rec'd.

RECEIVED JAN 23 1956

BUREAU OF MINES
Denver, Colorado

Rapid City Experiment Station
School of Mines Campus
Rapid City, South Dakota

January 20, 1956

Memorandum

To: [illegible] Traver, Executive Officer, [illegible] Field Team, [illegible]

From: [illegible] Minyon

Subject: Progress Reports for July-August 1955 (Revised), Pocket [illegible] 2760 (Quantum), Contract Bm-2520, Minerals Research Corporation, Fall River County, S. Dak.

Transmitted herewith in quintuplicate are the following:

1) Bureau of Mines Engineer's Memorandum Report

2) Operator's Narrative Report, with hole logs, drill summary, and 5 prints of a progress map

3) [illegible]F-10[illegible] and [illegible]F-10[illegible]A

Also enclosed are five extra copies of the engineer's report.

The work was performed in conformance with the terms of the contract and payment of $972.36, the government's share of the $1,27[illegible].03 claimed by the operator, is recommended.

[illegible] L. Minyon

cc: Traver (2)
files

RECEIVED
MAY 23 1956

Rapid City Experiment Station
School of Mines Campus
Rapid City, South Dakota

January 20, 1956

Memorandum

To: [illegible] Mayer, Executive Officer, [illegible] Field Team, Ne[illegible] [illegible]

From: [illegible] Mayer

Subject: Progress Report (Revised) for July-August 1955, Docket 2763 (Uranium), Contract [illegible]-20, Mining Research Corporation, Fall River County, S. Dak.

The original report was submitted September 16, and a field check was made September 21 and again on September 26. In checking the report and transposing the holes reported on to a master map, it was noted that nine of the holes had apparently been drilled outside the drilling areas specified in the contract; and also the footage allotted to geologic and structural drilling had been exceeded. The second inspection was made to check the exact location of all holes that appeared to have been drilled in non-conformance with the terms of the contract.

A memorandum report showing the disallowances of footages was prepared and transmitted to the Denver office on October 6; however, the operator's report apparently was not in order and it was returned to this office October 17, with a request that it be returned to the operator for correction and revision. The reports were returned to the operator with a letter explaining the footage disallowances and the suggestion that revised Monthly Progress and Unit Cost Reports be submitted.

The operator called at the office December 5 to discuss the disallowances, and while he objected to them, he stated that corrected reports would be submitted. The revised report was received in this office January 5.

In the original report, 12 wagon drill holes, with a total footage of 2,306 feet, were reported drilled in the McKnight and Alton drilling areas. Of this total, 11 holes, with a total footage of 709 feet, were reported drilled in the McKnight area and 2 holes (5 for line and grid drilling and 23 for offset or structural drilling) with a total footage of 1,597 feet, were reported for the Alton area.

Of the 1[illegible] holes drilled in the McKnight area, 11 holes with a total footage of [illegible]7 feet, were disallowed, [illegible] with a total footage of 510 feet being outside the drilling, and 2 with a total [illegible] feet being incomplete. The holes, with the depths and the claims on which they were drilled, are listed below:

McKnight No. 2		McKnight No. 3		McKnight No. 5	
Hole No.	Depth	Hole No.	Depth	Hole No.	Depth
1512	60	1527	15	1517	52
1513	60	1528	22	1519	70
1514	52			1520	16
1515	60				
1516	60				
1521	60				
Total	352		37		158
Total footage:	547				

Holes 1509, 1510 and 1511, with a total footage of 162, were the only holes allowed for Stage I drilling in the McKnight area.

Of the 28 holes or 1,697 feet reported for the Lion area, 233 feet were disallowed, as this footage was in excess of the footage allotted under the contract.

In the accompanying revised report the operator has included only three holes, Nos. 1509, 1510 and 1511, or 162 feet for Stage I drilling in the McKnight area. From this footage he has deducted 90 feet which was claimed for Hole 637 (and disallowed) in the January-February 1955 report. The operator then made a re-claim for the hole as Hole No. 670 and payment was made. However, Hole 670 had also been drilled and paid for and as the operator was unable to find the error, he has made no claim for this footage in the revised report.

None of the three holes drilled under Stage I in the drilling area on the McKnight claims encountered mineralization. However, two holes, Nos. 1517 and 1519 on the McKnight No. 5 southwest of Area I and just outside the north end of Area III, cut ore grade mineralization. Hole 1517 had 4 feet of .11 percent U_3O_8 at depth 44 to 48 feet, and 1519 cut 2 feet of .19 percent U_3O_8 at depth 41 to 43 feet.

Offset drilling in the Lion area disclosed ore grade mineralization, with a grade range from .10 to .20 percent U_3O_8, in 11 of the 24 holes drilled along this particular structure, and 6 holes had mineralization with a grade of .03 to .08 percent U_3O_8. The drilling did not result in discovery of a new ore body, but has more definitely outlined the deposit as reported in the January-February report and probably made available more geologic data on which to base any additional exploration.

The drilling, as reported in the revised report, was done in conformance with the terms of the contract and it is recommended that the operator be paid the Government's share of the 1,27[illegible].03 claimed, which as shown below, is 972.36.

			Total Amount	Govt. Share at 76%
Stage I, McKnight Area				
Holes 1509, 1510, 1511	162 ft.		1[illegible]0.94	12[illegible]
Less hole (637 or 670)	56 ft.		[illegible].72	43.[illegible]
	10[illegible] ft.	.97/ft	92.22	83.00
Stage II, Lion Claim Area (75% participation)				
Items 3 and 4	1363 ft.	.97	11[illegible].01	8[illegible].36
Totals	1525*		127[illegible].03	972.36

* Total footage drilled without deduction for hole 637 or 670

The contract expires April 1[illegible], 19[illegible].

[illegible]. [illegible] Canyon

cc: Trauer (9)
Files

5810 W. 38th Ave., Denver 14, Colo

RECEIVED
MAY 28 1956

December 30, 1955

RECEIVED
JAN 5 1956
Dept. of Interior
Bureau of Mines
Rapid City,
South Dakota

Mr. W. M. Traver,
Executive Officer
D.M.E.A. Field Team, Region IV
Defense Minerals Exploration Adm.
224 New Custom House
Denver 2, Colorado

Attn: E. O. Binyon

Dear Mr. Binyon:

I submit herewith the revised July-August, 1955 monthly progress report and unit cost statement under contract No. 2763-Idm E-520.

I wish also formally to request a contract recess until June 1, 1956. On December 5, 1955 I visited Mr. E. O. Binyon to discuss interpretation of our contract and its various amendments. I find it impossible to interprete the contract and have requested the field team to approve all holes in the future before they are drilled.

Mr. Binyon has called to my attention that amendment No. 4 provides that ores shipped from a property that has not been certified as to discovery now are subject to repayments. This change of D.M.E.A. policy now bears upon ore being shipped to Edgemont by Isaccs and Marten under a working agreement with Mining Research Corporation. Our working agreement provides that "in the event such area is construed to fall within the D. M.E.A. provisions for repayment of exploration loans that the repayment shall be made 75 percent by Isaccs and Martin and 25 percent by Mining Research Corporation.

Will you please inform us the proper procedure to follow in making loan repayments from ore shipments so that we may advise Isaccs and Martin and calculate amounts currently due.

Yours very truly,

Clifton W. Livingston

Clifton W. Livingston, Pres.
Mining Research Corporation

CWL:hjl

RECEIVED
MAY 28 1956

NARRATIVE REPORT
JULY--AUGUST, 1955
(Revised)

Work was resumed in July under amendment No. 4 of the contract. We now find that the field team has interpreted the wording of amendment No. 4 differently than Mining Research Corporation and this interpretation brings upon us great injustice. We reluctantly submit this revised report.

McKnight Area

Holes 1509, 1510, 1511 were drilled to search for the extension of a structure known to pass between holes 602 and 603. The holes were found to be barren, but it is not known whether the strike of the structure is different than assumed or whether the structure has passed between holes 1509, 1510, and 1511.

Sheep Canyon Area

Open cut work is in progress to explore the rim adjacent to the proposed drill area and to determine whether the area can better be explored by underground workings than by surface drilling. This exploratory work has produced ore that has been shipped to the Edgemont orebuying station. (See also attached letter of transmittal).

Lion Area

Exploration in the Lion area was directed towards determinin g the trend of a structural or stratigraphic break described first in our Jan-Feb, 1955 narrative report.

Holes 1416, 1401, 1400, 1269 and I4 show commercial grade mineralization along the strike of the break and indicate that the structure contains commercial grade ore for a length in excess of 900 feet. The structure is not a simple fracture, but appears to consist of a series of en-echelon breaks that are difficult to follow.

The relation of the commercial grade ore to the structure and the relation of the structure to the outline of the low grade ore shoot suggests that the low grade ore is a halo derived from vein-like deposits of commercial grade ore. The position of the veins may be inferred by mapping subsurface geology. The veins do not reach the surface, but die out 20 feet below the surface at the contact with interbedded sandstone and shale which caps the area.

Respectfully submitted,

Clifton W. Livingston

Clifton W. Livingston

MINING RESEARCH CORP.

Drill Summary

July-August 1955

(Revised)

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MAY 2 8 1956

Stage I
(90 percent participation)

Item	Ft. This Month	Previous Total To Date	Total To Date	Feet Remaining
Core Drilling	none	715	715	880
Wagon Drilling	102	10,225	10,387	4383
+Less Adjustment Hole 670	56			
Total	100	10,225	10,331	4439

oooOooo

Stage II
(75 percent)

Core Drilling	none			
Lion Area Item 4	none	99	99	901
Sheep Canyon Item 6	none	50	50	1950
Total		149	149	
Wagon Drilling				
Lion Area Items 182	none	3327	3327	1573
Lion Area Items 384	1363	3636	4999	1
Total Lion Area	1363	6963	8326	

+ Note: Error due to duplicating footage previously reported.

MINING RESEARCH CORPORATION

D. M. E. A. Drill Holes

July and August 1955
(revixed)

RECEIVED
MAY 2 8 1956

STAGE I(McKnight Area)

Hole No.	Depth Hole	Collar Elevation	Depth Shale	Remarks on Mineralization
1509	54		54'	Blank
1510	56		56'	Blank
1511 m	52		52	Blank
Total	162			

MINING RESEARCH CORPORATION

D: M. E. A. Drill Holes

July and August 1955

STAGE II (Lion Area)

Item 3 & 4 (Offset Holes and Structural Breaks)

Hole	Hole Depth	Collar Elevation	Depth Shale	Remarks on Mineralization	
1414	58	4135.9	52'	.03	24-28
1412	56	4139.9	none	Blank	
1405	60		none	.14	36-40
1403	54		none	.20	34-48
1418	54	4138.2	none	.06	32-46
1417	54	4139.1	none	.18	36-42
1416	59	4139.7	none	0.19	40-42
1402	58		none	0.08	37-39
1401	58		57'	0.16	32-40
1421	54	4132.8	54'	0.08	28-40
1419	60	4134.6	none	0.11	36-42
1424	54	4129.7	52'	0.03	40-46
1423	56	4130.4	54	0.12	28-46
1422	60	4129.2	56	Blank	
1425	52	4125.9	52	0.04	33-42
1426	54	4126.8	50	Tr.	36-42
1400	54	4127.3	53'	0.20	29-31
1271	66	4129.1	none	Blank	
1270	62		60	Blank	
1269	56	4125.4	54	0.18	30-36
1278	62	4126.6	62	0.10	32-50
I4	52	4122.0	50	0.15	28-40
1268	52	4123.2	50	0.05	36-46
1407	64		none	Tr.	28-30
Total	1363				

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP - 2 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Jan. - Feb. Supplemental, 1955 Docket No. DMEA 2768 Contract No. 16m-R520

Operator's Name Mining Research Corporation Minerals Uranium

Address 4215 Balsam Street, Wheatridge, Colorado

Contract Amount, $ 52,873.00 Government Participation: 75 % & 90% Amount, $ 42,307.20

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Stage I - Helight Area						
Core Drilling	None	2,166.45	2,166.45			
Wagon Drilling 56 ft. at $0.87	48.72	8,847.03*	8,895.75			
Stage II Lion and Sheep Canyon Areas						
(2) Core Drilling	None	451.47	451.47			
Wagon Dr.	None	8,344.17	8,344.17			
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						
* Corrected for January - February, 1955 adjustment						
(8) Contingencies (specify):						
TOTALS	48.72	19,809.02	19,857.84	48.72	19,809.02	19,857.84

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

Date Aug. 24, 1955 *Payee Mining Research Corp.

Per Clifton N. Grimsley Title President.

*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:

$ 43.85

Signature Randell R. Cooper
(Authorized Certifying Officer)

Date 8/26/55 Vou. No. DMA-56-20

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E520 in accordance with the terms of the contract.

Signature L. D. Berkenkotter Title Mining Engr. Date Aug. 25, 1955.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date AUG 25 1955

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

RECEIVED
SEP - 2 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Jan. - Feb. Supplemental 1955 Docket No. DMEA 2768 Contract No. Idm-E520

Operator's Name Mining Research Corporation Minerals Uranium

Address 4215 Balsam St., Wheatridge, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Stage I	ft.	None	None	2,166.45	715	3.03	1595	3.03
Stage II	ft.	None	None	451.47	149	3.03	3000	3.03
Wagon Drilling								
Trenching Stage I		48.72	56	8,895.75	10,225	0.87	14770	0.87
Test Pits Stage II		None	None	8,344.17	9,591	0.87	30000	0.87
Roads and Trails								
TOTAL DISTRIBUTED COSTS				19,857.84				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								52,873.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		48.72		19,857.84				

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 Aug. 24, 1955 Operator Mining Research Corp.

Per Myron W. Livingston Title President.

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)

REMARKS:

(For Government use only)

L. D. Berkenkotter

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

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

RECEIVED
SEP - 7 1955

224 New Customhouse
Denver 2, Colorado

August 25, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 2768, (Uranium) Contract Idm-E520, Mining Research Corporation, Fall River County, South Dakota - Operator's Supplemental Reclaim for January - February, 1955.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 90 percent (Stage I Work) of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Reclaim is considered allowable by this office and is properly supported by the original of the Administrative Audit Difference Statement dated August 11, 1955.

Remarks
Date of Report- - - - - - - - - - - - - - August 24, 1955
Date Received in Field Office
Date Received in Region Office- - - - - August 24, 1955

W. M. TRAVER,

W. M. Traver

Enclosures

RB:jy

cc: MF-104 File E520
Sec. Op. Comm. (2)
E. O. Binyon
Chron.

ADMINISTRATIVE OFFICE
REGION III
AUG 25 1955
BUREAU OF MINES
DENVER, COLORADO

MINING RESEARCH CORPORATION

RECEIVED
SEP - 2 1955

August 24, 1955

Mr. W. M. Truver, Executive Officer
DMEA Field Team, Region III
Room 244 New Customhouse
Denver 2, Colorado

Dear Mr. Truver:

Enclosed are the original and four copies each of DMEA Forms MF-104 and MF-104A which constitute a reclaim for the 56 feet of drilling at $0.87 per foot which was disallowed from the amount claimed on our Monthly Progress Report for the period January and February 1955. An error was made in the typing of our Narrative Report. Drill hole listed as No. 637, which was disallowed, should have been Hole No. 670. Also enclosed is the original of the Administrative Audit Difference Statement in support of this reclaim.

Very truly yours,

Clifton W. Livingston

President.

Form MF[illegible] (Rev.)
(April [illegible])

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Jan.-Feb. 195 5 Docket No. DMEA 2768 Contract No. Idm. E520
Operator's Name Mining Research Corporation Minerals Uranium
Address 4215 Balsam Street, Wheatridge, Colorado
Contract Amount, $ 52,873.00 Government Participation: 75 % Amount, $ 42,307.20

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: Stage I - McKnight Area						
~~Drilling~~ Core Drilling	None	2,166.45	2,166.45			
~~Bulldozing~~ Wagon Drilling						
~~Crosscutting~~ 132 @ .87	114.84	8,780.91*	8,895.75			
Drifting						
Stage II - LION AND SHEEP CANYON AREAS						
(2) ~~Labor and Supervision~~						
~~Labor~~ Core Drilling	None	451.47	451.47			
~~Supervision~~ Wagon Drill						
Technical Services 1046@.87	910.02	7,434.15	8,344.17			
(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						
*Corrected for December adjustment						
(8) Contingencies (specify):						
TOTALS	1,024.86	18,832.98	19,857.84	976.14	18,832.98	19,857.84

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Feb. 15, 1955 *Payee Mining Research Corporation
Per Clyde W. Livingston Title President

*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)

RECEIVED AUG 23 1955

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

$ 742.03

Signature [illegible]
(Authorized Certifying Officer)

Date 8/11/55 Vou. No. DMA-56-14
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE: For payment of $742.03

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. Idr-7520 in accordance with the terms of the contract.

Signature G. Benyon Title Mining Engineer Date March 14, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Berk.

Signature W. M. Tanner Title Executive Officer Date AUG 9 1955

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 83-38476

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

Administrative Audit Difference Statement

Date: August 11, 1955
Payee's
Reference: January & February

Mining Research Corporation
4215 Nelson Street
Westminster, Colorado

Gentlemen:

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

Amount Claimed	$ 1,024.04
Difference	$ 48.72
Amount Approved	$ 975.24

The reason for the difference was due to:

Disallowed drilling of 56 feet at .87 per foot as drilling in this hole was claimed and paid for on November 1955 report.

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

Very sincerely yours,

N.E.Stokes
Audit Section

R-IV-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

August 9, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2768 (Uranium), Contract Idm-E520, Mining Research Corporation, Fall River County, South Dakota - Operator's Monthly Progress Report for the period January and February, 1955

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on form MF-200A, therefore we recommend that payment be made for 90 percent for Stage I work and ~~95~~ 75 percent for Stage II work of the amount reported by the Operator on form MF-104, contingent on your verification of arithmetical accuracy within the report.

An amount of $48.72 for 56 feet of drilling at $0.87 per foot in Drill Hole No. 637 is to be disallowed as drilling in this hole was claimed and paid for in the November, 1954 voucher.

Remarks:

Date of Report. . . . . February 15, 1955
Date Received in Field Office . . . . . March 7, 1955
Date Received in Region Office. . . . . March 16, 1955

Processing delayed in Regional Office pending resumption of operations. Work began again on August 1, 1955 under terms of Amendment No. 4.

cc Subject
Sec. Op. Comm. (2)
Binyon
Townsend w/copy Engr. Rept.
Chron

W. M. Traver

Enclosures

RDB:sr

W.O. Copy - Form MF-104A, Operators narrative report, Engineers inspection report and Map forwarded to the Washington office by memo of May 5, 1955.

Keep this note on top.

Berk.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Department of the Interior
Defense Minerals Administration
RECEIVED
FEB 14 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1954 Docket No. DMEA 2760 Contract No. Idm. D-520
Operator's Name Mining Research Corporation Minerals Uranium
Address Box 396, Edgemont, South Dakota
Contract Amount, $ 52,873.00 Government Participation: 75% Amount, $ 42,307.20

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Stage I - McNaight Area						
Drilling - Core	None	$ 2,166.45	$2,166.45			
Drilling Wagon						
1318	07/1/4.66	8,102.31	9,2[illegible]5.97			
Drifting						
Stage II - Lien & Sheep Canyon Areas						
(2) [illegible]						
Drilling-Core None		451.47	451.47			
Drilling - Wagon & Rotary						
[illegible]	721.20	6,712.92	7,434.15			
(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	$1567.09	$17,433.15	$19,301.04			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date January 12, 1955 *Payee Mining Research Corporation
Per Clyde W. Livingston Title President

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

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

(Instructions on reverse)

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

$ 11,51.66

Signature Randell R. Cooper
(Authorized Certifying Officer)

Date 2/8/55 Vou. No. DMA-55-61

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE: For payment of $2,181.06

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. [illegible] in accordance with the terms of the contract.

Signature E. O. Bingon Title Mining Engineer Date February 2, 1955.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Berk.

Signature W. M. Traver Title Executive Officer Date FEB 4 1955

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-R115.1.2

Defense Minerals Administration
RECEIVED
FEB 14 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 195[illegible] Docket No. DMEA 276
Operator's Name Mining Research Corporation
Address Box 356, Edgemont, South Dakota

Contract No. Idm. E-520
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	Authorized by Contract	None	None	$2,166.[illegible]	715	$3.03	[illegible]	$3.03
Drilling: Core	Stage I ft.	None	None	451.[illegible]	149	$3.03	[illegible]	$3.03
Churn	Stage I ft.	1,[illegible]6.66	1315	9,2[illegible].97	10631	.87	14770	.87
Auger	Stage II ft.	721.[illegible]	829	7,4[illegible].15	8545	.87	30000	.87
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs				$19,301.04			Total Costs Authorized by Contract	$52,373.00
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		$1,[illegible]		$19,301.04				

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 January 12, 1954 Operator Mining Research Corporation

Per Clifton W. Livingston Title President

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)

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 IV

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 14 1955

Administrative Audit Difference Statement

Date: February 14, 1955
Payee's
Reference: December 1954

Mining Research Corp.
4215 Balsam St.
Wheatridge, Colo.

Gentlemen:

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

Amount Claimed	$ 1,867.89
Difference	$ 468.06
Amount Approved	$ 1,399.83

The reason for the difference was due to:

538 feet of drilling in holes No. 656,657,658,659,689,690,691,692 and 693 under Stage I disallowed inasmuch as this drilling was not within areas covered by 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

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

224 New Customhouse
Denver 2, Colorado

February 4, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 2768 (Uranium), Contract Idm-E520, Mining Research Corporation, Fall River County, South Dakota - Operator's Monthly Progress Report for the period December, 1954

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent for Stage I work and 75 percent for Stage II work, of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

An amount of $468.06 which represents 538 feet of drilling at $0.87 per foot under Stage I is to be disallowed. This is the amount claimed for drilling holes No. 656, 657, 658, 659, 689, 690, 691, 692 and 693 which are located outside both Areas I and II.

Remarks

Date of Report.....January 12, 1955
Date Received in Field Office.....January 19, 1955
Date Received in Region Office.....February 4, 1955

W. M. TRAVER

Enclosures

W. M. Traver

RDB:pw

cc: Subject
Chron
Binyon
Sec.Op.Comm. (2)

OMEA
FEB 4 1955

Rapid City Experiment Station
School of Mines Campus
Rapid City, South Dakota

February 2, 1955

Memorandum

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

From: R. J. Minyon, Rapid City, South Dakota

Subject: Progress Reports for December 1954, Docket DMEA 276[illegible] (Uranium), Contract Idm-8520, Mining Research Corp., Fall River County, S. Dak.

One inspection trip was made to the drill areas on January 18th, and as no progress report had been submitted, another trip was made to look over company maps and check locations of the holes drilled during December. The drilling reported for the period has been completed in conformance with the terms of the contract.

In the McKnight Area I, 23 holes with a total footage of 1,318 feet were drilled. Twelve of the holes showed no mineralization or only a trace, two had not been probed, and six were reported with no assays.

In hole 658, one of three mineralized holes with assays, mineralization was found to extend from 10 to 60 feet below the collar. However, only about 4 feet, from depth 36 to 40, had a grade approaching ore, the average being .10 percent U_3O_8. In hole 659, 100 feet southwest, two feet at about the same horizon contained .09 percent U_3O_8; however, the intervening hole, No. 689, showed only a trace.

The operator has inadvertently included with the list of holes for the McKnight drilling (shown on the map on the McKnight No. 5 claim) nine holes which are outside both Areas I and III, as outlined on the geologic map submitted with the interim report on Amendment No. 1.

The nine holes are Nos. 656, 657, 658, 659, 689, 690, 691, 692 and 693, and the total footage is 538 feet or, at the contract price of $0.87 per foot, a total of $468.06. With the government participation of 90 percent for Stage I drilling, which would include these holes, the government's share amounts to $421.25. It is recommended that $421.25 be withheld from the government's share of the amount claimed on the voucher (Form VF-104).

As the operator has not been in town for some time and is not expected to return for about 3 months, there was no opportunity to learn why the holes were drilled outside the drilling area. However, as one of the major objectives has been to attempt to establish trends of mineralization, the holes were no doubt drilled in order to pick up what is believed to be a more north-south trend established (?) by the holes drilled on the southwest side of the grid during November. In short, there may be a good reason for these holes but they are outside the drilling areas.

On the Lion Claim group grid 19 holes with a total footage of 829 feet were drilled. Of these, four showed only slight mineralization. In one hole, No. 1233, two feet with a grade of .06 percent U_3O_8 was found at depth 26 to 28 feet and this was the best grade showing in any of the 19 holes drilled.

No drilling was done during December in the Gull-Green Canyon Areas I, II, or III.

The following shows the amount claimed, and the amount recommended to be withheld, for the footage drilled outside the drilling areas, as outlined under the contract and Amendment No. 1.

