DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 2378

DMEA NO. 399

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [X] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [X] Certification of Discovery
- [ ] Closing Letter
- [X] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [X] Contract with all exhibits and annexes
- [X] Owner's Consent to Lien and Subordination Agreement
- [X] Application and attachments

Right Side

- [X] Project summary (final)
- [X] Work Completed analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semi-Annual Report for Certified Project
- [X] Final Field Team Report (Tab)
- [X] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [X] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. 2 : Reports
- [X] Analysis of Semi-Annual Inspection Reports & FT Semi-annual rep.
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [X] Field Team Interim Reports
- [X] Operator's Monthly Reports with transmittal, narrative and maps.
- [X] Settlement Sheets

Folders No. 3 : Maps (Use pocket folder or envelope)

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

17963

Docket copy

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Salina Mining and Smelting Company
1425 E. Compton Blvd.,
Compton, California

Pursuant to the provisions of Exploration Project Contract No. Idm-E399, dated September 10, 1952 (Docket No. DMEA-2378), hereinafter called the "contract" between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon 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 as follows:

Work completed on the Lynn No. 3 claim has exposed two uranium bearing lenses. In these lenses autunite, carnotite, and other uranium minerals occur associated with clay, wood fragments, and iron oxide concretions throughout the lower part of the Dakota sandstone and upper part of the Summerville (Windsor) sandstone.

Dated: SEP 16 1953

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense Minerals
Exploration Administration

Copies to: Operator (original)
Contract Adm. & Audit Division
Field Team (2 copies)
Finance Office
Rare & Misc. Metals Div.(Mr.Ellis)
Mails & Files (Docket)
Mr.Irving Gumbel, Director, EPS
Adm. Reading File
Operating Committee
Mr. Hedges, Rm.4604
Mr. Thayer, Rm. 5216 GSA Bldg.
Mr. F. E. Johnson

Phelps
Lefane
Chamber
Kunkel
Hedges
Selfridge

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-E399, Docket DMEA-2378 (uranium), dated September 10, 1952, with

Salina Mining and Smelting Company
1890 North Main Street
Walnut Creek, California

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Lynn Claims located in Kane County, Utah, during the period July 15, 1959, through April 19, 1962.

A certification of discovery or development was issued on September 16, 1953, and, in accordance with Article 6 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated November 16, 1953, indicated accepted costs under the exploration contract amounting to $15,781.50 with the Government's contribution on a 90 percent basis being $14,203.35.

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

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which found the sales subject to the Government's royalty through July 14, 1959, to be $2,218.98. The royalty account as of July 14, 1959, was:

Total Royalty Payable	$110.94
Total Royalty Paid	105.37
Balance of Royalty Due	$ 5.57

As of April 19, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$110.94
Total Royalty Paid	110.94
Balance of Royalty Due	$ -0-

May 1, 1962

E. D. Talbert, OME Auditor

Idm-E399 Salina Mining and Smelting Company DMEA-2378

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator or its successor in interest shall pay the Government a percentage royalty on all production from the Lynn Nos. 1, 2, and 3 unpatented mining claims in secs. 16 and 21, T. 40 S., R. 9 W., SLB&M. At the time the contract was executed the Operator held possession of these three claims by virtue of a ten-year mining lease entered into on January 8, 1952, with Henry Bullock of Cedar City, Utah. In consideration of the exploration project contract, Mr. Bullock signed an Owner's Consent to Lien on August 12, 1952. The exploration project contract, however, contains the so-called "abandonment" provision.

Exploration work under the contract was completed in August 1953. During the exploration work and shortly thereafter 125.644 short dry tons of ore averaging .12 percent U_3O_8 was produced and shipped to the Maryvale, Utah, Plant of the American Smelting & Refining Company. The sale of this production is covered by a Report of Royalty Review dated July 15, 1959, which disclosed a balance of $5.57 in royalty due the Government. Payment of the balance due was received during the latter part of July 1959.

Examinations of the property, checks of A.E.C. production records, and inquiries of the Operator and property owner have disclosed no further production. The only reported activities have been a small amount of bulldozing in late 1955 and the extraction of a few tons of ore for experimental purposes during 1957.

The files indicate that the Operator may have relinquished its lease after termination of the exploration work. However, the Operator replied on April 19, 1962, to a recent inquiry on MME Form 63.

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 sales of production since the date of the contract have been reported and proper royalty thereon paid;
(2) No production is indicated for the period covered by this review; 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.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, OME Field Team, Region III, Denver, Colorado, pertaining to Contract Idm-E399, Docket No. DMEA 2378 (Uranium) dated September 10, 1952, with

Salina Mining and Smelting Company
1425 Compton Blvd.
Compton, California

for the purpose of determining the amount of royalties due the United States Government on the sale of Uranium bearing ores produced from the Lynn Claims Nos. 1 through 3, located in Kane County, Utah, for the period September 10, 1952 through July 14, 1959.

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

My review established the total sales of Uranium bearing ores for this period to be $2,218.98 (See Schedule No. 1 Attached). Royalty due the United States Government at the contract rate of 5 percent is $110.94. The royalty paid and the balance due are as follows:

Total Royalty Due	$110.94
Total Royalty Paid	105.37
Balance of Royalty Due	$ 5.57

July 15, 1959

Donald T. Finch
Donald T. Finch
OME Auditor

SALINA MINING AND SMELTING COMPANY

CONTRACT NO. IDM-E399 DOCKET NO. DMEA 2378

STATUS OF PROJECT, DESCRIPTION OF REVIEW AND REASONS THEREFOR

The exploration work under the project was completed August 31, 1953. On September 16, 1953, a Certificate of Discovery or Development was issued. A Report of Review in lieu of Final Audit dated November 16, 1953, indicates accepted costs of $15,781.50, with Government participation on a 90 percent basis being $14,203.35. Under the terms of the contract royalty is payable on any minerals mined or produced from the land described in Article 2 of the contract for a maximum period of 10 years from the date of the contract.

Semi-annual reports of inspection by examining engineers, United States Bureau of Mines, indicate production was incidental to exploration and that: "there are no ore reserves on the Lynn Claims from which production is feasible at the present time".

My review included a tabulation and recomputation of all ore settlement sheets in the files of the Executive Officer, OME Field Team, Region III, for the period September 10, 1952, through July 14, 1959, and correspondence with the Chief of Accounting Branch, Finance Division, Field Operations Office, Atomic Energy Commission, Grand Junction, Colorado. The producer's reported sales were reconciled with the records maintained by AEC. Royalties paid were reconciled with OME Finance Office, Denver, Colorado.

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

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

(b) The examining engineer is of the opinion all sales of production are accounted for.

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

Schedule No. 1

SALINA MINING AND SMELTING COMPANY

CONTRACT NO. [illegible]-[illegible]799 DOCKET NO. DMEA 2378

SUMMARY OF PRODUCTION, SALES AND ROYALTIES
PERIOD SEPTEMBER 10, 1952, THRU JULY 14, 1959

(All sales were to Marysvale, Utah, Plant of Colorado Plateau)
(Uranium Project - American Smelting & Refining Company)

Gross Weight, Pounds	272,320
Dry Weight, Pounds	251,288
Dry Weight, Tons	125.644
Average Assays	
U_3O_8	.12
V_2O_5	.11
Pounds, U_3O_8	302.61
Base Payment, U_3O_8	$ 583.01
Development Allowance	151.33
Haulage Allowance	
Number of Net Tons	136.16
Allowance Per Ton	6.00
Total Haulage Allowance	$ 816.96
Pounds, V_2O_5	273.15
Payment, V_2O_5	$ 84.67
Total Receiving Station Value	$1,635.97
A.E.C. Production Bonus	585.01
Total Value Subject to Royalty	$2,218.98
Average Value per Dry Ton	$ 17.66
Royalty Percentage	5%
Total Royalty Due	$ 110.94
Total Royalty Paid	105.37
Balance of Royalty Due	$ 5.57

ROYALTY DUE

August 27, 1954 Liquidation Settlement No. 6044 $5.57 ✓

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name **Salina Mining and Smelting Company**

Address **1425 E. Compton Blvd., Compton, California**

Lynn Claims Nos. 1 through 3, Kane County, Utah

Exploration Contract No. Idm-E 399 Docket No. DMEA 2378

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

8. Comment on any item 2(b) to 6, if answer is No.

Date May 8, 1959

M. D. Lowe
Mining Engineer

11/23/53-db.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
1 8 1953

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Salina Mining and Smelting Company
1425 E. Compton Blvd.
Compton, California

pertaining to Exploration Project Contract No. Idm-E399, Docket No. DMEA 2378, covering a project for exploration of Uranium, located in Kane County, Utah, commonly known as the Lynn claim, for the months of October 1952 to August 1953. The project was recessed from December 1952 to February 1953.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of costs claimed with the contract and pertinent schedules, consultation with the Executive Officer of the Field Team in charge of 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		$15,781.50
Exceptions:		
By DMEA Finance Officer	None	(see attach-)
Herewith	None	(ed note) None
Total Accepted Cost		$15,781.50

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 Fourteen Thousand Two Hundred Three and 35/100 Dollars

-$14,203.35-

is considered valid and proper.

Dated November 16, 1953

T. H. Brading, Auditor

Audit Report of
Review 11/16/53

SALINA MINING AND SMELTING CO.

Contract Idm-E399

Finance Officer withheld $500.00, pending receipt of Operator s final report. This report now has been received, and as no discrepancies are noted, amount withheld is reinstated.

T. H. Brading, Auditor

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 15 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 6 1952

DOCKET NO. DMEA 2378

COMMODITY URANIUM

Idm-E399

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 10th day of September, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] SALINA MINING AND SMELTING COMPANY a corporation duly organized and existing under and by virtue of the laws of the State of Utah
1425 E. COMPTON BLVD.
COMPTON,
CALIFORNIA

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 UTAH County of KANE, described as follows:[3]

LYNN #1 Unpatented Mining Claim Recorded in Book 4, Page 166, 5-3-49
LYNN #2 " " " " " " 4, " 167, 5-3-49
LYNN #3 " " " " " " 4, " 167, 5-3-49
County Clerk & Recorder's Office Kanab, Kane County, Utah

the Operator represents and undertakes:[4]

[redacted] the following claims, 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 -60- 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 -12 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 $15,255.45, which is -90- percent of $16,950.50, 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 engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples [illegible] with the advance in mineralized ground.

[illegible] not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[illegible] and nature of organization if any.
[illegible] or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to [illegible] which is not to be subject to the Government's percentage royalty.
[illegible] not applicable.
[illegible] rals.

SEAL

16—66329-1

(*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* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Saline Mining and Smelting Company
(Operator)

By George R. McPeak

George R. McPeak, President

By W. H. King
W. H. King, Executive Officer,
DMEA, Region IV

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

Richard J. McPeak [CORP.]

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

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 ~~Utah~~, County of ~~Kane~~, described as follows:1/

~~Lynn No. 1 Unpatented Mining Claim Recorded in Book 4 page 166,~~

~~Lynn No. 2 " " " " " " 4 " 167,~~

~~Lynn No. 3 " " " " " " 4 " 167,~~

~~All in the County Clerk's & Recorder's Office, Kanab, Kane County, Utah~~

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/ ~~Saline Mining and Smelting Company~~

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/$ ~~15,255.45~~, 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 12 day of August, 1952.

Henry Bullock [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.

EXHIBIT "A"

Description of the Work

On the Lynn No. 1 Claim two adits are to be driven to the northeast on the Dakota Summerville Contact. One adit is to be 50 feet in length and is located to determine the extent of the uranium mineralization appearing at the surface. The other adit, 100 feet southeast of the first, is to be driven 150 feet, and from the adit face, drifts 50 feet in a northwesterly direction and 25 feet in a southeasterly direction are to be driven.

The exploration on Lynn No. 3 Claim consists of driving a 5 to 10 degree, inclined adit 200 feet southeastward from a point south of the south boundary of Section 16. Two drifts at right angles to the adit for distances of 100 and 150 feet are to be driven at points to be approved by the DMEA representative.

Fig. 2, "Location Map of Lynn Mining Claims", is attached and shows the location of all the work. Fig. 2 is hereby made a part of EXHIBIT "A".

Estimated Costs of the Project

400 feet of adit driving at $23.38 per foot	$ 9,352.00
325 feet of drifting at $23.38 per foot	7,598.50
TOTAL COST -	$16,950.50
GOVERNMENT'S PARTICIPATION AT 90%-	$15,255.45

DMEA-2378

OFFICE OF THE ADMINISTRATOR

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 1 1952

224 New Customhouse
Denver 2, Colorado

February 5, 1952

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration, Washington, D. C.

From: Field Team, Region IV

Subject: Application for Exploration Assistance - Salina Mining & Smelting Company, 1425 E. Compton Blvd., Compton, California

Enclosed are four (4) copies of an application for exploration assistance for uranium submitted by the Salina Mining & Smelting Company, Compton, California. The property is in Kane County, Utah. The estimated cost of the project is $41,016.46.

J. H. East, Jr.

A. H. Koschmann

Enclosure

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

Not To Be Filled in by Applicant

Docket No. DMEA-2378
Metal or Mineral
Date Received 2-15-52
Amount $
Participation (Government %)

SALINA MINING & SMELTING CO.
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

Name and address of applicant

Date January 19, 1952.

If you have already filed MF-100, give date filed January 19, 1952, type of assistance requested R-LOAN,

DMA Docket Number (if available)

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

16—64067-2

FEB 1 1952

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail; this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

CERTIFICATION

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

Salina Mining & Smelting Co. Inc.
(Name of company)

By Richard J. McPeek
(Signature of authorized official)

January 19, 1952
(Date)

Secretary-Treasurer.
(Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

SALINA M[illegible] MINING CO.
1425 E. C[illegible]N BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

1. (a) We propose to explore and develope Claims Lynn NO. 1, Lynn No. 2, Lynn No. 3 and Lynn No. 4 as recorded in Book 4 of Kane County, Utah in Kenab, Utah.

   (b) Enclosed is copy of lease.

   (c) These claims are located in sections 16 and 17 Township 40 South Range 9 West, Salt Lake Principal Meridian, Kane County, Utah.

SALINA MINING & SMELTING CO.
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NEwmark 1-6183

2. (a) We expect to find uranium and vanadium.

   (b) See Trace Elements Memorandum Report 213 by the United States Department of Geological Survey of the Department of Interior.

   Enclosed are latest reports.

SA[illegible] & SMELT[illegible]O.
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

3. (a) We propose to explore and develope as follows:

Claim Lynn No. 1:

Prospect Tunnel 1 to a depth of 200 ft. due north, with cross-cuts of 25 ft. east and 50 ft. west at this 200 ft. point.
After scarfing face of cliffs some 40 ft., ore shows above the Summerville formation. It is found in a carbonaceous deposit with an intrusive of Cannel coal with cretacious matter. This vein extends along face of cliff some 300 ft. and has a depth from 8 inches to 2 ft. in width. Assays from Vitro Chemical Corp are attached in supplement.

Claim Lynn No. 3:

No 1 Tunnel. Extension of 37 ft. tunnel to a depth of 100 ft. in a southerly direction with 25 ft. cross-cuts east and west at the 100 ft. depth. Assays of .04% to .12% are existing in a 5 ft. face at this time. This ore is in sand and carbonaceous woods, also large petrified trees.

No. 3 Tunnel. Extension of 120 ft. tunnel to a depth of 300 ft. in the Summerville formation with a cross-cut of 100 ft. in a southerly direction only at this 300 ft. depth. Assays run from .03% to .13% from portal to face of tunnel. Assays from face at the 120 ft. depth show face to run .12% U3O8.
We also recommend at the 300 ft. depth a winz of 15 ft. to determine thickness of Summerville formation. Also at the 300 ft. depth, it is proposed to stope 45 ft. to the surface for the purpose of exploring upper uranium stratas, also providing an escape and air vent, Shipments to Marysvale, Utah from this tunnel have been from .11% to .13% as shown on shipping documents. Assay reports from U.S.G.S. on this claim are from .04% to .90% U3O8.

Attached is supplement from Vitro Chemical Corp.

The Total Cost of this project as set forth below is $41,016.46.

(b) We are prepared to start this project immediately upon granting of this loan and estimate a completion date of approximately six months from the time we start. Our cost estimates have been based upon approximately six months time.

