DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

C. E. Weir, L. A. Henderson & J. M. Schuh
628 South Dakota Avenue
Sioux Falls, South Dakota

pertaining to Exploration Project Contract No. Idm-E555, Docket No. DMEA-3012, for the months of July, 1953 to September, 1953, inclusive, covering a project for the exploration of uranium on property known as the Weir Property, located in Custer County, South Dakota.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of the work performed by reference to the final report of the Government representatives who visited and examined the project, 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:

> the contract provides 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		$4,387.44
Exceptions:		
By DMEA Finance Officer	$ - 0 -	
Herewith	- 0 -	- 0 -
Total Accepted Cost		$4,387.44

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Three thousand nine hundred forty-eight and 70/100 Dollars

$3,948.70

is considered valid and proper.

E. D. Talbert
(E. D. Talbert, Auditor

January 5, 1954

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

JAN - 6 1954

Mr. A. B. Needham
Executive Officer
DMEA Field Team, Region V
2908 Colfax Avenue, South
Minneapolis, Minnesota

Re: Idm-E555, DMEA-3012
C. E. Weir, L. A. Henderson
& J. H. Schuh

Dear Mr. Needham:

Enclosed herewith are the regional copies of a Report of Review covering the referenced Exploration Project Contract. Distribution should be effected in accordance with section 3 of Supplement No. 4 to DMEA Circular 19.

Since this contract was on an agreed unit cost basis and the Field Team's final report confirms the performance of the work claimed by the Operator, a visit to your office was not required for the preparation of this Report of Review.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
January 6, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

Form MF-104 (Rev.)
(April 1953)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 16 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1953 Docket No. DMEA 5012 Contract No. Idm-E 555

Operator's Name C. E. Weir, L. A. Henderson, & J. H. Schuh Minerals Uranium

Address L. A. Henderson, Newcastle, Wyoming.

Contract Amount, $ 11,667.00 Government Participation: 90 % Amount, $ 9,933.30

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 Wagon	2,270.52	616.92	2,887.44	2,270.52	616.92	2,887.44
Bulldozing	----	1,500.00	1,500.00	~~1,500.00~~	1,500.00	1,500.00
Crosscutting						
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	2,270.52	2,116.92	4,387.44	2,270.52	2,116.92	4,387.44

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

Date Sept. 25, 1953 *Payee C. E. Weir, L. A. Henderson & J. H. Schuh

Per L. A. Henderson Title Partner

*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:

$ 2043.47 AG

Signature L. A. Hill
(Authorized Certifying Officer)

Date OCT 14 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. Idm E 555 in accordance with the terms of the contract.

Signature E. A. Bunyon Title Mining Engineer Date Sept. 29, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title [illegible] Date 10/12/53

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 16 1953

10

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1953 Docket No. DMEA 3012 Contract No. Idm-E 555
Operator's Name C. E. Weir, L. A. Henderson & J. H. Schuh Minerals Uranium
Address L. A. Henderson, Newcastle, Wyoming

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								
Chum Wagon	Foot	2,270.52	2142*	2,887.44	2724	1.06	2700	1.06
Auger								
Stripping								
Trenching	Hour	--	--	1,500.00	120	$12.50	120	12.50
Test Pits								
Roads and Trails								
								Total Costs Authorized by Contract
Total Distributed Costs		2,270.52		4,387.44				
Operating Equipment Purchased		--		--				--
Initial Rehabilitation and Repairs		--		--				--
New Buildings, Improvements, etc.		--		--				--
Total Costs		2,270.52		4,387.44				11,057.00

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 25, 1953 Operator C. E. Weir, L. A. Henderson & J. H. Schuh

Per L. A. Henderson Title Partner

Remarks: Phase I - $4,487.00
120 hours bulldozer work and
2700 feet wagon drilling.

Phase II - $8,570.00, 6000 feet
wagon drilling.

→ 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)

* Includes 2 feet drilled in August but not included in the total footage : 584 feet were drilled but only 582 were reported.

E. C. Binyon

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

OPERATORS MONTHLY REPORT & FINAL REPORT SEPT.25,1958

REPORT No. SLM 2018 CONTRACT No.2Km-1 035

OPERATOR, C.L.Weir, L.A.Henderson & J.S.Keogh

DEPARTMENT OF THE INTERIOR
Bureau Mines Canada
RECEIVED
OCT 16 1958

PART 2 , NARRATIVE : SEPTEMBER 1958

All work of the first phase of the contract was complete with the finishing of the 3700' of wagon drilling Sept.24, 1958.

All trenching and wagon drilling was for the purpose of exploring predetermined anomalies located by surface survey with a ''RADIOS'' scintillometer or a geiger counter. Work of the first phase failed to show any mineralization of ore grade in any trench or drill hole. In view of this fact since the first phase covers and samples the best known prospects of the entire group of claims, Mr. E.O. Lanyon and Mr. R. Braddock of the U.S.Geological Survey the Government's inspecting representatives recommended that further exploration at this time was not warranted and that work should stop at this point.

Attached drill chart and map may be consulted to complete the information for September 1958 and operators reports for July and August 1958 complete the report of Phase 1.

The total drill hole footage drilled is 3724', the deepest hole is 48' but most holes were 40' to 45'. (See drill Chart). Because of the 100' spacing and the size of the areas of the anomalies no more than two holes in line behind an

anomoly would show any rise in radiation level.

uch time was lost because of the failure of an order of drill steel to come through thus making it necessary to recover any steel that was stuck before drilling could be resumed.

All holes are numbered in order by claim and marked on the ground with a wooden lath and flag of white cloth. All stakes are marked as to claim name and number along with the number of the hole and depth. Samples of the drill cuttings were sacked every three feet and likewise marked. See drill chart. Attached drill chart shows the best readings of increased radiation levels taken at the time the holes were probed. A "Nemble" geiger counter with a 25' probe attachment was used to probe the holes and check the drill cuttings. Any increase in radiation level was recorded as background plus, (B + 30). Also the scale of sensitivity used was recorded on drill chart.

DAMEER # 2

Drilling and trenching here was to explore surface anomolies scattered over the drilled and trenched areas. See map and drill chart.

[illegible] 1

Drilling here was to delineate the gravity anomalies on the west side of Deep Creek canyon. Also to penetrate a continuation of the same stratigraphic horizon that is here bearing orthoclase clasts. Line 1. The trenching here was to explore the west of the gravity anomalies mentioned above.

[illegible] 2

Drilling here based on surface mineralization. Trenching was intended to cut the edge of gravity anomalies. The main and points of Line 1 runs into this area too..

[illegible] 1 & 2

These were based on surface mineralization.