Claimed

Stage I - 1318 feet @ $.87 per foot Government's share @ 90%	$ 1,146.66	$1,031.99
Stage II - 829 feet @ $.87 per foot Government's share @ 75%	721.23	540.92
Total	$ 1,867.89	$ 1,572.91

Recommended for payment

Stage I - 780 feet @ $.87 per foot Government's share @ 90%	$ 678.60	610.74
Stage II - 829 feet @ $.87 per foot Government's share @ 75%	721.23	540.92
Total	$ 1,399.83	$1,151.66

It is recommended that $1,151.66 be paid the operator instead of the $1,572.91, which is the government's share of the monthly total shown on the Operator's Progress Report and Voucher for December 1954.

Expiration date of the contract is April 1[illegible], 1955.

E. [illegible] Binyon

cc: Traver (8)
files

DMEA
FEB 4 1955

Rapid City Experiment Station
School of Mines Campus
Rapid City, South Dakota

February 2, 1955

Memorandum

To: W. W. Traver, Executive Officer, DMEA Field Team, Hot. CI

From: E. . Dinyon, Rapid City, S. Dak.

Subject: December 1954 Progress Report, Docket DMEA 2768 (Uranium), Contract Idm-E520, Mining Research Corporation, Fall River County, S. Dak.

Enclosed are the original and four copies of each of the following:

1. Bur au of Mines Engineer's Report
2. Operator's Narrative Report with hole logs and maps
3. MP-10L and MP-10LA

Also enclosed are four extra copies of the engineer's report.

The operator's reports were received here January 19 but have been held here pending a check of the holes.

Except as noted in the engineer's report, the work was done in co formance with the terms of the contract, and it is recommended that the government's share, as given in the engineer's report, ($1,151.66) be paid.

E. . Dinyon

cc: Traver (8)
files

DMEA
FEB 4 1955

P. O. Box 356
Edgemont, South Dakota

January 13, 1955

Executive Officer
DMEA Field Team, Region IV
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Via: Rapid City Field Office
School of Mines Campus
Rapid City, South Dakota

Attention: Mr. E. D. Binyon

Gentlemen:

Re: Progress Report, December, 1954
DMEA Contract No. 2768-Idm. E-520

Enclosed you will find the original and four copies of our monthly progress report and unit cost summary statement for December, 1954, under DMEA Contract No. 2768-Idm. E-520. The enclosed report includes the following: (1) Operator's Monthly Report and Voucher (MF-104), (2) Operator's Unit Cost and Progress Report (MF-104A), and (3) Narrative Report.

Will you please send us an additional supply of forms MF-104 and MF-104A.

Sincerely,

Clyde W. Livingston

C. W. Livingston
President

/ar

Enclosures

FEB 14 1955

MINING RESEARCH CORPORATION

Narrative Report

December, 1954

Following is a summary table which classifies the footage for December in accordance with item numbers in Amendment No. 1 of the contract. Holes drilled in the McKnight area under Stage I and in the Lion Area under Stage II are summarized also in accompanying tables.

The accompanying progress maps show all of the holes drilled under the contract to date. The letters G represent grid holes on lines spaced 300 feet apart. Inasmuch as separate starting points were previously used to establish lines in the field for individual ore bodies, some confusion results in defining grid and offset holes. On the Lion No. 1 claim the position of the lines was determined by the topography and by the Lion open cut limits. The holes were shifted accordingly and have been classified as offset holes.

Lion Area

Holes were drilled on Lion No. 1 and Lion No. 7 claims. Hole 1233 contained two feet of mineralization @ .06 percent U_3O_8; other holes were blank.

McKnight Area

Holes were drilled on McKnight 2, McKnight 3, and McKnight 5 claims. Holes 658 and 659 were mineralized.

These holes may represent an extension of ore body exposed on McKnight No. 1 and McKnight No. 2 claims.

Sheep Canyon Area

No drilling was done in the Sheep Canyon area during the month. Difficulty was experienced in November in drilling on coordinate lines on Sheep Canyon No. 2 claim. A number of holes on coordinate lines were abandoned before reaching the ore horizon because of surface gravel and caving ground. It was necessary to move several times before completing the holes shown.

MINING RESEARCH CORPORATION

D.M.E.A. DRILL HOLES

McKnight Area - Stage I
December, 1954

FEB 14 1955

Hole No.	Hole Depth	Collar Elev.	Depth Shale	Remarks on Mineralization
667	70'	4032.1	70'	Good probe reading 67' No assay
668	74'	4033.0	68'	Blank
670	56'	4047.0	52'	Tr. 44'-48'
669	70'	4031.9	67'	Blank
660	30'	4028.9	No Sh.	Not probed
660B	72'	4029.0	72'	Blank
661	66'	4026.1	66'	Blank
662	56'	4020.7	56'	Good probe reading 54' No assay
656	50'	4002.3	No Sh.	Tr. 38'-40'
657	52'	4003.8	50'	Blank
658	60'	4008.2	58'	Mineralized 10'-60'; 36'-38' - .12 38'-40' - .08 44'-46' - .03 50'-52' - .03
659	62'	4009.3	60'	42'-44' - .09
684	44'	4014.1	42'	Good probe reading 40' No assay
685	52'	4018.7	51'	Good probe reading 40'-50' No assay
686	42'	4016.9	43'	Good probe reading 38'-40' No assay
687	48'	4018.9	45'	Good probe reading 44'-46' No assay
683	40'	4011.0	--	Not probed
679	60'	4036.3	No Sh.	56'-58' - .02
692	62'	4010.6	58'	Blank
693	70'	4011.0	56'	Blank
690	60'	4010.5	56'	Tr. 56'
691	62'	4011.0	58'	Blank
689	60'	4008.1		Tr. 54'-58'
TOTAL	1318'			

MINING RESEARCH CORPORATION

D.M.E.A. DRILL HOLES

Lion Area
Items 1, 2, 3, 4, 5
December, 1954

Stage II

Hole No.	Hole Depth Line & Grid	Hole Depth Offset	Depth Shale	Collar Elev.	Remarks on Mineralization
1220	--	29'	No Sh.	4131.3	Blank
1221	--	38'	2'	4132.0	Blank
1201	--	38'		4131.7	Not probed
1222	--	38'	4'	4131.5	Tr. 14'-18' No assay
1205	32'	--	2'	4126.6	Blank
1206	--	38'	2'	4123.2	Blank
1234	--	72'	69'	4119.0	Blank
1233	--	72'	66'	4124.8	26'-28' - .06
1208	--	32'	No Sh.	4115.1	Blank
1232	--	74'	70'	4127.4	18'-20' - .02 20'-22' - .03
1178	--	72'	65'	4129.8	Blank
1207	--	38'	No Sh.	4119.6	2'-4' - .03 Tr. 4'-8'
1211	--	26'	No Sh.	4118.3	Blank
1214	--	38'	No Sh.	4130.8	Blank
1213	--	38'	No Sh.	4131.5	Blank
1212	--	32'	No Sh.	4120.5	Blank
1215	--	38'	No Sh.	4110.4	Blank
1257	48'	--	No Sh.	4134.1	8'-10' - .01
1202	--	36'	--	4132.1	Not probed
TOTAL	80'	749'			

TOTAL GRID PLUS OFFSET = 829 ft.

MINING RESEARCH CORPORATION

Lucas Chase (Chinchilla) Mines
1 3 1 4 1955

Drill Summary

December, 1954

Stage I

Item	Feet This Month	Previous Total To Date	Total To Date	Ft. Remaining
Core Drilling	None	715	715	880
Wagon Drilling	1,318	9,313	10,631	4,139
Total Stage I	1,318			

Stage II

Item	Feet This Month	Previous Total To Date	Total To Date	Ft. Remaining
Core Drilling				
Lion Area - Item 5	None	99	99	901
Sheep Canyon Area-Item 6	None	50	50	1950
Wagon Drilling				
Lion Area - Items 1 & 2	80	2,911	2,991	2009
Lion Area _ Items 3 & 4	749	2,217	2,966	2034
Total Stage II	829			

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 November, 1954 Docket No. DMEA 2768 Contract No. Idm. E-520
Operator's Name Mining Research Corporation Minerals Uranium
Address Box 356, Edgemont, South Dakota
Contract Amount, $ 52,873.00 Government Participation: 90 % Stage I, 75 % Stage II Amount, $ 42,307.20

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Stage I - Knight Area						
Drilling - Core	None	$2,166.45	$2,166.45			
Drilling - Wagon						
2287 @ 87¢	$1,989.69	6,112.62	8,102.31			
Drifting						
Stage II - Lion and Sheep Canyon Areas						
Drilling - Core	None	451.47	451.47			
Drilling - Wagon & Rotary						
1120 @ 87¢	974.40	5,738.52	6,712.92			
(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	$2,964.09	$14,469.06	$17,433.15	2964.09	14,469.06	17,433.15

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Jan. 4, 1955 *Payee Mining Research Corporation

Per Clyde W. Lionzita Title President

*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:

$ 2521 52

Signature Randall R. Crocker
(Authorized Certifying Officer)

Date 1-27-55 Vou. No. DMA-55-59
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

90% of $1,989.69 = $1,790.72
75% of 974.40 = 730.80

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 2520 in accordance with the terms of the contract. Total payment $2,521.52

Signature E. O. Bunyon Title Mining Engineer Date January 20, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date JAN 24 1955

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
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 7 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1954 Docket No. DMEA 2768 Contract No. Idm. E-520
Operator's Name Mining Research Corporation Minerals Uranium
Address Box 356, Edgemont, South Dakota

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 Authorized by Contract								
Drilling: Core Stage I	ft.	None	None	$2,166.45	715	3.03	1,595	3.03
Stage II	ft.	None	None	451.47	149		3,000	3.03
Wagon Stage I	ft.	1,989.69	2,287	8,102.31	9,313	.87	14,770	.87
Stage II	ft.	974.40	1,120	6,712.92	7,716	.87	30,000	.87
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2,964.09		$17,433.15				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$2,964.09		$17,433.15				

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 Jan. 4, 1955 Operator Mining Research Corporation

Per Clyston W. Livingston Title President

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)

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 83-38475

224 New Customhouse
Denver 2, Colorado

January 24, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 2768, (Uranium), Contract Idm-3520, Mining Research Corp., Fall River County, South Dakota, Operator's Monthly Progress Report for the period November, 1954

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 per cent for Stage I work and 75 per cent for Stage II work of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of report..... January 4, 1955
Date received in field office.....January 10, 1955
Date received in regional office.....January 24, 1955

W. M. TRAVER

W. M. Traver

RDB:pw

Subject
Chron
Sec.Op.Comm. (2)
Bigson

Rapid City Experiment Station
School of Mines Campus
Rapid City, South Dakota

January 20, 1955

Memorandum

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

From: E. O. Binyon, Rapid City Office

Subject: Progress Report, November 1954, Docket DMEA 2768, Contract Idm-2520, Uranium, Mining Research Corporation, Fall River County, S. Dak.

Enclosed in quintuplicate are the following:

1. Operator's Forms MF-104 and MF-104A
2. Operator's Narrative Report
3. Maps

Also enclosed are the original and eight copies of the engineer's narrative report.

The operator's reports were received here January 10 but were held here pending a field check of the progress and a check of the MF-104.

You will note that included with one of the sets of the operator's report the two letters are "copies." The operator had loaned the logs etc. to this office prior to submitting all copies of the reports, and failed to include the letters when the entire report was submitted.

As all work is in conformance with the terms of the contract and amendments, it is recommended that the government's share of the cost be paid.

E. O. Binyon

cc: Traver (3)
files

Rapid City Experiment Station
School of Mines Campus
Rapid City, South Dakota

January 20, 1955

Memorandum

To: W. M. Traver, Executive Officer, DMEA Region III

From: E. O. Binyon, Rapid City

Subject: Progress Reports, November 1954, Docket DMEA 2768, Contract Idm-E520, Uranium, Mining Research Corp., Fall River County, S. Dak.

The property was visited twice during the month and again on December 3rd and the drilling had been completed, as reported by the operator.

The operator was delayed in submitting the reports owing to the necessity of having to amend the contract. The drilling completed in September, October and November, through a misunderstanding, had not been done in conformance with some of the terms of the contract. This breach of the terms which, as stated, was through a misinterpretation, was not intentional on the part of the operator, and I approved the work with the understanding that it was being done in compliance with all contract terms.

Drilling was carried on in the Gull-Sheep Canyon Areas 1 and 2, McKnight-Ram Area 1, and in the Lion Claim Group area. The drilling was distributed as follows:

Gull-Sheep Canyon, Amendment No. 1

Area	Number of holes	Footage
I	3	202
II	1	150
Total	4	352

Ram-McKnight, Stage 1

I	47	2,287

Lion Claim Group

Grid	5	274
Offset	9	494
Total	14	768

In all areas some mineralization was encountered in some of the holes. However, the grade was less than .1 percent in all instances except in two holes in the Lion Claim area and one in the Gull-Sheep Canyon Area I.

For the Ram-McKnight Area I, of the 47 holes drilled only 9 holes showed no mineralization; in the 38 holes remaining, the mineralization ranged from a trace to a maximum of .09 percent, with an overall average grade of .033 percent and average thickness of 3.9 feet. The averages mean little inasmuch as the mineralization apparently occurs in two, or possibly three, horizons, and from data available at present, no breakdown into horizons and grade of the different horizons is possible.

In the Lion Claim Group area, 7 of the 14 holes drilled encountered mineralization; 5 of the remaining 7 showed no mineralized zones and 2 had not been probed. The mineralization was apparently confined to an horizon between 24 and 42 feet with an average thickness of 8.5 feet and a grade of .044 percent. In one hole 2 feet of .25 percent U_3O_8, and in another 6 feet of .08 percent, with 4 feet of this averaging .095 percent, was found.

Drilling in the Gull-Sheep Canyon area was limited to only 4 holes--3 in Area I and 1 in Area II. The hole in area I cut 10 feet (from 100 to 110 feet) of submarginal ore of an average grade of .098 percent, with 7.5 feet averaging .11 percent U_3O_8. At the depth and location, this is not ore grade; however, the showing is promising.

Expiration date of the contract is April 14, 1955.

It is recommended that the operator be paid the government's share of the cost:

Stage I @ 90% participation of $1,989.69 -----	$1,790.72
Gull-Sheep Canyon and Lion Claim areas @ 75% participation of $974.40 ----------	730.80
Total payment	$2,521.52

R. . Binyon

cc: Traver (3)
files

P. O. Box 356
Edgemont, South Dakota

RECEIVED

January 4, 1955

Executive Officer
DMEA Field Team, Region IV
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Via: Rapid City Field Office
School of Mines Campus
Rapid City, South Dakota

Attention: Mr. E. O. Binyon

Gentlemen:

Re: Progress Report, November 1954
DMEA Contract No. 2768-Idm. E-520

Enclosed you will find the original and four copies of our monthly progress report and unit cost summary statement for November, 1954, under DMEA Contract No. 2768-Idm. E-520. The enclosed report includes the following: (1) Operator's Monthly Report and Voucher (MF-104), (2) Operator's Unit Cost and Progress Report (MF-104A), and (3) Narrative Report.

Pursuant to your instructions, Stage I and Stage II drilling have been reported separately for the month. Also, we have segregated the amounts previously reported into the Stage I and Stage II categories.

If future reports should be changed in any manner or if you would like to have any additional information, please let me know.

Sincerely,

Clyde W. Livingston

C. W. Livingston
President

/ar

Enclosures

D.M.E.A. NARRATIVE REPORT

November 1954

Lion Area

Fifteen holes totaling 769 feet of wagon drilling were drilled in the Lion 8 and Lion 13 claims as shown on the accompanying progress map. The rectangular area outlined by holes 1113 to 1118 appears to cross the strike of a low grade mineralized area and the holes 1191, 1199, 1310, 1320 appear to be close to, but beyond the east flank of the same area. Additional drilling to the west of holes 1320 is contemplated for December.

McKnight Area

Two lines of holes approximately 600 feet apart were drilled to obtain additional information on the trends of two low grade ore bodies previously observed. Hole 628 and 631 appear to be on the extension of the ore area crossed by holes 606 - 608 and again by holes 609 - 611.

Holes 621 and 622 appear to be on the extension of separate ore area crossed by holes 635 - 638.

A total of 2287 feet of wagon drilling was completed on the McKnight No. 2 and McKnight No. 3 claims.

Sheep Canyon Area

Four holes totaling ~~202~~ 352 feet of wagon drilling were drilled as indicated on the accompanying progress map of the Sheep Canyon Area. Hole 50A penetrated 7½ feet of ore averaging 0.11 from 102½ to 110 feet below the surface.

MINING RESEARCH CORPORATION

D.M.E.A. DRILL HOLES

Lion Area

Hole. No.	Depth Hole	Collar Elev.	Depth Sh.	Remarks on Mineralization
1191	54'		54'	No data
1192	44'	4121.0	no sh.	Blank
1199	48'	4133.4	48'	22'-24' at .04
1210	62'	4130.4	58'	Blank
1176	36'		36'	No data
1184	42'	4118.8	no sh.	Blank
1320	52'	4139.1	50'	Blank
1310	54'	4135.8	52'	Blank
1118	52'	4117.4	48'	Min. 24'-42' Ave. .06 4' at .03 6' at .04 2' at .06 2' at .25
1116	74'	4117.3	72'	Min. 28'-38' Ave. .03 2' at .06
1117	64'	4118.0	62'	Min. 28'-36' Ave. .02 2' at .04
1114	66'	4123.0	66'	Min. 28'-34' Ave. .03
1115	70'	4120.0	66'	Min. 26'-32' Ave. .08 2' at .09 2' at .10 2' at .06
1113	50'	4121.3	48'	Min. 24'-28' Ave. .03
TOTAL	768'			

Total Grid - 274' - 5 Holes
Total Offset - 494' - 9 Holes

D.M.E.A. DRILL HOLES

McKnight Area

Hole No.	Depth Hole	Collar Elev.	Depth Sh.	Remarks on Mineralization
600	68'	4043.0	48'	Min. 30-64 2' at .05, 2' at .04 4' at .03
601	50'	4044.3	48'	Blank
602	50'	4045.0	46'	Min. 40-44 .02 Ave.
603	48'	4045.5	?	Blank
604	50'	4046.0	49'	Min. 40'-42' .03
605	48'	4046.6	43'	Min. [illegible]'-28' 38'-46' 2' at .07
606	49'	4047.1	46'	Min. 2[illegible]' to 48' 4' at .03
607	51'	4047.9	no shale	Min. 20' to 50' 2' at .05 2' at .06 2' at .04 2' at .03
608	60'	4048.0	59'	22' to 52' Ave. .03 4' at .05 2' at .05 12' at .03
609	52'	4042.7	49'	Min. 44'-52' Ave. .05
610	50'	4042.4	49'	Min. 20'-36' 44'-48' Ave. .09
611	46'	4041.3	45'	Min. 28'-34' 40'-44' Ave. .02 2' at .05 2' at .03
612	44'	4040.2	37'	Min. 32'-44' 2' at .03
613	42'	4039.8	42'	Min. 36'-40' Ave. .01
633	61'	4048.4	60'	Min. 26'-30' 48'-50' 2' at .04
635	51'	4040.9	51'	Min. 32'-38' 44'-48' 2' at .06
622	62'	4020.8	44	Min. 22'-26' 2' at .07
621	30'	4031.6	40	Min. 24'-28' 32'-38' 2' at .07 4' at .03
626	44'	4029.9	40'	Min. 40'-44' 2' at .03
634	52'	4047.9	46'	Trace Min. 46'-48' 50'-52'
636	49'	4038.8	44'	Min. 42'-48' 2' at .03

D.M.E.A. DRILL HOLES

McKnight Area (Cont.)

Hole No.	Depth Hole	Collar Elev.	Depth Sh.	Remarks on Mineralization
637	44'	4035.9	40'	Min. 38'-44' 2' at .06 2' at .04
618	46'	4035.7	44'	Blank
638	41'	4031.9	41'	Min. 30'-40' Ave..02
625	52'	4034.0	52'	Min. 38'-42' Ave. .02
619	44'	4032.8	44'	Min. 38'-42' 2' at .03 2' at .02
628	53'	4030.2	52'	Min. 36'-38' at .06 46'-50' at .02
632	54'	4026.4	54'	Blank
623	42'	4024.0	42'	Min. 26'-28' at .04 38'-42' Tr.
624	38'	4017.7	33'	Tr. Min. 34'-38' Tr. 26'-28'
631	54'	4028.0	52'	Min. 28'-40' Ave. .03 2' at .04 2' at .08 2' at .05
639	48'	4032.2	46'	Blank
642	57'	4033.8	58'	Min. 38'-42' Ave. .02 2' at .04
644	40'	4019.0	40'	Min. 38'-40' at .02
646	54'	4038.9	52'	Blank
641	58'	4038.5	56'	Blank
640	40'	4021.5	38'	Blank
651	40'	4017.4	37'	Tr. Min. 38'-40'
652	38'	4012.1	34'	Tr. Min. 34'-38'
654	52'	4015.1	49'	Min. 48'-50' at .02
645	48'	4015.8	38'	Min. 32'-34' at .03
653	44'	4011.0	no sh.	Tr. Min. 30'-44'
655	58'	4018.6	56'	Blank
648	42'	4017.4	42'	Min. 24'-26' at .03
647	43'	4021.3	42'	Blank
649	50'	4025.7	50'	Min. 46'-50' 2' at .03
650	50'	4022.3	50'	Tr. Min. 48'-50'

TOTAL 2287'

TOTAL TO DATE 2457

MINING RESEARCH CORPORATION

D.M.E.A. DRILL HOLES

Sheep Canyon Area

Hole No.	Depth Hole	Collar Elev.	Depth Sh.	Remarks on Mineralization
50 A	150'	3823.4	140'	100'-102½' at .05 102½'-105' at .09 105'-107½' at .17 107½'-110' at .08
50½	88'			Trace 66' to 80'
50½ B	68'			No data
50½ A	46'			No data

TOTAL 352'

TOTAL TO DATE 2488'

MINING RESEARCH CORPORATION

Drill Summary

November

STAGE I

Item	Feet this Month	Previous Total	Total Ft. To Date	Feet Remaining
Core Drilling	none	715'	715'	880'
Wagon Drilling	2287'	7026'	9313'	5457'
TOTAL	2287'			

STAGE II

Core Drilling				
Lion Area - Item 5	none	99'	99'	901'
Sheep Canyon - Item 6	none	50'	50'	1950'
Wagon Drilling				
Sheep Canyon - Item 6	352'	2236'	2588'	7412'
Lion Areas - Items 1 and 2	274'	2637'	2911'	2089'
Lion Area - Items 3 and 4	494'	1723'	2217'	2783'
TOTAL	1120'			

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Defense Minerals Administration
RECEIVED

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October 1955 Docket No. DMEA 2768 Contract No. [illegible]
Operator's Name Mining Research Corporation Minerals [illegible]
Address Box 356, Crescent, South Dakota
Contract Amount, $ 52,373.00 Government Participation: 50 % Amount, $ 12,357.20

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:	None	2,617.92	2,617.92	—	2,617.92	2,617.92
Short Form Contracts:						
Drilling: Diamond						
Drilling: Rotary	3,999.39	7,851.75	11,851.14	3,999.39	7,851.75	11,851.14
Crosscutting						
Drifting						
	Note: One (1) wagon drill hole (no. 71 - 170 feet) was on land covered by original contract on which Government participation is 90%; the remaining footage is 75%.					
(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	3,999.39	10,469.67	14,469.06	3,999.39	10,469.67	14,469.06

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

Date _____ *Payee Ice Run. Treasurer

Per J. Sterling Livingston Title _____

*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:

$ 3021.73

Signature Randall R. Cooper (Authorized Certifying Officer)

Date 11/5/55 Vou. No. DMA-55-47

(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. DMEA 520 in accordance with the terms of the contract.

Signature E. O. Benyon Title Mining Engineer Date November 23, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Berk

Signature W. H. King Title Executive Officer Date JAN 1 1955

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

Department of the Interior
Defense Minerals Administration
RECEIVED

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1952 Docket No. DMEA 2763 Contract No. Stu. 8-580
Operator's Name Mining Research Corporation Minerals Uranium
Address Box 356, Grosvenor, South Dakota

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	ft.	$ 150.40	0	$ 5,302.37	364	$ 6.13		$ 3.03
Drilling: Core, Rotary	ft.	6,428.40	4,597	24,990.35	13,622			.87
Churn								
Authorized by contract:							1,595	
Stripping: Drilling, Core	ft.	0	0	2,617.92	364	3.03	3,000*	3.03
Trenching: Open & Rotary	ft.	3,999.39	4,597	11,851.14	13,622	.87	16,770*	.87
Test Pits							30,000*	
Roads and Trails								
Total Distributed Costs		3,999.39		44,462.38	* Phase I Phase II (amendment)			Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		3,999.39		44,462.38				$52,873.00

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 11/3/52 Operator Mining Research Corporation

Per J. Sterling Livingston Title Vice Pres. & Treas.