SALINA MINING & SMELTING CO.
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5. List of existing facilities etc:

Two bunk houses
one cook cabin
one storage tent
one power plant electric generator
Cook stove, table & chairs, & cooking equiptment
Beds, bedding and miscellaneous furniture.
one house trailer
one forty ton ore bin
one five hundred gallon water tank

All of the above equiptment is in good shape and needs no repairs.

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6. We propose to erect and purchase additional facilities as follows:

		Estimated cost
Build one additional Bunk House		$500.00
Build one compressor and tool shed		150.00
Build one domestic water tank with pump		300.00
	Total	$950.00

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7. (a) We propose to rent:

	Approximate Cost
1 Jaeger 125 cu ft Air Compressor	$ 229.91 per month
175 Thor Sinker Drill	
1 CL60 Water Tank	
Total for 6 months	$1379.46

(b) We propose to purchase:

	Approximate Cost
10 ton of rail @ $120.00 per ton (New 16# or 20#)	$1200.00
100 pounds of Rail Spikes	25.00
2 Rail Switches @ $15.00 Each	30.00
500 feet of 2 inch air pipe @ $35.00 per 100 feet	175.00
500 feet of ½ inch water pipe ¢ $17.00 per 100 feet	85.00
300 feet of 1½ inch water disposal pipe ¢ $21.00 per 100	63.00
Miscellaneous pipe fittings	20.00
Electric water pump (for mine)	250.00
Miscellaneous electric wiring	50.00
500 feet of 8 inch air vent ¢ $1.30 per foot	650.00
2 new mine cars ¢ $75.00 each	150.00
1 Air Mucking Machine (used)	1900.00
400 feet of ½ inch cable (6 by 19 Hemp Center)	180.00
1 Fuel Oil pump	39.00
1 Jim Crow	50.00
1 Electric Generator	350.00
Total Cost	$5217.00

(c) We own and operate the following and all are available for use in this project:

	Estimated Value:
1 1949 Mack Dump Truck (capacity 15 tons)	$7000.00
1 1948 Dodge Dump Truck (capacity 8 tons)	1800.00
1 Mine Hoist	450.00
3 Jack Hammers	300.00
1 Mine Car	75.00
80 feet Rail	35.00
100 feet Air Hose	40.00
1 Electric Generator Plant (2½ KW)	350.00
1 1943 Army Weapons Carrier (4 wheel drive)	700.00
Drill Steel	100.00
Numerous Small Tools	175.00
Total Value	$11,025.00

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8. We propose to operate on a six day a week basis and the wages are figured on the basis of 150 working days:

5 Miners @ $12.00 per day	$9,000.00
5 Muckers @ $10.00 per day	7,500.00
1 Hoistman @ $10.00 per day	1,500.00
1 Mine Manager @ $500.00 per month	3,000.00
1 Cook @ $8.00 per day	1,200.00
Insurance for workers approximately	2,220.00
Total	$24,420.00

All of the above are furnished room & board free. Also these wages are based on a non-union scale.

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		Estimated Cost:
Materials:	Powder and Caps @ $250.00 per month	$ 1500.00
	Drill Steel and Bits @ $100.00 per month	600.00
	Timbers 10,000 feet @ $60.00 per thousand	600.00
	Gas and Oil @ $250.00 per month (for trucks and operating equiptment)	1500.00
Supplies:	Food for workers @ $20.00 per day for 150 days	3000.00
Engineering:	Outside engineers	500.00
Assaying:	40 assays @ $5.00 per assay	200.00
Accounting:	$50.00 per month including stationary & postage	300.00
Power:	We will have our own generators	No cost
Water:	We furnish our own water	No cost
Utilities:	Telephone and telegraph	150.00
Road work:	Building road to workings on Claim Lynn No. 1 (there is no road at present time)	400.00
Sub-Hauling:	Miscellaneous equiptment hauling and freight	300.00
	Total	$9,050.00

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10. (a) We are prepared to invest $4,101.65 as required by MC-5 as amended or whatever amount is needed to cover our share of this project.

(b) Yes.

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NEwmark 1-6183

11. We are attaching our financial statement of the year 1951 showing the money we have on hand and the money expended in developing our claims in the search for Uranium. We have come to the conclusion that we do not have enough money to carry on the project for the development of the property and so we are seeking your assistance. We feel we would not be able to carry out this program fast enough to produce Uranium in the quantities needed today by our government. We are able now to work at a slow pace to accomplish some results but they are not sufficient. we will be able to work our property for some three fo four month s at the above pace with our own finances, but we will be unable to accomplish any of the results as set forth in this application. We feel that in the future this property may turn into the greatest producing properties of Uranium in the United States and we feel that if we are granted this loan we will be able to accomplish this. Because of the foregoing statements and with the proof you will have with your own investigations we request that you act on this as soon as possible.

SALINA MINING & SMELTING CO.
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

MINING LEASE.

THIS INDENTURE, made and entered into this 10th day of August, 1951, by and between HENRY BULLOCH of Cedar City, Iron County, State of Utah, and SCOTT M. MATHESON of Salt Lake City, Salt Lake County, State of Utah, parties of the first part and hereinafter designated as lessors, and SALINA MINING AND SMELTING CORPORATION, a Utah corporation, with its principal place of business at Richfield, in Sevier County, Utah, party of the second part and hereinafter designated as lessee:

WITNESSETH:

That the said lessors, for and in consideration of the royalties, covenants and agreements hereinafter reserved, and by said lessee to be paid, kept and performed, have granted, demised and let unto the said lessee the following described mine and mining property situated in an unknown and unorganized mining district in Kane County, Utah, known and designated as --

Bulloch Lode	Jeanie No. 2
Bulloch Lode No. 2	Jeanie No. 3
Bulloch Lode No. 3	Jeanie No. 4
Bulloch Lode No. 4	Jeanie No. 5
Bulloch Lode No. 6	Jeanie No. 6
Bulloch Lode No. 7	North Fork
Bulloch Lode No. 8	North Fork No. 1
Bulloch Lode No. 9	North Fork No. 2
Bulloch Lode No. 10	Lynn
Bulloch Lode No. 17	Lynn No. 1
Bulloch Lode No. 18	Lynn No. 2
Bulloch Lode No. 22	Lynn No. 3
Bulloch No. 26	Lynn No. 4
Bulloch No. 27	Lynn No. 5
Bulloch No. 28	Lynn No. 7
Jeanie	Lynn No. 6
Jeanie No. 1	Lynn No. 8
Bulloch No. 24	Lynn No. 10 --

- - and being thirty-six (36) unpatented Lode Mining Claims;

To have and to hold unto the said lessee for the term of 7 years from and after August 10th, 1951, unless sooner forfeited through the violation of any covenant hereinafter against said l

LINA MINING & SMELTING CO.
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

reserved; it being understood and agreed that the said lessee shall be entitled to the possession of the said premises forthwith, and thereafter during the time this lease shall remain in force and effect:

AND IN CONSIDERATION of the said demise the said lessee does covenant and agree to and with the said lessors as follows, to-wit:

1. That all work done upon the said premises will be done with due regard to the safety, development and preservation of the said mining claims and premises as a workable mine and/or mines for the exploration and mining of uranium-- or such other minerals as may be taken therefrom; and to securely and properly timber all openings made, where timbering shall be necessary and proper in accordance with good mining practice and customs;

2. That when mining operations are underground, to keep at all times the drifts, shafts, tunnels and other workings being worked by said lessee thoroughly drained and clear of loose rock and rubbish, unless so prevented by extraordinary mining casualty;

3. That said lessee shall be solely responsible for all labor, materials and supplies purchased by the said lessee and used in the operations herein contemplated and will indemnify and save harmless said lessors from any and all liability by reason of this lease, and will notify all persons with whom said lessee incurs any obligations, of such responsibility, and will post a notice at the mouth of all said workings relieveing lessors of all responsibility for the same, and will take any and all steps necessary and prescribed by law to give notice to creditors of such responsibility;

4. To carry and pay for compensation for all persons employed by said lessee when required so to do by the laws of the State of Utah, and to carry and pay all social security taxes and

assessments, unemployment insurance or other taxes or assessments required by the laws of the State of Utah or the United States Government, excepting as may be otherwise herein provided;

5. That all sales taxes upon the sale of ores, and any severance taxes, mineral right taxes, production and/or depletion taxes, or taxes upon ore mined, moved or blocked out, shall be paid by the lessee, and the amount thereof shall be taken into account as a deduction before calculating royalty payment to the lessors;

6. That the said lessee will pay whatever personal property taxes are assessed against its personal property and mining machinery and equipment placed upon the premises by itself and that said lessors will pay any real estate taxes which might hereafter be assessed against the said mining claims;

7. To allow the lessors and their agents at any and all reasonable times to enter upon said demised premises and any and all parts thereof for the purpose of inspection and examination;

8. To comply with all of the laws of the United States of America and the State of Utah, with respect to working the mining property and the employment of labor thereon;

9. To do and perform not less than 150 shifts of labor of eight hours each upon the said claims, or some portion thereof, in each calendar month, during the life of this lease, commencing with the month of August, 1951; provided, however, that should the lessee be unable to do any work during the winter months because of the inclemencies of the weather, or should said lessee be unable to do any work at any time through causes beyond its control and not caused or brought about through any action on its part, then the failure to do such work shall be excused for the period of cessation; provided, further, that not less than 100 shifts of work shall be done and performed, in addition to the minimum work requirements, in each

calendar month after work is resumed, until the amount of work so excused as aforesaid has been fully performed;

10. To pay and deliver to the said lessors, as royalties, for all (uranium) ores removed from said premises, ten percent of the gross sales price of said ore, f.o.b. the point of delivery to the purchasing agency; it being understood and agreed that the lessee shall stand and bear the entire cost of mining and producing said ores and transporting the same from the mine to point of delivery; it being further understood and agreed that any amounts refunded to lessee by the purchasing agencies for such haulage shall be retained by the lessee and not computed as any part of said royalties. That in the event said lessee shall take from said premises any ores other than uranium and shall dispose of the same, it shall pay and deliver to said lessors, as royalties, ten percent of the net value thereof, net value being defined as either net smelter returns or net milling and smelting returns, and being the value of the said ore as paid by the purchaser thereof after deducting the cost of transportation from mine to smelter and treatment or smelter charges, or if ores are milled, the cost of transportation of mill concentrates to smelter and smelter or treatment charges, together with the cost of transportation from mine to mill and milling charges, provided, however, such milling charges shall not exceed the usual and customary charge made for similar milling service;

11. That all mining equipment and machinery brought upon the said premises by the said lessee shall constitute and remain personal property, which said lessee may remove from said premises at its option or at any time during the life of this lease or within thirty (30) days thereafter upon notice from said lessors so to do; provided, however, that any timber placed in any of the mine workings shall become a part of the realty, and any buildings permanently

attached to the realty or other permanent fixtures or improvements shall become a part of the realty and may not be thereafter removed without the written consent of lessors;

12. That it is expressly agreed, understood and declared by all parties hereto that the relationship of the parties is and shall continue to be that of lessors and lessee, and not that of employer and employee; that such lessee is customarily engaged in the independent established trade, occupation and business of mining under leases for its own profit and benefit;

13. That it is further specifically agreed, understood and declared by all parties hereto that the lessors do not control or direct the work of said lessee, and that the lessee is free from control or direction over the performance of the work, or any work, which it may choose to do by virtue of and in and under this lease, excepting that such work must be done as hereinbefore stated, that is to say, in a good and minerlike manner and as particularly hereinbefore stipulated;

14. That the lessee hereby agrees that it will, on or before June 15th of each year, commencing with the year 1952, cause to be prepared and recorded in the office of the County Recorder of Kane County, Utah, a proof of labor showing that the annual assessment work on the claims herein described required by the laws of the United States and/or the State of Utah has been fully done and performed;

15. That the purchasing agency of any ores shall be notified of the royalty interest of the said lessors in all ores shipped, and lessee shall direct said purchaser to remit all royalties directly to the said lessors, together with a copy of all settlement sheets;

16. That it is agreed and understood a portion of the said

lode mining claims are located on ground previously patented from the United States, but reserving to the United States Government all mineral rights; that the said lessee does hereby agree that if there are any claims whatsoever asserted by the patentees and/or their successors, and/or the owners of the surface rights to said patented premises against these lessors, that the said lessee will save said lessors harmless against any such claims and will indemnify them against any damages and/or loss of whatsoever kind or nature because of such claims;

by virtue of exploration of said premises or any part thereof

17. It is hereby understood and agreed that should the lessee fail, refuse or neglect to make the payments, or any of them, due as royalties, or cause the same to be made, or fail, refuse or neglect to perform any one or more of the additional covenants contained in this instrument upon its part to be performed, then the lessors may, at their option, declare this lease terminated and cancelled by serving upon the lessee a thirty days' notice of their intention so to do; and providing the said lessee shall fail to pay such royalties or cause the same to be paid or to correct and cure any default within the period herein provided after the service of such notice, then all rights and interests of said lessee shall thereupon cease and terminate without further demand or notice; it being understood and agreed that the service of said notice shall be complete upon the date of depositing the same, registered mail, in the United States Post Office at any place within either the State of Utah, and addressed to the said lessee at 1429 East Compton Blvd., Compton, California, or to any changed address if lessors shall be advised of such, or to any assignee of the said lessee at his or its last known place of address. And in the event of the termination of this agreement, after demand and expiration of the period above referred to, or in the event of a voluntary abandonment of said

premises, or upon the expiration of the leasehold interest seven (7) years from this date, the lessors herein, or their duly authorized agent or agents shall have the right to take possession of the above described premises, without further notice and with or without process of law, and the said party of the second part, lessee herein, agrees in either of said events to deliver up to the said lessors the peaceful possession of said premises and every part thereof;

18. It is expressly agreed that time is of the essence of this lease;

19. It is further agreed that this lease shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors or assigns of the respective parties hereto;

20. Forfeiture as herein provided shall be the sole remedy of the lessors for any breach of any of the terms, covenants and conditions of this lease by lessee, except for failure to pay or cause to be paid royalties accrued and unpaid, taxes accrued and unpaid and any loss which lessors may suffer as the result of lessee's permitting liens for labor or material to accrue against the leased premises.

IN WITNESS WHEREOF, the lessors have hereunto set their hands and seals, and the lessee has caused its corporate name and seal, duly attested, to be affixed hereto by and together with the signatures of its President and Secretary the day and year in this instrument first above written.

Witnessed by

S/D Lawrence Migliaccio

S/D Henry Bulloch

Lessors.

THE SALINA MINING AND SMELTING CORPORATION, By A. H. Elliott S/D

By S/D George R. McPeak
President
Lessee

ATTEST:

Richard J. McPeak S/D
Secretary.

SEAL

CLINE, WILSON & CLINE
ATTORNEYS AND COUNSELLORS AT LAW
OFFICES AT
MILFORD, FILLMORE AND BEAVER, UTAH

SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned, Henry Bulloch, is lessor of the following mining claims located in the Unknown Mining District, Kane County, State of Utah, to-wit:

Lynn No. 1 Lode Mining Claim
Lynn No. 2 Lode Mining Claim
Lynn No. 3 Lode Mining Claim

and

WHEREAS, said mining claims have been leased to the Salina Mining and Smelting Company for the purpose of extracting uranium and other minerals; and

WHEREAS, the said lessee has heretofore entered into an agreement with the said lessor for the exploration of said mining claims and the development of uranium and other minerals thereon, and said lessee has for a period of five months been engaged in the exploration of said mining claims and have expended substantial sums for said purpose. The said lessee has filed an application for aid for an exploration project pursuant to Mineral Order 5, under Defense Production Act of 1950 in the sum of One Hundred Thousand Dollars, ($100,000.00), to further develop the above described claims;

NOW THEREFORE, in consideration of the premises, the undersigned hereby acquiesces and consents to said application and approval thereof in whole or in part, and does hereby subordinate to the United States of America all of their right, title and interest as owners and lessors of said property herein above described pursuant to the exploration project contract that may be entered into between lessee and the United States of America.

Henry Bulloch

STATE OF UTAH,)
) SS.
County of Beaver.)

On this 7th day of January, 1952, personally appeared before me Henry Bulloch, the signer of the foregoing instrument, who duly acknowledged to me that he executed the same.

Sam Lewis
Notary Public
Residing at Milford, Utah.