[illegible]

Drilling here is a continuation of the drill grid behind the part tremolite on the north end of [illegible] and cuts the same strata that is mineralized on Line 1. Trenching here also cuts this same strata above a surface tremolite.

Surveys 3

Done here explore anomalies along a gulch site.

[illegible] 1,2,3

Drilling and trenching here was intended to explore surface anomalies scattered over the area tested. A drill

[illegible] [illegible] [illegible].

Cross iron stained [illegible] seem to be the source of the increased radiation level and penetration through it will show a given dose in instrument reading. Some of these [illegible] give a higher counter reading comparable to good ore but chemical assay proves this to be uranium [illegible] or radon gas.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 16 1953

PHASE 1 D.M.E.A. SEPTEMBER 1953

CLAIM	HOLE No	DEPTH FEET	SAMPLES SACKED EVERY	SACKED SAMPLES START	SACKED SAMPLES END	G.M. COUNTER READING BACKGROUND +	SCALE	SAMPLES TAKEN FOR ASSAY AT.	TOTAL FT. AUG. & SEPT.
DARKER # 2	12	42'	3'	3'	42'	BG	5		
	13	21'	3'	3'	21'	BG	5		
	14	42'	3'	3'	42'	BG + 12 AT 19'6"	5		
	15	24'	3'	3'	24'	BG + 7 AT 19'	5		
	16	30'	3'	3'	30'	BG + 17 AT 1' 10 AT 18'	5		
	17	33'	3'	3'	33'	BG + 12 AT 2' 17 AT 3'6"	5		AUG. 394'
	18	24'	3'	3'	24'	BG 22 AT 1' 22 AT 3'	5		SEPT. 240'
	19	24'	3'	3'	24'	BG	5		634'
DEE CEE # 1	2	40'	3'	3'	40'	BG	5		
	3	40'	3'	3'	40'	BG	5		
	4	40'	3'	3'	40'	BG	5		
	5	40'	3'	3'	40'	BG	5		
	6	40'	3'	3'	40'	BG	5		
	7	40'	3'	3'	40'	BG	5		
	8	30'	3'	3'	30'	BG	5		
	9	40'	3'	3'	40'	BG	5		
	10	40'	3'	3'	40'	BG	5		
	11	40'	3'	3'	40'	BG	5		
	12	41'	3'	3'	41'	BG	5		
	13	41'	3'	3'	41'	BG	5		
	14	41'	3'	3'	41'	BG	5		AUG. 40'
	15	41'	3'	3'	41'	BG	5		SEPT. 677'
	16	41'	3'	3'	41'	BG	5		717'
	17	41'	3'	3'	41'	BG	5		
	18	41'	3'	3'	41'				
ELK HORN # 1	2	40'	3'	3'	40'				40'
ELK HORN # 2	1	40'	3'	3'	40'				
	2	40'	3'	3'	40'				
	4	20'	3'	3'	20'				
	5	20'	6' DRILL STEEL IN HOLE						120'
DEE CEE # 3	4	48'	3'	3'	48'				
	5	41'	3'	3'	41'				
	6	41'	3'	3'	41'				
	7	41'	3'	3'	41'				AUG. 110'
	8	41'	3'	3'	41'				SEPT. 253'
	9	41'	3'	3'	41'				363'
DEE CEE # 2	1	41'	3'	3'	41'				
	2	41'	3'	3'	41'				82'
SURPRISE # 2	1	20'	3'	3'	20'				
	2	40'	3'	3'	40'				
	3	41'	3'	3'	41'				
	4	18'	3'	3'	18'				
	5	24'	3'	3'	24'				
	6	42'	3'	3'	42'				
	7	18'	3'	3'	18'				203'
LOST INTEREST # 1	1	41'	3'	3'	41'				
	2	42'	3'	3'	42'				
	3	42'	3'	3'	42'				
	4	42'	3'	3'	42'				
	5	42'	3'	3'	42'				
	6	40'	3'	3	40'				249'
LOST INTEREST # 2	1	42'	3'	3'	42'				
	2	24'	3'	3'	24'	BG + 25 AT SURFACE	5	2-6' JOINTS OF DRILL STEEL IN HOLE	
	3	18'	3'	3	18'	BG + 60 AT SURFACE	4		
	4	30'	3'	3'	30'				
	5	45'	3'	3'	45'				
	6	36'	3'	3'	36'				
	8	39	3'	3'	39				
	9	42'	3'	3'	42				276'
LOST INTEREST # 3	1								
								AUGUST TOTAL	584'
								SEPTEMBER TOTAL	2,140'
								TOTAL PHASE 1	2,724'

Form MF-10 (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
Defense Minerals Administration
RECEIVED
SEP 28 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of AUG., 1953 Docket No. DMEA 3012 Contract No. IDM-E 555
Operator's Name C.E. WEIR, L.A. HENDERSON & J. H. SCHUH Minerals URANIUM
Address L. A. HENDERSON, NEWCASTLE, WYOMING
Contract Amount, $ 11,037.00 Government Participation: 90 % Amount, $ 9,933.30

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Contracts: Short Form Wagon						
Drilling	616.92	NONE	616.92	616.92	---	616.92
Bulldozing		1,500.00	1,500.00	---	1,500.00	1,500.00
Crosscutting						
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	616.92	1,500.00	2,116.92	616.92	1,500.00	2,116.92

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

Date SEPT. 4, 1953 *Payee C.E. WEIR, L.A. HENDERSON & J. H. SCHUH

Per L.A. Henderson Title PARTNER

*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:

$ 555.23 HC

Signature L.A. Hill
(Authorized Certifying Officer)

Date SEP 22 1953 Vou. No. 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. Idm 2-555 in accordance with the terms of the contract.

Signature E. O. Benson Title Mining Engineer Date September 18, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title [illegible] Date 9/21/53

MONTHLY REPORT OF OPERATOR

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(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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 28 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

8

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of AUG. 1953 Docket No. DMEA 3012 Contract No. IDM-E 555
Operator's Name C.E. WEIR, L.A. HENDERSON & J.H. SCHUH Minerals URANIUM
Address L.A. HENDERSON, NEWCASTLE, WYOMING

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn	FOOT	616.92	582	616.92	582	1.06	2700	1.06
Auger								
Stripping								
Trenching	HOUR			1500.00	120	12.50	120	12.50
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		—		—				—
Initial Rehabilitation and Repairs		—		—				—
New Buildings, Improvements, etc.		—		—				—
TOTAL COSTS		616.92		2,116.92				11,037.00

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 SEPT. 4, 1953 Operator C.E. WEIR, L.A. HENDERSON & J.H. SCHUH

Per L.A. Henderson Title PARTNER

REMARKS: PHASE-I- $ 4,467.00
2,700 FT. DRILLING @ $ 1.06 PER FT.