Remarks: See notes on attached summary of costs.

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)

As noted by operator on Form MF 104:

4427 ft. @ $.87/ft.	=	$ 3,851.49	@ 75%	=	$2,888.62
170 ft. @ $.87/ft.	=	147.90	@ 90%	=	133.11
Totals 4597 ft.		$ 3,999.39			$3,021.73

Hole drilled in Area I under Stage I

EOB

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

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

224 New Customhouse
Denver 2, Colorado

January 3, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 2768 (Uranium), Contract Idm-E520, Mining Research Corporation, Fall River County, South Dakota - Operator's Monthly Progress Report for the period October, 1954

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent for Stage I and 75 percent for Stage II of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	November 8, 1954
Date Received in Field Office	November 7, 1954
Date Received in Region Office	November 20, 1954

W. H. King

Enclosures

RDS:ld

Copy to: Sec. Opr. Comm. (2)
E. O. Binyon
sub
chron

Defense Minerals Administration
RECEIVED

P. O. Box 356
Edgemont, South Dakota

November 10, 1954

Defense Minerals Exploration Administration
U. S. Department of the Interior
Washington 25, D. C.

Via: Rapid City Field Office
School of Mines Campus
Rapid City, South Dakota

Attention: Mr. E. O. Binyon

Gentlemen:

Re: Progress Report, October 1954
DMEA Contract No. 2768-Idm. E-520

Enclosed you will find six copies of our monthly progress report and unit cost summary statement for October, 1954, under DMEA Contract No. 2768-Idm. E-520. The enclosed report includes the following: (1) Operator's Monthly Report and Voucher, (2) Operator's Unit Cost and Progress Report, (3) Narrative Report, including a summary of drilling in the Lion area and a summary of drilling in the Sheep Canyon area, (4) Progress Maps for October.

You also will find enclosed three additional copies of the progress map for September, which are being forwarded pursuant to your request.

During October one hole (170 feet deep) was drilled on McKnight No. 1, which is ground included in our original contract. Accordingly, the government participation on the drilling of this hole is 90 percent. All other drilling was in areas covered by the amendment to our contract under which the government participation is at the rate of 75 percent.

Very truly yours,

J. Sterling Livingston

J. Sterling Livingston
Vice President and Treasurer

JSL:ar
Enclosures

Property of the Nevada
Bureau of Mines & Geology
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MINING RESEARCH CORPORATION

Drilling Costs*

Month of October, 1954

Costs Applicable to the Overall Project

Labor and Supervision	$1,451.32
Operating Materials & Supplies	344.77
Operating Equipment	148.50
Miscellaneous Expenses	1,621.66
Total, Over-all	$3,566.25

Costs Applicable to Diamond Drilling

Labor	$ 28.00
Operating Materials & Supplies	72.60
Operating Equipment	50.00
Total, Diamond Drilling	$150.60

Costs Applicable to Wagon Drilling

Labor	$ 672.10
Operating Materials & Supplies	885.25
Operating Equipment	170.00
Rotary Drilling Sub-Contractor's Fee	1,108.80
Total Directly Applicable	$2,836.15
Over-all Costs Allocable to Wagon Drilling	3,566.25
	$6,402.40

*These are actual costs incurred and invoiced during the month. Costs which have been incurred but not yet invoiced are not included.

SHEEP CANYON AREA

D.M.E.A. CONTRACT PROGRESS

Hole No.	Wagon Drill	Rotary Drill	Depth	Remarks
84		x	190'	9' of Brown SS with count. No chemical assay.
101		x	153'	30' of SS with count. Assays on 2' at .18 - 2' at .03 - 2' at .05
102		x	145'	36' of SS that counts. 7' at .03 - 2½' at .07.
107		x	115'	25' of SS with count. 5' at .03 - 2½' at .218.
106		x	145'	35' of SS with count. 5' at .04 - 2½' at .03
105		x	145'	32' of SS with count. 2½' at .03 - 2½' at .04.
500	x		82'	6' SS with count. No chemical.
503	x		54'	Blank
503A	x		86'	Blank
507		x	130'	Not Probed
110		x	82'	Not Probed
501	x		68'	Not Probed
519		x	70'	Blank
504		x	112'	25' of SS with count. No chemical.
TOTAL	290'	1287'		

COPY

LION AREA

D.M.E.A. CONTRACT PROGRESS

Hole No.	Depth	Wagon Drill	Rotary Drill	Remarks
1200	72'	x		Not Probed
1024	28'	x		Not Probed
1044	56'	x		Not Probed
1069	61'	x		Not Probed
1070	60'	x		Not Probed
1071	59'	x		Not Probed
1072	56'	x		Not Probed
1073	20'	x		Not Probed
1074	26'	x		Not Probed
1075	54'	x		Not Probed
1076	64'	x		12' SS with count. No chemical.
1077	70'	x		6' SS with count. No chemical.
1078	67'	x		8' SS with count. No chemical.
1080	74'	x		6' of Trace. No chemical
1081	74'	x		14' SS with count. No chemical.
1089	44'	x		Blank
1091	69'	x		Not Probed
1093	52'	x		Not Probed
1095	60'	x		Not Probed
1097	30'	x		Not Probed
1099	56'	x		Not Probed
1100	10'	x		Not Probed
1198	62'	x		Not Probed
1193	74'	x		Not Probed

COPY

LION AREA (Cont.)

Hole No.	Depth	Wagon Drill	Rotary Drill	Remarks
1190	66'	x		Not Probed
1189	70'	x		Not Probed
1183	66'	x		18' with high count. No chemical.
1182	62'	x		Not Probed
1181	46'	x		Not Probed
1175	50'	x		Not Probed
1174	54'	x		Not Probed
1173	61'	x		Not Probed
1167	34'	x		Trace. No chemical.
1166	42'	x		Trace. No chemical.
1165½	36'	x		10' SS with count. No chemical.
1163	30'	x		Blank
1162	72'	x		8' SS with count. No chemical.
1161	68'	x		20' SS with count. No chemical.
1160	66'	x		16' SS with count. No chemical .
1143	54'	x		Not Probed
1142	64'	x		Trace. No chemical.
1141	66'	x		8' SS with count. No chemical.
1146	67'	x		Trace. No chemical.
1101	74'	x		Not Probed
1102	46'	x		Not Probed
306½	48'	x		6' SS with count. No chemical.
250½	52'	x		16' SS with count. No chemical.
251½	40'	x		14' SS with count. No chemical.
1172	63'	x		Not Probed
1171	60'	x		Not Probed
1170	52'	x		Not Probed
McK. #1	170'		x	30' SS with high count. No chemical.
1138	38'	x		This hole was started in Sept. Drilled 58'
1164	14'	x		This hole was started in Sept. Drilled 52'
TOTAL		2850'	170'	

COPY

NARRATIVE REPORT

October 1954

The position of holes drilled during the month is shown on the two accompanying progress maps for the Sheep Canyon Area and for the Lion Area. Drilling in the Sheep Canyon Area to depths greater than 80 feet must be done with rotary equipment rather than by wagon drilling. A deep hole (190 feet) was drilled in the Lion Area (See hole marked McK No. 1) to determine the stratigraphic position of the Lion mineral horizons relative to the Sheep Canyon horizons.

Lion Area

Two long lines of holes were drilled in the Lion Area to determine the trends of mineralization. The results of the drilling have been discouraging.

Drilling on Lion 8 claim and on Lion 13 claim is for the purpose of extending the known trend of low-grade mineralization. Since the resumption of drilling, holes have not penetrated mineralization higher in grade than .05.

Sheep Canyon Area

Drilling in the Sheep Canyon area is both slow and expensive because of the depth of holes and friability of the sandstones.

Hole No. 50 was started in September, but deepened in October. The footage was inadvertently overlooked in this months report, but will be included next month. The hole is approximately 100 feet behind the rim adjacent to an ore exposure. Seven and a half feet of ore at depth 102½ to 110 was penetrated which averages 0.11 percent U_3O_8. The zone penetrated is perhaps 15 feet lower stratigraphically than that in which the prospect adit was driven.

On the same side of the canyon in the vicinity of holes 101 to 110 chemical assays showing ore may be in error and are being checked.

On the opposite side of the canyon, Hole 504 penetrated 2½ feet of commercial grade ore behind a rim exposure of commercial grade ore. Other drill holes in the same vicinity are barren.

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

Utah (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1954 Docket No. DMEA 2768 Contract No. Idm. E-520
Operator's Name Mining Research Corporation Minerals Uranium
Address Box 356, Edgemont, South Dakota
Contract Amount, $ 52,873.00 Government Participation: 75 & 90 % Amount, $ 42,307.20

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:						
Core (149'@$3.03)	451.47	2,166.45	2,617.92	451.47	2,166.45	2,617.92
Drilling Wagon & Rotary						
Crosscutting						
Drifting 2169' @ 87¢	1,887.03	5,964.72	7,851.75	1,887.03	5,964.72	7,851.75
(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	$2,338.50	$8,131.17	$10,469.67	2,338.50	8,131.17	10,469.67

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

Date 10/14/54 *Payee Mining Research Corporation

Per J. Sterling Livingston Title Vice Pres. & Treasurer

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

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

(Instructions on reverse)

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

$ 1753.88

Signature [illegible] (Authorized Certifying Officer)

Date 1/5/55 Vou. No. DMB-55-47

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E-620 in accordance with the terms of the contract.

Signature E O Binyon Title Mining Engineer Date November 9, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature C B Weldham Title Exec Officer Date 11/12/54

V. Berk

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
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1954 Docket No. DMEA 2768 Contract No. Idm. E-520

Operator's Name Mining Research Corporation Minerals Uranium

Address Box 356, Edgemont, South Dakota

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	ft.	688.96	149	5,152.27	864	5.96		3.03
Wagon & Rotary	ft.	3,689.10	2169	18,587.95	9,025	2.02		.87
Auger								
Stripping								
Authorized by Contract:								
Core	ft.	451.47	149	2,617.92	864	3.03	1595* 3000**	3.03
Wagon & Rotary	ft.	1,887.03	2,169	7,851.75	9,025	.87	14660* 30000**	.87
Roads and Trails								
Total Distributed Costs		$2,338.50		$10,469.67				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		$2,338.50		$10,469.67				$52,873.00

* Phase I
**Phase II (Amendment)

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

Remarks: See notes on attached summary of costs.

Date October 14, 1954 Operator Mining Research Corporation

Per J. Sterling Livingston Title Vice Pres. & Treas.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Box 356
Edgemont, South Dakota

October 13, 1954

Defense Minerals Exploration Administration
U. S. Department of the Interior
Washington 25, D. C.

Via: Rapid City Field Office
School of Mines Campus
Rapid City, South Dakota

ATTENTION: Mr. E. O. Birgyon

Gentlemen:

Re: Progress Reports, September 1954
DMEA Contract No. 2768-Idm. E-520

Enclosed you will find six copies of our monthly progress report and unit cost summary statement for September, 1954, under DMEA Contract No. 2768-Idm. E-520. The enclosed report includes the following statements for September: (1) Operator's Monthly Report and Voucher, (2) Operator's Unit Cost and Progress Report, (3) Narrative Report; the following statements for September: (1) Operator's Monthly Report and Voucher, (2) Operator's Unit Cost and Progress Report, (3) Narrative Report. Enclosed also are progress sketches for September at the Lion and Sheep Canyon areas.

Sincerely,

MINING RESEARCH CORPORATION

Clifton W. Livingston

Clifton W. Livingston
President

CWL:lh
Enclosures

MINING RESEARCH CORPORATION

Drilling Costs

Month of September, 1954

Costs Applicable to the Over-all Project

Labor & Supervision	$1345.36
Operating Materials & Supplies	605.05 *
Operating Equipment	148.50
Miscellaneous Expenses	271.71 *
Total, Over-all	2370.62

Costs Applicable to Diamond Drilling

Labor	362.00
Operating Materials & Supplies	34.50 *
Operating Equipment	50.00
Miscellaneous Expenses	5.40 *
Total Directly Applicable	451.90
Over-all Costs Allocable to Diamond Drilling	237.06
Total, Diamond Drilling	$ 688.96

Costs Applicable to Wagon Drilling

Labor	624.00
Operating Materials & Supplies	279.54 *
Operating Equipment	170.00
Miscellaneous Expenses	25.50 *
Total Directly Applicable	1099.04
Over-all Costs Allocable to Wagon Drilling	2133.56
Total, Wagon Drilling	$3232.60

Rotary Drilling Sub-contractor's Fee	456.50
	$4378.06

* These are the actual costs which have been accumulated to date. Total costs in these categories will not be known for about 30 days. A revised report will be submitted when these total costs are known. We estimate that this revision will increase the grand total by $800 - $1000.

D.M.E.A. NARRATIVE REPORT

September 1954

During September, drilling was resumed under amended contract IDM - E-520 which provided for inclusion of areas here referred to as the Railroad Cut Area and the Lion Area.

The positions of holes drilled in the two newly included areas are shown on the attached progress maps. Two lines of holes 600 feet apart were drilled across the assumed trend of the ore areas. Low grade mineralization was encountered in holes 1005, 1007, and 1008. Low grade mineralization also was encountered in certain of the holes on Lion 8 and Lion 13 claims as described in the accompanying log of drill results. The presence of mineralization is based upon geiger counter probe readings for the most part except in hole 1105 in which a 12 ft. thick zone contains mineral ranging from .03 to .05 percent U_3O_8 (chemical assays).

Drill holes in the Railroad Cut Area encountered caving ground and difficult drilling. It is too early to appraise the drilling results.

D.M.E.A. CONTRACT PROGRESS

September 1954

Sheep Canyon Area

Hole No.	Depth	Wagon Drill	Rotary Drill	Diamond Drill	Remarks
1	50'		x		Incomplete
2	160'		x		Incomplete
3	64'	x			Incomplete
4	25'	x			Incomplete
47	190'		x		2' low grade 78'-80' (Prober reading) 6' low grade 88'-94' (Prober reading) No probe below 98', sample pending
8	50'			x	Blank
7	100'		x		Caving ground at ore horizon
50	46'	x			Incomplete (caving ground)
55	24'	x			Incomplete (caving ground)

D.M.E.A. CONTRACT PROGRESS

September 1954

Lion Area

Hole No.	Depth	Wagon Drill	Rotary Drill	Diamond Drill	Remarks
1005	62'	x			4' Min. 12' to 16'
1006	99'			x	To Mary Jack Sand
1007	58'	x			2' Min. 10' to 12'
1008	59'	x			2 Min. 16' to 18'
1009	79'	x			No data - Probe lost in hole
1082	70'	x			2' Min. 28' to 32'
1084	48'	x			Blank
1085	58'	x			Trace @ 16'
1086	72'	x			Trace 16' to 20', Trace 48' to 52'
1087	69'	x			Blank
1103	64'	x			Trace Min. 42' to 46'
1104	56'	x			10' @ .044 from 26' to 36'
1105	54'	x			12' @ .03 to .05 from 34' to 46'
1106	42'	x			Blank
1107	34'	x			Trace Min. 12' to 28'
1108	31'	x			Trace Min. 16' to 20'
1109	20'	x			Trace Min. 6' to 12'
1110	24'	x			Min. 8' to 16'
1112	40'	x			Min. 18' to 30'
1119	14'	x			No cutting return Not probed yet
1120	42'	x			Not probed yet
1111	38'	x			Not probed yet

Hole No.	Depth	Wagon Drill	Rotary Drill	Diamond Drill	Remarks
1122	30'	x			Not probed yet
1003	32'	x			Blank
1004	54'	x			2' Min. 14' to 16'
1124	40'	x			Not probed yet
1125	36'	x			Not probed yet
1002	26'	x			Not pwobed yet
1001	35'	x			Not probed yet
1145	55'	x			Not probed yet
1147	51'	x			Not probed yet
1123	36'	x			Not probed yet
1165	43'	x			Tracing Min. 22' to 26', also 32' to 38'.
1164	38'	x			Not probed yet

Total
Footage 1609

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

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

DEC 2 1953

Month of October, 1953 Docket No. DMEA 2768 Contract No. Idm. E-520
Operator's Name Mining Research Corporation Minerals Uranium
Address P. O. Box 356, Edgemont, South Dakota (Field Office)
Contract Amount, $ 52,873.00 Government Participation: 90 % Amount, $ 47,585.70

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 Core						
~~Bulldozer~~ 245 @ 3.03	742.35	1,424.10	2,166.45	742.35	1,424.10	2,166.45
~~Crawler~~ Wagon						
~~Drifter~~ 0 @ .87	0	5,964.72	5,964.72	0	5,964.72	5,964.72
(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	742.35	7,388.82	8,131.17	742.35	7,388.82	8,131.17

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

Date Nov. 4, 1953 *Payee MINING RESEARCH CORPORATION

Per J. Sterling Livingston Title Vice Pres. & Treasurer

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

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

(Instructions on reverse)

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

$ 668.11 AC

Signature L. A. Hill
(Authorized Certifying Officer)

Date NOV 25 1953 Vou. No. 14

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E-520 in accordance with the terms of the contract.

Signature E. D. Bunyon Title Mining Engineer Date November 16, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature J. B. Needham Title Ex Off Date 11/23/53

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 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

14

OPERATOR'S UNIT COST AND PROGRESS REPORT

1953

Month of October 1953 Docket No. DMEA 2768 Contract No. Idm. E-520
Operator's Name Mining Research Corporation Minerals Uranium
Address P. O. Box 356, Edgemont, South Dakota (Field Office)

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	ft.	1,915.58	245	4,463.31	715	6.24		3.03
Wagon	ft.	0	0	14,898.85	6,856	2.17		.87
Auger								
Authorized by Contract:								
Core	ft.	742.35	245	2,166.45	715	3.03	1595*	3.03
Wagon	ft.	0	0	5,964.72	6,856	.87	14770*	.87
Roads and Trails							3000**	3.03
							30000**	.87
TOTAL DISTRIBUTED COSTS		742.35	245 0	8,131.17	*Phase I **Phase II			TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		742.35		8,131.17				52,873.00

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. 4, 1953 Operator MINING RESEARCH CORPORATION

Per J. Sterling Livingston Title Vice Pres. & Treas.

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.

REMARKS: Costs for October are based on a four-month average and will be revised as soon as actual costs are known. See attached summary.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

MINING RESEARCH CORPORATION

COST SUMMARY

(DMEA Form MF-104A)

October, 1953

Costs Applicable to the Over-all Project		
Labor and Supervision	$1,102.60	
Operating Materials and Supplies	1,212.36	
Operating Equipment	148.50	
Miscellaneous Expenses	295.35	
Total, Over-all Costs		$2,758.81
Costs Applicable to Diamond Drilling		
Labor	$ 958.38	
Operating Materials and Supplies	113.39	
Operating Equipment	60.00	
Miscellaneous Expenses	94.11	
Total, Directly Applicable		1,225.88
Over-all Costs Allocable to Diamond Drilling (25%)		689.70
Total Costs		$1,915.58

MINING RESEARCH CORPORATION

Narrative Report

October, 1953

During October, drilling was confined to core drilling in the area where primary ore is believed to have been discovered. Six holes, with a total of 245 feet, were drilled during the month.

Diamond drill cores as logged indicate about 85% core recovery. The 15% loss occured for the most part in the first 15 feet. This particular ground is composed of a course, loosely-bound sandstone with large to medium bulbs of mudstone inclusions. After passing this portion of ground, however, the core recovery is for the most part 100%. Mineralization, as regards mn & Fe, becomes apparent about 30 feet and continuss to the contact of the sandstone with the Fuson shale. It is through this area where U_3O_8 has shown up in the two mineralized holes. Heavy mineralization occurs in all holes (mn & Fe) about 2 feet above the Fuson shale and continues to the Fuson contact. It can be assumed that further drilling in this area will correlate other holes showing U_3O_8 with the two already drilled.

MINING RESEARCH CORPORATION

Summary of Diamond Drilling

October, 1953

Hole No.	Depth	Date Drilled	Predominant Material	U_3O_8 Mineralized
D-19	31.0'	Oct. 1	SS w/spotty limonite	No
D-20	43.5'	Oct. 7	SS w/spotty limonite	No
D-21	42.5'	Oct. 9	SS w/spotty limonite	Yes
D-22	43.0'	Oct. 10	SS w/spotty limonite	Yes
D-23	45.0'	Oct. 12	SS w/spotty limonite	No
D-24	40.0'	Oct. 24	SS w/spotty limonite	No
	245.0'			

6 holes drilled
245' total depth
40.8' average depth
33 1/3% of holes drilled mineralized

Form MF-104 (Rev.)
(April 1953)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 - 1953

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

Month of September, 1953 Docket No. DMEA 2768 Contract No. Idm.E-520
Operator's Name Mining Research Corporation Minerals Uranium
Address P. O. Box 356, Edgemont, South Dakota (Field Office)
Contract Amount, $ 52,873.00 Government Participation: 90 % Amount, $ 47,585.70

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 Core	None	1,424.10	1,424.10	0	1,424.10	1,424.10
~~[illegible]~~ Wagon ~~[illegible]~~ 713'0.87	620.31	5,344.41	5,964.72	620.31	5,344.41	5,964.72
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	620.31	6,768.51	7,388.82	620.31	6,768.51	7,388.82

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

Date Nov. 4, 1953 *Payee MINING RESEARCH CORPORATION

Per J. Sterling Livingston Title Vice Pres. & Treasurer

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

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

(Instructions on reverse)

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

$ 558.28 HG

Signature L. A. Hill
(Authorized Certifying Officer)

Date NOV 25 1953 Vou. No. 14
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E-520 in accordance with the terms of the contract.

Signature E B Bunyan Title Mining Engineer Date November 16, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature E B Needham Title Ex. M Date 11/23/53

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 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

14

NOV 2 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1953 Docket No. DMEA 2768 Contract No. Idm. E-520
Operator's Name Mining Research Corporation Minerals Uranium
Address P. O. Box 356, Edgemont, South Dakota (Field Office)

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	ft.	0	0	2,547.73	470	5.42		3.03
~~Churn~~ Wagon	ft.	3,108.33	713	14,898.85	6,856	2.17		.87
Auger								
~~Stripping~~ Authorized by Contract:								
~~Trenching~~ Core	ft.	0	0	1,424.10	470	3.03	1595*	3.03
~~Test Pits~~ Wagon	ft.	620.31	713	5,964.72	6,856	.87	14770*	.87
Roads and Trails							3000**	3.03
							30000**	.87
TOTAL DISTRIBUTED COSTS		620.31	0 713	7,388.82	*Phase I **Phase II			TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		620.31		7,388.82				52,873.00

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. 4, 1953 Operator MINING RESEARCH CORPORATION

Per J. Sterling Livingston Title Vice Pres. & Treas.

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.

REMARKS: Costs for September are based on actual experienced costs for the month. See attached summary of costs.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

14

P. O. Box 356
Edgemont, South Dakota

RECEIVED
NOV 13 1953
Dept. of Interior
Bureau of Mines
Rapid City,
South Dakota

November 4, 1953

Defense Minerals Exploration Administration
U. S. Department of the Interior
Washington 25, D. C.

Via: Rapid City Field Office
School of Mines Campus
Rapid City, South Dakota

Attention: Mr. E. O. Binyon

Gentlemen:

Re: Progress Reports, Sept. and Oct., 1953
DMEA Contract No. 2768-Idm. E-520

Enclosed you will find six copies of our monthly progress report and unit cost summary statement for September, 1953, and October, 1953, under DMEA Contract No. 2768-Idm. E-520. The enclosed report includes the following statements for September: (1) Operator's Monthly Report and Voucher, (2) Operator's Unit Cost and Progress Report, (3) Narrative Report; the following statements for October: (1) Operator's Monthly Report and Voucher, (2) Operator's Unit Cost and Progress Report, (3) Narrative Report. Enclosed also is a progress sketch for both September and October.

Sincerely,

J. Sterling Livingston

J. Sterling Livingston
Vice President and Treasurer

JSL:bll
Enclosures

MINING RESEARCH CORPORATION

COST SUMMARY
(DMEA Form MF-104A)

September, 1953

Costs Applicable to the Over-all Project		
Labor and Supervision	$1,080.80	
Operating Materials and Supplies	954.57	
Operating Equipment	148.50	
Miscellaneous Expenses	155.94	
Total, Over-all Costs		$2,339.81
Costs Applicable to Wagon Drilling		
Labor	$ 151.91	
Operating Materials and Supplies	431.69	
Operating Equipment	170.00	
Miscellaneous Expenses	14.92	
Total, Directly Applicable		768.52
Total Costs		$3,108.33

MINING RESEARCH CORPORATION

Narrative Report

September, 1953

Due to mechanical troubles with the drill-rig and the manufactur's long delay in sending and installing new parts, only eleven holes were drilled in the period of Sept 1 to 30 inclusive. These holes were located in one line 300 feet to the South from holes 427 to 435, for the purpose of detecting any possible extension in that direction of the mineralization found in hole 429. The results were negative, both with the probe and with the scintillometer checking drill cuttings. No higher than "Trace" readings were obtained.