My Commission Expires:

April 1st, 1955

CLINE, WILSON & CLINE
ATTORNEYS AND COUNSELLORS AT LAW
OFFICES AT
MILFORD, FILLMORE AND BEAVER, UTAH

CLINE, WILSON & CLINE
ATTORNEYS AND COUNSELLORS AT LAW
OFFICES AT
MILFORD, FILLMORE AND BEAVER, UTAH

SUPPLEMENTAL MINING LEASE.

THIS INDENTURE, made and entered into this 8th day of January, 1952, by and between HENRY BULLOCH of Cedar City, Iron County, State of Utah, party of the first part and hereinafter designated as lessor, and SALINA MINING AND SMELTING COMPANY, sometimes known as Salina Mining and Smelting Corporation, a Utah Corporation, with its principal place of business at Richfield, in Sevier County, Utah, party of the second part and hereinafter designated as lessee:

WHEREAS, the partieshereto have heretofore and on the 10th day of August, 1951, entered into a mining lease for a term of seven years from and after August 10th, 1951, and describing and covering certain unpatented lode mining claims in an unknown mining district of Kane County, Utah, and including among numerous other claims, the following, to-wit:

Lynn No. 1 lode mining claim;
Lynn No. 2 lode mining claim;
Lynn No. 3 lode mining claim; - - and

WHEREAS, it is now the desire of the parties hereto that the said original mining lease shall be extended as to the above three lode mining claims, and modified accordingly;

NOW THEREFORE, for and in consideration of the premises, the said parties do hereby agree that the said original mining lease shall be and the same is hereby modified and amended in the following particular, to-wit:

That concerning the above three lode mining claims, the leasehold period shall run for a period of ten years from and after the date hereof, and expire on the 8th day of January, 1962, unless sooner forfeited through the violation of any covenant as set forth in said original mining lease;

That excepting as herein otherwise provided, the said original lease shall remain in full force and effect.

IN WITNESS WHEREOF, the lessor has hereunto set his hand and seals and the lessee has caused its corporate name and seal, duly attested, to be affixed hereto by and together with the signatures of its President and Secretary the day and year in this instrument first above written.

Witnessed by

Lessor.

THE SALINA MINING AND SMELTING COMPANY, a Corp.,

By

President
Lessee

ATTEST:

Secretary (Seal)

CLINE, WILSON & CLINE
ATTORNEYS AND COUNSELLORS AT LAW
OFFICES AT
MILFORD, FILLMORE AND BEAVER, UTAH

SALINA MINING & SMELTING CO.
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

United States Department of the Interior
Geological Survey
Box 7618, Lakewood Branch
Denver, 15, Colorado

December 13, 1951

Mr. Richard J. McPeak
1425 E. Compton Boulevard
Compton, California

Dear Dick:

Thank you for use of the Salina Mining & Smelting Company settlement assays on ore shipments from the Bulloch property. I am returning the settlement sheets herewith.

Six analyses recently obtained from samples I took at the Lynn No. 3 ~~nnhm~~claim may be of interest to you. They are as follows:

Sample Number	Material analyzed	Equivalent uranium (percent)	Uranium (percent)	V_2O_5 (Vanadium) (percent)
FS 61-51	Fossil wood in adit near bend in road	0.016	0.010	0.02
FS 62-51	Chips of yellowish gray to white sandstone with visible autunite, 89 feet past first (Bulloch) adit	0.069	0.10	0.02
FS 63-51	Hand selected concentrate of autunite crystals in clay, from adit No. 3	0.97	1.43	0.11
FS 64-51	Adit No. 3, clay 5 feet from entrance with 1 % plant remains and 1% autunite	0.92	1.35	0.07
FS 65-51	Composite of 9 channel samples across 2 feet of white sandstone extending 36 feet northward from sample location FS 64-51	0.038	0.049	0.02
FS 66-51	South wall No.2 adit, 17 feet from entrance, 2 foot channel in yellow sand	0.11	0.12	0.09

These assays were made on behalf of the Atomic Energy Commission and are being sent to you at their specific request. The Analyses of other samples are still pending.

Sincerely,

Frederick Stugard, Jr.
Geologist

Certified to be a True copy.
Richard J. McPeak

VITRO CHEMICAL COMPANY

URANIUM VANADIUM

600 WEST 33RD SOUTH
SALT LAKE CITY 15, UTAH
TELEPHONE 6-1942
P. O. BOX 67
SOUTH SALT LAKE STATION

January 10, 1952

Salina Mining & Smelting Company
Box 82
Orderville, Utah

ATTENTION: Mr. A. H. Ellett

Dear Mr. Ellett:

Our laboratory has assayed the sample you left with us on December 12, 1951; also the one left here on January 3rd of this year. We are pleased to report the following results:

Date of Sample	Percentages U_3O_8	V_2O_5	$CaCO_3$
Dec. 12, 1951	0.21	8.40	Not Run
Jan. 3, 1952	0.34	3.06	Nil

Material of such grade is of real interest to us as an ore source to this plant. We are making tests in our laboratory in order to determine the amenability of such an ore to our treatment system. When a satisfactory laboratory test has been achieved we will notify you by letter giving our open schedule prices and terms for purchase. By reason of the heavy backlog of work upon our laboratory we expect that it will be at least two weeks before we have a definite answer upon the amenability of your ore.

The work we have done to date causes us to conclude that this is not a Carnotite type ore. It appears to be Rauvite and Corvusite mineralization and therefore similar to the ore minerals of Temple Mountain. The last rock is not asphaltic but it contains up to 20% of vegetable carbon in the form of coal and carbonized wood fragments. In hand specimen the rock appears to be from the Dakota formation.

Very truly yours,

VITRO CHEMICAL COMPANY

By: W. B. Hall

W. B. Hall

RHW:irs

V. J. MALLEY
PUBLIC ACCOUNTANT
1137-A EAST COMPTON BOULEVARD
COMPTON 2, CALIFORNIA
NEWMARK 1-4424

SALINA MINING & SMELTING CO.
1425 E. Compton Blvd.
Compton, Calif.

BALANCE SHEET

December 31, 1951

ASSETS		
Current		
Cash in Bank	$ 4,959.87	
Cash on Hand	200.00	
		$ 5,159.87
Deferred		
Deposits	$ 275.00	
Employee's Advances	360.00	
Prepaid Insurance	278.31	
Deposits on Equipment	1,676.69	
		2,590.00
Fixed		
Buildings	$ 450.00	
Leasehold Improvement	36.50	
Trucks	5,371.68	
Mining Equipment	3,700.00	
Small Tools	86.50	
	$ 9,644.68	
Less: Depreciation Reserve	2,109.25	
		7,535.43
TOTAL ASSETS		$15,285.30
LIABILITIES & CAPITAL		
Current Liabilities		
Employees Payroll Taxes	$ 350.34	
Notes Payable (Amortized)	4,967.84	
		$ 5,318.18
Capital		
Stock Issued	$32,550.00	
Surplus	(22,582.88)	
Net Worth		9,967.12
TOTAL LIABILITIES & CAPITAL		$15,285.30

V. J. MALLEY
PUBLIC ACCOUNTANT
1137-A EAST COMPTON BOULEVARD
COMPTON 2, CALIFORNIA
NEWMARK 1-4424

SALINA MINING & SMELTING CO.

1425 E. Compton Blvd.
Compton, Calif.

OPERATING STATEMENT

December 31, 1951

INCOME		
Receipts from Development		$ 709.87
Operating Expenses		
Wages	$8,538.00	
Rent	25.00	
Mining Supplies	2,496.76	
Telephone	193.68	
Outside Contract	1,020.00	
Advertising	129.00	
Legal & Accounting	175.00	
Office Expense	78.24	
Payroll Taxes	100.20	
Taxes & Licenses	5.76	
Truck & Auto	1,892.39	
Insurance	356.69	
Miscellaneous	19.08	
Interest	598.82	
Freight & Transportation	341.16	
Equipment Rental	1,924.00	
Equipment Expense	1,128.47	
Traveling	474.21	
Lodging	266.26	
Food	1,420.78	
Depreciation	2,109.25	
Total Operating Expenses		23,292.75
NET OPERATING EXPENSE		($22,582.88)

Form MF-100
(May 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. DMEA-2378

Date received 2-15-52

SALINA MINING & SMELTING CO.,
1425 E. COMPTON BLVD.,
COMPTON, CALIFORNIA
NEwmark 1-0103

Name and address of applicant

Date January 19, 1952

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (5) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 1 1952

5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
George R. McPeak 502 S.Sloan,Compton,Cal	President D	None	100,000	52500		none	
E. T. Melbourne 613 S. Pearl,Compton,Cal.	Vice-Pres. D	None	75,000	19250		none	
Richard J. McPeak 805 S.Mayo, Compton,Cal.	Sec-Treas. D	None	110,000	52500		none	
Mary E. Fuchs 1624 McMillan,Compton,Cal	Director	None	5,000	19250		none	
A.H. Ellett, P.O Box 82 Orderville, Utah	Director	$3200.00	25,000	31500		none	
Je E. Nelson, 33 Crescent Place, ShortHills, N.J.	Stockholder		300,000	20000		none	
	Total	$3200.00	x x x x	195000		x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$ 10,000.00	$ 5,824.00	$ 0.024	291,200	none
Preferred stock	$ None	$	$		

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)					
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(*a*) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

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

Salvia Mining & Smelting Co. Inc
(Name of company)

By Richard J. McPeak
(Signature of authorized official)

January 19, 1952
(Date)

Secretary - Treasurer
(Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

1. Materials produced are:

(a) Uranium U3O8

(b) Vanadium V2O5

ALINA MINING & SMELTING CO
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

2. We are presently mining and developing the property known as the Bulloch Claims located in Kane County, Utah.

(a) In NO. 2 tunnell there is a shaft of Five (5) feet.

(b) There are no drifts or crosscuts

(c) Tunnel No. 1 is thirty secen (37) feet deep.
Tunnel No. 2 is sixty two (62) feet deep.
Tunnel No. 3 is twenty seven (27) feet deep)
Tunnel No. 4 is One hundred twenty (120) feet deep.

(d) There are no other mine openings.

Tunnel No.4 produces 150 gallons of water every 24 hours. We are using small one inch electrical pump. All these tunnels are located on Claim Lynn No. 3.

We previously to our present operations engaged in mining explerations in the Maryuvale area. Our property was in Sevier County, Utah known as the Home Run claims in Poverty Flat. We drove an incline one hundred seventy five (175) feet. We had commenced operations on March 1, 1951 and ceased operations July 31, 1951.

Previous to that we worked a property known as Oakcreek, Boulder Mt., Garfield County, Utah. We were forced to stop that exploration due to flood conditions and inaccessability of our property.

SALINA MINING & SMELTING CO.
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

3.

(a) ~~13~~. The mine is located 24 miles from Orderville, Utah. The nearest shipping point at present is Marysvale, Utah, which is a distance of 121 Miles.

(b) The district is in Kane County, Utah and is an unnamed district.

(c) The township is 40 South
The sections are 16, 17, and 20 Salt Lake Principal Meridian.
The range is 9 West.

(d) Kane County, Utah.

SALINA MINING & SMELTING CO.
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

4. (a) The property is now in development stage under the
Salina Mining & Smelting Co. Inc.
1425 E. Compton Blvd.
Compton, California.

(b) We are operating the property as Lessee.

SIERRA MINING & SMELTING CO.
1425 E. ROSECRANS BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6103

5. We have been in operation since June 1950.

We operated from June 1950 until December 1950 under the name of Western Uranium & Engineering Co. From that time on we have operated under our present name.

SALINA MINING & SMELTING CO.
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

6. Experience of Operators:

(a) The Salina Mining & Smelting Co, has operated as a corporation since March 1951 and has engaged in the purposes of developing Uranium mining since then. Its experience is listed below.

(b) Mr. A. C. Alleth, general mine manager, received a degree in Mining Engineering at Socorro School of Mines in Socorro, New Mexico in 1933. He has a Diesel Electrical Engineering Degree in the State of California and is a graduate of Hemphill Diesel Engineering School, Los Angeles, California. He is well known in the Marysvale area, the present heart of Uranium mining in Marysvale, Utah. He is very well versed in the various phases of prospecting for and detecting Uranium.

Mr. Lawrence Migliaccio, who has been working with us and is to be in charge of production, previously owned and operated a property known as the Vanadium King Claims in Temple Mountain, Emery County, Utah. He worked this property from 1941 through 1950. He has shipped approximately $150,000.00 worth of ore to Monticello, Utah and the records may be checked through the Atomic Energy Commission in Grand Junction, Utah.

Mr. R. J. McPeak is the general manager of the company, He is handling the disbursement of all funds. He is a co-partner of the McPeak Motor Co., new car dealer in Compton, California, which company does a business volume of approximately $1,000,000.00 total gross sales a year. He has conducted this business since March 1946. Prior to that he spent four and one half years in the U. S. Navy being discharged a Lieutenant, USNR. He enlisted in the Navy after graduating from Compton Junior College.

SALINA MINING & SMELTING CO
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

7. (a) In June 1950, 8.5 tons of ore, containing 0.16 percent U_3O_8, was shipped to the Marysvale purchasing depot of the Atomic Energy Commission. This shipment was below the minimum requirements of 0.20 percent U_3O_8 and, therefore, was rejected. Mr. Henry Bulloch owner of these claims then stopped work on the development because of lack of funds and because of the quality of the ore. We have since leased these claims from Mr. Bulloch.

(b) There are no adjoining properties in production or operation.

(c) Attached are reports referring to this statement.

ALINA MINING & SMELTING CO.
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

7. (b) [illegible] to explore and develop as follows:

[illegible] No. 1:

[illegible] 1 level 1 to a depth of [illegible] ft. the south, with cross-cuts of [illegible] ft. east and [illegible] ft. west at [illegible] ft. intervals.
After reaching face of cliff some [illegible] ft., are going down the [illegible] formation. It is found in a conglomerate deposit with an intrusive of [illegible] and with [illegible] water. Also will extend drift face of cliff some [illegible] ft. [illegible] a depth from [illegible] feet to [illegible] ft. in width. Image [illegible] [illegible], are [illegible] to supplement.

[illegible] No. 2:

No. 1 level. [illegible] of [illegible] ft. tunnel to a depth of [illegible] ft. in a southerly direction with [illegible] ft. cross-cuts every [illegible] at the [illegible] ft. depth. Image of [illegible] to [illegible] are [illegible] in a [illegible] ft. face at this time. Also are to be [illegible] cross-cuts work, also high potential [illegible].

No. 2 level. [illegible] of [illegible] ft. tunnel to a depth of [illegible] ft. in the [illegible] formation with a cross-cut of [illegible] ft. in a southerly direction only to [illegible] ft. depth. Image [illegible] to [illegible] [illegible] parallel to face of tunnel. Image [illegible] face of the [illegible] ft. depth [illegible] face to run [illegible] ft. [illegible] the remainder to the [illegible] ft. depth a [illegible] of [illegible] ft. to enter the [illegible] of [illegible] formation. [illegible] the [illegible] ft. depth, it is proposed to sink a [illegible] ft. to the surface for the purpose of exploration upper [illegible] drift. [illegible] image [illegible] air vent. [illegible] to [illegible], this drift will [illegible] from [illegible] to [illegible] [illegible] or [illegible] [illegible]. [illegible] reports from [illegible] on this drift are from [illegible] to [illegible] [illegible].

[illegible] to supplement [illegible] chemical [illegible].

LINA MINING & SMELTING CO.
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

10. Production:

See attached photostatic copies of sample shipments.

Form letter No. 5
(low U3O8)

COLORADO PLATEAU URANIUM ORE PROJECT
American Smelting and Refining Company
Ore Purchasing Agent for
U. S. Atomic Energy Commission
P. O. Box 986
Grand Junction, Colorado

September 27,1951

Salina Mining and Smelting Co.,Inc.
1425 East Compton Boulevard
Compton, California
Att: Mr. Richard McPeak

REPORT OF ASSAY RESULTS

Lot	Scale Ticket No.	Claim	U3O8	V2O5	CaCO3
686	**1947-1955-1963**	**Lynn #3**	**0.08**	**0.08**	**0.3**

We regret to advise that the U3O8 is below the .10 per cent minimum allowed under the U. S. Atomic Energy Commission schedule and cannot be paid for.