PHASE-II $ 6,570.00
6,000 FT. DRILLING @ $ 1.06 PER FT.

→ 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

OPERATORS MONTHLY REPORT PART* C Narrative

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 28 1953

Docket No. DMEA 3012 Contract No. Idm-E 555

Drilling started August 6, with five test holes using a Permanco auger type drill, and although this type drill proved satisfactory up to forty feet of depth the precussion type wagon mounted drill, so widely used in the Edgemont uranium district, seemed to offer the best all around results, so a switch was made to an Ingersol-Rand wagon mounted precussion drill with a Schram 315 cu.ft. compressor. Plenty of air and pressure could be produced with a smaller compressor.

Drilling was again resumed August 25, and except for the sticking of some steel in the hole work is progressing satisfactorally.

All holes are staked with a wooden lath and flag of white cloth and are numbered indicating the number of the hole, claim name and depth. Samples are sacked every three feet and are likewise labeled. Holes are probed with a Babble G.M. Counter using a 75 ft. probe attachment and any substancial increase in radiation level is recorded.

Mr. E. O. Bimyon of the U.S.Bureau of mines at Rapid City, has made two inspections during August.

A report of the drilling for August follows along with a map showing the location of the holes.

COPY

***** PART * C * CONT'D. *****

DEE CEE # 1

1 - hole - ~~XXX~~ 40'

ELK HORN # 1

1 - hole - 40'

DEE CEE # 3

3 - holes Numbers 1 & 2 - 40' each, # 3 - 30'

DARKER # 2

11 - holes, Numbers 1,2,3,5,6,7 &8 - 40' Each, # 4 # 8 41', # 10 & # 11 - 16' Each. Hole # 3 has an increase in radiation level from 8 to 55 at 5' 6" to a reading of 65 at 9' 10" and decreasing sharply below this depth. Hole # 10 has a reading of 30 at 10' and hole # 11 has a reading of 50 at 8'. Samples have been taken from these three holes for assay. About one third of all holes so far drilled showed a slight increase in radiation level at ~~XXXXXX~~ one or more depth levels.

COPY

Stratas so far drilled through were white to brown fine grain sand stone, gray shale, and about three feet of soft coal in the first five holes. Some selenite crystals are noted in the cuttings of gray shale. Pink sandstone cuttings are also noted in the cuttings of many of the holes. This pink sand stone is found in association with carnotite ore bodies in this district and seems to mark ore boundaries.

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 July, 1953 Docket No. DMEA 3012 Contract No. Idm-E 555
Operator's Name C. E. Weir, L. A. Henderson, & J. H. Schuh Minerals Uranium
Address C. E. Weir, Edgemont, South Dakota
Contract Amount, $ 11,887.00 Government Participation: 90 % Amount, $ 9,553.50

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						
Bulldozing	1500.00	None	1500.00	1,500.00	—	1,500.00
~~Crosscutting~~						
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	1500.00	None	1500.00	1,500.00	—	1,500.00

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

Date August 5, 1953 *Payee C. E. Weir, L. A. Henderson & J. H. Schuh

Per C. E. Weir Title Partner

*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:

$ 1350.00 AH

Signature L. A. Hill
(Authorized Certifying Officer)

Date AUG 14 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. [redacted] in accordance with the terms of the contract.

Signature E O Bunyon Title [redacted] Date [redacted]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature C B Needham Title Ex Off Date 8/14/53

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

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 195 Docket No. DMEA-[illegible]

Operator's Name C. E. Weir, L. A. Henderson, & J. K. [illegible]

Address % C. E. Weir, Edgemont, S. Dak.

Contract No. Idm-E 555

Minerals Uranium

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	hours	1500.00	120	$1500.00	120	12.50	120	$12.50
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$1500		1500.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		—		—				—
Initial Rehabilitation and Repairs		—		—				—
New Buildings, Improvements, etc.		—		—				—
TOTAL COSTS		1500.00		1500.00				11,037.00 *

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 5, 1955 Operator C. E. Weir, L. A. Henderson & J. K. [illegible]

Per C. E. Weir Title Partner

REMARKS: Phase I $4,467.00 Phase II $6,570.00. Bulldozer work under Phase I = 120 hours @ $12.50/hr. or $1500.00

→ 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

OPERATORS MONTHLY REPORT (D.M.E.A.)

PART (C) NARRATIVE FOR JULY 1953

SUMMARY

Work started the second week of July in the form of trenching with a D-8 Catapiller tractor and bulldozer operated by the "Weir Construction Co." of Sioux Falls, S.Dakota.

The first phase of the drilling is expected to start soon. Reference to the attached MAP will show approximate location and and trend of the trenches. Trenching was confined entirely to the exploration of pre-determined anomolies discovered by both geiger counter and scintillometer survey. The anomolies showing the greatest rise in radiation were the first to be explored. The amount of yardage moved at each cut location was based on the ratio of continued or increased radiation and the adaptability of this type of exploration method. There has been an estimated 8,633 cubic yards moved in one hundred and twenty two hours operating time with an approximate fifty five cubic yards per hour average.. All cuts were in sandstone of varing degrees of weathering and required the tilting of the dozer blade to break the rock loose so it could be pushed out of the trench and in some cases the trench had to be abandoned before the desired cut had been made because the rock could not be moved.....

****

DARKER # 2 & SURPRISE # 1-

Results were most encouraging on the west half of Darker # 2 (see map) where a definate mineralization was uncovered in two spots perhaps a hundred feet apart and a good anomely was exposed at another point some seventy five feet from either above named point.

COPY

DARKER # 2 CONT'D.

here about six feet of light colored sandstone rests on four feet of gray shale. The light colored sandstone is the mineralized strata. Under the shale a massive sandstone three feet thick lies on a thin bedded sandstone which is believed to be the same stratographic level of another ore showing on an ajoining claim near by. This would indicate two mineralized strata levels. Both theses layers will be reached with the proposed drilling. Here five trenches have been cut four to nine feet deep and up to sixty feet wide seventy five to one hundred and fifty feet long. An estimated 2400 cubic yards moved.

Surprise # 1 - No trenching.

****

ELK HORN # 2 - ELK HORN # 1 - DEE CEE # 1 -

Elk Horn # 2 No trenching.