Hole No.	Coordinates North	Coordinates East	Elev.	Predominant Material	Ore Zones	Probe Kicks (All Weak)	Shale Beds	Shale Bed	End
534	18686	20241		Buff to Brown SS	None	43'	25-37,59		62
535	18658	20200		White SS & Brown SS	None	42,43	43-47		62
536	18630	20159		Brown & White SS Red & White below 58'	None	35,36 None	33-36 50-54		70
537	18602	20118		Brown S S	None	43	44-48 54-60		75
538	18574	20077		Brown SS	None	40,41	52-54 58-60		68
539	18714	20282		White SS, Some Brown	None	36,44,47			66
540	18742	20323		Buff to Lt.Grey SS	None	40-47	38-44 46-50	44-46 60-62	64
541	18770	20364		Limonitic&Brown SS	None	44-48	58-64 74-82 86-88	82-84	88
542	18798	20406		Limonitic SS & Buff SS	None	42-48	42-54		58
543	18826	20447		Buff SS	None	40-50	40-46 48-50	54-58	60
544	18854	20488		Brown SS	None	None	36-40		40

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

Department of the Interior
Defense Minerals Administration
RECEIVED
OCT 16 1953
BUREAU OF MINES

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

10

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1953 Docket No. DMEA 2768 Contract No. [illegible]

Operator's Name Mining Research Corporation Minerals Uranium

Address P. O. Box 356, Edgemont, South Dakota (Field Office)

Contract Amount, $ 52,873.00 Government Participation: 90 % Amount, $ 47,585.70

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 Core 204.03	663.57	760.53	1,424.10	663.57	760.53	1,424.10
Wagon Drilling 2,302.87	2,002.74	3,341.67	5,344.41	2002.74	3341.67	5,344.41
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	2,666.31	4,102.20	6,768.51	2,666.31	4,102.20	6,768.51

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

Date Sept. 19, 1953 Payee Mining Research Corporation

Per J. Sterling Livingston Title Vice President & Treas.

*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:

$ 2399.68 AG

Signature L. A. Fee
(Authorized Certifying Officer)

Date OCT - 7 1953 Vou. No. 10
(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. 2768 in accordance with the terms of the contract.

Signature E O Bunyon Title Mining Engineer Date September 25, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature R B Meadham Title Ex Off Date 10/5/53

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 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 16 1953
BUREAU OF MINES
RAPID CITY, S. D.

10

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

Month of August 1953 Docket No. DMEA 2768 Contract No. Idm.E-520
Operator's Name Mining Research Corporation Minerals Uranium
Address P. O. Box 356, Edgemont, South Dakota (Field Office)

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	ft.	829.73	219	2,547.73	470	5.42		3.03
Rotary Wagon	ft.	3,437.51	2,302	11,790.52	6,143	1.92		.87
Auger								
Summary Authorized by Contract:								
Terminal Core Drilling	ft.	663.57	219	1,424.10	470	3.03	1595*	3.03
Terminal Wagon Drilling	ft.	2,002.74	2,302	5,344.41	6,143	.87	14770*	.87
Roads and Trails							3000**	3.03
							30000**	.87
TOTAL DISTRIBUTED COSTS		2,666.31	219 2,302	6,768.51	* Phase I ** Phase II			TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,666.31		6,768.51				$52,873.00

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 September 19, 1953 Operator Mining Research Corporation

Per J. Sterling Livingston Title Vice President & Treas.

REMARKS: Costs for June and July have been revised on the basis of actual experienced costs for those months. Costs for August are estimated in part and will be revised when actual costs are known. See attached summary.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Uranium

10

P. O. Box 356
Edgemont, South Dakota

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 19 1953

September 18, 1953

Defense Minerals Exploration Administration
U. S. Department of the Interior
Washington 25, D. C.

Via: Rapid City Field Office
School of Mines Campus
Rapid City, South Dakota

Attention: Mr. E. G. Binyon

Gentlemen:

Re: Progress Report, August, 1953
DMEA Contract No. 2768-Idm.E-520

Enclosed you will find six copies of our monthly progress report and unit cost summary statement for August, 1953, under DMEA Contract No. 2768-Idm.E-520. The enclosed report includes the following: (1) Operator's Monthly Report and Voucher, (2) Operator's Unit Cost and Progress Report, (3) Narrative Report, (4) Progress Sketch, (5) Summary of Wagon Drilling in August, and (6) Summary of Diamond Drilling in August.

Although a summary of diamond drilling for the month is enclosed, our diamond drill cores have not been thoroughly analyzed to date, and therefore, we have not yet submitted a summary of diamond drilling results. We hope to have this summary ready for submission with our next report.

It would greatly assist us in the preparation of our monthly progress reports if you would send us 25 copies of Forms MF-104 and MF-104A.

Sincerely,

J. Sterling Livingston

J. Sterling Livingston
Vice President and Treasurer

JSL:bll
Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 16 1953

MINING RESEARCH CORPORATION

COST SUMMARY
(DMEA Form MF-104A)

June, July, and August, 1953

	June*	July*	August**	Total to Date
Costs Applicable to the Over-all Project				
Labor & Supervision	$1,476.25	$1,096.25	$ 905.30	
Operating Materials & Supplies	1,039.12	1,557.44	1,298.28	
Operating Equipment	148.50	148.50	148.50	
Miscellaneous Expenses	272.50	555.98	214.82	
Total, Over-all	$2,936.37	$3,358.17	$2,566.90	$8,861.44
Costs Applicable to Diamond Drilling				
Labor	$ 127.52	$ 268.79	$ 196.55	
Operating Materials & Supplies	23.20	57.50	40.35	
Operating Equipment	30.00	60.00	60.00	
Miscellaneous Expenses	12.50	26.40	19.30	
Total Directly Applicable	$ 193.22	$ 412.69	$ 316.35	
Over-all Costs Allocable to Diamond Drilling	440.46(15%)	671.63(20%)	513.38(20%)	
Total, Diamond Drilling	$ 633.68	$1,084.32	$ 829.73	$2,547.73
Costs Applicable to Wagon Drilling				
Labor	$ 595.26	$ 692.69	$ 460.22	
Operating Materials & Supplies	790.63	626.50	708.57	
Operating Equipment	170.00	170.00	170.00	
Miscellaneous Expenses	58.44	67.04	45.20	
Total Directly Applicable	$1,614.33	$1,556.23	$1,383.99	
Over-all Costs Allocable to Wagon Drilling	2,495.91(85%)	2,686.54(80%)	2,053.52(80%)	
Total, Wagon Drilling	$4,110.24	$4,242.77	$3,437.51	$11,790.52

* Actual Costs.
** Partially estimated costs; to be revised.

MINING RESEARCH CORPORATION

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Narrative Report

August, 1953

During the month of August exploratory drilling under DMEA Docket No. 2768, Contract No. Idm. E-520, was continued. Two thousand, three hundred and two feet of wagon drilling and 219 feet of diamond drilling were completed during the month. Although the wagon drill had been overhauled during the previous month, it consistently overheated, and drilling had to be discontinued on August 21; as soon as a new radiator is obtained for the compressor, drilling will be resumed.

The most significant development during the month was the verification by the Atomic Energy Commission that primary uraninite ore had been discovered in diamond drill holes #10 and #11, which were drilled during July.

The enclosed revised progress sketch indicates the holes drilled during the month of August. Holes #472 - #473 were intended to check showings in hole #397; holes #474 - #478 were to search for the possible eastward extension of ore shown in holes #436 and #437. Holes #479 to #485 were drilled outside the DMEA area and are <u>not</u> included in the summary of wagon drilling (Schedule A). The holes are spotted on the progress sketch, however. Holes #486 and $487 were intended to check showings in holes #456 and #457. Holes #488 - #497 were drilled to fill in the area between the ore showing in hole #395 and the north boundary of Area I.

Holes #511 - #518 were drilled to explore for the continuation of the showings below the rim of Deadhorse Canyon. Holes #520 - #528 were intended to explore the area around DD #10 and DD #11, where primary ore is believed to have been found. Holes #529 - #531 were placed to start another row of holes closer to the Deadhorse anomaly.

Ore of commercial grade was found in 6 of the 53 wagon drill holes, and mineralization of .02 or better was found in 13 additional holes. Six feet of ore averaging .08% U_3O_8 was discovered in drill hole #513, suggesting the possibility of a new ore zone in that area. The diamond drill cores for August have not as yet been logged or assayed.

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

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

Wash

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

Month of July, 1953 Docket No. DMEA 2768 Contract No. Idm E-520
Operator's Name Mining Research Corporation Minerals Uranium
Address P. O. Box 356, Edgemont, South Dakota (Field Office)
Contract Amount, $ 52,873.00 Government Participation: 90% Amount, $47,585.70

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 Core 204' @ $3.03	618.12	142.41	760.53	618.12	142.41	760.53
Bulldozing						
Crosscutting						
Wagon Drilling 2215' @ $.87	1,927.05	1,414.62	3,341.67	1,927.05	1,414.62	3,341.67
(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	2,545.17	1,557.03	4,102.20	2,545.17	1,557.03	4,102.20

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

Date August 12, 1953 Payee Mining Research Corporation

Per J. Sterling Livingston Title Vice President & Treasurer

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

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

(Instructions on reverse)

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

$ 2290.65 AG

Signature L. A. Hee
(Authorized Certifying Officer)

Date SEP 16 1953 Vou. No. 7
(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. [illegible] in accordance with the terms of the contract.

Signature E. O. Benson Title Mining Engineer Date August 21, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Ex Off Date 9/16/53

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 83-3847-6

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

7

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 195 3 Docket No. DMEA 2768 Contract No. Idm. D-520
Operator's Name Mining Research Corporation Minerals Uranium
Address P. O. Box 356, Edgemont, South Dakota (Field Office)

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	ft.	893.36	204	1,492.64	251	5.95		3.03
Wagon	ft.	3,752.79	2,215	7,764.23	3,841	2.02		.87
Auger								
Authorized by contract:								
Core Drilling	ft.	618.12	204	760.53	251	3.03	1595*	3.03
Wagon Drilling	ft.	1,927.05	2,215	3,341.67	3,841	.87	14770*	.87
Roads and Trails							3000**	3.03
							30000**	.87
TOTAL DISTRIBUTED COSTS		2,545.17	204 2,215	4,102.20	* Phase 1 ** Phase 2			TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,545.17		4,102.20				52,873.00

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

Date August 12, 1953 Operator Mining Research Corporation

Per J. Sterling Livingston Title Vice President & Treas.

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.

REMARKS: As explained in the previous report, the contractor is unable to accumulate costs accurately on a monthly basis. Accordingly, costs for both June and July are based in part on previously experienced costs. As soon as sufficient costs are accumulated to insure a more accurate report, the cost report will be revised. See attached summary.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

MINING RESEARCH CORPORATION

COST SUMMARY - JULY, 1953
(IMEA Form MF-104A)

Costs Applicable to the Over-all Project

		Month of July
Labor and Supervision		
Field Supervisor and Geologist (C.W.L.) ¼ @ $1,200	$300.00	
Engineer and Surveyor (H.O.D.) @ $400	400.00	
Analyst (T.H.) ¼ @ $385	96.25	
Service and Repairman (D.A.) ¼ @ $400	100.00	
Accounting (Allocated)	100.00	
Secretarial (Allocated)	100.00	
Total Labor and Supervision		$1,096.25

Operating Materials and Supplies

Note: Since an inventory of materials and supplies is not taken at the end of each month and statements for July on all deliveries have not yet been received, these figures are based in part on average monthly costs previously experienced. Approximately half of the company's efforts are devoted to IMEA exploration work; therefore, the following costs represent approximately 50% of the average monthly costs in the classifications which are applicable to exploration, unless otherwise indicated.

Gasolene, Oil, Fuel (50% of actual)	$618.15	
Freight-in	37.50	
Camp Supplies	100.00	
Office Supplies and Postage	62.50	
Surveying & Sampling Supplies (June-July average)	38.48	
Misc. Hardware and Supplies (10%)	30.00	
Truck and Automobile Expense	37.50	
Repairs to Automotive Equipment	35.50	
Laboratory Supplies	20.00	
Total Operating Materials and Supplies		979.63

Operating Equipment

Use Allowance per Application		148.50

Miscellaneous Expenses

Office Rent (50%)	$ 55.00	
Insurance (50%)	50.00	

			Month of July
Telephone and Telegraph		$ 75.00	
Pay Roll Taxes on Over-all Labor and Supervision (FICA .015; FUTA .027; SDUC .030; total .072)		78.93	
Workmen's Compensation (Average rate .95 per $100)		7.56	
Total Miscellaneous Expenses			$ 266.49
Total Costs Applicable to the Over-all Project			$2,490.87

Costs Applicable to Diamond Drilling

Note: Diamond drill operated only 10 days during July. The following allocated costs, therefore, represent only one-third of average monthly costs experienced for diamond drilling.

Labor			
Drill Operator (D.A.) 7 days @ $16.67	$116.69		
Drill Helper and Truck Driver (R.M.) 10 days @ $15.21	152.10		
Total Labor		$268.79	
Operating Materials and Supplies			
Diamond Drill Supplies (1/3 of 5-month average)		40.00	
Operating Equipment			
One-third of Allowance per Application		60.00	
Miscellaneous			
Pay Roll Taxes (.072 x 268.79)	$ 19.35		
Workmen's Compensation (2.62 per $100)	7.05		
Total Miscellaneous		26.40	
Total Costs Directly Applicable to Diamond Drilling			$ 395.19
Over-all Costs Allocable to Diamond Drilling Diamond drilling accounted for approximately 20% of the total days of drilling time. Accordingly, 20% of the over-all costs of DMEA work are allocated to diamond drilling (20% of $2,490.87)			498.17
Total Costs Applicable to Diamond Drilling			$ 893.36

Mining Research Corporation
Cost Summary - July, 1953

			Month of July
Costs Applicable to Wagon Drilling			
Labor			
Drill Operator (F.G.)	$357.74		
Drill Helper (R.L.)	334.95		
Total Labor		$692.69	
Operating Materials and Supplies			
Rock Drill Supplies (6-month average)		541.90	
Operating Equipment			
Use Allowance per Application		170.00	
Repair Parts and Expenses (July actual)		288.46	
Miscellaneous			
Pay Roll Taxes (.072 x 692.69)	$ 48.89		
Workmen's Compensation (2.62 per $100)	18.15		
Total Miscellaneous		67.04	
Total Costs Directly Applicable to Wagon Drilling			$1,760.09
Over-all Costs Allocable to Wagon Drilling Wagon drilling accounted for approximately 80% of the total days of drilling time. Accordingly, 80% of the over-all costs of DMEA work are allocated to wagon drilling (80% of $2,490.87)			1,992.70
Total Costs Applicable to Wagon Drilling			$3,752.79

one on McKnight No. 3 at the northeast end of our drilling pattern, and the second on McKnight No. 2 near the southwest end of our drilling pattern. Holes #436, #446, #457, and #468 on the northeast end of the pattern were mineralized, as were holes #441, #442, #462, and #465 on the southwest end of the pattern. Detailed logs and assays of these holes will be submitted subsequently.

Although drilling costs are still excessive, operations during July showed considerable improvement over June. The per-foot cost of diamond drilling, which during June was $12.75, was decreased to $4.37 per foot during July, making the unit cost to date $5.95 per foot. Wagon drill costs, which were $2.46 per foot during June, were reduced to $1.70 per foot during July, making the unit cost to date $2.02 per foot. The high costs to date are largely due to (1) the need for overhaul of our wagon drill and (2) the caving ground in the drilling area. The 210 compressor was completely overhauled, and a new drill was installed during the month. The drill is now in excellent operating condition and high drilling rates are now being achieved. Accordingly, drilling costs in the future should be considerably lower. Caving ground, however, is expected to continue to interfere with drilling operations. Because of caving ground, two days were spent during the month recovering drill steel. It should be observed, however, that troublesome caving is often encountered in areas showing the best mineralization. Steel was stuck in hole #407 during June, for example, and the hole had to be abandoned. Hole #436 was drilled along side #407 during July, and the hole was found to contain 6 feet of mineralization.

Form ~~MR-104~~ (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Minerals
RECEIVED
JUL 31 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1953 Docket No. DMEA 2768 Contract No. Idm E-520
Operator's Name Mining Research Corporation Minerals Uranium
Address P. O. Box 356, Edgemont, South Dakota, (Field Office)
Contract Amount, $52,873.00 Government Participation: 90 % Amount, $47,585.70

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 Core 47' @ $3.03	142.41	0	142.41	142.41	-	142.41
Bulldozing						
Crosscutting						
~~Drifting~~ 1626' @ $ .87 Wagon Drilling	1414.62	0	1414.62	1414.62	-	1414.62
(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	1,557.03		1,557.03	1,557.03	-	1,557.03

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

Date July 7, 1953 *Payee Mining Research Corp.

Per Clayton W. Simpson Title President

*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:

$ 1401.33

Signature L. A. Hill
(Authorized Certifying Officer)

Date JUL 27 1953 Vou. No.

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E-520 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engineer Date July 16, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Ex Off Date 7/22/53

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.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-1[illegible]
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 3 1 1953
2

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

Month of June 1953 Docket No. DMEA 2768 Contract No. Idm E-520
Operator's Name Mining Research Corporation Minerals Uranium
Address P. O. Box 356, Edgemont, South Dakota (Field Office)

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	ft	599.28	47	599.28	47	12.75		$3.03
[illegible] Wagon	ft	4,011.44	1626	4,011.44	1626	2.467		$0.87
Auger								
[illegible] Core drilling	ft	142.41	47	142.41	47	3.03	1595*	3.03
[illegible] Wagon	ft	1414.62	1426	1,414.62	1626	.87	14770*	.87
Test Pits							3000**	3.03
Roads and Trails							30000 *	387
TOTAL DISTRIBUTED COSTS		1557.03	47 1626	1557.03				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		-	-					-
Initial Rehabilitation and Repairs		-	-					-
New Buildings, Improvements, etc.		-	-					-
TOTAL COSTS		1557.03	1557.03	1557.03				52,873.00

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, subject to the limitations explained under Remarks.

Date July 3, 1953 Operator MINING RESEARCH CORPORATION

Per J. Sterling Livingston Title Treasurer

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

(Instructions on reverse)

REMARKS: This report is the first submitted by the contractor. Since the contractor is unable to accumulate all costs accurately on a monthly basis, this report is based in part on average monthly costs previously experienced. Necessary adjustments will be made in subsequent reports. See attached summary.

*Phase 1 **Phase 2

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

MINING RESEARCH CORPORATION

Narrative Report

July, 1953

Exploratory drilling under DMEA contract No. 2768-Idm.E-520 was continued during July on the plan outlined in our initial report submitted last month. Holes #426 to #435 inclusive were drilled in Area III. The results were not encouraging. Since no mineralization near commercial grade was discovered in these holes, the wagon drill was moved back into Area I to fill in the pattern previously established in that area. During the month wagon drill holes #436 to #471 inclusive were drilled. During July, 46 wagon drill holes, totalling 2,215 feet, were drilled. In addition, 4 diamond drill holes, totalling 204 feet, were core drilled in Area I. The diamond drill holes were placed in sections of Area I where commercial grade mineralization had been discovered as a result of wagon drilling. All diamond drill cores contained some mineralization. A table summarizing the wagon drilling is attached.

Of the 50 holes drilled during July, 33 showed some uranium and 6 showed uranium of commercial grade, varying in thickness from 2 to 6 feet. A number of holes have not yet been probed because the probe had to be returned to the factory for repairs. Although scintillometer assays have been run on all drill cuttings, flourometric assays have not yet been completed.

The attached progress sketch indicates the holes which have been drilled to date. As a result of this drilling, two areas in Area I containing mineralization of commercial grade appear to have been discovered,

one on McKnight No. 3 at the northeast end of our drilling pattern, and the second on McKnight No. 2 near the southwest end of our drilling pattern. Holes #436, #446, #457, and #468 on the northeast end of the pattern were mineralized, as were holes #441, #442, #462, and #465 on the southwest end of the pattern. Detailed logs and assays of these holes will be submitted subsequently.

Although drilling costs are still excessive, operations during July showed considerable improvement over June. The per-foot cost of diamond drilling, which during June was $12.75, was decreased to $4.37 per foot during July, making the unit cost to date $5.95 per foot. Wagon drill costs, which were $2.46 per foot during June, were reduced to $1.70 per foot during July, making the unit cost to date $2.02 per foot. The high costs to date are largely due to (1) the need for overhaul of our wagon drill and (2) the caving ground in the drilling area. The 210 compressor was completely overhauled, and a new drill was installed during the month. The drill is now in excellent operating condition and high drilling rates are now being achieved. Accordingly, drilling costs in the future should be considerably lower. Caving ground, however, is expected to continue to interfere with drilling operations. Because of caving ground, two days were spent during the month recovering drill steel. It should be observed, however, that troublesome caving is often encountered in areas showing the best mineralization. Steel was stuck in hole #407 during June, for example, and the hole had to be abandoned. Hole #436 was drilled along side #407 during July, and the hole was found to contain 6 feet of mineralization.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

RECEIVED JUL 31 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1953 Docket No. DMEA 2768 Contract No. Idm E-520
Operator's Name Mining Research Corporation Minerals Uranium
Address P. O. Box 356, Edgemont, South Dakota, (Field Office)
Contract Amount, $52,873.00 Government Participation: 90 % Amount, $47,585.70

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 Core 47' @ $3.03	142.41	0	142.41	142.41	-	142.41
Bulldozing						
Crosscutting						
~~Drifting~~ 1626' @ $ .87 Wagon Drilling	1414.62	0	1414.62	1414.62	-	1414.62
(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	1,557.03		1,557.03	1,557.03	-	1,557.03

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

Date July 7, 1953 *Payee Mining Research Corp.

Per Clayton W. Simmons Title President

*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:

$ 1401.33

Signature L. A. Hill
(Authorized Certifying Officer)

Date JUL 27 1953 Vou. No.

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E-520 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engineer Date July 16, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Ex [illegible] Date 7/30/53

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.

U. S. GOVERNMENT PRINTING OFFICE 205675

MINING RESEARCH CORPORATION

COST SUMMARY - JUNE, 1953*
(DMEA Form MF-104A)

Costs Applicable to the Over-all Project

		Month of June
Labor and Supervision		
Field Supervisor and Geologist (C.W.L.) ½ @ $1,200	$600.00	
Engineer and Surveyor (H.O.D.) @ $400	400.00	
Sampler and Helper (C.J.) ¼ @ $320	80.00	
Analyst (T.H.) ¼ @ $385	96.25	
Service and Repairman (D.A.) ¼ @ $400	100.00	
Accounting (Allocated)	100.00	
Secretarial (Allocated)	100.00	
Total Labor and Supervision		$1,476.25
Operating Materials and Supplies		
Gasolene, Oil, Fuel	$411.00	
Freight-in	37.50	
Camp Supplies	100.00	
Office Supplies and Postage	62.50	
Surveying and Sampling Supplies (100%)	30.00	
Misc. Hardware and Supplies (25%)	75.00	
Truck and Automobile Expense	37.50	
Repairs to Automotive Equipment	35.50	
Laboratory Supplies	20.00	
Total Operating Materials and Supplies		809.00
Operating Equipment		
Use Allowance per Application		148.50

Note: Since an inventory of materials and supplies was not taken at the end of May and statements for June on all deliveries have not yet been received, these figures are based on average monthly costs previously experienced. Approximately half of the company's efforts are devoted to DMEA exploration work; therefore, the following costs represent approximately 50% of the average monthly costs in the classifications which are applicable to exploration, unless otherwise indicated.

*Although exploratory drilling was started on May 27, 1953, drilling was not performed during a three-day period in June. Since the cost of the four days of drilling in May more than offset the three days in which work was not performed during June, this summary substantially reflects the accumulated costs as of June 30, 1953.

			Month of June
Miscellaneous Expenses			
Office Rent (50%)		$ 55.00	
Insurance (50%)		50.00	
Telephone and Telegraph		75.00	
Pay Roll Taxes on Over-all Labor and Supervision (FICA .015; FUTA .027; SDUC .030; total, .072)		106.29	
Workmen's Compensation (Average rate, .95 per $100)		8.22	
Total Miscellaneous Expenses			$ 294.51
Total Costs Applicable to the Over-all Project			$2,728.26

Costs Applicable to Diamond Drilling

Note: Diamond drill operated only 4 days during June because of various operating problems. The following costs, therefore, represent only one-sixth of average monthly costs experienced for diamond drilling.