Yours truly,

H. C. Jackson
Office Manager

Form No. 4 1-51-10M

COLORADO PLATEAU URANIUM ORE PROJECT

AMERICAN SMELTING AND REFINING COMPANY, ORE PURCHASING AGENT FOR
UNITED STATES ATOMIC ENERGY COMMISSION

Receiving Station Maryvale, Utah — Grand Junction, Colorado October 29, 1951 19

Liquidation No. 2492 — Lot No. 724 — Shippers Lot No.

Bought of Salina Mining & Smelting Company — A.E.C. License No. P-7

Address 1425 E. Compton Blvd., Compton, California - C/O Richard J. McPeak

Type of Ore Carnotite — Date Received 10/12/51

Mining Claim Lynn 3 — Mining District Unorganized — Pile No. 11

Lot No.	Wet Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
724	11440	5.95	10759	.13	.03	.20	13.99	3.23	21.52

U308	Per Lb.	Per Ton	Short Tons	Tot. Value
.13% = 2.6# at	$2.10	$5.460	5.3795	$29.38
Development allowance 2.6# at	.50	1.300		6.99
Total U308 payment		$6.760	5.3795	$36.37
Haulage allowance 100 miles at 6¢ per wet ton mile			5.7200	34.32
TOTAL				$70.69

V205				
.03% = .6# at	.31	.186	5.3795	1.00
Total Gross Price				$71.69
Deductions: Royalties, 10% of $30.38 a/c Henry Bullock				3.04
Net Proceeds				$68.65

Correct WKC
Checked WPP
Approved HCJ

Paid October 29, 1951
Ve. No. 10/158
Check No. 5704

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Commission.

I certify that I hold the A. E. C. Source Material License numbered above.

I hereby transfer to the Commission, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

I will accept the amount as shown above as "Total Gross Price" in full settlement, except for final quarterly adjustment for average V_2O_5—U_3O_8 ratio, for sums due to me on account of the ore deliveries described herein.

SALINA MINING & SMELTING COMPANY
BY:
TITLE: Seller or Agent.

Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment.
All taxes paid are based on U. S. Atomic Energy Commission Published Schedules.

4 1-51-10M

COLORADO PLATEAU URANIUM ORE PROJECT

AMERICAN SMELTING AND REFINING COMPANY, ORE PURCHASING AGENT FOR
UNITED STATES ATOMIC ENERGY COMMISSION

Receiving Station Marysvale, Utah — Grand Junction, Colorado September 13 19 51
Liquidation No. 2378 — Lot No. 665 — Shippers Lot No.
Bought of Salina Mining & Smelting Co., — A.E.C. License No. P-893
Address % Richard J. McPeak, 1425 E. Compton Boulevard, Compton, California
Type of Ore Carnotite — Date Received 8/29/51
Mining Claim Lynn #3 — Mining District Unorganized — Pile No. 11

Lot No.	Wet Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
665	15930	4.20	15261	.11	.11	0.2	16.79	16.79	30.52

U308	Per lb.	Per Ton	Short Tons	Total Value
.11% = 2.2# at	$1.70	$ 3.740	7.6305	$ 28.54
Development allowance 2.2	.50	1.100	7.6305	8.39
Total U308 payment		4.840	7.6305	$ 36.93 ✓
Haulage allowance 100 miles at 6¢ per wet ton mile			7.9650	47.79
TOTAL				$ 84.72
V205				
.11% = 2.2# at	.31	.682	7.6305	5.20 ✓
Total Gross Price				$ 89.92
Deductions:				- -
Net Proceeds				$ 89.92

Correct DWB
Checked WVM
Approved HCJ

Paid - September 13, 1951
Vo. No. 9/34
Check No. 5448

28.54
5.20
33.74 @ 10% - 3.37 - To Henry Bullock
339 E. Center, Redondo Beach Calif.

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Commission.

I certify that I hold the A. E. C. Source Material License numbered above.

I hereby transfer to the Commission, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

I will accept the amount as shown above as "Total Gross Price" in full settlement, except for final quarterly adjustment for average V_2O_5—U_3O_8 ratio, for sums due to me on account of the ore deliveries described herein.

Seller or Agent.

Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment.
All rates paid are based on U. S. Atomic Energy Commission Published Schedules.

COLORADO PLATEAU URANIUM ORE PROJECT

AMERICAN SMELTING AND REFINING COMPANY, ORE PURCHASING AGENT FOR
UNITED STATES ATOMIC ENERGY COMMISSION

Receiving Station: Marysvale, Utah — Grand Junction, Colorado: November 5, 1951 19

Liquidation No.: 2507 — Lot No.: 709 — Shippers Lot No.:

Bought of: Salina Mining and Smelting Co. — A.E.C. License No.: P-T

Address: c/o Richard J. McPeak, 1425 E. Compton Blvd., Compton, California

Type of Ore: Carnotite — Date Received: 10/5/51

Mining Claim: Lynn 3 — Mining District: Unorganized — Pile No.: 11

Lot No.	Wet Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
709	12270	6.55	11466	.23	.07	.20	26.37	8.03	22.93

U3O8	Per Lb.	Per Ton	Short Tons	Tot. Value
.23% - 4.6# at	$3.50	$16.100	5.7330	$ 92.30
Development allowance 4.6# at	.50	2.300		13.19
Premium in excess of 4 lbs. per ton .6# (4.6# - 4# = .6#) at	.75	.450		2.58
Total U3O8 payment		$18.850	5.7330	$108.07
Haulage allowance 100 miles at 6¢ per wet ton mile			6.1350	36.81
TOTAL				$144.88

V2O5				
.07% - 1.4# at	.31	.434	5.7330	2.49
Total Gross Price				$147.37
Deductions: Royalties, 10% of $97.37 a/c Henry Bulloch				9.74
Net Proceeds				$137.63

Correct WKG
Checked WP
Approved HCJ

Paid November 5, 1951
Vo. No. 11/6
Check No. 5751

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Commission.

I certify that I hold the A. E. C. Source Material License numbered above.

I hereby transfer to the Commission, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

I will accept the amount as shown above as "Total Gross Price" in full settlement, except for final quarterly adjustment for average V_2O_5—U_3O_8 ratio, for taxes due to me on account of the ore deliveries described herein.

SALINA MINING & SMELTING CO.

BY: _____

TITLE: _____ Seller or Agent.

Report taxes thereon if Seller fails to submit his assays prior to acceptance of payment.
[illegible] Atomic Energy Commission Published Schedules.

Form No. 4 1-51-10M

COLORADO PLATEAU URANIUM ORE PROJECT

AMERICAN SMELTING AND REFINING COMPANY, ORE PURCHASING AGENT FOR
UNITED STATES ATOMIC ENERGY COMMISSION

Receiving Station Marysvale, Utah — Grand Junction, Colorado November 26, 1951 19

Liquidation No. 2552 — Lot No. 747 — Shippers Lot No.

Bought of Salina Mining & Smelting Co., Inc. — A.E.C. License No. P-T

Address c/o Richard McPeak, 1425 E. Compton Blvd., Compton, California

Type of Ore Autunite — Date Received 11/13/51

Mining Claim Lynn 3 — Mining District Unorganized — Pile No. 5

Lot No.	Wet Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
747	27390	7.55	25322	.11	.04	0.2	27.85	10.13	50.64

U3O8	Per Lb.	Per Ton	Short Tons	Tot. Value
.11% = 2.2# at	$1.70	$3.740	12.6610	$ 47.35
Development allowance 2.2# at	.50	1.100		13.93
Total U3O8 payment		$4.840	12.6610	$ 61.28
Haulage allowance 100 miles at 6¢ per wet ton mile			13.6950	82.17
TOTAL				$143.45

V2O5				
.04% = .8 lbs. at	.31	.248	12.6610	3.14
Total Gross Price				$146.59
Deductions: Royalties, 10% of $50.49 a/c Henry Bulloch				5.05
Net Proceeds				$141.54

Correct WKO
Checked WPP
Approved HCJ

Paid November 26, 1951
Vo. No. 11/113
Check No. 5846

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Commission.

I certify that I hold the A. E. C. Source Material License numbered above.

I hereby transfer to the Commission, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

I will accept the amount as shown above as "Total Gross Price" in full settlement, except for final quarterly adjustment for average V_2O_5—U_3O_8 ratio, for sums due to me on account of the ore deliveries described herein.

SALINA MINING & SMELTING CO., INC.
BY:
TITLE: Seller or Agent.

Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment.
All rates paid are based on U. S. Atomic Energy Commission Published Schedules.

Form No. 1-51-10M

COLORADO PLATEAU URANIUM ORE PROJECT

AMERICAN SMELTING AND REFINING COMPANY, ORE PURCHASING AGENT FOR
UNITED STATES ATOMIC ENERGY COMMISSION

Receiving Station Marysvale, Utah — Grand Junction, Colorado Sept. 21, 1951 19

Liquidation No. 2419 — Lot No. 682 — Shippers Lot No.

Bought of Salina Mining & Smelting Co., Inc. — A.E.C. License No. P-T

Address 1425 E. Compton Blvd., Compton, California

Type of Ore Carnotite — Date Received 9/5-7-11/51

Mining Claim Lynn #3 — Mining District Unorganized — Pile No. 11

Lot No.	Wet Weight Pounds	H_2O	Dry Weight Pounds	SETTLEMENT ASSAYS U_3O_8	V_2O_5	$CaCO_3$	CONTENTS POUNDS U_3O_8	V_2O_5	$CaCO_3$
682	50920	6.68	47520	.11	.10	0.2	52.27	47.52	95.04

U308	Per Lb.	Per Ton	Short Tons	Tot. Value
.11% = 2.2# at	$1.70	$3.740	23.760	$ 88.86
Development allowance 2.2# at	.50	1.100		26.14
Total U308 payment		$4.840	23.760	$115.00
Haulage allowance 100 miles at 6¢ per wet ton mile			25.460	152.76
TOTAL				$267.76

V205				
.10% = 2.0# at	.31	.620	23.760	14.73
Total Gross Price				$282.49
Deductions: Royalties, 10% of $103.59 a/c Henry Bullock				10.36
Net Proceeds				$272.13

Correct WVM
Checked WKC
Approved HCJ

Paid September 21, 1951
Vo. No. 9/92
Check No. 5500

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Commission.

I certify that I hold the A. E. C. Source Material License numbered above.

I hereby transfer to the Commission, effective as of the date of delivery of the ore, all my right, title and interest in and to said ore.

I will accept the amount as shown above as "Total Gross Price" in full settlement, except for final quarterly adjustment for average V_2O_5—U_3O_8 ratio, for sums due to me on account of the ore deliveries described herein.

SALINA MINING & SMELTING CO., INC.
BY: _____
Seller or Agent.

Buyers assays govern if Seller fails to submit his assays prior to acceptance of payment.
All rates paid are based on U. S. Atomic Energy Commission Published Schedules.

LINA MINING & SMELTING CO
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

11. We propose to ship at least 300 tons of ore a month, with the prospect of how much we can increase unknown until we are able to put increased facilities to work. We feel that the possibilities are unlimited which will be proved by your investigations.

SAL[illegible]A MINING & SMELTING CO.
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

12. Ore or Mineral Reserves:

See supplement to Grace Minerals Memorandum Report 210 which shows a reserve of approximately 100,000 tons of 0.0[illegible] to 0.12[illegible] U3O8.

Not correct according to [illegible] 208

ALINA MINING & SMELTING CO
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

13. Road distances from the mine are as follows:

Shipping Points: 121 miles to Marysvale, Utah.
(If the quality of the shipping ore is raised the ore can be shipped to Cedar City, Utah 85 miles distance)

Supply Points: 25 Miles to Orderville, Utah
35 Miles to Kanab, Utah.

Residence Point: The camp for the workmers is one mile distant.

Road from mine to residence point is very bad and needs work to insure increased production. At present it takes too long for a truck loaded to get to the county road and also is not always in passable condition.

Road from residence point (which is next to county road) to state highway 15 is in fair shape but needs work for a distance of 10 miles. The state and county are now improving this road. This road lies between State Highways 14 and 15.

Road on Highway 15 is in excellent shape and open at all times.

SALINA MINING & SMELTING CO.
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEvmark 1-6183

14. Mine now produces sufficient water for all mining operations. Domestic supply is located 1½ miles from camp and water is hauled into camp from this well. This well produces one minor inch per minute.

SALINA MINING & SMELTING CO.
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

15. Power is supplied by gasoline driven equipment.

SALINA MINING & SMELTING CO.
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

16. We have had an average of :

1 Mine Foreman
3 Miners
4 Muckers
1 Cook

SA[illegible]IA MINING & SMELTING CO.
1425 E. COMPTON BLVD.
COMPTON, CALIFORNIA
NEwmark 1-6183

17. Equiptment and Facilities:

1 Caterpillar D-6
1 Gas Hoist
1 Jaeger 125 Cu Ft air compressor
4 Jack Hammers
2 Jack Legs
200 feet of air hoses
Pressure tank (water)
1 Mack dump truck 1949 (capacity 15 tons)
1 Dodge dump truck 1948 (capacity 6 to 8 tons)
1 ore bin (capacity 40 tons)
100 feet of rails
1 ore car
2 Bunk houses for workers
1 kitchen house
1 air blower
1 electric power plant
1 house trailer

All of the above are in excellent working condition and are owned or controlled by the applicant.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DOCKET COPY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

PROJECT SUMMARY REPORT

By: F. M. Murphy January 12, 1954

1. DMEA Docket No. 2378 (Uranium)
Contract No. Idm-E399
Salina Mining & Smelting Company
Lynn Mining Claims
Kane County, Utah

Property rights - lease on 3 unpatented mining claims owned by Henry Bullock, Owner's Consent to Lien signed August 12, 1952.

2. Contract - September 10, 1952. - Total cost $16,950.50, Government participation 90% or $15,255.45.

Work allowed - 725 feet of drifting @ $23.38 per foot.
Work completed - 225 feet of drifting on Lynn No. 1 claim and 450 feet on Lynn No. 3 claim. The remaining 50 feet of work was not considered necessary.
Work on the project terminated August 31, 1953.

3. Audit Certificate November 16, 1953.

Total accepted cost	$15,781.50
Government participation @ 90%	$14,203.35

4. Certification date - September 16, 1953.

Ore estimated:	U_3O_8 content	tons
Indicated ore	0.10 to 0.20%	1,350
Inferred ore	0.10 to 0.20%	1,000
Indicated sub-marginal material less than	0.10%	12,000
Inferred sub-marginal material less than	0.10%	10,000

Ore shipped:

Year 1952 - 128 tons	0.12% U_3O_8	(Approximately)
Year 1953 - 130 tons	0.12% U_3O_8	(Approximately)

Mr. King has not advised this office concerning receipt of royalty payments due the Government.

5. The work was completed within the spirit of the contract.

The uranium deposits on the subject claims are chiefly in the lower part of the Dakota sandstone of Cretaceous age and the upper part of the Winsor formation of Jurassic age, although uranium minerals also occur in the upper part of the Dakota sanstone. Abnormal radioactivity has been detected along 4000 feet of outcrop on the claims chiefly at the base of the Dakota sandstone and in the upper few feet of the Winsor formation.

CONCLUSION: - Uranium showings on the No. 1 and No. 3 Lynn claims appear to be sporadic, low grade and of small tonnage.

The property might become a potential producer if future milling technique makes treatment of low grade uranium ores feasible.

F. M. Murphy

F. M. Murphy

☒ Audited 11/16/53 WORK ANALYSIS SHEET - DMEA PROJECT ☐ Actual Cost

☒ Certified Analysis as of 12/8/54 ☒ Agreed Unit Costs

Incl. Voucher for Aug - 1953

Name Salina Mining & Smelting Co. Docket No. 2378

State Utah Commodity Uranium Idm-E No. 399

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	725'	16,950.50	675'	15781.50	15781.50
Raising					
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		$ 16,950.50		$ 15781.50	$ 15781.50

Prepared by [signature]

71626

ME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/17 9/27	Murphy	500
	Irons	500
12/17	Talbot	800
	Selfridge	120
12/17	Johnson	110
12/17	Fumich	100
		220

DEC 17 1962

Salina Mining and Smelting Company
c/o Mr. Richard J. McPeak, Secretary
1890 North Main
Walnut Creek, California

Re: IMEA-2378 (Uranium)
Salina Mining and Smelting Company
Lynn Claims
Kane County, Utah
Contract Idm-E399

Gentlemen:

By the terms of the subject Exploration Project Contract and the certification of discovery or development dated September 16, 1953, all minerals mined or produced from September 10, 1952, to September 10, 1962, were subject to the Government's percentage royalty as set forth in the 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 Fumich, Jr. (gla)

Director

GLAult/a
9-27-62
cc to: Director's Reading File
Region III (2) w/cy MME Form 63 returned 9/17/62
Contract Division
Docket
Code 500

Possibly an obsolete Plain
confirmation from owner.