Elk Horn # 1,

A cut was made 150' X 12' X 7' along the south side of a gulch that runs across the north end of this claim. (an estimated) 200 cubic yards was moved. Time four hours. This cut followed a sand stone strata with a geiger counter anomoly of four times background which disappeared when cut was made. This may indicate that the anomoly came from surface material and that the cut should have been higher on the side of the gulch. Cut was abandoned because of solid massive sandstone and lost anomoly. This cut is about 1400 feet due south of the main ore deposit on Dark # 1 (see Map). More anomolies show to the north on Dee Cee # 3 and to the east on Dee Cee # 1. This

ELK HORN # 1, cont'd.

cut, the above named ore deposit and anomolies are believed to be the same stratographic layer.

DEE CEE # 1 -

A cut was made in the north east corner of this claim on the rim of Pass Creek canyon. Cut approximately 80' X 80' X 10', 1800 cubic yards, 33 hours. A three foot cap rock lay on a white thin bedded sand stone. A geiger counter anbmoly of four times background twelve feet below the top of the rim was the purpose of this cut.

****

SURPRISE # 2 - DEE CEE # 3 - DEE CEE # 2,

Surprise # 2,

Two cuts, Cut A, 150' X 10' X 6'-150 Cu. Yds. - 3 hours. Geiger counter anomoly three times background. Three foot sandstone cap rock on loose and broken sandstone. No improvement in anomoly. Cut B, 100' X 3' X 12'- 130 Cu. Yds. 3½ Hours. Scintillometer anomoly five times background. Cut abandomed because dozer could not penatrate massive sand stone.

DEE CEE # 3.

Two cuts. Cut A, 150' X 8' X 10'- 150 Cu.Yds. 3½ Hours. Scintillometer anomoly five times background. Two and one half foot sand stone cap rock resting on five foot of gray shale and clay mixture with thin coal seam underneath. Cut B, This cut some 150' south east of Cut A, and about ten feet lower in strata has a good anomoly on the north end in a thin layered tan colored sand stone. Cut is 150' X 3' X 12', 150 Cu. Yds. 3½ Hours. These cuts are about 700'

COPY

DEE CEE # 3, CUT B, CONT'D.

WEST of the ore deposit on Dark # 1, (see Map) the upper layer is believed to be a continuation of this mineralized strata.

DEE CEE # 2, 3 Cuts.

Cut A, 30'X 10'X 4' - 30 Cu. Yds. 1Hour. Weak anomoly.

Cut B, 210'X 5'X 10', 420 Cu. Yds. 8 Hours. Brown to white sand stone massive and thin bedded. Scintilometer anomoly four to six times background. This cut is about 400' north west of ore body on Dark # 1, and the same strata level. Anomoly covers area about 200'X 100'.

Cut C, Same strata level as Cut B, and 650' east of same. 50'X 4'X 21', 51 Cu. Yds. 1 Hour.

****

LOST INTEREST # 1, 2, 3.

LOST INTEREST # 1,

One cut 50'X 10'X 6', 105 Cu. Yds. 2 Hours. Geiger counter anomoly four times background. Two and one half foot of broken brown sand stone cap rock on thin bedded white sand stone resting on a light gray clay and shale mixture. Anomolies cover a wide area on all three Lost Interest claims.

LOST INTEREST # 2,

One cut, 80'X 10'X 6', 120 CU. Yds. 3 hours. Very good anomoly in north end of this cut. Three feet of brown sand stone cap rock on thin bedded white sand stone.

LOST INTEREST # 3,

Two cuts. Cut A, 150'X 10'X 4', 75 Cu. Yds. 2 Hours. Scit-illometer anomoly five times background. Gray shale and thin layered light colored sand stone. Cut just over the rim from

COPY

LOST INTEREST # 3, Cut A, CONT'D.

The one on Lost Interest # 2, and about fourteen feet lower in strata. Cut B, 110'X 30'X 7', 750 Cu. Yds. 12 Hours. Geiger counter anomoly five times background. Brown sandstone on soft light colored ~~seam~~ SAND stone over laying gray shale.

****

COPY

C
O
Y

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

January 22, 1954

C. E. Weir, L. A. Henderson, and
J. H. Schuh, partners
c/o C. E. Weir
628 South Dakota Avenue
Sioux Falls, South Dakota

Re: Docket No. DMEA-3012 (Uranium)
Contract No. Idm-E555
Dee Cee, Darker, Elkhorn, Surprise,
and Lost Interest claim group
Custer County, South Dakota

Gentlemen:

This is with reference to the subject Exploration Contract between you and the Government.

The final audit of the contract expenditures and the final reports of the Operator and of the Field Team have been received and accepted by this Administration. Of the total amount of $11,037.00 approved under the contract, the sum of $4,387.44 was expended, 90 percent of which, or $3,948.70, represented the Government's share. There were no unused materials, supplies or equipment to be disposed of for the joint account of the Operator and the Government. The exploration work was completed in a satisfactory manner.

Because the results of the exploration were unfavorable, it is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to Article 5 (d) of the Contract which requires the Operator to "keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract".

Your interest in the Exploration Program of the Defense Minerals Exploration Administration and your willingness to participate therein are appreciated.

Sincerely yours,

/s/ C. O. Mittendorf

Administrator

FLKnouse/gla/foc
1-21-54
cc to: Adm. Reading File
Operating Committee
Docket
Messrs. H. D. Keiser, Rm. 3641
A. P. Butler, Jr., Rm. 5212, GSA
Ellis
Knouse
DMEA Field Tream, Region V (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

Department of the Interior
Defense Minerals Administration
RECEIVED
AUG 6 1953

August 5, 1953

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA-3012, Contract Idm E-555, C. E. Weir and Associates

Reference is made to your letter of July 20, 1953.

Please insert in the copies of the subject contract under article 3, "The Operator, within 20 days from the date of this contract, et cetera . . . . "

A. B. Needham
Executive Officer, Field Team
Region V

For your files 8/10/53

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

JUL 20 1953

Mr. A. B. Needham
Executive Officer
DMEA Field Team, Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

Re: Docket No. DMEA-3012 (Uranium)
Contract No. Idm-0555
C. L. Weir, L. A. Henderson
and J. H. Schuh.
Aerker and Pete Group of Claims
Custer County, South Dakota

Dear Mr. Needham:

This will acknowledge your memorandum of July 8, returning the signed "Government", "Docket", and "Division" copies of the subject contract.

It is noted that the period of time within which the Operator is required to begin work has not been inserted in Article 3 of these copies of the contract in accordance with the instructions contained in our transmittal letter of June 23, 1953. If the period of time was inserted in the "Field Team", "Finance Office" and "Operator's" copies kindly advise us of the period of time that was allowed.

If, however, the period of time was not inserted and the Operator has not commenced the contract work, an amendment should be drafted and executed by your office to cover this provision. If the Operator has officially started the work no amendment is required. Please advise this office of the project status.