Labor			
Drill Operator (D.A.) 4 days @ $16.67	$66.68		
Drill Helper and Truck Driver (R.M.) 4 days @ $15.21	60.84		
Total Labor		$127.52	
Operating Materials and Supplies			
Diamond Drill Supplies (1/6 of 4-month average)		20.00	
Operating Equipment			
One-sixth of Allowance per Application		30.00	
Miscellaneous			
Pay Roll Taxes (.072 x 127.52)	$ 9.18		
Workmen's Compensation (2.62 per $100)	3.34		
Total Miscellaneous		12.52	
Total Costs Directly Applicable to Diamond Drilling			$ 190.04

Over-all Costs Allocable to Diamond Drilling

Diamond drilling accounted for approximately 15% of the total days of drilling time. Accordingly, 15% of the over-all costs of DMEA work are allocated to diamond drilling (15% of $2,728.26) 409.24

Total Costs Applicable to Diamond Drilling $ 599.28

Costs Applicable to Wagon Drilling			Month of June
Labor			
Drill Operator (F.G.)	$305.25		
Drill Helper (R.L.)	290.01		
Total Labor		$595.26	
Operating Materials and Supplies			
Rock Drill Supplies (4-month average)		669.75	
Operating Equipment			
Use Allowance per Application		170.00	
Repair Parts		198.97	
Miscellaneous			
Pay Roll Taxes (.072 x 595.26)	$ 42.85		
Workmen's Compensation (2.62 per $100)	15.59		
Total Miscellaneous		58.44	
Total Costs Directly Applicable to Wagon Drilling			$1,692.42
Over-all Costs Allocable to Wagon Drilling Wagon drilling accounted for approximately 85% of the total days of drilling time. Accordingly, 85% of the over-all costs of DMEA work are allocated to wagon drilling (85% of $2,728.26)			2,319.02
Total Costs Applicable to Wagon Drilling			$4,011.44

NARRATIVE

Exploration work under DMEA Contract No. 2768 was begun on May 27, 1953, with Hole #390, using a Gardner-Denver Model 70 Wagon Drill and 210 Compressor mounted on an Army "Half-Track" truck.

Location of holes was on a skip-pattern based upon the results of drilling over 200 holes on the property adjoining on the North, the area covered by this contract. The immediate objective is to determine the limits of the ore bearing zone or zones, and to get information as to structure. When this has been accomplished, it is planned to fill in the 50 ft x 100 ft pattern in the spots found most favorable.

Previous work suggests that ore zones exist striking approximately S35°E. To check this supposition the drilling was laid out in parallel lines at right angles to that strike. The first of these lines was started near the northern boundary of the contract area and 300 ft southeasterly from a line of holes previously drilled, and run westerly 600 ft. An attempt was made to get each hole down to the dark grey or black shale bed from 40 to 60 ft below the surface, which seems to form a basement for the ore deposits in the vicinity.

After getting 600 ft West on the first line, wet ground made drilling difficult so the drill was moved to a second line, parallel to the first and 300 ft Southerly from it; and later to a third parallel line 300 ft Southerly from the second.

Results on the third line indicated little mineralization there, so the drill was moved to a line 1100 ft Southerly and started near the West rim of Deadhorse Canyon at a point below which there is a showing of carnotite and a radiometric anamoly extending 50 yards or so along the wall.

Four holes on this line brought the drill to the East side of a branch canyon, and it was then moved to the West side and continual work along the same line.

Holes are started with a 3" bit run down about 3 ft; next a short section of 2½" steel pipe, stamped with the hole number, is set in the hole to prevent surface caving and to provide a connection to the dust collector. Then drilling is resumed with a 2 3/8" cross-bit having Tungsten Carbide inserts. Holes are drilled dry and the cuttings caught in a steel collector. The drill is stopped every 2 ft of hole and the cuttings are put in a sack and labelled. Later each sack is checked before a scintillometer and those indicating a possible uranium content of .05% U_3O_8 are sent in to the laboratory for flourometric assay. When finished, the holes are probed with a Geiger counter as a check. The driller's log is copied on an office form showing also the Geiger log and results of assays, when made. Pulps assaying .10% or moreare stored for future reference.

When a crew became available a Joy No. 7 Diamond Drill with AX bit was used to check the possible extension in the line of strike of our ore zone found in Wagon Drill Hole #405. This hole designated DDH#10 was located 100 ft N 34°-15' W from #405 with collar at Elev. 4044.7. Caving trouble developed and the hole had to be cased to a depth of 19 ft. The basal shale was reached at a depth of 46 ft. The material penetrated was medium grained, yellow, clay cemented sandstone, with carnotite visible only in a 2" seam from 44'-7" to 44'-9". The probe gave no response in this hole.

Drilling results in June were unsatisfactory, both in amount of ore shown up and particularly in the costs. The latter resulted largely from

overheating of the 210 Air Compressor, with much down time and servicing labor, and the use of a second compressor in order to enable any drilling to be done at all. Further wagon drilling will be suspended until the Gardner-Denver people can overhaul that compressor.

The results of the wagon drilling are summarized below:

Hole No.	Coordinates E.	Coordinates N.	Collar Elev.	Predominant Material	Ore Zones	Probe Slight	Hole	End
390	22022	20620	44[illegible]	Lt. Brown & Buff S.S.			55	56
391	21966	20624	37	Lt. Brown & Buff S.S.			53	54
392	21909	20531	56	Buff & White S.S.		49'	49	50
393	21853	20440	55	White S.S.		Slight 45'-50'	53	56
394	21796	20366	50	White S.S. (Shiny)	(22'-28')?	Slight 20'-50'	52	54
395	21746	20324	46	White S.S. & Grey Shale	26'-32'	25'-36'	46	52
396	21580	20395	32	Abandoned at 16' Steel stuck.				16
397	21577	20376	35	Shiny S.S.	(20'-30')?	26'-34'	42	44
398	21632	20460	37	White S.S.		Slight 20'-30'	30	40
399	21688	20544	37	White S.S. [illegible]	(22'-28')?	20'-28'	37	38
400	21544	20414	28	Lt. Brown & White S.S. & Shale		Slight 40'	40	44
401	21489	20322	30	White to Pink S.S.		Slight 37'	37	40
402	21437	20330	26	Lt. Brown & White S.S.		Slight 41'	41	44
403	21350	20240	29	Lt. Brown & Buff S.S.	(26'-40')?	26'-39'	46	40
404	21294	20241	36	White & Buff S.S.			56	58
405	21244	20225	39	White & Buff & Lt. Brown S.S.	26'-34'	24'-42'	43?	44
406	21200	20206	39	White & Buff S.S.				45
407	21771	20266	39	Abandoned at 18' Steel stuck				18
408	21711	20243	41	Grey & Buff S.S.		Slight 29'	41	42
409	21524	21030	35	Abandoned at 14' Steel stuck				14
410	21463	20954	38	Buff S.S.		Slight 46'	49	52
411	21412	20979	29	Yellow & White S.S.			44	46
412	21356	20789	25	Lt. Brown & Buff S.S.			39	40
413	21299	20705	19	Lt. Brown S.S. (Caving)			?	38
414	21249	20623	25	Shiny S.S. Lt. Brown			34	38

The results of the auger drilling are summarised below: (continued)

Hole No.	Coordinates N.	Coordinates E.	Collar Elev.	Predominant Material	Ore Zones	Probe Kicks	Shale	End
415	21186	20541	14	Limy White S.S.		Slight 25'-28'	39	41
416	21130	20458	22	Limy White S.S.			45	48
417	21238	20082	4040	Interbedded S.S.&Shale				58
418	20192	21043		Buff & White S.S.		Slight 44'	48	50
419	20106	20908	4993	White & Limy S.S.			53	60
420	20050	20825	4003	White & Limy S.S.			57	60
421	19994	20742	4000	White & Limy S.S.			59	60
422	19713	20320		White to Yellowish S.S. (Caving)				25
423	19656	20245		Grey Shale & White S.S.			40	46
424	19600	20163		Interbedded Shale & S.S.			48	54
425	19544	20080		Limonitic S.S.			48	52
								1426

JUN 2 4 1965

Mining Research Corporation
c/o Clinton W. Livingston
Aerodynamics, Inc.
Georgetown, Colorado

Re: DMEA-2746 (Uranium)
Mining Research Corporation
Lion Group of Claims, et al.
Fall River County, South Dakota
Contract Idm-8520

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated February 13, 1957, all minerals mined or produced from May 14, 1953, to May 14, 1965, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records 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 contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Punich, Jr.

Acting Director

GCSelfridge/mm (6/23/65)

cc: Director's Reading File
Region III w/cys of 5 incoming 63's
✓CA&A Division
Docket
Mr. Selfridge
120M

Copies to: T. A. Boyden
Paul H. Russell
Edna McKnight
J. L. Barber
Mr. & Mrs. Roy Chamberlain
Carl V. & Robert E. Gull

Contract Adm.& Audit Di

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Mining Research Corporation
4215 Balsam Street
Wheatridge, Colorado

Pursuant to the provisions of Exploration Project Contract No. Idm-E520, dated May 14, 1953, (Docket No. DMEA-2768), hereinafter called the "contract," between the Mining Research Corporation, a Delaware corporation, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

Widespread surface drilling in the McKnight, Lion, and Sheep Canyon areas described in the contract intersected uranium mineralized bodies of ore grade in sedimentary rocks of Cretaceous age.

Dated: FEB 13 1957

THE UNITED STATES OF AMERICA

By C D Mitchell
Administrator, Defense Minerals
Exploration Administration

FIKnouse/gla 2-5-57
cc to: Operator (original)
Robert E. Gull
Edna McKnight
Carl V. Gull
John McKnight
James McKnight
Royce A. McElhaney
Carl V. Gull as agent for
Carl V. Gull, Earl Boner & Vernon Harriett
James L. Barker
Roy Chamberlain and Gertrude Chamberlain, The Ranger Hotel, Lusk, Wyoming
Contract Adm. & Audit Division
DMEA Field Team, Region III (2)
Finance Office
Docket
Rare and Misc. Metals Division
Admr.'s Reading File
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
F. E. Johnson
Mr. Knowse

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

Mr. Clifton W. Livingston, President
Mining Research Corporation
4215 Balsam Street
Wheatridge, Colorado

FEB 14 1957

Re: Docket No. DMEA-2768 (Uranium)
Contract No. Idm-E520
Lion Group Claims, et al.
Fall River County, South Dakota

Dear Mr. Livington:

Enclosed is a "Certification by the United States of America of a Discovery or Development Under an Exploration Project Contract." This certification covers all the land described in Article 2 of the subject contract.

By the terms of the Exploration Project Contract, as amended, and of the certification, all minerals mined or produced from May 14, 1953, to May 14, 1965, are subject to the Government's percentage royalty as set forth in the contract until the amount contributed by the Government is repaid.

Payments should continue to be made to Mr. W. M. Traver, Executive Officer, DMEA Field Team, Region III, 224 New Customhouse Building, Denver 2, Colorado. Checks should be payable to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer. Any bonus payments or allowances received by you from the sale of ore are considered to be a part of the purchase price to which the Government's royalty applies. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. Traver of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for an extended period, please notify Mr. Traver at six-month intervals that no production has been made, when that is the case.

Sincerely yours,

O. O. [illegible]

Administrator

Copies to:
Robert E. Gull
Edna McKnight
Carl V. Gull
John McKnight
James McKnight
Royce A. McElhaney
Carl V. Gull, as agent for Carl V. Gull, Earl Boner & Vernon Harriett
James L. Barker
Roy Chamberlain and Gertrude Chamberlain, The Ranger Hotel, Lusk, Wyoming

FIKnouse/gla 2-5-57
cc to: Admr.'s Reading File
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Killsgaard, Rm. 5224
Field Team, Region III (2)
Rare & Misc. Metals Division
Contract Adm. & Audit Division
F. E. Johnson
Mr. Knouse

FEB 14 1957

Roy Chamberlain and Gertrude Chamberlain
The Ranger Hotel
Lusk, Wyoming

Re: Docket No. [illegible]-2700 (Gruenhain)
Contract No. [illegible]-530
Mining Research Corporation
Lion Group Claims, et al.
Hall River County, South Dakota

Dear Sir and Madam

Enclosed is a copy of a certification of discovery or development, with copy of covering letter of even date to the operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Consent to Lien signed by you on July 1, 1955. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the operator. You are obligated during that period to permit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give adverse notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures

Fitzsimmons/gla 2-[illegible]-57
cc to: Admr.'s Reading File
Operating Committee
Frank L. Lamb, Rm. 3600
T. K. Willegerd, Rm. 5228
Dept. of Min. Metals Division
Contract Adm. & Audit Division
F. [illegible] Johnson
W. [illegible] Knowes
BLM Field Team, Region VII (2)

FEB 14 1957

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

Re: Docket No. DMEA-2768 (Uranium)
Contract No. Idm-E520
Mining Research Corporation
Lion Group Claims, et al.
Fall River County, South Dakota

Dear Mr. Traver:

Enclosed for your files are two copies each of a certification of discovery or development issued on the subject property and the covering letter to the Operator. Also enclosed are two copies of a letter to Roy Chamberlain and Gertrude Chamberlain, The Ranger Hotel, Lusk, Wyoming.

Except for the Chamberlains, we find that the addresses of the other owners have not been supplied this office. We are, therefore, attaching seven date-stamped original letters, with distribution copies, to the following:

Robert E. Gull
Edna McKnight
Carl V. Gull (* one letter)
John McKnight
James McKnight
Royce A. McElhaney
*Carl V. Gull, as agent for
Carl V. Gull, Earl Boner and
Vernon Harriett
James L. Barker

You are requested to insert the correct address in the original and all copies of each letter, forward the original to the owner, and return all copies, except those indicated for the Field Team, to this office for distribution.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures
APPROVED:

Frank D. Lamb
Member, Bureau of Mines

N. E. Nelson
Member, Geological Survey

FLKnouse/gla 2-5-57
cc to: Admr.'s Reading File
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Killsgaard, Rm. 5224
Rare & Misc. Metals Division
Contract Adm. & Audit Division
F. E. Johnson
Mr. Knouse

Mr. James L. Parker
Edgemont, South Dakota

Re: Lease No. [illegible] (Premium)
Contract No. [illegible]-1520
Rising Research Corporation
Tom Craig Clarke, et al.
Fall River County, South Dakota

Dear Mr. Parker:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter of even date to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to an unlisted lessor's consent to lien and an unlisted consent to lien signed by you. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of letter to the Operator. You are obligated herein, that neither to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

C. G. Mittendorf

Subcontractor

Enclosures

[illegible]/[illegible] 2-[illegible]-7
cc to: Atty.'s Leading File
Operating Committee
Frank L. Lamb, No. 3608
C. N. Villemarc, No. 5224
Lease & Misc. Totals Division
Contract Adm. & Audits Division
W. L. Johnson
W. Knowes
GSA Field Team, Region III (2)

Mr. [illegible] A. McIlhenny
Box 621
Igloo, South Dakota

Re: Docket No. [illegible] (Uranium)
Contract No. [illegible]
Mining Research Corporation
Ken Crump Claim, et al.
Fall River County, South Dakota

Dear Mr. McIlhenny:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter of even date to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Owner's Consents to Lien signed by you on March 1, April 30, 1951, and January 29, 1952, and an undated Consent to Lien. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of letter to the Operator. You are obligated during that period to execute no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give adverse notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

C. O. Minteer

Administrator

Enclosures

FMIsaacs/gla 2-5-57
cc to: Adm.'s Reading File
Operating Committee
Frank E. Lamb, Rm. 3001
T. L. Willingham, Rm. 5021
Ferro & Misc. Metals Division
Contract Adm. & Audit Division
T. [illegible] Johnson
Mr. Krause
DMA Field Team, Region VII (2)

FEB 14 1957

Mr. Carl E. Hull
Edgemont, South Dakota

Re: Lease No. [illegible]-2760 (Uranium)
Contract No. [illegible]-520
Mining Research Corporation
Lion Group Claims, et al.
Fall River County, South Dakota

Dear Mr. Hull:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter of even date to the Operator, which has been issued pursuant to the terms of the above-cited contract.

These correspondences relate to the three Owner's Consents to Lien and two Consents to Lien signed by you and Mr. Robert E. Hull on the following dates:

Owner's Consents to Lien
March 13, 1953
April 7, 1953
December 9, 1953

Consents to Lien
July 18, 1955
July 19, 1955

and to the Owner's Consent to Lien and Consent to Lien, dated December 9, 1953, and July 18, 1955, respectively, which you signed as agent for Robert E. Hull, Carl Bower, and Vernon Barrett.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

G. O. Hittenhorst

Administrator

Enclosures

Contract Adm. & Audit Division
F. H. Johnson
M. Kinnes
IMA Field Team, Region III (2)

Enclosure/gla 2-4-57
cc to: Adm. & Recording File
Operating Counties
Frank M. Lamb, No. 3408
F. H. Fillingeri, No. 5224
Dave A. Hire, Whale Investigation

FEB 14 1957

Mr. Robert L. Gull
Edgemont, South Dakota

Re: Docket No. DMA-2768 (Uranium)
Contract No. Idm-F520
Mining Research Corporation
Lion Group Claims, et al.
Fall River County, South Dakota

Dear Mr. Gull:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter of even date to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the six Owner's Consents to Lion signed by you on the following dates:

March 12, 1953
March 13, 1953 (with Carl V. Gull)
April 7, 1953
April 7, 1953 (with Carl V. Gull)
December 7, 1953 (with Carl V. Gull)
December 9, 1953 (with Carl V. Gull)

and five Consents to Lion, two of which were signed with Carl V. Gull on January 18 and 19, 1955, and three undated ones.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

C. C. Whitenhurst

Administrator

Enclosures

FLKrouse/gla 2-5-57
cc to: Admr.'s Reading File
Operating Committee
Frank L. Lant, Rm. 3608
T. H. Killgerard, Rm. 5224
Rare & Misc. Metals Division

Contract Adm. & Audit Division
F. E. Johnson
Mr. Krouse
DMEA Field Team, Region III (2)

FEB 14 1957

Mr. John Wright
Edgemont, South Dakota

Re: Lease No. [illegible]-2760 (Uranium)
Contract No. [illegible]-520
Mining Research Corporation
Tom Troop Claims, et al.
Fall River County, South Dakota

Dear Mr. Wright:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter of even date to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Owner's Consent to Lien signed by you and Mr. James Wright on April 4, 1953. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are anticipated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transfers or leases of any part of your interest in the land or the production therefrom.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures

FUKnowse/gla 2-5-57
cc to: Adm.'s Reading File
Operation Committee
Frank Delaney, Rm. 3608
T. R. Killsgaard, Rm. 5221
Pure & Misc. Metals Division
Contract Adm. Audit Division
W. L. Johnson
Mr. Knowse
DMA Field Team, Region III (2)

800

FEB 14 1957

Mr. John Wright
Edgemont, South Dakota

Re: Docket No. [illegible] (Remand)
Contract No. [illegible]-2520
Windy Research Corporation
Ken Troop Claims, et al.
Fall River County, South Dakota

Dear Mr. Wright:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter of even date to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Owner's Consent to Plan signed by you and Mr. John Wright on April 1, 1953. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are still asked during that period to refrain from and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the product of thereof.

Sincerely yours,

E. O. Mittenthal

Administrator

Enclosures

Mkmoore/ala 2-5-57
cc to: Adm.'s Reading File
Operating Committee
Frank F. Tarr, No. 3608
J. A. Hillegaard, No. 5224
Fare & Misc. Metals Division
Contract Adm. & Audit Division
F. A. Johnson
Mr. Krause
BMA Field Team, Region III (2)

FEB 14 1957

Mr. Alva Wehnicht
Edgemont, South Dakota

Re: Docket No. DMA-778 (Uranium)
Contract No. [illegible]-520
Mining Research Corporation
Lion Group Claims, et al.
Fall River County, South Dakota

Dear Mr. Wehnicht:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter of even date to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Owner's Consents to Lien signed by you on March 20, 1953, and April 15, 1953. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to consult no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transfer or lease of any part of your interest in the land or the production therefrom.

Sincerely yours,

E. O. Mittendorf

Administrator

Enclosure 2-6-57
cc to: Admr.'s Reading File
Operating Committee
Frank [illegible], No. 3608
[illegible] Williamson, No. 5224
Fare & Misc. Metals Division
Contract Adm. & Audit Division
[illegible] Johnson
Mr. Knowe
DMA Field Team, Region VII (2)

EXTRA COPY O. M. E. RECEIVED SEP 28 1959		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

September 23, 1959

Mr. J. A. Wooten, President
Montana Chemical and Milling Corp.
310 Arizona Savings Building
Phoenix, Arizona

Re: Docket No. DMEA 2768 (Uranium)
Mining Research Corporation
(Lion Group of Claims, et al)
Fall River County, South Dakota
Contract No. Idm-E520

Dear Mr. Wooten:

It has come to our attention that you now hold the Lease from Robert E. Gull to Matthew J. Brown, dated June 17, 1958.

Will you please forward this office two copies of the Sales Agreement by which you acquired the Brown Lease.

Very truly yours,

Original signed by

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

HMC:ltm

cc: Chan. Op. Comm. (2)
Chron.

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

RECEIVED
JUL 30 1956

[illegible] New Customhouse
Denver 2, Colorado

July 27, 1956

Mr. Clifton V. Livingston, President
Mining Research Corporation
5810 West 35th Avenue
Denver 14, Colorado

Re: Docket DMEA 3703 (Uranium)
Contract [illegible]
Mining Research Corporation
Fall River County, South Dakota

Dear Mr. Livingston:

Reference is made to the project work approval by the DMEA Field Team, Region III, dated July 18, 1956.

Please correct an error in the last line in the next to the last paragraph as follows:

Change the figure "3400" to read "730."

Very truly yours,

W. M. Shaw

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

JWF:pcl

cc: Chairman, Oper. Comm. (4)
Finance Office, Region III
Amendment file, Region III
Harrison
Shaw (2)
Townsend
Corres. file
Chron.

10 O.

Government's copy

RECEIVED
JUL 23 1956

EXPLORATION PROJECT CONTRACT
MINING RESEARCH CORPORATION
DOCKET NO. DMEA-2768

AMENDMENT NO. 7

It is agreed this 19th day of July, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Mining Research Corporation that Exploration Project Contract Idm-E520 (Docket No. DMEA-2768), dated May 14, 1953, as amended, is hereby further amended, effective June 1, 1956, by the following changes on page 1 of Exhibit "A," under the subheading Stage I:

1. In the fifth line: the words "a maximum of 241 wagon-mounted drill holes" are deleted, and the words "a maximum of 256 wagon-mounted drill holes" are added.

2. In the tenth line: the words "and shall be approximately 60 feet in depth" are deleted, and the words "and shall be drilled to the depth specified by the Government" are added.

3. In the sixteenth line: the words "with spacing of 30 feet between holes" are deleted, and the words "with spacing of 25 feet between holes" are added.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, or the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

MINING RESEARCH CORPORATION

By Clifton W. Livingston

Title President

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

[illegible] New Customhouse
Denver 2, Colorado

July 19, 1956

Mr. Clifton W. Livingston, President
Mining Research Corporation
[illegible] West [illegible]th Avenue
Denver 10, Colorado

Re: Contract DMEA [illegible] (Uranium)
Contract [illegible]
Mining Research Corporation
Fall River County, South Dakota

Dear Mr. Livingston:

In reference to your request of May [illegible], 1956, and consistent with provisions in the Contract as amended by Amendment No. 7, you are authorized to drill the following Stage I offset holes in drill area I:

Map "Block [illegible]"

Reference line "4 S"

1 - hole 25 feet south of Hole No. [illegible]

Reference line "5 S"

1 - hole 25 feet north of Hole No. [illegible]
1 - hole 25 feet south of Hole No. [illegible]

Reference line "7 S"

1 - hole 25 feet North of Hole No. [illegible]
1 - hole 25 feet South of Hole No. [illegible]

Reference line "8 S"

1 - hole 25 feet south of Hole No. [illegible]
1 - hole 25 feet north of Hole No. [illegible]
1 - hole 25 feet south of Hole No. [illegible]
1 - hole 25 feet north of Hole No. [illegible]
1 - hole 25 feet north of Hole No. [illegible]
1 - hole 25 feet south of Hole No. [illegible]
1 - hole 25 feet north of Hole No. [illegible]
1 - hole 25 feet north of Hole No. [illegible].

Reference line "9 S"

1 - hole 85 feet north of Hole No. 436
1 - hole 85 feet south of Hole No. 436

Reference line "11 S"

1 - hole 85 feet north of Hole No. 510
1 - hole 85 feet south of Hole No. 510.

It is estimated that the above listed seventeen (17) wagon drill holes will average about 70 feet each in depth, or aggregate approximately 1190 feet of drilling.