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/17 9/27	Murphy	500
	Mr. Dunn	500
12/17	Talbot	800
	Selbergs	120
12/17	Johnson	110
12/17	Fumich	100
		220

DEC 17 1962

Mr. Henry Bulloch
Cedar City
Iron County, Utah

Re: DMEA-2378 (Uranium)
Salina Mining and Smelting Company
Lynn Claims
Kane County, Utah
Contract Idm-E399

Dear Mr. Bulloch:

Enclosed is a self-explanatory letter of today to Salina Mining and Smelting Company under the subject contract.

This correspondence relates to the Owner's Consent to Lien signed by you on August 12, 1952, under the Defense Minerals Exploration Administration program which has been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

George Fumich, Jr. (gla)

Director

Enclosure

GLAult/a
9-27-62
cc to: Director's Reading File
Region III (2)
Docket
Code 500

43683

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

OFFICIAL FILE COPY

November 26, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: Docket DMEA-2378 (Uranium)
Contract Idm-E399
Salina Mining and Smelting Company
(Lynn Claims)
Kane County, Utah
EXPIRATION OF CERTIFIED DMEA CONTRACT

The royalty payment period of the subject contract expired September 10, 1962.

The Report of Royalty Review dated May 1, 1962 states that production of ore subject to the Government's royalty ceased shortly after the project was terminated in August 1953, and that, as of April 19, 1962, all royalty due has been paid.

I inspected the property November 14, 1962, and found no one on the property and no evidence of recent activity. Access mine roads are presently washed out in many places, and the mine workings appear to be inaccessible.

I recommend that the files on this contract be closed.

Hugh M. Connors

TMR

OFFICIAL FILE COPY
O. M. E.
RECEIVED
DATE

5/7	gla	500
		220

Building 20 - Federal Center
Denver 25, Colorado

May 4, 1962

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-2378 (Uranium)
Contract I4m-E399
Salima Mining and Smelting Company
(Lynn Claims)
Emme County, Utah

Attached is the original Report of Royalty Review on the subject property dated May 1, 1962 covering the period July 15, 1959, through April 19, 1962.

Original signed by

Hugh M. Connors

Attachments
HMC/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E399
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

MAY 1 1962

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-2373 (Uranium)
Salina Mining and Smelting Company
Lynn Claims
Kane County, Utah
Contract Idm-E399

The original and one copy 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, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.; and

(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

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

Enclosures

EDTalbert/ama 5-1-62

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

43683

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7-21	gad	220
7-22	Murphy	500
		VVS

JUL 21 1959

Memorandum

To: Mr. Donald T. Finch, OME Auditor

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

Subject: Docket No. DMEA-2378 (Uranium)
Salina Mining and Smelting Company
Contract No. Idm-E399

Your Report of Royalty Review on the subject contract is acceptable and normal distribution is authorized.

EDTalbert/fw-7/21/59

cc: Docket
Dir.Read.File
CA & A Div.

8623

224 New Customhouse
Denver 2, Colorado

July 15, 1959

OFFICIAL FILE COPY O. M. E. RECEIVED JUL 20 1959		
DATE	INITIALS	CODE
7-20	gad	720
7/20	[illegible]	800
	~~[illegible]~~	~~500~~
		225

CERTIFIED MAIL

Mr. Richard J. McPeak, Secretary
Salina Mining and Smelting Company
1425 East Compton Boulevard
Compton, California

Re: Docket DMEA 2378 (Uranium)
Contract Idm-E399
(Lynn claims)
Kane County, Utah

Dear Mr. McPeak:

Thank you for your letter dated July 10, 1959, and the three copies of the settlement sheet which were attached.

The following computation shows how we arrived at the amount of royalty due on Liquidation No. 6044.

Net Smelter Value	Tons	Value Per Ton	Royalty Rate	Royalty Due	AEC Bonus	Bonus Royalty Due
$30.04	5.761	$13.89	5%	$4.00	$31.45	$1.57

Will you please forward this office your check for $5.57 so that the audit can be completed on the captioned project.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

HMC:jy

cc: Chm. Op. Comm. (2)
Finch
Roy. Corres.
Chron.

OFFICIAL FILE COPY O. M. E. RECEIVED JUL 13 1959		
DATE	INITIALS	CODE
7-13	gad	VVO
7/13	[illegible]	800
~~7-15~~	~~[illegible]~~	~~500~~
		225

224 New Customhouse
Denver 2, Colorado

July 7, 1959

CERTIFIED MAIL

Mr. Richard J. McPeak, Secretary
Saline Mining and Smelting Company
1425 East Compton Boulevard
Compton, California

Re: Docket DMEA-2378 (Uranium)
Contract Idm-E399
(Lynn claims)
Kane County, Utah

Dear Mr. McPeak:

We have had no reply to our letter of May 22, 1959, in which we requested three copies of the settlement sheet for Liquidation No. 6044.

The AEC informs us that this shipment contained only 14.98 pounds of U_3O_8. The total value of the shipment would probably be less than $100.00.

In order to complete the audit on the captioned project, we need this information. Will you please advise.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

HMC:jy

cc: Chm. Op. Comm. (2)
Finch
Roy. Corres. E399
Chron.

OFFICIAL FILE COPY O. M. E. RECEIVED MAY 25 1959		
DATE	INITIALS	CODE
5/26	a	220
5/26	4087	800
5/27	Nebuc	700
		225

224 New Customhouse
Denver 2, Colorado

May 22, 1959

Salina Mining and Smelting Company
1425 East Compton Boulevard
Compton, California

Re: Docket DMEA-2378 (Uranium)
Contract Idm-E399
(Lynn claims)
Emme County, Utah

Gentlemen:

We have been advised that Liquidation No. 6044 was a settlement for ore produced from the captioned property. This shipment contained 14.98 pounds of U_3O_8.

Will you please forward this office three copies of the settlement sheet for Liquidation No. 6044 so that we may determine the proper amount of royalty due the Government on this shipment. Completion of the royalty review for this contract is being deferred pending receipt of the settlement sheet for Liquidation No. 6044.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

HMC:jy

cc: Chm. Op. Comm. (2)
Finch
Roy. corres. E399
Chron.

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : E. Wm. Ellis, DMEA Member, Uranium Commodity Committee

DATE: February 15, 1954

FROM : Arthur P. Butler, Jr., USGS Member, Uranium Commodity Committee

SUBJECT: Final Field Team Report, DMEA Docket 2378 (Uranium), Contract Idm-E399, Salina Mining and Smelting Company, Compton, Calif.; Lynn Nos. 1 and 3 claims, Secs. 16 and 21, T. 40 S., R. 9 W., Kane County, Utah

The final report of the Field Team on the results of exploring the Lynn Nos. 1 and 3 claims has been reviewed.

Exploration and Results

Uranium minerals on the property are sporadically distributed near the contact of the Winsor formation of Jurassic age and the Dakota conglomerate of Cretaceous age. This zone was explored by an inclined adit 150 feet long and 75 feet of drift on the Lynn No. 1 claim and by a 200 feet inclined adit and two drifts of 250 feet of drift at two different levels. Total cost was $15,781.50; Government participation $14,203.35.

No uranium bearing rock of ore grade was found on the Lynn No. 1 claim. Check assays at two points showed less than 0.01 percent U_3O_8. A small ore body was discovered in the 100 foot drift driven southwestward from a point 90 feet along the adit on the Lynn No. 3 claim, and a few tons of ore were mined from the drift extanded southwestward from the inner face of the adit. A few other sporadic concentrations of uranium minerals were found.

Ore mined from the Lynn No. 3 as a result of discovery during DMEA work amounted to 128 tons averaging 0.12 percent U_3O_8. The examiners estimate that only a few tons of ore are indicated by exposures in the drifts. They believe that considerably more sampling than seems justifiable at the present time would be necessary to obtain an estimate of reserves of sub-marginal material. Nothing is said about general distribution of such material.

Conclusions

A discovery was certified. Inasmuch as the ore found with DMEA assistance was shipped and sold, the certification appears appropriate. The examiners conclude, however, that Government assistance for further work is not warranted at this time. I concur.

Copies to: E. Wm. Ellis (2)

Arthur P. Butler Jr.

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

15 1954

224 New Customhouse
Denver 2, Colorado

February 12, 1954.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2378 (Uranium), Contract No. Idm-E399, Salina Mining and Smelting Company, Kane County, Utah.

Enclosed for your information is copy of a letter received from Stephen R. Wilson, Chief, Minerals Development Branch, Mining Division, Region IV, Salt Lake City, Utah, wherein he advises that an examination of the subject property relative to an inspection in conjunction with the semi-annual report covering this certified DMEA project must be deferred because of weather conditions.

W. H. King

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

February 10, 1954

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA 2378 (Uranium), Contract Idm-E399, Salina Mining and Smelting Co., Kane County, Utah.

An examination of the subject property was attempted by M. M. Gilkey February 3, 1954. Because of heavy snow in the area, the engineer was unable to reach the property. Preparation of a Semiannual Report of Progress covering this certified project for the period July 1, 1953 to December 31, 1953 will be delayed until an examination is possible. Insofar as known, there has been no change in status since the work under the contract was terminated.

Stephen R. Wilson

Stephen R. Wilson

GENERAL SERVICES ADMINISTRATION

Emergency Procurement Service
Washington 25, D. C.

February 4, 1954

In reply refer to: EDE

Mr. C. O. Mittendorf
Administrator
Defense Minerals Exploration
Administration
U. S. Department of Interior
Washington 25, D. C.

Re: Docket No. DMEA-2378
(Uranium)
Contract No. Idm-E399
Salina Mining & Smelting
Company
Lynn Mining Claims
Kane County, Utah

Dear Mr. Mittendorf:

This will acknowledge receipt of your letter of January 14, 1954, addressed to Mr. Irving Gumbel, transmitting information on the above subject.

Thank you for this information.

Very truly yours,

Clarence A. Fredell

Clarence A. Fredell
Acting Chief, Expansion Branch
Materials Division

C O P Y

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

224 New Customhouse
Denver 2, Colorado

January 27, 1954

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Royalty on Bonus Payments for initial Production of Uranium Ore

Reference is made to your letter of inquiry dated January 20, 1954, concerning the above subject.

All operators of DMEA contracts for uranium have been notified that royalty is due on all AEC bonus payments. To date we have received the following amounts in payment of royalty on AEC Production Bonus:

	E61	Cherokee Mines	626.41
	E236	Excalibur Uranium Corp.	130.13
	E381	Sunnywide Uranium Corp.	206.29
DMEA-2-378 —	E399	Salina Mining & Smelting Co.	27.58
		Total	$990.41

In addition we have bonus royalty due on several shipments from various other operators for which we have requested payment.

We have been notified by the Gateway Mining Company, E408, and the Boomerang Mining Company, E445, that their properties are not eligible for AEC bonus payments. We have verified these statements through the AEC office in Grand Junction, Colorado

/s/ W. H. King

W. H. King

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

JAN 14 1954

Mr. Irvin Kandel, Acting Director
Materials Division
Emergency Procurement Services
General Services Administration Bldg., Rm. 5402
18th and F Streets, N. W.
Washington 25, D. C.

For Docket No. [illegible]-237[illegible] (Pending)
Contract No. [illegible]-[illegible]
Alline Thomas Mining Company
[illegible] Lake
Lake Tahoe, Utah

Dear Mr. Kandel:

This is with reference to our letter dated October 1[illegible], 1953, to you in which we advised that a copy of the final field team report on the captioned project would be forwarded as soon as it was received in Washington.

In the procedure of forwarding copies of the final field team report has been discontinued in favor of a brief description of the work provided for in the contract, and work and results accomplished, we are setting forth this information below:

The project contract was dated September 10, 1952, with Government participation to the extent of 50 percent, in an exploration project estimated to cost $16,950.50, (Government share $8,475.25). A final audit of the expenditures made during the life of the contract shows that $7,203.35 of the Government's share was expended.

The contract authorized 725 feet of drifting at an agreed unit cost of $23.3[illegible] per foot. During the contract 67[illegible] feet of drifting was accomplished; the remaining 50 feet of work allowed by the contract was not considered necessary.

Ore Reserves were based on the following estimate of ore reserves:

Indicated ore	0.10 to 0.20%	[illegible]	= 1,350 tons
Inferred ore	0.10 to 0.20%	[illegible]	= 1,000 tons
Indicated sub-marginal material less than	0.10%	[illegible]	=12,000 tons
Inferred sub-marginal material less than	0.10%	[illegible]	=10,000 tons

R.C.B.
1-14-54

The final Field Team report states that this estimate appears somewhat high. However, in our estimate of total ore reserves discovered since July 1, 1953, with DTEA assistance, we have included this project as having reserves of 2,350 tons of ore containing 0.12% U_3O_8 and 0.12 V_2O_5 with a gross value of $10,091.00. 13 tons of ore averaging 0.12% U_3O_8 were shipped from the project during the year of 1952. Receiving station liquidation indicate approximately 130 tons of ore containing 0.12% U_3O_8 were shipped in May and June of 1953.

The property might become a potential producer if future milling techniques make treatment of low grade uranium ore feasible.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

HMurphy/db
1/13/54
cc to: Adm. Reading File
Operating Committee
Docket
Messrs: H.L.Keiser, Rm. 2641
A.F.Butler, Jr., Rm.3212, GSA
Ellis
Murphy
DTEA Field Team, Region IV (2)
Max Chapman
Frank E. Johnson

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

Defense Minerals Administration
RECEIVED
DEC 28 1953

224 New Customhouse
Denver 2, Colorado

December 16, 1953

Memorandum

To: Secretary, Operating Committee, DMEA

From: DMEA Field Team, Region IV

Subject: Docket No. DMEA 2378 (Uranium), Contract Idm-E399, Salina Mining and Smelting Company, Lynn Mining Claims, Kane County, Utah

Enclosed are the following final reports pertaining to work under the subject contract:

1. The original and one copy of the Operator's final report

2. Original and three copies of the final Geologic report by the U. S. Geological Survey

3. The original and three copies of the final Engineering report of the Bureau of Mines.

Also enclosed are four sets of data relevant to the termination of the contract before all work authorized is completed. The work completed was in conformance with the contract and the operator has complied with all contract requirements.

Final payment to the operator was processed by this office December 16, 1953 in conformance with the final Report of Review by the Contract Administration and Audit Division, dated November 16, 1953, which was released to this office on December 15, 1953.

The exploration work consisted of 675 feet of drifting at a total accepted cost of $15,781.50 in which the Government participated to the extent of 90 percent or in the amount of $14,203.35.

The exploration work resulted in a discovery of uranium ore for which a Certification of Discovery or Development was issued September 16, 1953.

Reviewed by
DMEA OPERATING COMMITTEE

_____
(date)

for John F. Shaw
W. H. King

for E. N. Harshman
A. H. Koschmann

Enclosures:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

Mining Division
Date Rec'd
SEP 1953
Defense Minerals Administration
RECEIVED
DEC 28 1953
BUREAU OF MINES
Denver, Colorado

September 22, 1953

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA 2378 (Uranium), Contract Idm-E399, Salina Mining & Smelting Co., Kane County, Utah - your teletype of September 16, 1953

Enclosed are six copies of a letter received from the subject contractor requesting termination of work on the Lynn No. 1 claim. The contract allows 50 feet of lateral work in addition to that completed on the property, but unfavorable geologic conditions indicate that the work should be terminated.

This office agrees that the work should be terminated as requested by the operator.

Stephen R. Wilson

Stephen R. Wilson

Enclosure

Salina Mining & Smelting Co.
1425 E. Compton Blvd.,
Compton, California.
September 21, 1953.

Bureau of Mines
Minerals Development
RECEIVED
SEP 28 1953

Mr. Stephen R. Wilson
Bureau of Mines
Minerals Development Branch
Mining Division, Region IV
Salt Lake City, Utah

Dear Mr. Wilson,

Reference is made to our contract with the Government under docket No. DMEA 2378.