Your prompt attention to this matter will be appreciated.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

HCRubin/FLKnouse/db
7/15/53
cc to: Adm. Reading File
Operating Committee
Docket
Messrs: H.D.Keiser, Rm. 3641
A.P.Butler, Jr., Rm. 3206, GSA
Chambers, Rm. 4542
Rubin, Rm. 4628
Ellis/ Knouse

Doc[illegible] No. DMEA 3012

Commodity Uranium

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TERMINATED

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 555

Date of Contract ~~or Amendment~~: June 23, 1953

Name and Address of Operator:

C. E. Weir, L. A. Henderson and J. H. Schuh (partners)
628 South Dakota Ave.,
Sioux Falls, S. D.

Amount of Government participation $ 9,933.30

Percent of Government participation 90 %

Region: V State: South Dakota

NOTE: Please release $5,984.60; Advice Contract Administration and Audit Division

(Name)
J. L. Chambers,
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. 1/8/54

13908

Docket No. [illegible]

Commodity [illegible]

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 [illegible]

Date of Contract or Amendment: June 29, 1953

Name and Address of Operator:

C. B. Weir, L. A. Henderson and J. E. Smith, (partners)
[illegible] South Dakota Avenue,
Sioux Falls, S. D.

Amount of Government participation $9,[illegible].39

Percent of Government participation 90 %

Region: V State: South Dakota

(Name)

J. E. [illegible],
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. June 23, 1953

13908

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 3012

COMMODITY Uranium

Government's Copy

IDM-E 555

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 23rd day of June, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] C. E. Weir, L. A. Henderson, and J. H. Schuh, partners
c/o C. E. Weir
628 South Dakota Avenue
Sioux Falls, South Dakota

hereinafter called the "Operator," as follows: and as stated in Annex I and Annex II

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 Custer, described as follows:[3] in Annex I and shown on map Exhibit "B", entitled "Custer County South Dakota Sec's. 10-14-15 - TWP. 6-S. R-1-E - LAH 2-53", both attached to and made a part hereof

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 liens or encumbrances as to each of which the subordination agreement of the holder is attached:~~

(b) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is 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 ____ 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 3 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 $9,933.30, which is 90 percent of $11,037.00 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.

16—663

(*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: See Annex II, substituted for that part of 6(a) preceding the colon.

(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 C. E. Weir
OPERATOR C. E. Weir (Partner)

By L. A. Henderson
L. A. Henderson (Partner)

By J. H. Schuh
J. H. Schuh (Partner)

By O. Mitterdorf
Administrator, Defense Minerals Exploration Administration

I, _____, certify that I am the _____ secretary of the corporation named as Operator herein; that _____, who signed this contract on behalf of the Operator, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

C. E. WEIR, L. A. HENDERSON, & J. H. SCHUH, PARTNERS
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-3012

ANNEX I

The following unpatented lode mining claims are located in Sections 10, 14 and 15 in Township 6 South, Range 1 East, Black Hills Base Meridian, and recorded in the office of Register of Deeds, Custer County, South Dakota.

Name of Claim	Book	Page
Pete No. 2	17	557
Darker No. 2	17	558
Elkhorn No. 2	17	561
Elkhorn No. 1	17	560
Surprise No. 2	17	562
Surprise No. 1	17	561
Lost Interest No. 3	17	504
Lost Interest No. 2	17	496
Lost Interest No. 1	17	494
Dee Cee No. 3	17	503
Dee Cee No. 2	17	503
Dee Cee No. 1	17	502
Last Chance No. 3	17	583
Last Chance No. 2	17	582
Last Chance No. 1	17	582

C. E. WEIR, L. A. HENDERSON, & J. H. SCHUH, PARTNERS
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-3012

ANNEX II

The following provisions are in lieu of all of paragraph (a) of Article 6 which precedes the colon:

If at any time the Government considers that a discovery or 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 final report and final account required by the exploration project contract, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development. The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land which is the subject of the exploration project contract, 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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of 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, as follows:

C. E. WEIR, L. A. HENDERSON, & J. H. SCHUH, PARTNERS
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-3012

EXHIBIT "A"

Description of the Work

The purpose of the work is to explore two mineralized paralleling horizons of Dakota Sandstone, that are 15 to 30 feet apart, for Uranium bearing ore. The exploration shall be done by trenching along and across the mineralized horizons; and by drilling holes from the surface through these mineralized horizons with a wagon mounted percussion drill.

The work is divided into two stages. The work under 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 writing in advance, a part or all of Stage II shall be undertaken.

The trenching shall be done in areas where favorable "anomalies" have been determined by Geiger Counter or Scintillometer survey. The drilling shall be done in the most favorable mineralized horizons indicated as a result of the trenching and other surface exposures.

The approximate location and extent of the trenching is shown on the attached map Exhibit "B". However, the location and extent of the trenching, as well as all drilling, shall have the prior approval of the Government.

Trenching shall be done with a Model D-8 Caterpillar Tractor with angle dozer, or an equivalent size unit.

All drill hole diameters shall be not less than 2-$\frac{1}{4}$" at the bottom of each hole.

The drill hole depths, the method of all sampling and the method of recovering drill cuttings, are all subject to the approval of the Government. At the request of the Government, the Operator shall furnish it with such samples as it requires.

The work to be done consists of the following: -

Stage I

Mining Claims	Trench Length-ft.	Number of drill holes	Approx. Avg. drill hole depth-ft.	Grid Spacing-ft.	Drill Hole footage
Darker No. 2 Surprise No. 1	300	16	40	100	630
Elkhorn No. 2 Elkhorn No. 1 Dee Cee No. 1	300	25	40	100	1000
Surprise No. 2 Dee Cee No. 3	450	15	40	100	600
Lost Interest Nos. 1, 2 and 3	150	12	40	100	470
Total	1200	68			2,700

Stage II

Not to exceed 6000 feet of drilling shall be performed, a part of which may be offset holes drilled with a grid spacing 50 feet apart surrounding holes drilled in Stage I which contain encouraging mineralization.

Agreed Unit Costs

Stage I

2700 feet of wagon drill hole @ $1.06/ft.	$2,862.00	
30 sample analyses, including freight, @ $3.50/each	105.00	
120 hours of trenching with tractor-dozer @ $12.50/hr.	1,500.00	
Total Stage I		$4,467.00

Stage II

6000 ft. of wagon drill hole @ $1.06/ft.	$6,360.00	
60 sample analyses, including freight, @ $3.50/each	210.00	
Total Stage II		$6, 570.00

* * * * *

Total Estimated Cost of Project	$11,037.00
Government Participation @ 90%	$ 9,933.30

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 S.Dakota, County of Custer, described as follows:1/ Unpatented lode mining claims as follows,

NAME	RECORDED, BOOK	PAGE
Last Chance # 1-2-3	17	582
Dee Cee # 1-2-3	17	502-503
Lost Interest 1-2-3	17	~~XXX~~ 494-496-504
Surprise # 1-2	17	561-562
Elk Horn # 1-2	17	560-561
Pete # 2	17	557
Darker # 2	17	558

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/ C.E.Weir of 628 South Dakota Ave. Sioux Falls, S.Dakota * L.A.Henderson of Newcastle, Wyoming * Henry Schuh of Faith S.Dakota * (Partners)

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/$ 16920.00, 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.