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,

NEBA Field Team, Region III

W. M. Shaver

E. E. Hartman

JHP:prl

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

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

RECEIVED
MAY 24 1956

224 New Customhouse
Denver 2, Colorado

May 21, 1956

Mr. Clifton W. Livingston, President
Mining Research Corporation
5810 West 38th Avenue
Denver 14, Colorado

Re: Bucket DMEA 2768 (Uranium)
Contract Idm-2380
Mining Research Corporation
Fall River Co., S. Dak.

Dear Mr. Livingston:

Consistent with the provisions of the contract, and in reference to your letter of May 17, 1956, this constitutes the Government's approval for you to perform the following work under the provisions of Contract Idm-2380, as amended:

1. The following numbered Stage I wagon drill holes may be drilled in the McKnight Drill Areas I and III, at a minimum spacing of 100 feet between holes in a NW-SE direction and a minimum spacing of 50 feet between holes in a NE-SW direction:

McKnight Areas I and III

Hole No.	Hole No.	Hole No.	Hole No.
1600	1608	1616	1624
1601	1609	1617	1625
1602	1610	1618	1626
1603	1611	1619	1627
1604	1612	1620	1628
1605	1613	1621	1629.
1606	1614	1622	
1607	1615	1623	

2. The following numbered Stage II wagon drill holes may be drilled in the Lion Area under the provisions of item "(2)" of Amendment No. 1 as amended by Amendment No. 3. The thirty-seven (37) holes listed shall not

exceed an aggregate total footage of 1,881 feet. If insufficient footage remains to complete any of the thirty-seven (37) holes to their objectives, the holes will not be started:

Lion Area

Hole No.	Hole No.	Hole No.	Hole No.
1630	1640	1650	1660
1631	1641	1651	1661
1632	1642	1652	1662
1633	1643	1653	1663
1634	1644	1654	1664
1635	1645	1655	1665
1636	1646	1656	1666.
1637	1647	1657	
1638	1648	1658	
1639	1649	1659	

The approximate locations of the foregoing listed holes are shown on the map entitled, "Sketch Showing Position of Holes Approved under DMEA Contract Modification 5 and 6, May 14, 1956. - Mining Research Corporation, Lion & McK. Areas DMEA Contract Progress," which is attached hereto and made a part of this work approval. The exact locations of holes are contingent on field conditions as to terrain and accessibility of the drill sites.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item which is expressly designated "maximum."

Very truly yours,

DMEA Field Team, Region III

W. M. Traver

E. N. Harshman

JWT:prl
cc: Chairman, Oper. Comm. (4)
Finance Office, Region III
Amendment File
Harshman
Runke
Townsend
Corres. File
Chron.

MINING RESEARCH CORPORATION
INCORPORATED
5810 W. 38th Ave. Denver 14, Colo.

DMEA
Date Rec'd
MAY 21 1956
BUREAU OF MINES
Denver, Colorado

May 17, 1956

Mr. W. M. Traver
Executive Officer, DMEA
Field Team, Region III
New Customs House Bldg.,
Denver, Colorado

Dear Mr. Traver:

Under separate cover I am sending a 200 scale map showing the location of wagon drill holes to be drilled under amendments 5 and 6, Docket DMEA 2768, Contract Idm E-520.

The map shows the approximate position of drill holes. Some adjustment will be necessary in the field depending upon the rim topography and upon accessibility. The map also shows your estimate as of May 1 of the footage of holes remaining under the contract.

It will be appreciated if you will return at your earliest convenience one photostat copy of the map together with your written authorization that holes drilled as indicated will be accepted by the government.

Yours very truly,
Clifton W. Livingston
Clifton W. Livingston, Pres.
Mining Research, Corporation

cc:Mr. Townsend

CWL:hjl

Government's Copy

RECEIVED
MAY 7 - 1956

EXPLORATION PROJECT CONTRACT
MINING RESEARCH CORPORATION
DOCKET NO. DMEA-2768

Amendment No. 6

It is agreed this 6th day of April, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Mining Research Corporation, that Contract Idm-E520 (Docket No. DMEA-2768) dated May 14, 1953, as amended, is hereby further amended as follows:

1. The drilling areas designated in Exhibit "A" of the Contract, as amended, shall be deemed to include, with respect to all drilling performed under the Contract from May 14, 1953, to March 14, 1956, the areas within the lines marked as Boundary B on the map entitled "Figure I - Proposed Revision of Drill Areas, Mining Research Corporation, Fall River County, South Dakota," attached hereto and made a part hereof.

2. All drilling performed under the Contract, as amended, on March 14, 1956, and thereafter, shall be performed only in the areas within the lines marked as Boundary A on the map entitled "Figure II - Proposed Revision of Drill Areas, Mining Research Corporation, Fall River County, South Dakota," attached hereto and made a part hereof.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By O P Mitchenoy
Administrator, Defense Minerals
Exploration Administration

MINING RESEARCH CORPORATION

By Clifton W. Livingston

Title President

Government's Copy

EXPLORATION PROJECT CONTRACT
MINING RESEARCH CORPORATION
DOCKET NO. DMEA-2768

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MAY 7 - 1956

Amendment No. 5

It is agreed this 27th day of February, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Mining Research Corporation, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E520 (Docket No. DMEA-2768), dated May 14, 1953, hereinafter called the "Contract," that the Contract, as amended, is further amended as follows:

1. (a) Work under the Contract shall be suspended during the period beginning September 1, 1955, and ending not later than June 1, 1956.

(b) The Government shall not contribute to any costs incurred by the Operator during the period of suspension or to any costs of rehabilitation or repair which in the Government's opinion would not have occurred had there been no suspension of work.

(c) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The time for completion of the work, extended by Amendment No. 4 of July 8, 1955, to April 14, 1956, is hereby further extended to January 1, 1957.

3. The period for royalty payments and lien to secure the payment thereof, provided in the Contract, is extended to May 14, 1965.

4. It is of the essence of this Contract that the work be resumed before the termination of the period here fixed for suspension and be completed before the termination of the period here fixed for completion of the work; and if it is not so resumed and completed in the manner required by the Contract, the following provisions shall then become effective:

(a) The Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated, as follows:

(i) Effective September 1, 1955, if the work has not been resumed on or before June 1, 1956;

(ii) Effective January 1, 1957, if the work is resumed on or before June 1, 1956, but is not completed on or before January 1, 1957.

(b) The Government shall contribute only to the fixed unit costs of work prior to said effective date.

(c) All rights of the Government with respect to certification of discovery or development and a percentage royalty and lien for its payment are preserved.

(d) The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract including the rendering of the final report and final account.

(e) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the Contract, except as otherwise provided in this Amendment No. 5.

This amendment shall not be construed to increase the estimated cost of the project, the aggregate total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mittendorf
Administrator, Defense Minerals
Exploration Administration

MINING RESEARCH CORPORATION

By Clifton W. Livingston

Title President

Government Copy

DMEA
Date Rec'd.

JUL 11 1955

BUREAU OF MINES
Denver, Colorado

EXPLORATION PROJECT CONTRACT
MINING RESEARCH CORPORATION
DOCKET NO. DMEA-2768

AMENDMENT NO. 4

It is agreed this 8th day of July, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Mining Research Corporation, hereinafter called the "Operator," that Contract Idm-E520 (Docket No. DMEA-2768), dated May 14, 1953, as amended, hereinafter called the "Contract," is further amended effective August 10, 1954, as follows:

1.(a) Work under the Contract shall be suspended during the period beginning February 15, 1955, and ending not later than Aug. 1, 1955.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

(c) The Operator at his own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work and any property in which the Government has an interest.

2. The time fixed for the completion of the work is extended to April 14, 1956.

3. The maximum period for royalty payments and lien for the payment thereof, provided for in the Contract, is increased to "eleven years."

4.(a) In Annex I attached to the Contract, describing the land originally subject to the exploration project, the following amended descriptions

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AUG 11 1955

are added:

(1) Mining claims leased from Royce A. McElhaney:

		Book	Page
R.A.M. No. 2	Amended	31 M	289
	Amended	37 M	121

(2) Mining claims leased from John McKnight and James McKnight:

McKnight No. 2	Amended	31 M	291
	Amended	37 M	116
McKnight No. 3	Amended	31 M	291
	Amended	37 M	117
McKnight No. 5	Amended	31 M	290
	Amended	37 M	119

(b) In Amendment No. 1, paragraph 1.e., the following description is added to the description of claim R.A.M. No. 1:

		Book	Page
R.A.M. No. 1	Amended	31 M	289

The amended descriptions of the claims are shown on the map entitled "Mining Research Corp. Lion and McK Areas D.M.E.A. Contract Progress," attached hereto and made a part hereof.

5. Paragraph 3 of Amendment No. 3 is deleted.

6. Work Item (5) under Stage II of Exhibit "A", Amendment No. 1, is deleted.

7. Work Item (4) under Stage II of Exhibit "A", is further revised to read as follows:

Effective February 1, 1955, no holes shall be drilled closer than 150 feet to an outer boundary of the land described in the contract.

At locations acceptable to the Government, diamond core-drill (BX or larger) and wagon-drill holes shall be drilled, spaced not closer than 25 feet apart across major stratigraphic changes or structural breaks, as follows:

(a) From any existing grid hole, not more than 4 holes may be drilled. Not more than 2 of these 4 holes shall be diamond core drill holes.

(b) In addition, a line of 4 holes spaced not closer than 100 feet from the holes described in item (a) may be drilled. Not more than 2 of these 4 holes may be diamond core drill holes.

Not more than an aggregate of 5,000 feet of wagon drilling shall be drilled under Items (3) and (4); and not more than 1,000 feet of diamond core drilling shall be drilled under Item (4).

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. P. Mittelsdorf
Administrator, Defense Minerals
Exploration Administration

MINING RESEARCH CORPORATION

By Clifton W. Livingston - President

Govt.

MF-203
Revised March 24, 1955

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For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Mining Research Corporation
Docket No. DMEA- 2768
Contract No. Idm-E 520
Contract Date May 14, 1953

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Fall River, State of South Dakota, described as follows:1/

Deeded land SE $\frac{1}{4}$ of Section 22,

and

Deeded land S $\frac{1}{2}$, E $\frac{1}{2}$ of the NW $\frac{1}{4}$, and SW $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 23

all in T. 8 S., R. 3 E.,

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/

None

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 _____ day of _____, 195__.

_____ [Seal]

Robert E. Gull

Robert E. Gull [Seal]

_____ [Seal]

I, Ruth E. Livingston certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that Robert E. Gull 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.

_____

[Corporate Seal]

MF-203
Revised March 24, 1955

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AUG 20 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Mining Research Corporation
Docket No. DMEA- 2768
Contract No. Idm-E 520
Contract Date May 14, 1953

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Fall River, State of South Dakota, described as follows:1/

Deeded land as follows:

the S 1/2 of the NE 1/4 of Section 22, and

the W 1/2 of the NW 1/4 of Section 23, T. 8 S., R. 3 E.

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/

None

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 _____ day of _____, 195__.

_____ [Seal]

Robert E. Gull

Robert E. Gull [Seal]

_____ [Seal]

I, Ruth E. Livingston certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that Clifton W. Livingston 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.

Ruth E. Livingston

[Corporate Seal]

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Mining Research Corporation
Docket No. DMEA- 2768
Contract No. Idm-E 520
Contract Date May 14, 1953

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Fall River, State of South Dakota, described as follows:1/

Mining claims Sheep Canyon No. 4 and 5, T8S., R3E.

Mining claim Sheep Canyon No. 6, in Section 22, T8S., R3E.

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/

None

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 18 day of July, 1955

Carl V. Gull [Seal]
Carl V. Gull

_____ [Seal]

Robert E. Gull [Seal]
Robert E. Gull

I, Ruth E. Livingston certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that Clifton D. Livingston 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.

Ruth E. Livingston
[Corporate Seal]

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Mining Research Corporation
Docket No. DMEA- 2768
Contract No. Idm-E 520
Contract Date May 14, 1953

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Fall River, State of South Dakota, described as follows:1/

		Book	Page
Mining Claim RAM No. 1 in Section 15, T8S, R3E	Amended	31 M	289
Mining claim RAM No. 2 in Section 15, T8S., R3E	Amended	31 M	289
	~~Amended~~	~~37 M~~	~~121~~
Mining claim RAM No. 3, T8S., R3E			

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/

None

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 _____ day of _____, 195__.

Royce A. McElhaney [Seal]

Royce A. McElhaney

_____ [Seal]

_____ [Seal]

I, Ruth E. Livingston certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that Clifton B. Livingston 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.

Ruth E. Livingston

[Corporate Seal]

MF-203
Revised March 24, 1955

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EXPLORATION PROJECT CONTRACT
Operator Mining Research Corporation
Docket No. DMEA- 2768
Contract No. Idm-E 520
Contract Date May 14, 1953

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Fall River, State of South Dakota, described as follows:1/

Deeded land located in T8S., R3E., Section 26; the NW $\frac{1}{4}$, the N $\frac{1}{2}$ of the NE $\frac{1}{4}$, the SW $\frac{1}{4}$ of the NE$\frac{1}{4}$, the W $\frac{1}{2}$ of the SE $\frac{1}{4}$, the N $\frac{1}{2}$ of the SW$\frac{1}{4}$, and the SW$\frac{1}{4}$ of the SW $\frac{1}{4}$ Section 27; the E $\frac{1}{2}$ of the NE$\frac{1}{4}$, the SW $\frac{1}{4}$ of the NE $\frac{1}{4}$, the SE $\frac{1}{4}$, and SW$\frac{1}{4}$, and the SW$\frac{1}{4}$, of the NW$\frac{1}{4}$, Section 34: the N $\frac{1}{2}$, Section 35; the N $\frac{1}{2}$ of the NW $\frac{1}{4}$, and NW $\frac{1}{4}$ of the NE$\frac{1}{4}$

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/

None

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 _____ day of _____, 195__.

_____ [Seal]

Robert E. Gall

Robert E. Gall [Seal]

_____ [Seal]

I, Ruth E. Livingston certify that I am the Secretary of the Livingston (Secretary, etc.) of the corporation named herein; that Clifton C. Livingston 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.

Seth C. Livingston

_____

[Corporate Seal]

MF-203
Revised March 24, 1955

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For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Mining Research Corporation
Docket No. DMEA- 2768
Contract No. Idm-E 520
Contract Date May 14, 1953

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Fall River, State of South Dakota, described as follows:1/

	Recorded Book	Page
Sheep Canyon No. 1, Lode Mining Claim	31	78
Sheep Canyon No. 2, Lode Mining Claim	31	77
Sheep Canyon No. 3, Lode Mining Claim	31	78

all located in T8S, R3, B.H.M.,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;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/

None

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

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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 18 day of July, 1955.

Carl V. Gull [Seal]

Carl V. Gull as agent for Carl V. Gull, Earl Boner and Vernon Harriott [Seal]

_____ [Seal]

I, Ruth E. Livingston certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that Clifton O. Livingston 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.

Ruth E. Livingston

[Corporate Seal]

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Mining Research Corporation
Docket No. DMEA-2768
Contract No. Idm-E 520
Contract Date May 14, 1953

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Fall River, State of South Dakota, described as follows:1/

	Recorded Book	Page
Lode Mining Claims, Sheep Canyon No. 9 through 14	31	322-324
Lode Mining Claims, Sheep Canyon No. 18 through 33	31	502-510

All located in T8S, R3E, B.H.M.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

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None

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

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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 19 day of July, 1955.

C _____ [Seal]

Carl V. Gull _____ [Seal]

Robert E. Gull _____ [Seal]

I, Ruth E. Livingston certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that Clifton W. Livingston 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.

Ruth E. Livingston

[Corporate Seal]

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Mining Research Corporation
Docket No. DMEA-2768
Contract No. Idm-E520
Contract Date May 14, 1953

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Fall River, State of South Dakota, described as follows:1/

	Township		Book	Page
Lion No. 1	T8S,	R3E	31M	412
Lion No. 2	"	"	"	413
Lion No. 3	"	"	"	414
Lion No. 4	"	"	"	415
Lion No. 5	"	"	"	416
Lion No. 6	"	"	"	417
Lion No. 7	"	"	"	418
Lion No. 8	"	"	"	419
Lion No. 9	T8S,	R3E	31M	420
Lion No. 10	"	"	"	421
Lion No. 11	"	"	"	422
Lion No. 12	"	"	"	423
Lion No. 13	"	"	"	424
Lion No. 14	"	"	"	425
Lion No. 15	"	"	"	426
Lion No. 16	"	"	"	427
Lion No. 17	"	"	"	428
Lion No. 18	"	"	"	429

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;

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None

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

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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 _____ day of _____, 195__.

James L. Barker [Seal]
James L. Barker

_____ [Seal]

_____ [Seal]

I, Ruth E. Livingston certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that Clifton B. Livingston 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.

Ruth E. Livingston

[Corporate Seal]

The Ranger Hotel

Lusk, Wyoming

July 17, 1955

RECEIVED
AUG 26 1955

This is to certify that we the undersigned, Roy Chamberlain and Gertrude Chamberlain, are the sole owners ofthat certain land in the county of Fall River, State of South Dakota, described as McK. Mining Claims No. 2, 3, and 5, in Section 15, T 8 S, R 3 E.

Roy Chamberlain
Roy Chamberlain

Gertrude Chamberlain
Gertrude Chamberlain

July 17-1955

Subscribed and sworn to before me a Notary Public for Niobrara County, Lusk, Wyo

Commission Expires Feb 15- 1956

Look for Copies of aff. & cert.

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator MINING RESEARCH CORPORATION
Docket No. DMEA- 2768
Contract No. Idm-E 520
Contract Date May 14, 1953

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Fall River, State of South Dakota, described as follows:1/

McK. Mining Claim No. 2	Amended	31 M	291
	~~Amended~~	~~37 M~~	~~116~~
McK. Mining Claim No. 3	Amended	31 M	291
	~~Amended~~	~~37 M~~	~~117~~
McK. Mining Clain No. 5	Amended	31 M	290
	~~Amended~~	~~37 M~~	~~119~~

Mn Section 15, T8S, R3E.

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/

none

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 17th day of July, 1951.

Roy Chamberlain [Seal]

Gertrude Chamberlain [Seal]

_____ [Seal]

I, Ruth E. Livingston certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that Clifton W. Livingston 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.

Ruth E. Livingston

[Corporate Seal]

DMEA
FEB 7 1955
RECEIVED
FEB 10 1955

No. 3

AMENDMENT OF CONTRACT: No. IDM-E520

Contract Docket No. DMEA 2768, dated May 14, 1953, between the United States of America and Mining Research Corporation is hereby amended as follows:

Referring to Amendment No. 1, dated August 10, 1954, that part which substituted a revised description of the work to be performed under Stage II of Exhibit "A" attached to Exploration Project Contract form MF-200(A) (February 1952), said Amendment No. 1, caption "Stage II" is amended as follows, effective as of August 10, 1954:

1. Referring to Page 2, item (1): third line, insert the words "not less than" between the word "spaced" and the figure "50"; fifth line, insert the word "approximately" between the word "in" and the letter "a"; last sentence, delete the words "require the prior approval of" and in lieu thereof substitute the words "must be acceptable to".

2. Referring to Page 2, item (2), delete the second paragraph in its entirety and in lieu thereof substitute the following: "Not more than an aggregate of 5000 feet of drilling shall be performed under items (1) and (2)."

3. Referring to Page 3, item (3), add the following: "The drilling under the foregoing items (1), (2) and (3) may be carried on concurrently".

4. Referring to Page 3, item (4), delete the first and second paragraphs in their entirety and in lieu thereof substitute the following:

"At locations acceptable to the Government, drill not more than 25 holes, spaced not closer than 25 feet apart across the break and not closer than 300 feet along the strike of the break, to locate the position of structural breaks which are inferred to exist. Such drilling for geologic information may be performed concurrently with drilling under items (1), (2) and (3)".

"Not more than an aggregate of 5000 feet of drilling shall be performed under items (3) and (4)".

5. Referring to Page 3, item (6), first paragraph, add the following: "The offset drill holes spaced 100 feet apart may be performed concurrently with the grid drilling".

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated FEB 8 1955

MINING RESEARCH CORPORATION

By Clifton W. Livingston
~~J. Sterling Livingston~~
~~Vice President and Treasurer~~
Clifton W. Livingston
President

UNITED STATES OF AMERICA

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

Rapid City Experiment Station
School of Mines Campus
Rapid City, South Dakota

January 11, 1955

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Reg. IV

From: E. O. Binyon, Rapid City Experiment Station

Subject: Docket DM A 2768 (Uranium), Contract Idm-E520, Mining Research Corporation, Fall River County, S. Dak.

Enclosed are eight copies of a letter from the operator in which he requests six amendments to the subject contract.

The recommendations for each proposed amendment, listed below as in the letter, are as follows:

A. We recommended that the Dead Horse No. 4 claim be included in the claims and land described under Article 2 of the contract as amended by Amendment No. 1.

Previously, the fraction now included by the Dead Horse No. 4 was included, either through error or oversight, by the McKnight No. 5 claim and came under the contract. Addition of the fraction to land included in the contract by a specific location will be to the advantage of the government.

B. (1) We recommend approval of the change in wording in Item 1 of Amendment No. 1 from "with the holes spaced 50 feet apart" to "with the holes spaced at not less than 50 feet apart, as approved by the government."

Most of the holes have been drilled on 100-foot centers, with a few on the northeast end of the southernmost row being spaced on 200-foot centers. The results of the drilling thus far indicate that this spacing may be close enough, at least for the most part, to give the desired information. If so, the change in wording would be only a limit on the minimum spacing and can result in a saving in footage.

(2) We recommend that the second paragraph, Item 2, Amendment No. 1, be amended, as suggested, to read: "not more than 5,000 feet of hole shall be drilled under Items 1 and 2."

As the depth of the shale which underlies the mineralized horizons, and upon which the estimated footage was based, is more variable and shallower than expected, this will permit an increase in the number of holes and additional exploration. It is to the advantage of the operator; however, it seems that the government's interest will not be affected adversely.

C. We recommended that the contract be amended to permit drilling under Items 1, 2 and 3 of Amendment No. 1 to be carried on concurrently. The amendment apparently is of no disadvantage to the government.

D. We recommend that the wording "with the approval of the government" start the paragraph suggested by the applicant. The drilling, as outlined under this item, undoubtedly would give additional geologic data. The value of the data to the overall exploration project is difficult to determine; however, it seems that any additional data that would aid in determining either structural or lithologic controls would be ov value to both the government and operator.

E. We recommend that the operator be permitted to drill both the grid and the offset holes around mineralized holes concurrently.

F. For this item we recommend that no action be taken at present. The drilling of the Sheep Canyon area has not progressed to the point where a decision can be made as to whether or not the Gull-Sheep Canyon Area III should be drilled.

A transfer of the footage for use in the Gull-Sheep Canyon Areas I and II is not recommended at this time as the footage allotted to these areas under Amendment No. 1, Item 6 seems adequate for exploration of the areas. To date insufficient drilling has been done in the areas to determine whether additional exploration is warranted.

Before a recommendation can be made for tentatively transferring the footage to the Lion Claim group, as proposed by the operator, certain conditions should be considered and clarified.

The company claims to have developed a leaching process that will operate economically for either in-place or plant treatment of material as low as .05 percent U_3O_8. The process is, of course, more or less classified information and we know nothing about it. However, it was our understanding that the A.E.C. had investigated both the technical and economic feasibility of the process. We inquired of the A.E.C. office at Hot Springs as to what they knew about the matter. They informed us that the processing division of the A.E.C. was the place to get what information would be available.

If the process is economic, then exploration for sub-marginal material (less than .10 percent) may be justified in this instance, and additional drilling with the transferred footage from Gull-Sheep Canyon Area III could be recommended. There is a qualifying condition for such a recommendation: if the geologic data and results of drilling in the Gull-Sheep Canyon Areas I and II ruled out drilling in Area III.

If the process is not economic and the objective for additional exploration in the Lion Claim Group is entirely for minable grade deposits, then we cannot recommend the transfer at this time. We are of the opinion that the Lion Claim Group will have been adequately explored with the footage allotted. Results of the drilling thus far in the Lion Claim Group indicates a relatively small tonnage of minable grade material (.10 percent plus) and a considerable tonnage of sub-marginal. An estimate would only be a guess at this time since we do not have sufficient data and, as stated, any additional drilling in the area may border on development.

E. O. Binyon for

N. P. Cuppels, U.S.G.S. Member
E. O. Binyon, U.S.B.M. Member

cc: Reg. Office (6)
Cuppels
files

Box 356
Edgemont, South Dakota

January 3, 1955

Executive Officer, Region IV
U. S. Bureau of Mines, D.M.E.A.
New Customs House Building
Denver, Colorado

VIA

Mr. E. O. Binyon
Rapid City Field Office
School of Mines Campus
Rapid City, South Dakota

Dear Sir:

We wish to make the following formal request for further amending Mining Research Corporation Contract Docket D.M.E.A. - 2768.