We desire to terminate the work on Lynn 1 50 feet short of the total contract footage and are hereby giving notice to that effect. By terminating that amount of work, we have now completed our footage allowed under the above docket number.

Ops Final Report

Sincerely,

Richard J. McPeak

Richard J. McPeak, Secretary
Salina Mining & Smelting Co.

Salina Mining & Smelting Co.
1425 E. Compton Blvd.,
Compton, California.
October 14, 1953.

Division
RECEIVED
OCT 29 1953
BUREAU OF MINES
Denver, Colorado

W. H. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse
Denver, Colorado.

Re: Docket No. 2378

Dear Mr. King,

We hereby give notice that we have completed the above project.

We drifted and tunnelled and drove adits for a total of 450 feet on Claim Lynn # 3. We encountered Uranium throughout the area but did not encounter it in sufficient qualities for shipping, because of the potential waste that would be included in the ore. It ran in quality from 0.08% U308 to 0.14% U308. We shipped some tonnage that ran those figures, but we were unable to take and ship anymore because of the distance of shipping and the potential that the buyer would assay the ore below the required 0.10% U308. Copies of shipment sheets have been sent to the above office along with a Check covering our repayment as required under the above loan. We feel that there is potential ore deeper in this area and also that the above area may have milling ore from the data we have uncovered. The AEC and Bureau of Mines made various samples from time to time but we did not receive any records of those samplings in writing.

On Lynn No 1 we drove a total of 225 feet. There was some showings on the surface but as we drove deeper we encountered almost a total blank. We feet that possibly the area decided upon for the drifting was too far south of an original tunnel that we drove previous to this project. Future diggins will prove whether this theory is right. We requested a cancellation of 50 feet more of drifting that we had under this project because we felt that it would not prove anything.

Enclosed are maps that will show the exact locations that we did our work .

We wish to state at this time that the contract under which we worked did not come anywhere close to covering our expenses. It was our understanding that the DMEA would cover 90% of the cost and we would stand 10%. According to our figuring the cost of the project to us was at least equal to and possibly more than the government's cost.

Very truly yours,
Salina Mining & Smelting Co.

George R. McPeak

by George R. McPeak, President

Enclosures: 2

SALINA MINING & SMELTING CO., INC.

LYNN NO. 1 CLAIM

KANE COUNTY, UTAH

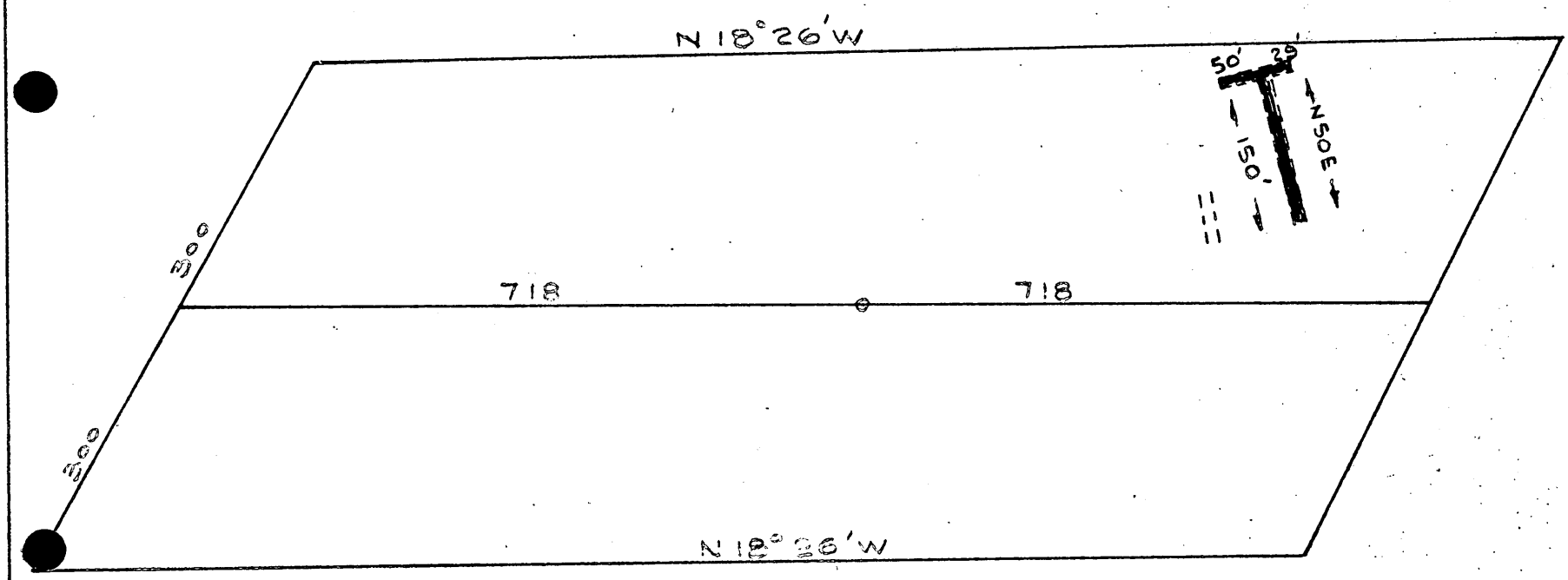
D.M.E.A. NO. 2378

CONTRACT NO. I.D.M.-E399

FOOTAGE COMPLETED FOR

MONTH _____

TOTAL TO DATE _____



0 200 400 FEET

SCALE

EXPLANATION

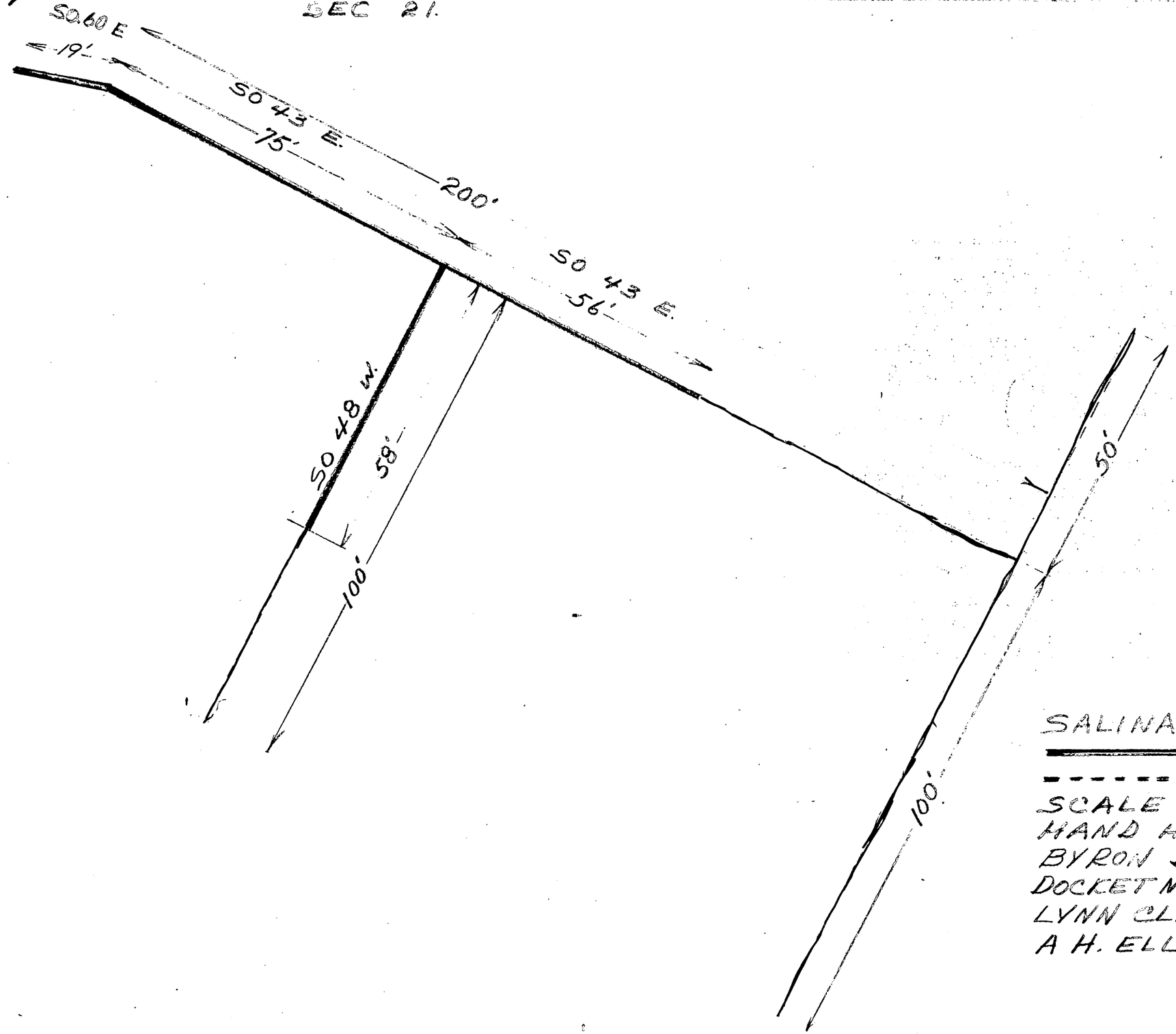
PRESENT MINE WORKINGS =

PROPOSED WORKINGS =

FINISHED WORK D.M.E.A. =

JULY 31, 1953

SEC 16 40 SOUTH 9 WEST S. L. M. B.
SEC 21.



SALINA MINING & SMELTING CO
PRESENT DEVELOPMENT
PROJECTED DEVELOPMENT
SCALE 1" = 20'
HAND HELD BRUNTIN SURVEY
BYRON DAVIS APRIL 1, 1953
DOCKET NO. DMEA 2378 CONTRACT # IDM-E39
LYNN CLAIM #3 KANE COUNTY, UTAH.
A H. ELLETT MGR.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

December 14, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2378, Salina Mining and Smelting Company, Kane County, Utah

Enclosed are 11 copies of a final geologic report on the Lynn claims of the Salina Mining and Smelting Company, DMEA Docket 2378, by C. G. Tillman, geologist, U. S. Geological Survey.

A. H. Koschmann
A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (11)

F.T. Final Report

Reviewed by
DMEA OPERATING COMMITTEE
1-6-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

Room 208 - 222 So. West Temple
Salt Lake City 1, Utah
December 10, 1953

Memorandum

To: A. H. Koschmann, Field Team, Region IV

From: C. G. Tillman, for R. J. Roberts
Utah-Nevada District Office

Subject: DMEA Docket 2378, Salina Mining and Smelting Company, Kane County, Utah

Enclosed are eleven copies of a final geologic report on the Lynn claims of the Salina Mining and Smelting Company, DMEA Docket 2378, by C. G. Tillman, geologist, U. S. Geological Survey.

The Salina Mining and Smelting Company was granted a DMEA loan to aid in exploration for uranium ore on the Lynn Nos. 1 and 3 claims, Kane County, Utah.

Uranium minerals are found in the contact zone of the Jurassic Winsor formation and the Cretaceous Dakota conglomerate. This zone was explored by 225 feet of underground work on the Lynn No. 1 claim and by 450 feet of underground work on the Lynn No. 3 claim.

It is estimated that a few tens of tons of uranium ore averaging between 0.10 and 0.20 percent U_3O_8 were exposed with DMEA aid in the Lynn No. 3 workings. No further exploratory work on these claims is recommended at the present time.

C. G. Tillman

C. G. Tillman

Reviewed by
DMEA OPERATING COMMITTEE

1-6-54
(date)

DEC 1953
RECEIVED
U.S. Geological Survey
Mineral Deposits Branch
DENVER

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

Final Geologic Report

DMEA Docket 2378 (Uranium), Salina Mining and Smelting Company

Kane County, Utah

By
C. G. Tillman
U. S. Geological Survey

December 10, 1953

Reviewed by
DMEA OPERATING COMMITTEE
1-6-54
(date)

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
DEC 28 1953

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History and production	2
Geology	2
Ore deposits	3
Completed exploration	4
Ore reserves	5
Conclusions and recommendations	5

ILLUSTRATIONS

Fig. 1 - Index map of Utah

2 - Geologic Map of the Orderville Gulch Area, Kane County, Utah

3 - Salina Mining and Smelting Co., Lynn Number 1 Incline, Orderville Gulch, Kane County, Utah

4 - Salina Mining and Smelting Co., Lynn Number 3 Incline, Orderville Gulch, Kane County, Utah

FINAL GEOLOGIC REPORT

DMEA DOCKET 2378 (Uranium), SALINA MINING AND SMELTING COMPANY

KANE COUNTY, UTAH

SUMMARY

The Salina Mining and Smelting Company was granted a DMEA loan on work totalling $16,950.50 to aid in exploration for uranium ore on the Lynn Nos. 1 and 3 claims, Kane County, Utah

The claim area is underlain by nearly flat-lying sediments of Jurassic and Cretaceous age. Uranium mineralization occurs along the contact of the Jurassic Winsor formation and the Cretaceous Dakota conglomerate. Two incline adits were driven to explore this zone; one on the Lynn No. 1 claim and one on the Lynn No. 3. Approximately 650 feet of underground work was completed.

It is estimated that a few tens of tons of indicated uranium ore averaging between 0.10 and 0.20 percent U_3O_8 were exposed by the DMEA work. An accurate estimate of the tonnage and grade of uraniferous material averaging less than 0.10 percent U_3O_8 would require more extensive sampling than appears justified at the present time.

Uranium showings on the Lynn Nos. 1 and 3 claims appear to be sporadic, low grade, and of small tonnage. It is concluded that these claims do not merit further exploratory work for uranium ore at the present time.

Introduction

The Salina Mining and Smelting Company of Compton, California applied for a DMEA loan, docket 2378, to aid in exploration for uranium ore on the Lynn No. 1 and No. 3 claims, Kane County, Utah. The property was examined by V. H. Johnson and J. W. Hasler of the U. S. Geological Survey and R. L. Middleton of the U. S. Bureau of Mines during May, 1952. A loan was granted under contract Idm-E399

dated September 10, 1952 for work totalling $16,950.50. Work began October 1, 1952 and was completed August 31, 1953. Denial of a company request for government participation in additional exploratory work on these claims was recommended by the field examiners in a memorandum dated September 16, 1953.

Location and accessibility

The Lynn Nos. 1, 2, and 3 mining claims lie on the southeast side of Orderville Gulch, in secs. 16 and 21, T. 40 S., R. 9 W., SLB&M, Kane County, Utah (fig. 1). The property may be reached by driving 13 miles west on Utah Highway 13 from Mt. Carmel Junction; thence northwest 10 miles on gravelled county road.

History and production

The Lynn Nos. 1, 2, and 3 claims are a part of the Bullock group of 36 unpatented lode mining claims located in 1949. During 1951, the Lynn No. 3 claim produced 94 tons of ore containing 0.117 percent U_3O_8 and 0.06 percent V_2O_5. The operator reports shipping an additional 128 tons of ore averaging 0.12 percent U_3O_8 from ore bodies exposed on this claim by DMEA work in 1952.

Approximately 10 tons of ore was produced from the Lynn No. 1 claim in 1952.

Geology

The upper Orderville Gulch area is underlain by the Jurassic Entrada sandstone and overlying Winsor formation and the Cretaceous Dakota sandstone and Tropic formation (fig. 2). The Jurassic rocks, whose combined thickness is about 350 feet are composed of gypsum, red and gray sandstone, and sandy clay. Sandstone predominates in the upper 20 feet. The Dakota sandstone is 50 to 75 feet thick and is composed of yellow to buff crossbedded conglomerate and interbedded tan crossbedded sandstone and clay. Both sandstone and conglomerate contain carbonized and silicified wood. The conglomerate pebbles

are chiefly buff to black chert ranging in size to 3 inches in diameter. The overlying Cretaceous Tropic formation is composed chiefly of tan to gray carbonaceous shale, clay, sandy clay and sandstone. It is estimated to be more than 200 feet thick.

The Orderville Gulch area is part of the Markagunt Plateau, a fault block, bounded on the east by the northeast striking Sevier fault, and on the west by the north striking Hurricane fault 1/. The sedimentary rocks in the

---

1/ Gregory, H. E., 1950, Geology and Georgraphy of the Zion Park Region, Utah and Arizona: U. S. Geological Survey Prof. Paper 220, plate 2.