Earl Vangor
E. G. Cook

Dated this _____ day of _____, 195 ___.

_____ [Seal]

_____ [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.

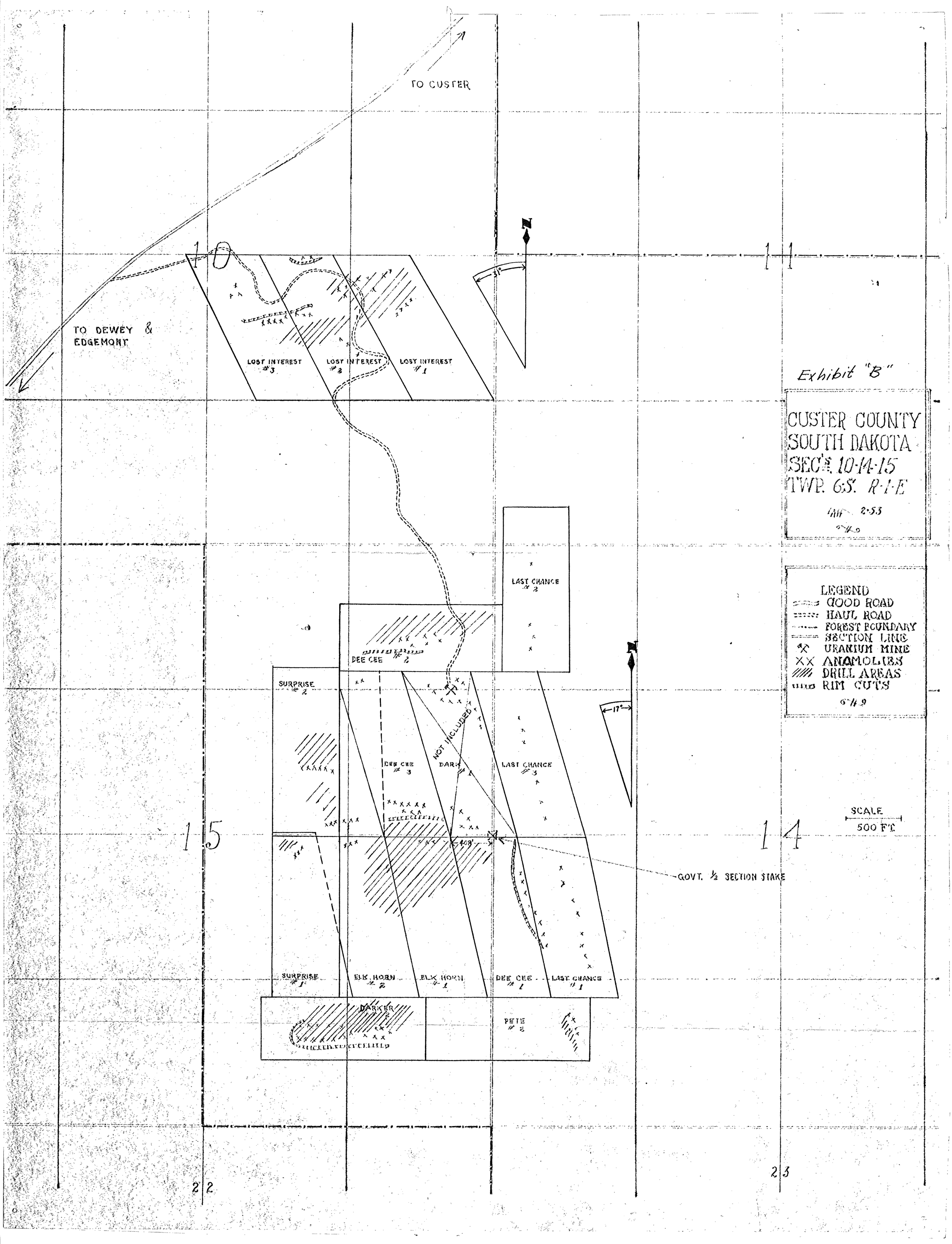
(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(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.