A. In addition to the land referred to in Article 1 of the amended contract add Item (f).

The claim Deadhorse No. 4, a fractional claim on ground originally assumed to be covered by McKnight No. 5 claim,

B. On page 2 of Amendment No. 1, we request that Item 1, Stage II be rewritten as follows:

(1) The phrase "with the holes spaced 50 feet apart" be amended to read as follows: "with the holes spaced not less than 50 feet apart."

(2) The paragraph following Item 2, we request to be amended to read as follows: "Not more than 5000 feet of holes shall be drilled under Items 1 and 2."

C. On page 3 of Amendment No. 1 following Item 3 insert the following

new paragraph.

"Drilling under Items 1, 2, and 3 above may be carried on concurrently."

D. On page 3 of Amendment No. 1, Item 4 be amended to read as follows:

"To locate the exact position of structural breaks, drill not more than 25 holes spaced not closer than 25 feet apart across the break and not closer than 300 feet apart along the strike of the break. Such drilling for geological information may be done concurrently with drilling under Items 1, 2, and 3 of Amendment No. 1.

E. We request that the following sentence be added to Item 6 (Sheep Canyon Area). "Offset drilling at 100 feet spacing surrounding mineralized holes may be done concurrently with grid drilling."

F. We request that the phrase Item 7, page 3, Amendment No. 1 "Concurrently with the work under Items 1 through 6 above, not to exceed an aggregate of 10,000 feet of wagon drill hole may be distributed as approved by the field team to drilling in the Lion Area under Items 1, 2, 3, and 4; to drilling of Areas I and II of the Sheep Canyon Area under Item 6; and, or, to drilling in Area III of the Sheep Canyon Area on the same spacing as set forth under Item 6."

Respectfully requested,

MINING RESEARCH CORPORATION

Clifton W. Livingston

Clifton W. Livingston, Pres.

CWL:lh

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
OFC.

JAN - 7 1955

No. 2

AMENDMENT OF CONTRACT: No. IDM-E520

Contract Docket No. DMEA 2768, dated May 14, 1953, between the United States of America and Mining Research Corporation is hereby amended as follows, effective as of the date of the contract:

Referring to EXHIBIT "A" attached to Exploration Project Contract Form MF-200(A) (February 1952), caption "Description of the Work", the second paragraph is deleted in its entirety and in lieu thereof substitute the following:

"The work is divided into two stages and each stage will be performed in different areas. The work under both stages may be carried on concurrently and progressively contingent upon the specific conditions relative thereto."

Referring to "Article 6. Repayment by Operator" of Exploration Project Contract Form MF-200(A) (February 1952) the matter thereunder and pertaining thereto is deleted in its entirety and in lieu thereof the provisions of ANNEX II, attached hereto and made a part hereof, are substituted.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated DEC 31 1954

MINING RESEARCH CORPORATION

By J. Sterling Livingston
J. Sterling Livingston,
Vice President and Treasurer

UNITED STATES OF AMERICA

By W.H. King
W.H. King, Executive Officer,
DMEA Field Team, Region IV

Seal

ANNEX II

The following provisions are in lieu of 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 the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Royalty on production.--The Operator, as principal, if the Operator is the producer, or as surety, if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, 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 or assaying, or transportation, performed or paid by the

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

d. Unsold production.--If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) 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 ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. 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.

g. 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.

h. 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 mining or production operations.

i. 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.

58694

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF MINES
Rapid City Field Office
School of Mines Campus
Rapid City, S. Dak.

DEPARTMENT OF THE INTERIOR
Division of Strategic Minerals
Date Rec'd
DEC 27 1954
BUREAU OF MINES
Denver, Colorado

December 22, 1954

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region IV

From: E. O. Bergman, Rapid City Field Office

Subject: Amendment- Docket 2760, Contract No. E-22[illegible] (uranium)
[illegible] Research Corporation, Red River County, S. Dak.

Enclosed are the original and seven copies(6 copies from the operator and 1 made here) of a letter from J. Sterling Livingston, Vice President and Treasurer of the subject corporation requesting an amendment to the subject contract to permit the work under Stage I and under Stage II-amendment No. 1 to be performed concurrently.

As stated in the memorandum of December 10, under item 1) we recommended approval of an amendment which would permit " Stage II [illegible] drilling [illegible] be concurrently."

The proposed amendment will not affect the government's interest adversely and will [illegible] the exploration of the areas included under Stage I and under Stage II-amendment No. 1 to the contract

E O Bergman

E. O. Bergman

cc: J. H. East
King (2)
Suppels
File

[illegible]

[illegible]

1320 Pearl Street
Boulder, Colorado

DEC 27 1955

December 20, 1954

Mr. J. W. Townsend, Executive Officer
DMEA Field Team, Region IV
Bureau of Mines
224 New Custom House
Denver 2, Colorado

Via: Mr. E. O. Binyon, Rapid City Field Office

Dear Mr. Townsend:

The purpose of this letter is to request an amendment to our DMEA Contract Idn E-520, Docket 2768, to permit us to perform the work under Stage 2 (Amendment No. 1) concurrently with the performance of the work under Stage 1. In our previous request to the Defense Minerals Administration for the amendment of our DMEA contract, we requested that the remaining footage under Stage 1, as well as the footage under Stage 2, be covered by an amendment. Although our contract was amended, the amendment appears to pertain only to Stage 2 drilling.

We were of the opinion, as was Mr. Binyon, that work under the amendment could be undertaken concurrently with Stage 1 drilling. Inasmuch as this apparently is not the case, we would very much appreciate your assistance in amending our contract to permit us to proceed with Stage 1 and Stage 2 (Amendment) drilling concurrently so that we might be paid for work already performed and might continue our exploration work without delay.

The need for an additional contract amendment has been discussed with the DMEA Field Team, Region IV, in Denver. A detailed request for this additional amendment will be submitted in the near future.

Sincerely,

J. Sterling Livingston

J. Sterling Livingston
Vice President and Treasurer

JSL:ar

Government's Copy

Department of the Interior
Defense Minerals Administration
RECEIVED
SEP 1 1954

EXPLORATION PROJECT CONTRACT
MINING RESEARCH CORPORATION
DOCKET NO. DMEA-2768

AMENDMENT NO. 1

It is agreed this 10th day of August, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Mining Research Corporation, hereinafter called the "Operator," that Exploration Project Contract Idm-E520 (Docket No. DMEA-2768), dated May 14, 1953, hereinafter called the "Contract," is amended effective as of the date of this agreement, as follows:

1. The following land is added to the land referred to in Article 2 of the Contract:

a. The "Lion group" of 18 claims, Lion No. 1 through Lion No. 18, leased by an instrument dated January 29, 1953, by James L. Barker to the Operator. The claims are recorded in Book 31M at pages 412 through 429. The Owner's Consent to Lien is attached hereto.

b. The 3 claims, Sheep Canyon No. 1 through Sheep Canyon No. 3, leased by Carl V. Gull, for himself and as agent for Earl Boner and Vernon Harriett, to the Operator by an instrument dated September 17, 1952. The claims are recorded in Book 31 at pages 77 and 78. The Owner's Consent to Lien is attached hereto.

c. The 3 claims, Sheep Canyon No. 31 through Sheep Canyon No. 33, leased by Robert E. Gull and Carl V. Gull to the Operator by an instrument dated March 19, 1953. The claims are recorded in Book 31 between pages 502 and 510. The Owners' Consent to Lien is attached.

d. In Section 27: The E$\frac{1}{2}$ of the NE$\frac{1}{4}$, the SW$\frac{1}{4}$ of the NE$\frac{1}{4}$, the SE$\frac{1}{4}$, the SW$\frac{1}{4}$, and the SW$\frac{1}{4}$ of the NW$\frac{1}{4}$. This land was leased by Robert E. Gull to the Operator by an instrument dated September 18, 1952. The Owner's Consent to Lien is attached.

e. The claim RAM No. 1, leased by Royce A. McElhaney to Mining Research Corporation by an instrument dated August 1, 1952. The Owner's Consent to Lien is attached.

All the above land is located in Sections 10, 15, 22, and 27, Township 8 South, Range 3 East, Black Hills Base and Meridian.

The land is shown on the map entitled "Property Map, Mining Research Corp., Docket #2768, Idm-E520," attached hereto and made a part hereof.

2. The work described under Stage II of Exhibit "A" and the agreed unit costs for said work set forth in said exhibit are deleted. The following new work and the costs thereof are set forth as Stage II:

Stage II

The areas in which the work shall be performed under this stage are shown on the map entitled "Geologic Map and Section, Mining Research Corporation, Mining Area," attached hereto and made a part hereof.

Lion Claim Group

(1) In the Lion claim area, within the area enclosed by the dashed red colored lines on the attached map, drill two lines of wagon-drill holes, with the holes spaced 50 feet apart, and with the lines being not less than 300 feet apart and being about 1,600 feet long each, in a North 55° East direction. The locations of these drill-hole lines require the prior approval of the Government.

(2) If approved in advance by the Government, a part or all of the remaining area described in item (1) shall be drilled with a wagon drill on a grid spacing of 100 feet by 300 feet.

Not more than 100 wagon-drill holes, nor more than an aggregate of 5,000 feet of hole, shall be drilled under items (1) and (2).

(3) If approved in advance by the Government, drill offset holes spaced 100 feet apart surrounding primary holes drilled under items (1) and (2), or holes subsequently drilled, which indicate mineralization or geologic favorability.

(4) If approved in advance by the Government, drill a limited number of offset holes spaced not less than 25 feet apart surrounding holes in which ore is found or between holes where a structural break is indicated.

Not more than 100 wagon-drill holes, nor more than an aggregate of 5,000 feet of hole, shall be drilled under items (3) and (4).

(5) Occasional diamond-drill holes, not less than BX size, shall be drilled for geological data as specified in advance by the Government. Not more than an aggregate of 1,000 feet of diamond-drill hole shall be drilled under this item.

Sheep Canyon Area

(6) In the Sheep Canyon area, within the Areas I and II shown on the attached work map, drill wagon-drill holes on a grid spacing of 100 by 300 feet. If approved in advance by the Government, this drilling shall be followed by drilling offset holes spaced 100 feet apart surrounding primary holes which indicate mineralization or geologic favorability. Not more than 10,000 feet of wagon drilling shall be performed under this item.

Occasional diamond-drill holes, not less than BX size, shall be drilled for geological data, as specified by the Government. Not more than 2,000 feet of diamond drilling shall be performed under this item.

(7) After the work in item (6) is completed, if approved in advance by the Government, not to exceed an aggregate of 10,000 feet of wagon-drill hole shall be drilled within Area III of the Sheep Canyon area, on the same grid spacing as set forth under item (6).

All hole locations and directions; all wagon-drill hole diameters; all hole depths; the method of recovering drill cuttings, core, and sludge; the method

of all sampling; and the method of analyzing samples, are all subject to the approval of the Government.

Agreed Unit Costs of Stage II

Lion Claim Area		
100 wagon-drill holes, items (1) and (2), 5,000 feet @ $0.87/ft.	$4,350.00	
100 wagon-drill holes, items (3) and (4), 5,000 feet @ $0.87/ft.	4,350.00	
1,000 feet diamond drilling @ $3.03/ft.	3,030.00	$11,730.00
Sheep Canyon Area		
Wagon drilling, item (6) 10,000 feet @ $0.87/ft.	8,700.00	
Diamond drilling, item (6) 2,000 feet @ $3.03/ft.	6,060.00	
Wagon drilling, item (7) 10,000 feet @ $0.87/ft.	8,700.00	23,460.00
Estimated Total Cost of Work under Stage II		$35,190.00
Government Participation @ 75%		$26,392.50

Summary of All Costs under Contract

Agreed Unit Costs Stage I (rounded to)	$17,683.00	
Government Participation @ 90%	15,914.70	
Agreed Unit Costs Stage II	35,190.00	
Government Participation @ 75%	26,392.50	
Estimated Total Cost of Project (rounded to)		$52,873.00
Total Government Participation		$42,307.20

3. Article 4 of the Contract is amended to provide that the Government will pay 90 percent of the agreed unit costs of Stage I and 75 percent of the agreed unit costs of Stage II, in an aggregate total amount not in excess of $42,307.20 for both stages.

4. In Article 7 of the Contract form, that part of the second sentence beginning with the word "Provided" is deleted.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense
Minerals Exploration
Administration

MINING RESEARCH CORPORATION

By Clifton W. Livingston
President

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Fall River, described as follows:1/

	Township		Book	Page					
Lion No. 1	T8S,	R3E	31M	412	Lion No. 9	T8S,	R3E	31M	420
Lion No. 2	"	"	"	413	Lion No. 10	"	"	"	421
Lion No. 3	"	"	"	414	Lion No. 11	"	"	"	422
Lion No. 4	"	"	"	415	Lion No. 12	"	"	"	423
Lion No. 5	"	"	"	416	Lion No. 13	"	"	"	424
Lion No. 6	"	"	"	417	Lion No. 14	"	"	"	425
Lion No. 7	"	"	"	418	Lion No. 15	"	"	"	426
Lion No. 8	"	"	"	419	Lion No. 16	"	"	"	427
					Lion No. 17	"	"	"	428
					Lion No. 18	"	"	"	429

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Mining Research Corporation

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 52,873.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this _____ day of _____, 195 ___.

/s/ James L. Barker [Seal]
James L. Barker

_____ [Seal]

_____ [Seal]

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/ Insert the name of the Operator as it will appear in the exploration project contract.

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

4/ Insert the maximum amount of the Government's contribution.

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of SOUTH DAKOTA, County of FALL RIVER, described as follows:1/

	RECORDED BOOK	PAGE
SHEEP CANYON NO. 1, LODE MINING CLAIM,	31	78
SHEEP CANYON NO. 2, LODE MINING CLAIM	31	~~78~~ 77
SHEEP CANYON NO. 3, LODE MINING CLAIM	31	78

ALL LOCATED IN T8S, R3E, B. H. M.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ MINING RESEARCH CORPORATION

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 48,000.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 7 day of December, 1953.

/s/ Carl V. Gull [Seal]
Carl V. Gull as agent for Carl V. Gull
~~Carl~~ Boner & Vernon Harriett [Seal]
Earl
[Seal]

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/ Insert the name of the Operator as it will appear in the exploration project contract.

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of SOUTH DAKOTA, County of FALL RIVER, described as follows:1/

	Recorded Book	Page
SHEEP CANYON LODE MINING CLAIMS, NO. 9 THROUGH 14	31	322-324
SHEEP CANYON LODE MINING CLAIMS, No. 18 THROUGH 33	31	-322-324 502-510

ALL LOCATED IN T8S, R3E, B. H. M.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ MINING RESEARCH CORPORATION

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 48,000.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 9 day of December, 1953.

/s/ Carl V. Gull [Seal]
CARL V. GULL

[Seal]

/s/ Robert E. Gull [Seal]
ROBERT E. GULL

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/ Insert the name of the Operator as it will appear in the exploration project contract.

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of SOUTH DAKOTA, County of FALL RIVER, described as follows:1/

Mining Claim RAM No. 1 in Section 15 T 8 S, R3 E

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ MINING RESEARCH CORPORATION

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ _____, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 29 day of January, 1954.

/s/ Royce A. McElhaney [Seal]
ROYCE A. McELHANEY

_____ [Seal]

_____ [Seal]

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/ Insert the name of the Operator as it will appear in the exploration project contract.

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of SOUTH DAKOTA, County of FALL RIVER, described as follows:1/

Deeded land located in T8S., R. 3E.
Section 26; the NW $\frac{1}{4}$, the N $\frac{1}{2}$ of the NE $\frac{1}{4}$ the SW $\frac{1}{4}$ of the NE$\frac{1}{4}$, the W $\frac{1}{2}$ of the SE $\frac{1}{4}$, the N $\frac{1}{2}$ of the SW$\frac{1}{4}$, and the SW$\frac{1}{4}$ of the SW $\frac{1}{4}$ Section 27; the E $\frac{1}{2}$ of the NE$\frac{1}{4}$, the SW $\frac{1}{4}$ of the NE$\frac{1}{4}$, the SE $\frac{1}{4}$, and SW$\frac{1}{4}$, and the SW$\frac{1}{4}$, of the NW$\frac{1}{4}$, Section 34: the N $\frac{1}{2}$. Section 35; the N $\frac{1}{2}$ of the NW $\frac{1}{4}$, and NW $\frac{1}{4}$ of the NE$\frac{1}{4}$

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ MINING RESEARCH CORPORATION

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 48,000.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 7 day of December, 195 3.

/s/ Robert E. Gull [Seal]
Robert E. Gull

_____ [Seal]

_____ [Seal]

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/ Insert the name of the Operator as it will appear in the exploration project contract.

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

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DMEA Form 14

Contract No. Idm-E XX 520

Docket No. 2768

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
May 14, 1953	III	South Dakota	Uranium

Name and Address of Operator: Mining Research Corporation
4215 Balsam St.,
Wheatridge, Colorado

	Reserve	Obligation
Prior Amount	0	$42,307.20
Increase	0	0
Decrease	0	23,370.89
Revised Amount	0	$18,936.31

Remarks:

ALLEN S. DAKAN

(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division

(Title)

Date Delivered to Bureau of Mines, Washington 5/28/57

16416

Docket No. ~~DMEA - 2768~~

Commodity ~~Uranium~~

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

AMENDMENT

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 520

Date of Contract ~~or Amendment~~: May 14, 1953

Name and Address of Operator:
Mining Research Corporation
4215 Balsam St.,
Wheatridge, Colo.

Amount of Government participation _____ $42,307.20

Percent of Government participation _____ %

Region: V State: South Dakota

Note: This document establishes the obligation shown above and cancel the previous obligation of $ 47,585.70

J. L. Chambers (Name)
Chief, Contract Admistration and Audit Division (Title)

Date Delivered to Bureau of Mines, Washington. 9/1/54

54458

Docket No. DMA 2736

Commodity Uranium

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 520

Date of Contract or Amendment: May 14, 1953

Name and Address of Operator:

Mining Research Corporation
4215 Colfax Street,
Wheatridge, Colorado

Amount of Government participation $ 47,535.70

Percent of Government participation 90 %

Region: V State: South Dakota

(Name)
J. L. Chambers,
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. May 14, 1953 13808

MF-200 (A)
(February 1952)

DOCKET NO. DMEA-2768

COMMODITY Uranium

Government Copy

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

IDM-E 520

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 14th day of May, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Mining Research Corporation, a Delaware corporation
4215 Balsam Street
Wheatridge, Colorado

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of South Dakota, County of Fall River, described as follows:[3] The property is located approximately 8 miles Northeast of Edgemont and is in Sections 14, 15, 22, and 23, Township 8 South, Range 3 East, B.H.B.M. The land is shown, in part, on the map, Exhibit "B," and is further described in Annex I, both attached to and made a part of this contract,

the Operator represents and undertakes:[4]

~~(a) That the Operator is the owner in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the lender is attached:~~

(b) That the Operator is a lessee, in possession and entitled to possession, and the ~~owners consent to lien~~ Owners' Consents to Lien are attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 15 days from the date of this contract shall commence work on a project of exploration for[5] Uranium

in or upon the described land; and shall bring the project to completion within a period of 23 months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 90 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $47,585.70, which is 90 percent of $52,873.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided*, that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* The repayment provisions of Article 6 shall apply also to any amounts received as bonuses, premiums, or allowances, in addition to the sale price or market value of the minerals.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mattendorf
Administrator, Defense Minerals Exploration Administration

MINING RESEARCH CORPORATION
(Operator)

By J. Sterling Livingston
Vice President and Treasurer

I, Ruth E. Livingston, certify that I am the duly elected secretary of the corporation named as Operator herein; that J. Sterling Livingston, who signed this contract on behalf of the Operator, was then Vice President and Treasurer 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.

Ruth E. Livingston [CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

EXPLORATION PROJECT CONTRACT
MINING RESEARCH CORPORATION
DOCKET NO. DMEA-2768

ANNEX I

The following land located in Township 8 South, Range 3 East, B.H.B.M., is included in the contract:

1) Mining claims leased from Royce A. McElhaney, R.M.A. Nos. 2 and 3, in Section 15.

2) Mining claims leased from John McKnight and James McKnight, McK-Nos. 2, 3, and 5, in Section 15.

3) Mining claims leased from Carl V. Gull and Robert E. Gull, Sheep Canyon Nos. 4, 5, and 6, in Section 22.

4) Land leased from Edna McKnight—
$S\frac{1}{2}$ of Section 14.
$N\frac{1}{2}$ of the $NE\frac{1}{4}$ of Section 22.

5) Land leased from Robert E. Gull—
$S\frac{1}{2}$, the $NW\frac{1}{4}$, and the $SW\frac{1}{4}$ of the $NE\frac{1}{4}$ of Section 23.
$SE\frac{1}{4}$, and the $S\frac{1}{2}$ of the $NE\frac{1}{4}$ of Section 22.

EXPLORATION PROJECT CONTRACT
MINING RESEARCH CORPORATION
DOCKET NO. DMEA-2768

EXHIBIT "A"

Description of the Work

The purpose of the work is to explore the Dakota Sandstone down to the Fuson Shale (the local ore-bearing horizon), for uranium ore. The exploration work shall be done by drilling wagon-mounted percussion drill holes and also diamond drill holes.

The work shall be done in two stages. Stage I shall be performed first. If, in the opinion of the Government, the results of Stage I warrant it and the Government approves it in advance, Stage II shall be undertaken.

STAGE I

The work shall be confined to Areas I and III shown on the attached map, Exhibit "B," entitled "Portion of Sections 14, 15, 22, 23, T. 8 S., R. 3 E., Fall River County, S. D., Showing Drill Areas." It consists of drilling, from the surface, a maximum of 241 wagon-mounted drill holes, not to exceed an aggregate total of 14,770 feet; and also drilling, from the surface, a maximum of 26 diamond drill holes, BX size or larger, not to exceed an aggregate total of 1,595 feet. Each hole shall be drilled through the Dakota Sandstone down to the Fuson Shale, and shall be approximately 60 feet in depth. The wagon drill holes shall be drilled in a rectangle with a spacing of 100 feet between holes in a northwest or southeast direction and a spacing of 50 feet between holes in a northeast or southwest direction. If the Government approves in advance, offset wagon drill holes may be drilled in a square, with spacing of 30 feet between holes, around holes in which ore has been found.

Occasional diamond drill holes shall be drilled for geological data, as specified in advance by the Government.

STAGE II

The work shall be performed in areas of the property other than those explored under Stage I. The areas are to be

selected by agreement between the Operator and the Government based upon the results of the work done under Stage I and data obtained from radiometric surveys made independently by the Operator.

The work consists of drilling, from the surface, an aggregate total not to exceed 30,000 feet of wagon drill hole; and also drilling, from the surface, an aggregate total not to exceed 3,000 feet of diamond drill hole, BX size or larger. The wagon drill hole spacing shall be the same as described under Stage I, unless modified with the prior approval of the Government.

All hole locations and directions, all wagon drill hole diameters, all hole depths, the methods of recovering drill cuttings, cores, and sludge, the method of all sampling, and the method of analyzing samples are all subject to the approval of the Government.

At the request of the Government, the Operator shall furnish the Government with such samples as it specifies.