Markagunt fault block have a regional dip to the northeast of about 5 degrees.

Ore deposits

The uranium deposits on the Bullock group of claims are chiefly in the lower part of the Dakota sandstone of Cretaceous age and the upper part of the Winsor formation of Jurassic age although uranium minerals also occur in the upper part of the Dakota sandstone. Abnormal radioactivity has been detected along 4,000 feet of outcrop on the Bullock claims chiefly at the base of the Dakota sandstone and in the upper few feet of the Winsor formation 2/.

2/ Beroni, E. P., McKeown, F. A., Stugard, F., Jr., and Gott, G. B., 1953, Uranium deposits of the Bullock Group of claims, Kane County, Utah: U. S. Geological Survey Circular 239, p. 3.

The uranium minerals carnotite, tyuyamunite, and autunite have been identified on the Lynn Nos. 2 and 3 claims. Uranium occurs chiefly finely disseminated through gray clay, carbonaceous clay, carbonized wood fragments, iron oxide concretions, sandstone and conglomerate, and petrified logs.

On the Lynn No. 1 claim a 2-3 foot thick zone of uranium mineralization extends for 75 feet in the Winsor formation 3-4 feet below the Dakota contact.

Uranium occurs in a zone 3.5 feet thick and 55 feet long on the Lynn No. 3 claim. Uranium is concentrated in autunite-bearing clay, carbonaceous clay, and carnotite-bearing sandstone and conglomerate.

Completed exploration

Under the contract two adits were to be driven on the Lynn No. 1 claim; one, a 150-foot long 5 to 10 degree inclined adit designed to explore uranium mineralization along the basal contact zone of the Dakota sandstone was completed as planned (fig. 3), the other, a 50-foot adit was abandoned by agreement between the operator and DMEA. From the face of the northeasterly striking 150-foot adit drifts were driven 50 feet northwesterly and 25 feet southeasterly to further explore the contact zone of the Dakota sandstone. No uranium bearing material of commercial tonnage or grade was encountered in this work.

Exploration on the Lynn No. 3 claim consisted of driving a 5 to 10 degree incline adit 200 feet southeastward to explore uranium mineralization along the contact zone of the Dakota sandstone and Winsor formation (fig. 4). Small showings of autunite were exposed at several places along the adit. Two drifts at right angles to the adit were driven to further explore this block of ground; a 100-foot drift was driven southwestward from a point 90 feet along the adit from the portal. This work encountered a small area of uranium mineralization apparently occupying a small channel in Dakota conglomerate. This low grade ore was stoped about 20 feet north and 10 feet south (fig. 4). A 100 foot drift was driven southwestward from the face of the adit and a 50 foot drift was driven northeastward. Weak sporadic uranium mineralization was encountered in this work.

Ore Reserves

For the purpose of declaring a discovery of uranium ore on the Lynn No. 3 claim the U. S. Bureau of Mines member of the examining team made the following reserve calculations:

	Percentage U_3O_8	Tons
Indicated ore	0.10 to 0.20	1,350
Inferred ore	0.10 to 0.20	1,000
Indicated sub-marginal material	less than 0.10	12,000
Inferred sub-marginal material	less than 0.10	10,000

On the basis of the completed exploration program this preliminary estimate of indicated and inferred ore reserves, which was submitted before the work was finished, appears to be somewhat high. As this material cannot be mined profitably at the present time only check samples were taken (figs. 3 and 4). They indicate the presence of but a few tens of tons of ore averaging 0.10 to 0.20 percent U_3O_8 in the Lynn No. 3 workings and no such material in the Lynn No. 1 workings. An accurate estimate of reserves of uraniferous material averaging less than 0.10 percent U_3O_8 would require more extensive sampling than appears justified at the present time.

Conclusions and Recommendations

Uranium showings on the Lynn Nos. 1 and 3 claims appear to be sporadic, low grade, and of small tonnage. It is concluded that these claims do not merit further exploratory work for uranium ore at the present time.

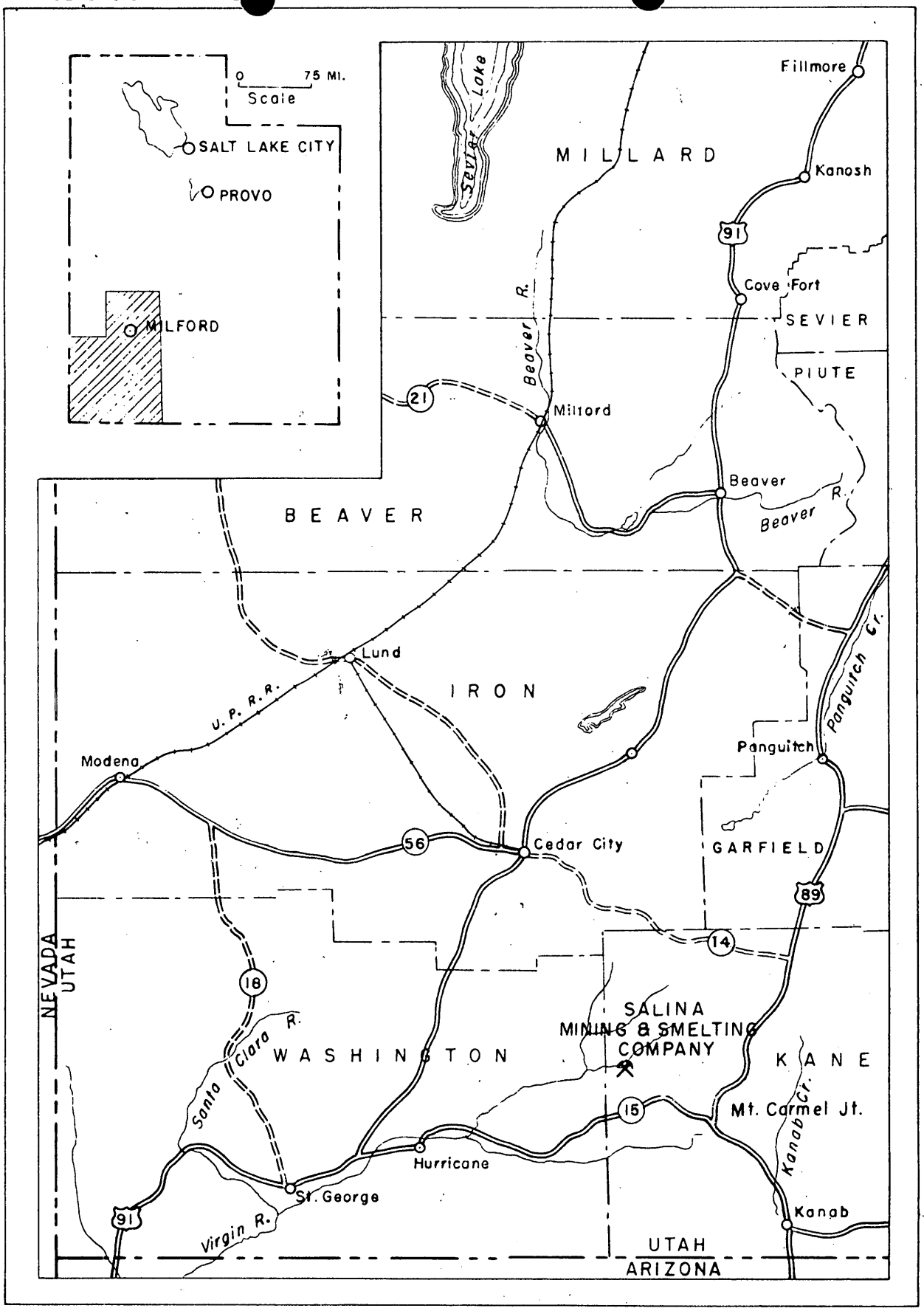
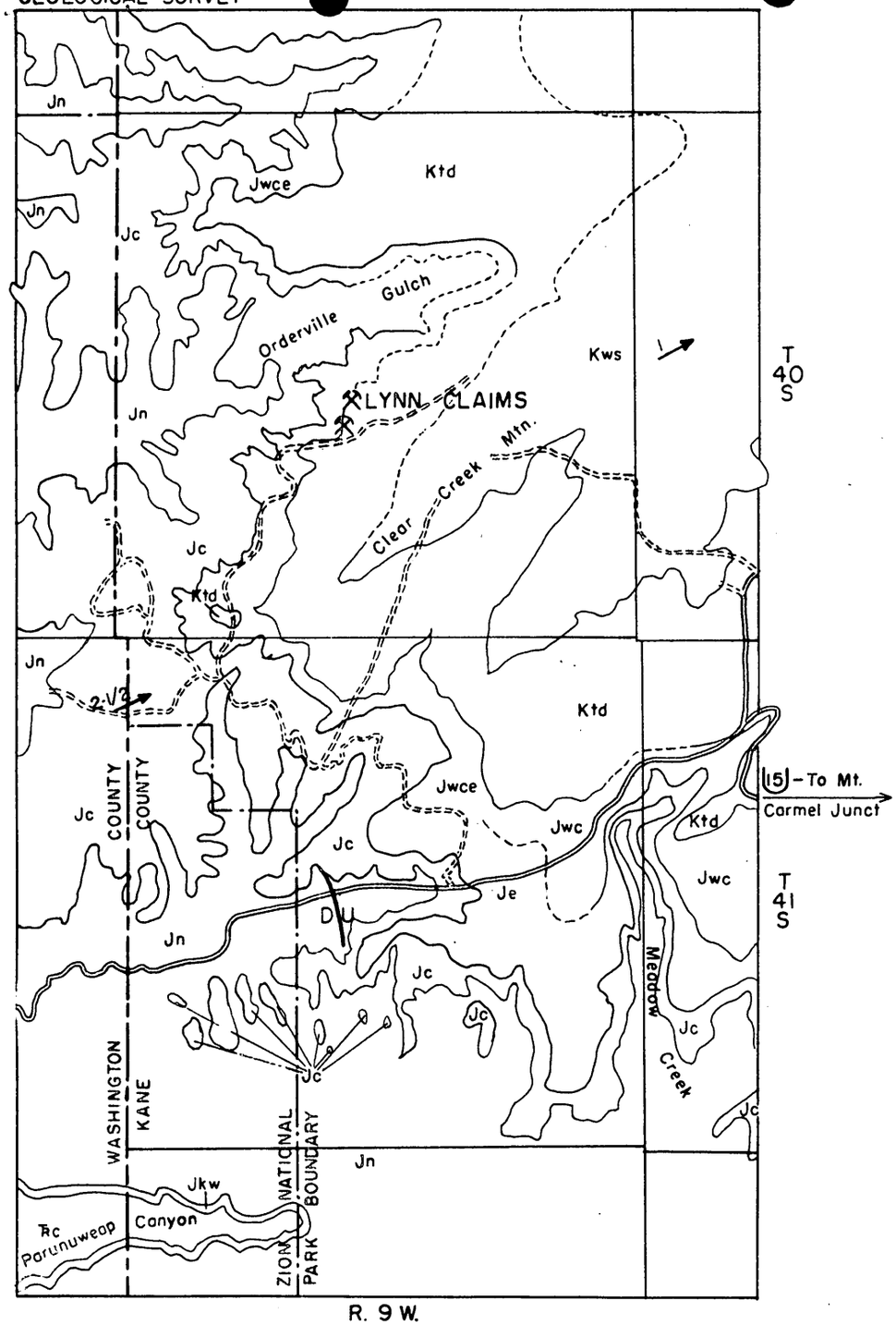


FIG. 1 INDEX MAP OF UTAH

0 5 10 15 20 MILES
Scale

U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO. 2378



EXPLANATION

SEDIMENTARY ROCKS

Upper Cretaceous		Kws	Wahweap and Straight Cliffs sandstones undifferentiated	CRETACEOUS
			UNCONFORMITY	
		Ktd	Tropic formation and Dakota(?) sandstone undifferentiated	
Upper Jurassic	Jwce: Winsor formation, Curtis formation, and Entrada sandstone undifferentiated		UNCONFORMITY	JURASSIC
		Jwc	Winsor and Curtis formations undifferentiated	
			UNCONFORMITY	
		Je	Entrada sandstone	
		Jc	Carmel formation	
			UNCONFORMITY	
Glen Canyon group		Jn	Navajo sandstone	JURASSIC (?)
	Jkw: Kayenta formation and Wingate sandstone undifferentiated	Jk	Kayenta formation	
		Jw	Wingate sandstone	
			UNCONFORMITY (?)	TRIASSIC
Upper Triassic		Ꞧc	Chinle formation	

Contact
(Dashed where approximately located)

U
D
High-angle fault
(U, upthrown side; D, downthrown side)

→
Regional dip

FIG. 2

GEOLOGIC MAP OF THE ORDERVILLE GULCH AREA
KANE COUNTY, UTAH

0 1 2 3 4 5 mi.