TO CUSTER
TO DEWEY & EDGEMONT
10
11
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22
23
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31°
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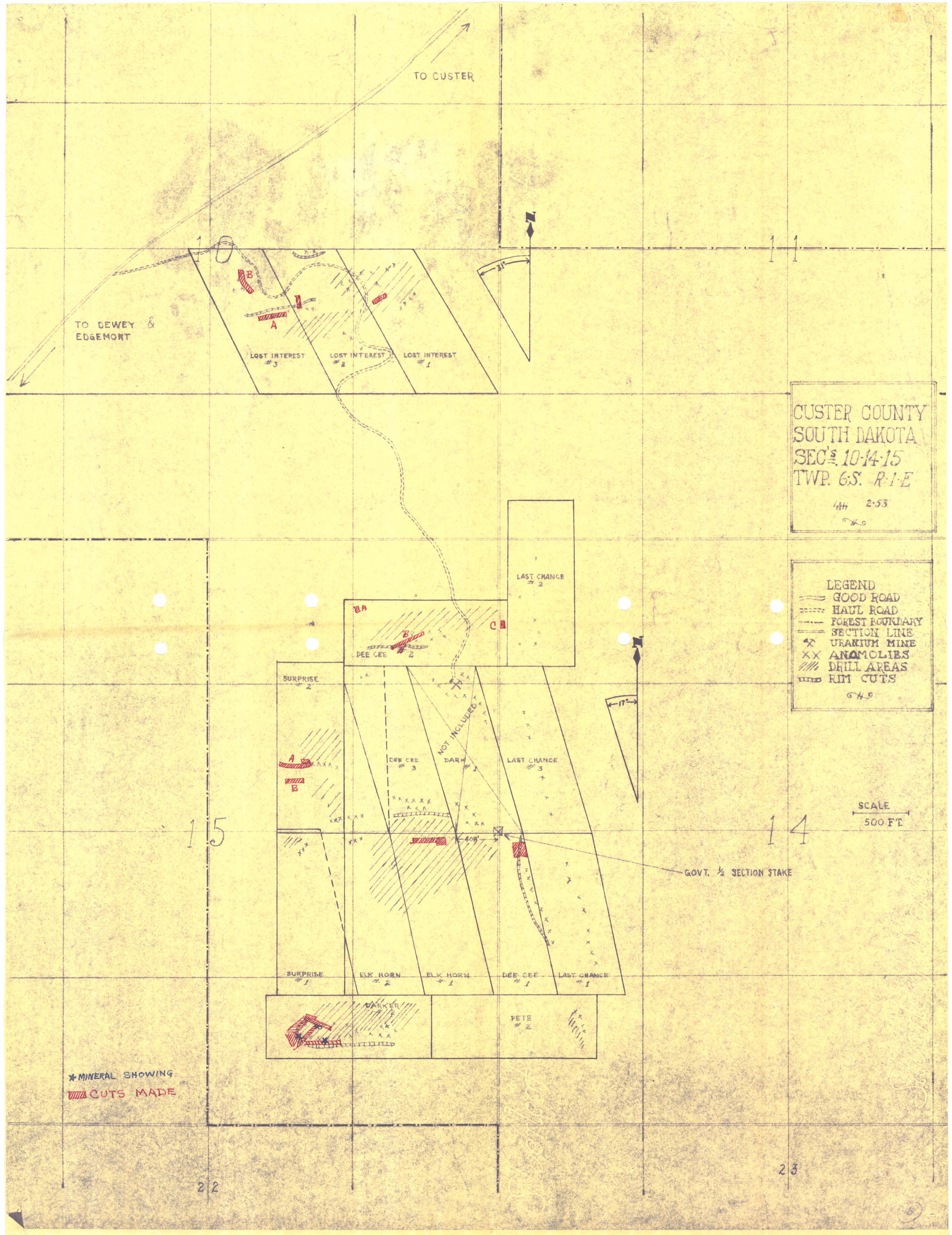
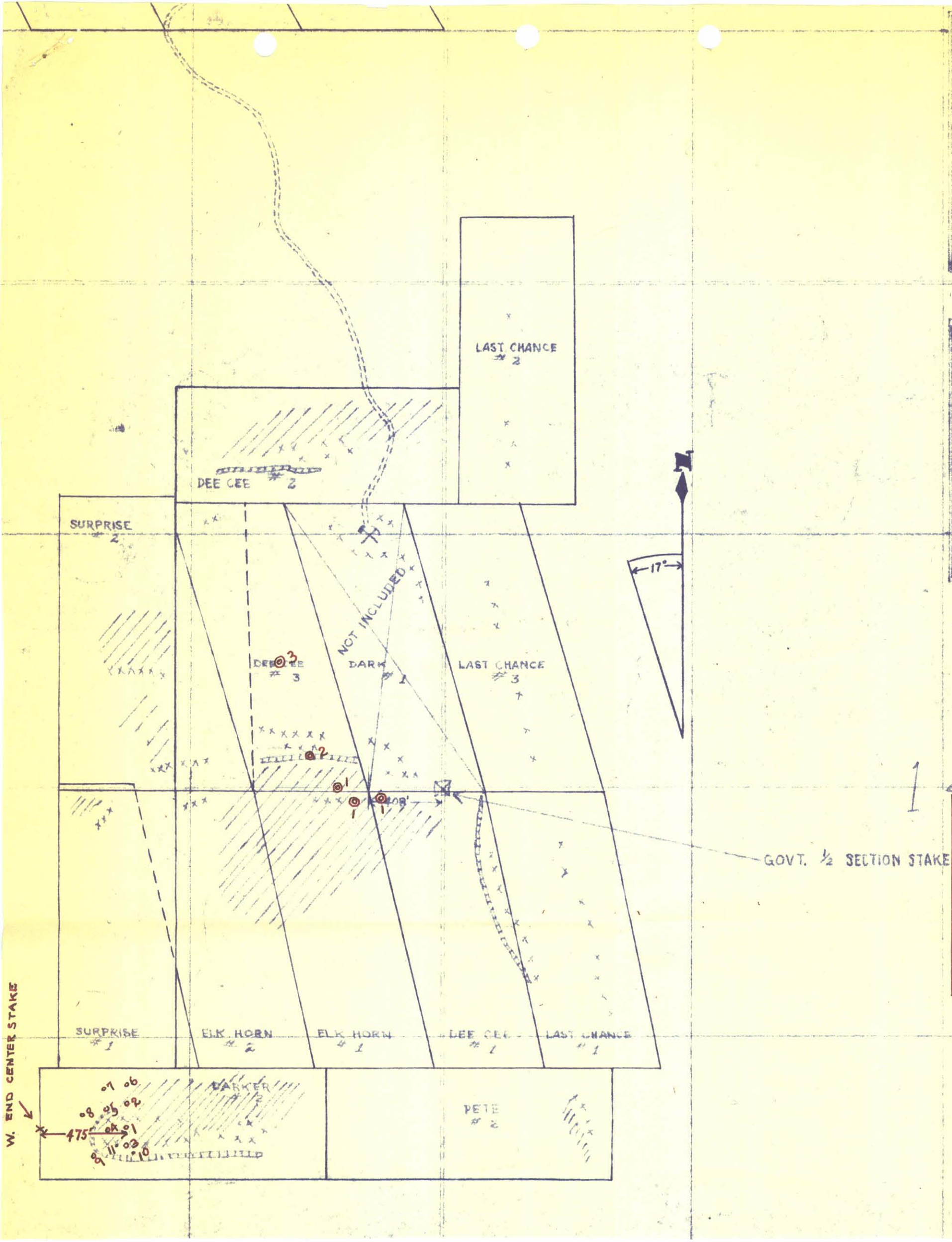
LOST INTEREST #3
LOST INTEREST #2
LOST INTEREST #1
LAST CHANCE #2
DEE CEE #2
SURPRISE #2
DEE CEE #3
NOT INCLUDED
DARK #1
LAST CHANCE #3
409'
GOVT. ½ SECTION STAKE
SURPRISE #1
ELK HORN #2
ELK HORN #1
DEE CEE #1
LAST CHANCE #1
DARKER #2
PETE #2
Exhibit "B"
CUSTER COUNTY
SOUTH DAKOTA
SEC'S. 10-14-15
TWP. 6S. R-1-E
2-53
LEGEND
GOOD ROAD
HAUL ROAD
FOREST BOUNDARY
SECTION LINE
URANIUM MINE
ANAMOLIES
DRILL AREAS
RIM CUTS
SCALE
500 FT.