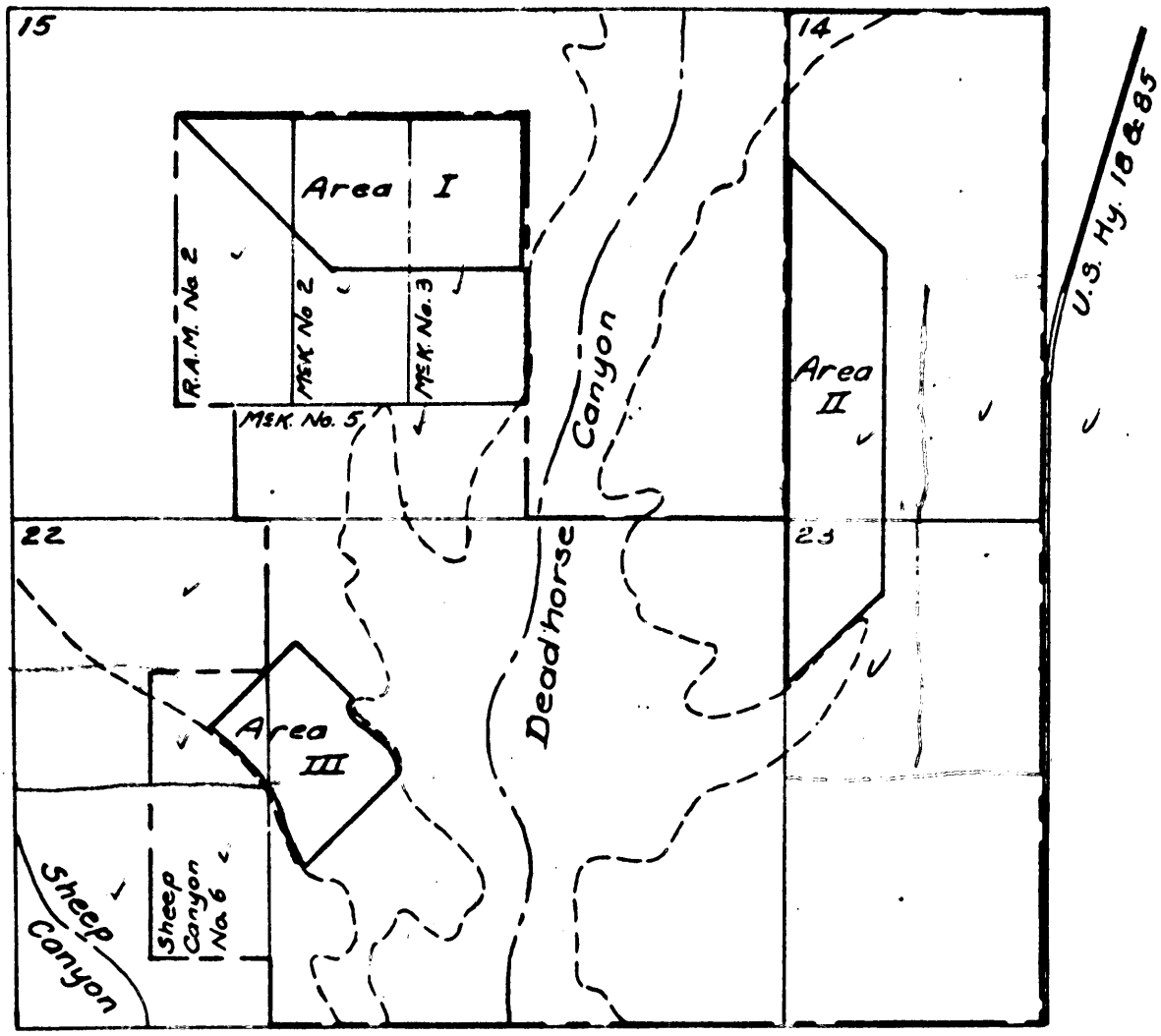
Agreed Unit Costs

STAGE I

14,770 feet of wagon drill hole @ $0.87/ft.	$12,849.90	
1,595 feet of diamond drill hole @ $3.03/ft.	4,832.85	$17,682.75

STAGE II

30,000 feet of wagon drill hole @ $0.87/ft.	$26,100.00	
3,000 feet of diamond drill hole @ $3.03/ft.	9,090.00	$35,190.00
Agreed Estimated Total Cost of Project (rounded)		$52,873.00
Government Participation @ 90%		$47,585.70



PORTION OF SECTIONS 14, 15, 22, 23,
T. 8 S., R. 3 E., FALL RIVER COUNTY, S.D.,
SHOWING DRILL AREAS

Outline of area covered by application ——— - ———

Outline of mesa rims - - - -

Outline of Stage I drill areas ———

Scale: 1" = 1000'

EXHIBIT B

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Fall River, described as follows:1/

Mining claim R.A.M. No. 2, in Section 15, T. 8 S., R. 3 E.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Mining Research Corporation
4215 Balsam Street
Wheatridge, Colorado

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 61,969.14, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 4th day of March, 1953.

Royce A. McElhaney [Seal]
Royce A. McElhaney

[Seal]

[Seal]

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/ Insert the name of the Operator as it will appear in the exploration project contract.

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 31 1953

Department of the Interior
Defense Minerals Administration
RECEIVED
MAY 4 1953

Box 621
Igloo, S. Dak.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Fall River, described as follows:1/

Mining claim R. A. M. No. 3, T. 8 S., R. 3 E.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Mining Research Corporation
4215 Balsam Street
Wheatridge, Colorado

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 61,969.14, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 9th day of April, 1953.

Royce A. McElhaney [Seal]
Royce A. McElhaney
[Seal]

[Seal]

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/ Insert the name of the Operator as it will appear in the exploration project contract.

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

DEPARTMENT OF THE INTERIOR
Defense Mine[illegible] Administration
RECEIVED
MAY 4 1953

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Fall River, described as follows:1/

Mining claims McK. Nos. 1, 2, 3, 4, & 5, in Section 15, T. 8 S., R. 3 E.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Mining Research Corporation
4215 Balsam Street
Wheatridge, Colorado

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 61,969.14, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 4 day of April, 1953.

John McKnight [Seal]
John McKnight

[Seal]

James McKnight [Seal]
James McKnight

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/ Insert the name of the Operator as it will appear in the exploration project contract.

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

Defense Minerals Administration
MAY 4 1953

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Fall River, described as follows:1/

Mining claims Sheep Canyon No. 4 and 5, T. 8 S., R. 3 E.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Mining Research Corporation
4215 Balsam Street
Wheatridge, Colorado

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 61,969.14, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 7th day of April, 1953.

Carl V. Gull [Seal]
Carl V. Gull

[Seal]

Robert E. Gull [Seal]
Robert E. Gull

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/ Insert the name of the Operator as it will appear in the exploration project contract.

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Fall River, described as follows:1/

Mining claim Sheep Canyon No. 6, in Section 22, T. 8 S., R. 3 E.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Mining Research Corporation
4215 Balsam Street
Wheatridge, Colorado

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 61,969.14, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 13 day of March, 1953.

Carl V. Gull [Seal]
Carl V. Gull

[Seal]

Robert E. Gull [Seal]
Robert E. Gull

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/ Insert the name of the Operator as it will appear in the exploration project contract.

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Resources
MAR 31 1953

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Fall River, described as follows:1/

Deeded land as follows:

the W 1/2 of the SW 1/4 of Section 14, and

the N 1/2 of the NE 1/4 of Section 22, T. 8 S., R. 3 E.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Mining Research Corporation

4215 Balsam Street

Wheatridge, Colorado

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 61,969.14, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 20 day of March, 195 3.

Edna McKnight [Seal]
Edna McKnight

[Seal]

[Seal]

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/ Insert the name of the Operator as it will appear in the exploration project contract.

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 31 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 4 1953

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Fall River, described as follows:1/

Deeded land E ½ of the SW ¼ and the SE ¼ of Section 14, T.8 S., R. 7 E.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Mining Research Corporation
4215 Balsam Street
Wheatridge, Colorado

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 61,969.14, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 15 day of April, 1953.

_____ [Seal]
Edna McKnight

_____ [Seal]

Edna McKnight [Seal]

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/ Insert the name of the Operator as it will appear in the exploration project contract.

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

MF-203 OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Fall River, described as follows:1/

Deeded land SE ¼ of Section 22,

And

Deeded land S ½, E ½ of the NW ¼, and SW ¼ of the NE ¼ of Section 23

all in T. 8 S., R. 3 E.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Mining Research Corporation

4215 Balsam Street

Wheatridge, Colorado

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 61,969.14, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 7th day of April, 1953.

Robert E. Gull [Seal]

Robert E. Gull [Seal]

[Seal]

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/ Insert the name of the Operator as it will appear in the exploration project contract.

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of South Dakota, County of Fall River, described as follows:1/

Deeded land as follows:

the S 1/2 of the NE 1/4 of Section 22, and

the W 1/2 of the NW 1/4 of Section 23, T. 8 S., R. 3 E.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Mining Research Corporation

4215 Balsam Street

Wheatridge, Colorado

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the minerals of the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 61,969.14, or ten years have elapsed from the date of the contract. c.w.f. REG

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 12 day of March, 1953.

Robert E. Gull [Seal]

Robert E. Gull

[Seal]

[Seal]

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/ Insert the name of the Operator as it will appear in the exploration project contract.

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

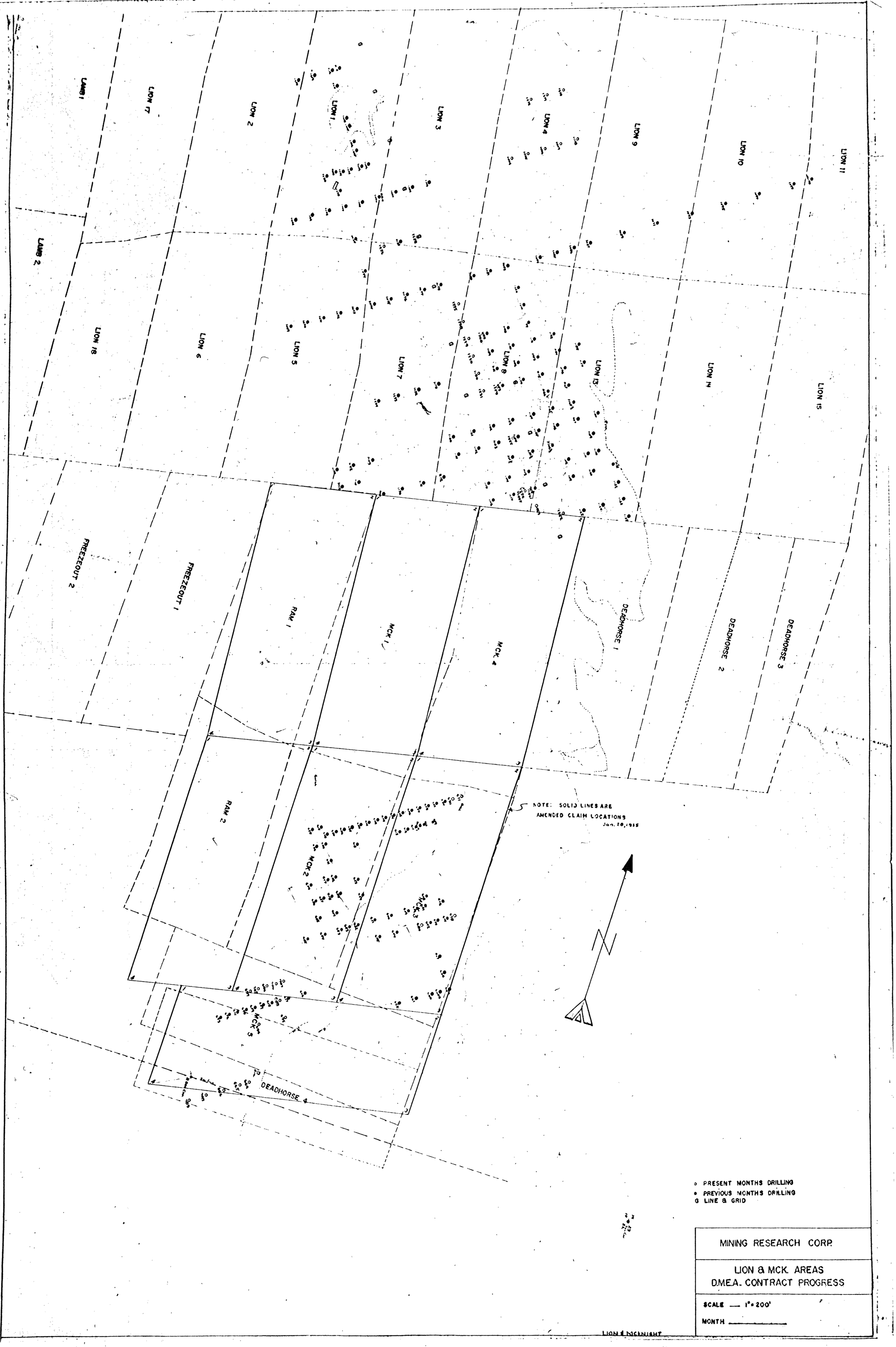
(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

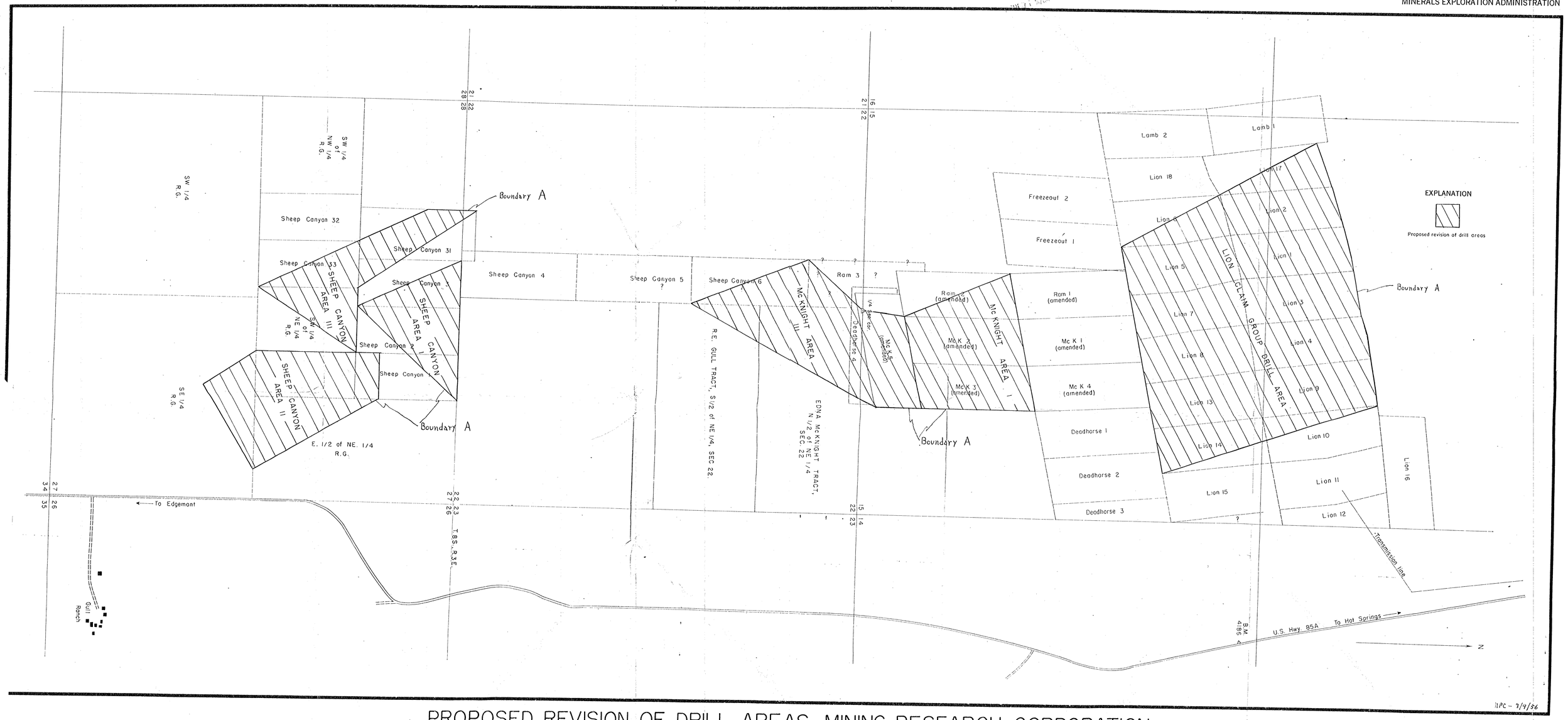
(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

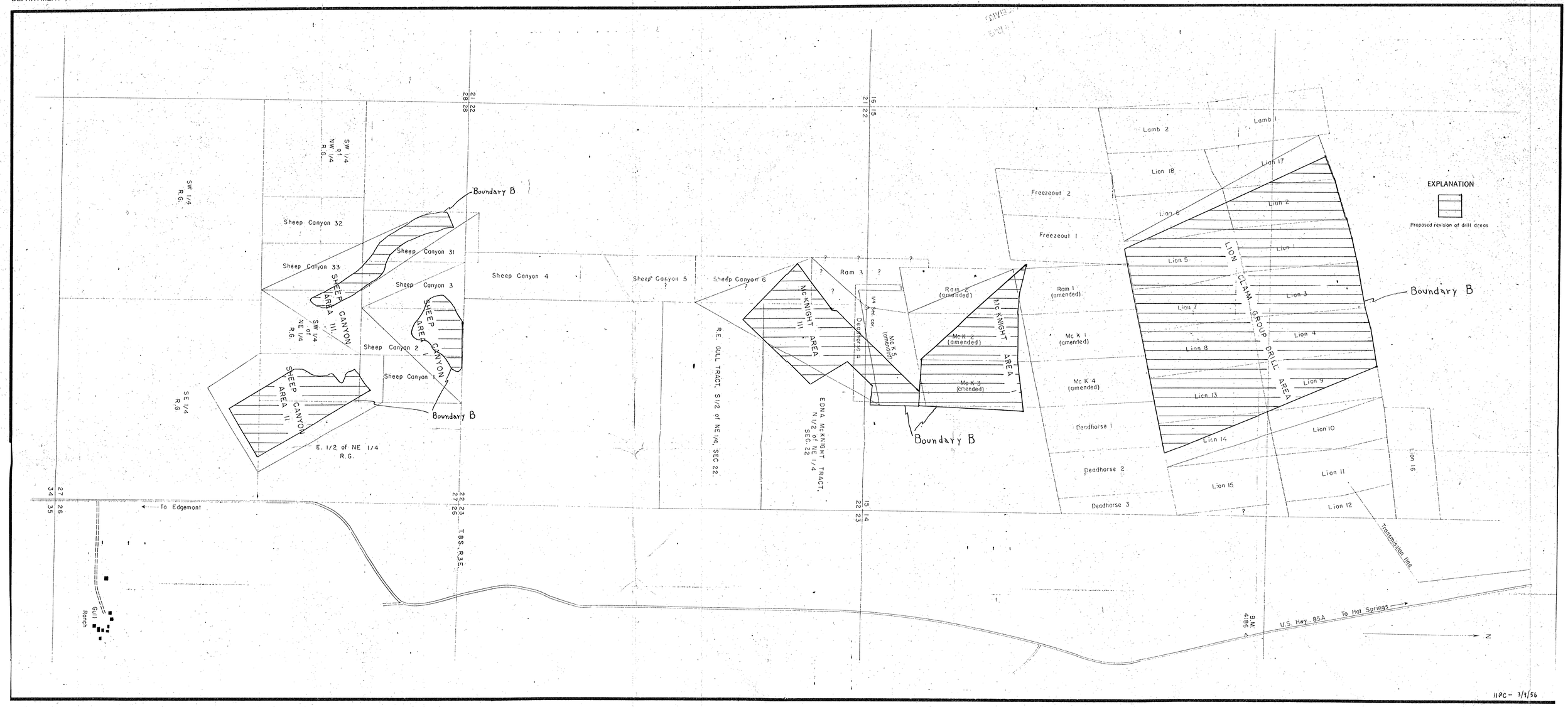
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 31 1953


LAMB 1
LION 17
LION 2
LION 1
LION 3
LION 4
LION 9
LION 10
LION 11
LAMB 2
LION 18
LION 6
LION 5
LION 7
LION 8
LION 13
LION 14
LION 15
FREEZEOUT 2
FREEZEOUT 1
RAM 1
MCK 1
MCK 4
DEADHORSE 1
DEADHORSE 2
DEADHORSE 3
RAM 2
MCK 2
MCK 3
MCK 5
DEADHORSE 4
NOTE: SOLID LINES ARE
AMENDED CLAIM LOCATIONS
Jan. 28, 1955
o PRESENT MONTHS DRILLING
• PREVIOUS MONTHS DRILLING
G LINE & GRID
MINING RESEARCH CORP.
LION & MCK. AREAS
D.M.E.A. CONTRACT PROGRESS
SCALE — 1" = 200'
MONTH
LION & MCKNIGHT

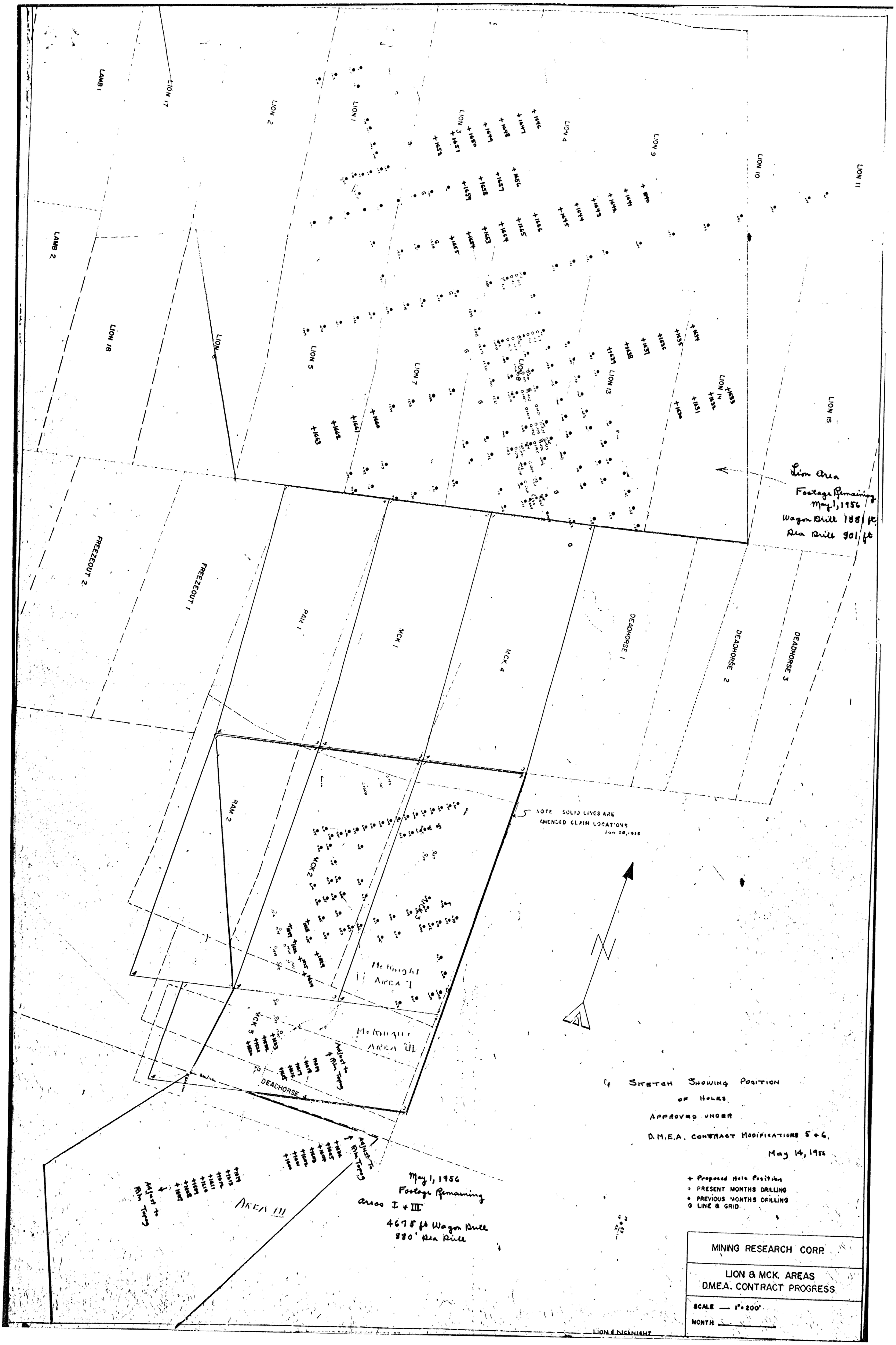


PROPOSED REVISION OF DRILL AREAS, MINING RESEARCH CORPORATION,
FALL RIVER COUNTY, SOUTH DAKOTA.

0 600 1200 Feet



PROPOSED REVISION OF DRILL AREAS, MINING RESEARCH CORPORATION, FALL RIVER COUNTY, SOUTH DAKOTA.


LIONS 11
LION 10
LION 9
LION 4
LION 3
LION 1
LION 2
LION 17
LAMB 1
LAMB 2
LION 18
LION 6
LION 5
LION 7
LION 8
LION 13
LION 14
LION 15
Lion Area
Footage Remaining
May 1, 1956
Wagon Drill 188 ft.
Rca Drill 901 ft.
FREEZEOUT 2
FREEZEOUT 1
RAM 1
MCK 1
MCK 4
DEADHORSE 1
DEADHORSE 2
DEADHORSE 3
RAM 2
MCK 2
MCK 3
MCK 5
DEADHORSE 4
NOTE SOLID LINES ARE
AMENDED CLAIM LOCATIONS
Jan 28, 1955
McKnight
AREA I
McKnight
AREA II
AREA III
Adjust to Rim Topog
May 1, 1956
Footage Remaining
areas I + III
4675 ft Wagon Drill
880' Rca Drill
SKETCH SHOWING POSITION
OF HOLES
APPROVED UNDER
D.M.E.A. CONTRACT MODIFICATIONS 5 + 6.
May 14, 1956
+ Proposed Hole Position
○ PRESENT MONTHS DRILLING
• PREVIOUS MONTHS DRILLING
G LINE & GRID
MINING RESEARCH CORP.
LION & MCK. AREAS
D.M.E.A. CONTRACT PROGRESS
SCALE — 1" = 200'
MONTH
LION & McKNIGHT