TO CUSTER
TO DEWEY & EDGEMONT
LOST INTEREST #3
LOST INTEREST #2
LOST INTEREST #1
31°
CUSTER COUNTY
SOUTH DAKOTA
SEC's. 10-14-15
TWP. 6S. R-1-E
2-53
LEGEND
GOOD ROAD
HAUL ROAD
FOREST BOUNDARY
SECTION LINE
URANIUM MINE
ANOMOLIES
DRILL AREAS
RIM CUTS
LAST CHANCE #2
DEE CEE #2
SURPRISE #2
NOT INCLUDED
DEE CEE #3
DARK #1
LAST CHANCE #3
17°
408'
GOVT. ½ SECTION STAKE
SCALE
500 FT.
SURPRISE #1
ELK HORN #2
ELK HORN #1
DEE CEE #1
LAST CHANCE #1
MARKER #2
PETE #2
15
14
22
23
MINERAL SHOWING
CUTS MADE

CUSTER COUNTY
SOUTH DAKOTA
SEC'S. 10-14-15
TWP. 6S. R-1-E

AH 2-53

LEGEND
GOOD ROAD
HAUL ROAD
FOREST BOUNDARY
SECTION LINE
URANIUM MINE
ANOMOLIES
DRILL AREAS
RIM CUTS



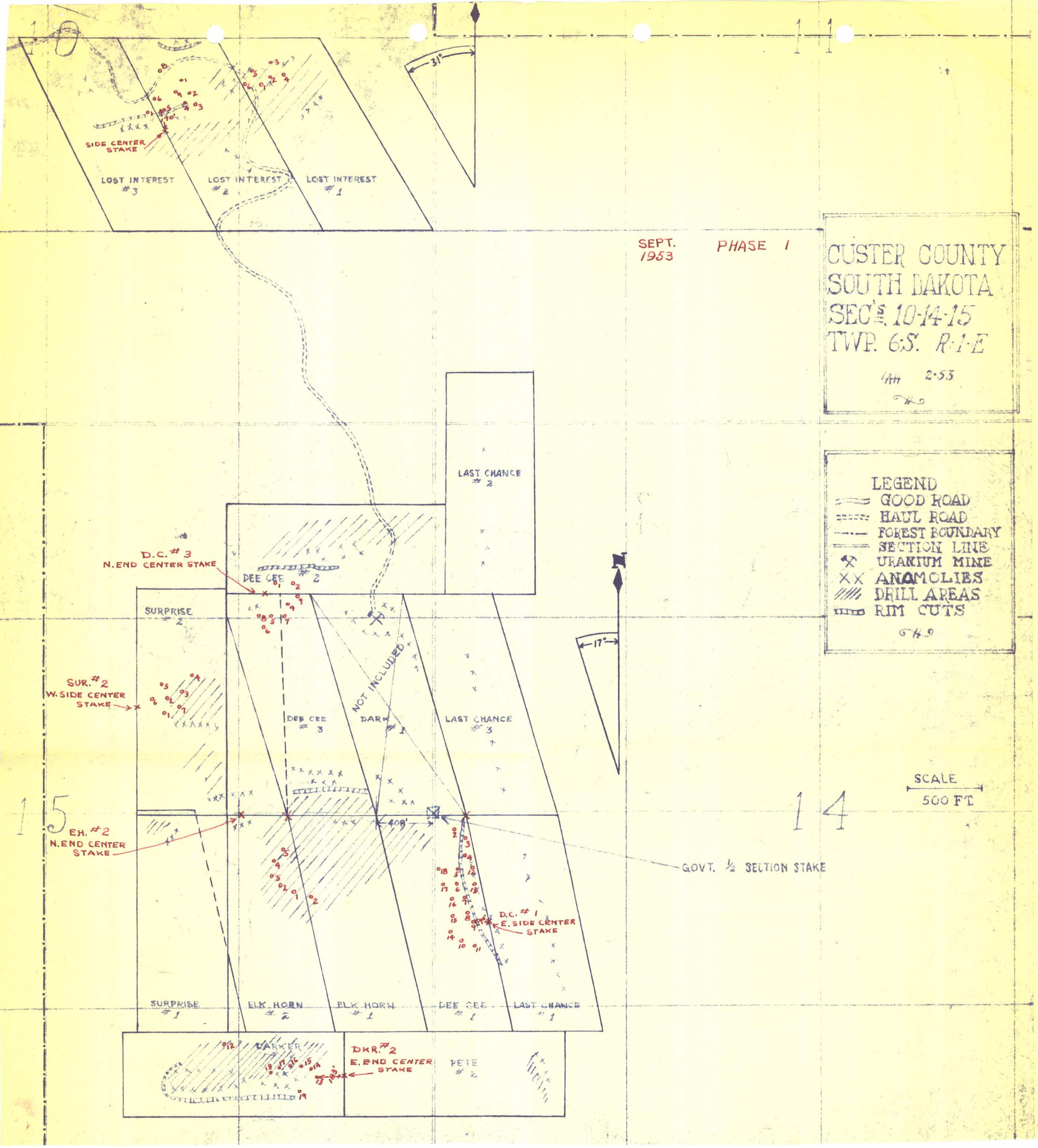
PHASE 1 AUGUST 1953
DRILL HOLE LEGEND
DARKER #2 11 HOLES
1,2,3,5,6,7,9 - 40' EACH
4 & 8 - 41' EA. 10 & 11 - 16' EA.

DEE CEE #1 - 1 HOLE 40'

DEE CEE #3 - 3 HOLES

1 & 2 - 40' EA. 3 - 30'

ELK HORN #1 - 1 HOLE - 40'


10
11
31°
SIDE CENTER STAKE
LOST INTEREST #3
LOST INTEREST #2
LOST INTEREST #1
SEPT. 1953
PHASE 1
CUSTER COUNTY
SOUTH DAKOTA
SEC's. 10-14-15
TWP. 6S. R-1-E
2-53
LEGEND
GOOD ROAD
HAUL ROAD
FOREST BOUNDARY
SECTION LINE
URANIUM MINE
ANOMOLIES
DRILL AREAS
RIM CUTS
LAST CHANCE #2
D.C. #3
N. END CENTER STAKE
DEE CEE #2
SURPRISE #2
SUR. #2
W. SIDE CENTER STAKE
NOT INCLUDED
DEE CEE #3
DARK #1
LAST CHANCE #3
17°
SCALE
500 FT.
15
14
E.H. #2
N. END CENTER STAKE
408'
GOVT. ½ SECTION STAKE
D.C. #1
E. SIDE CENTER STAKE
SURPRISE #1
ELK HORN #2
ELK HORN #1
DEE CEE #1
LAST CHANCE #1
DARKER
DKR. #2
E. END CENTER STAKE
PETE #2