Scale—1=125,000

After H. E. Gregory, U.S.G.S.
Professional Paper 220, pl. 2. 1950

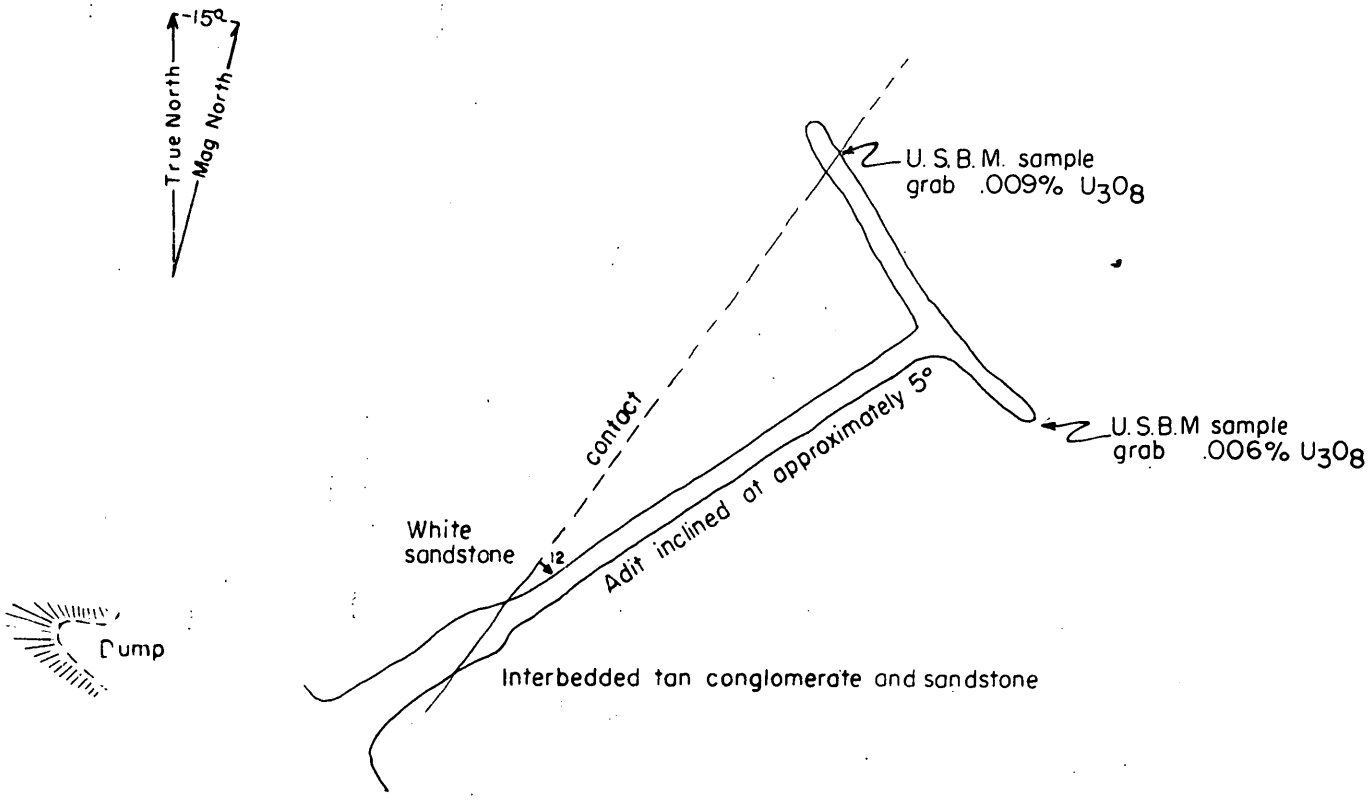


FIG. 3

SALINA MINING AND SMELTING CO.
LYNN NUMBER I INCLINE
ORDERVILLE GULCH, KANE CO. UTAH

0 40 80 120 ft.
Scale

C. G. Tillman Nov. 6, 1953

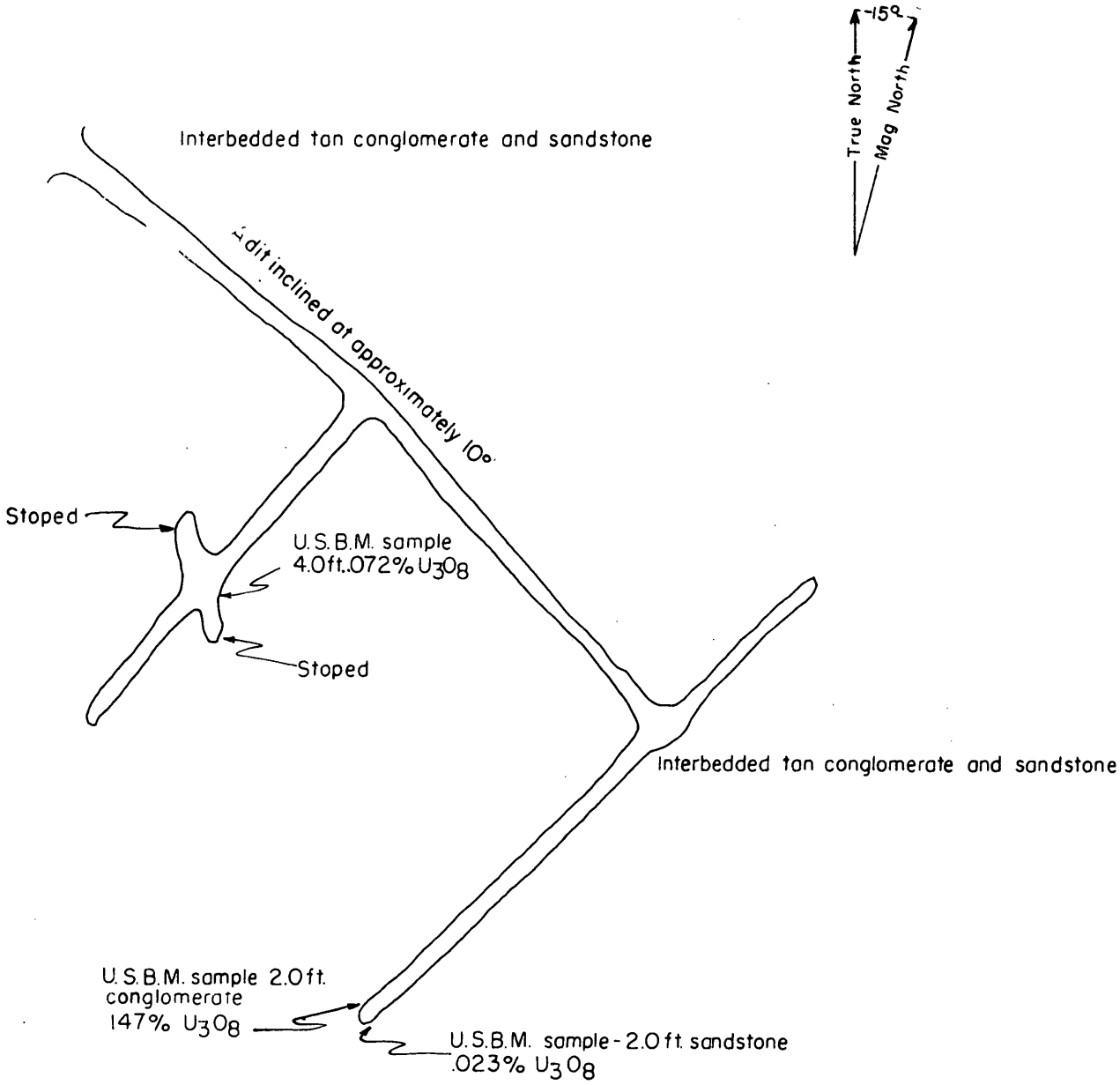


FIG. 4

SALINA MINING AND SMELTING CO.
LYNN NOMBER 3 INCLINE
ORDERVILLE GULCH, KANE CO. UTAH

0 40 80 120ft
Scale

C.G. Tillman ,1953

Mining Division
Date Rec'd.
DEC 10 1953
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

December 8, 1953

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA 2378 (Uranium), Contract Idm-E399, Salina Mining and Smelting Co., Kane County, Utah

Enclosed are the original and 10 copies of a final engineering report covering work accomplished under the subject contract. Each copy of the report is accompanied by maps prepared by the Geological Survey. The report was written by M. M. Gilkey.

Stephen R. Wilson

Stephen R. Wilson

Enclosure

Reviewed by
DMEA OPERATING COMMITTEE
1-6-54
(date)

SALINA MINING AND SMELTING COMPANY
KANE COUNTY, UTAH
DMEA-2378
Contract No. Idm-E399
Uranium

Final Engineering Report

By M. M. Gilkey
Mining engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
1-6-54
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

SALINA MINING AND SMELTING COMPANY
KANE COUNTY, UTAH

CONTENTS

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Final engineering report	
Summary and conclusions	2
Introduction	3
Location	4
Description of the deposits	4
Description of the project work	5
Expenditures and royalties	7

ILLUSTRATIONS

Fig. 1 Project workings, Lynn No. 1 claim
Fig. 2 Project workings, Lynn No. 3 claim

SUMMARY AND CONCLUSIONS

A DMEA loan of $15,255.45 to aid in exploration for uranium ores was granted the Salina Mining and Smelting Co. September 10, 1952. The property is situated in Kane County, Utah, approximately 26 miles by road westerly from the town of Orderville. Project work was begun October 1, 1952, and terminated August 31, 1953.

A certification of discovery was based on the shipment of 128 tons of ore averaging 0.12 percent U_3O_8. The ore was produced during the operation of the project. No ore reserves remain from which production is economically feasible at present.

Uranium mineralization in the mine area occurs in small, low-grade lenses in the contact zone between the poorly consolidated white sandstone of the Jurassic Summerville formation and an overlying conglomerate member of the Dakota sandstone. The rocks dip 5 to 10 degrees to the northeast and the structures are well exposed at the horizon of the uranium mineralization.

The project work was done in two areas (figs. 1 and 2). On the Lynn No. 3 claim, a 200-foot, inclined adit was driven at minus 10 degrees, and 250 feet of exploratory drifting was done at right angles to the adit. All of the ore shipped during the operation of the project was found by the drifting on the Lynn No. 3 claim. On the Lynn No. 1 claim, the project work consisted of a 150-foot adit, inclined at minus 5 degrees, and 75 feet of drifting from the face of

the adit. Samples and radiometric readings taken in the adit and drifts on the Lynn No. 1 claim indicate the presence of only minor amounts of uranium mineralization.

A request by the operator for further Government assistance in exploring the Lynn No. 3 claim was denied because of the erratic distribution and low grade of the ore.

INTRODUCTION

The Salina Mining and Smelting Co. applied for an exploratory loan on uranium property consisting of three lode claims held under lease, the Lynn Nos. 1, 2 and 3, near Orderville in Kane County, Utah. The applicant proposed a project estimated to cost $41,016.46. During May 1952 the property was examined by the Bureau of Mines, and in June 1952, an examination was made by the Geological Survey. A modified program agreeable to the applicant was recommended. On September 10, 1952, an Exploratory Project Contract (short form) was executed in a total amount of $16,950.50, of which the Government's share was $15,255.45, at 90 percent participation. Project work was begun on October 1, 1952. On August 31, 1953, by mutual agreement between the operator and the Government, project work was discontinued before completion of the authorized footage.

A certification of discovery resulted from the exploratory work.

LOCATION

The Lynn claims leased by the Salina Mining and Smelting Co. are situated in Secs. 16 and 21, T. 40 S., R. 9 W., S.L.B. & M., Kane County, Utah. The property, which lies on the east rim of Orderville Gulch, may be reached by driving about 11 miles west of Mount Carmel Junction on Utah Highway U-15, thence north 10 miles on a graded dirt road. The dirt road may be closed by snow for a few weeks during the winter.

Topographically, the region is characterized by high mesas and steep slopes. Geological structures at the horizon of the uranium mineralization are well exposed on the Lynn claims.

DESCRIPTION OF THE DEPOSITS

The rocks of the area include conglomerate, sandstone, siltstone and shale of Jurassic and Cretaceous ages. These sedimentary formations strike northwest and dip 5 to 10 degrees to the northeast.

Uranium mineralization in the area of the Lynn claims occurs in the contact zone between the Jurassic Summerville formation and a conglomerate member of the overlying Cretaceous Dakota sandstone. Principal concentrations have been found on the Lynn No. 1 and Lynn No. 3 claims. The ore bodies are lenticular, small, and low grade. One hundred twenty-eight tons of ore shipped from workings on the Lynn No. 3 claim averaged approximately 0.12 percent U_3O_8. Minerals

present include autunite, carnotite and torbernite found mainly in association with carbonaceous material, clay and iron oxide. The poorly consolidated white sandstone of the Summerville formation contains some disseminated autunite.

There are no ore reserves on the Lynn claims from which production is presently economically feasible. An accurate estimate of submarginal ore reserves would require more extensive sampling than appears justified at the present time.

DESCRIPTION OF THE PROJECT WORK

The work done under this short-form contract was begun October 1, 1952, and terminated August 31, 1953. The contract specified 400 feet of adit driving and 325 feet of drifting to be done on the Lynn No. 1 and Lynn No. 3 claims (figs. 1 and 2). All of the exploration was done in or near the conglomerate-sandstone contact zone. On the Lynn No. 1 claim, the specified work consisted of a 50-foot adit, a 150-foot adit, and 75 feet of drifting from the face of the 150-foot adit. On the Lynn No. 3 claim, the work consisted of driving a 200-foot adit and three drifts at right angles to the adit, two for distances of 100 feet and one for a distance of 50 feet.

The 200-foot adit on the Lynn No. 3 claim was driven S. 45° E. (approximate) at an inclination of minus 10 degrees. At 95 feet from the portal, a drift was driven 100 feet southwesterly, along the strike of the bedding. In this drift, at approximately 60 feet from the adit, a lens of low-grade ore was found and 123 tons was extracted. From the

face of the adit, drifts were driven 100 feet southwesterly and 50 feet northeasterly, both on the strike of the bedding. Low-grade ore was encountered in the 50-foot drift at a distance of 20 feet from the adit. Five tons of this material added to the 123 tons mentioned above accounts for the reported total of 128 tons averaging 0.12 percent U_3O_8 found as a result of the DMEA work.

No unusual difficulty was experienced in accomplishing the work done on the Lynn No. 3 claim. Timber for ground support was required only at the adit portal and in the stope. The ground water developed as the exploration progressed was removed by means of a small, compressed-air-driven pump.

The 150-foot adit on the Lynn No. 1 claim was driven N. 50° E. at an inclination of minus 5 degrees. At 50 feet from the portal, the contact dipped beneath the bottom of the adit and from that point to the face, at 150 feet, the adit was entirely in conglomerate. From the face, two drifts were driven at right angles to the adit, along the strike of the bedding. The drift to the southeast was driven a distance of 25 feet without encountering the contact with the underlying sandstone. A sample of the conglomerate in the face assayed 0.006 percent U_3O_8. The drift to the northwest was driven a distance of 50 feet. The sandstone contact was exposed near the face of this drift, but a sample of the contact material assayed only 0.009 percent U_3O_8.

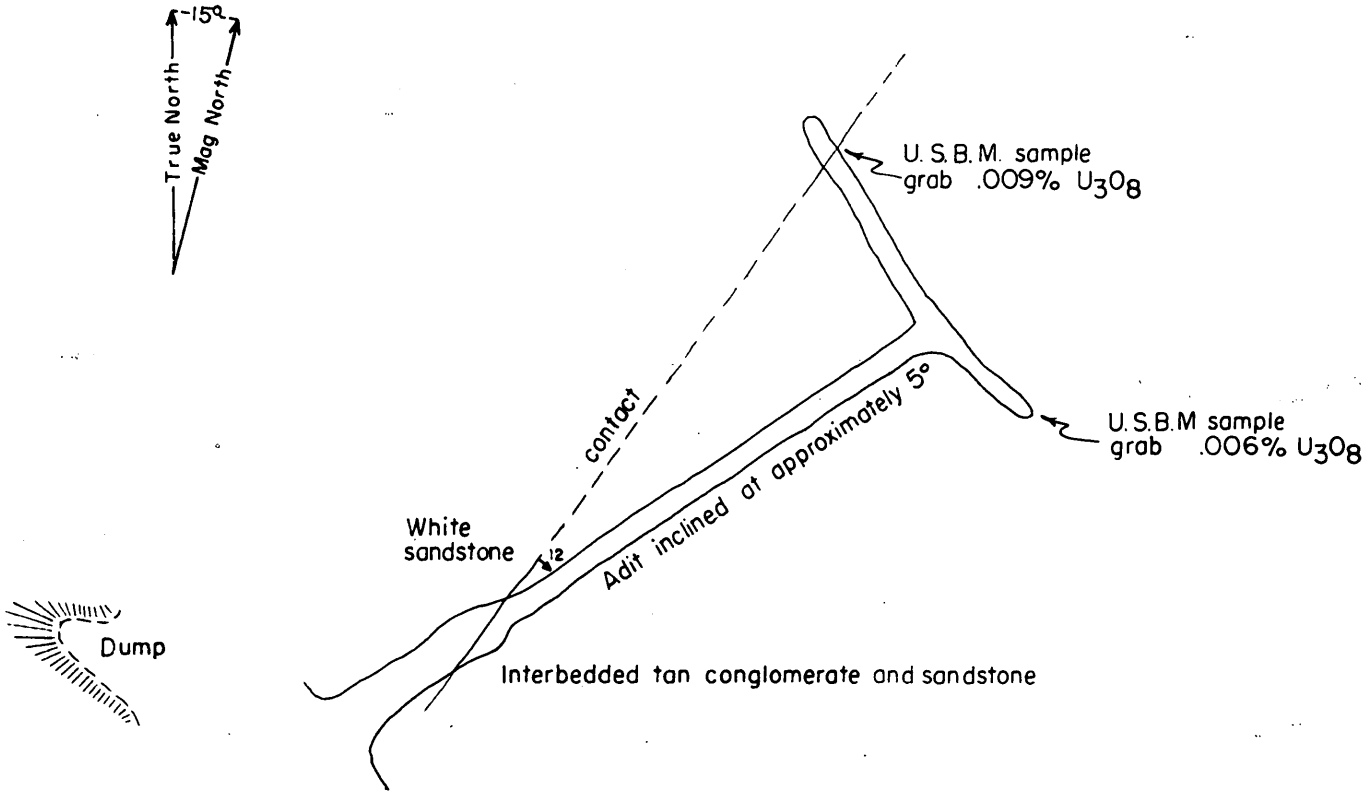
No unusual difficulty was involved in accomplishing the work done on the Lynn No. 1 claim. No ground water was developed and timber for ground support was required only at the adit portal. Because of the weakness of the uranium mineralization encountered in this adit and lateral work, it was mutually agreed between the operator and the Government that driving the 50-foot adit specified in the contract was not warranted. Project work, therefore, was terminated at this point.

EXPENDITURES AND ROYALTIES

Funds approved for the project on the short-form contract were $16,950.50 for 400 feet of adit driving and 325 feet of drifting, each at a unit cost of $23.38 a foot. Termination of the project 50 feet short of the authorized footage left $1,169.00 of the total funds unexpended. The actual cost, therefore, was reduced to $15,781.50. At 90 percent participation, the Government's share of the actual cost is $14,203.35 and the Government's share of the unexpended funds is $1,052.10.

A request by the operator for further Government aid in driving an additional 500 feet of adit and drifts estimated to cost $16,000, was denied because of the erratic distribution and low grade of the ore. The proposed work was to consist of extending the present DMEA workings on the Lynn No. 3 claim.

One hundred twenty-eight tons of ore averaging 0.12 percent U_3O_8 was produced during the operation of the project. The value of this ore, including development and haulage allowances and bonus payments, was $2,107.49. Royalty received by the Government amounted to $105.37.

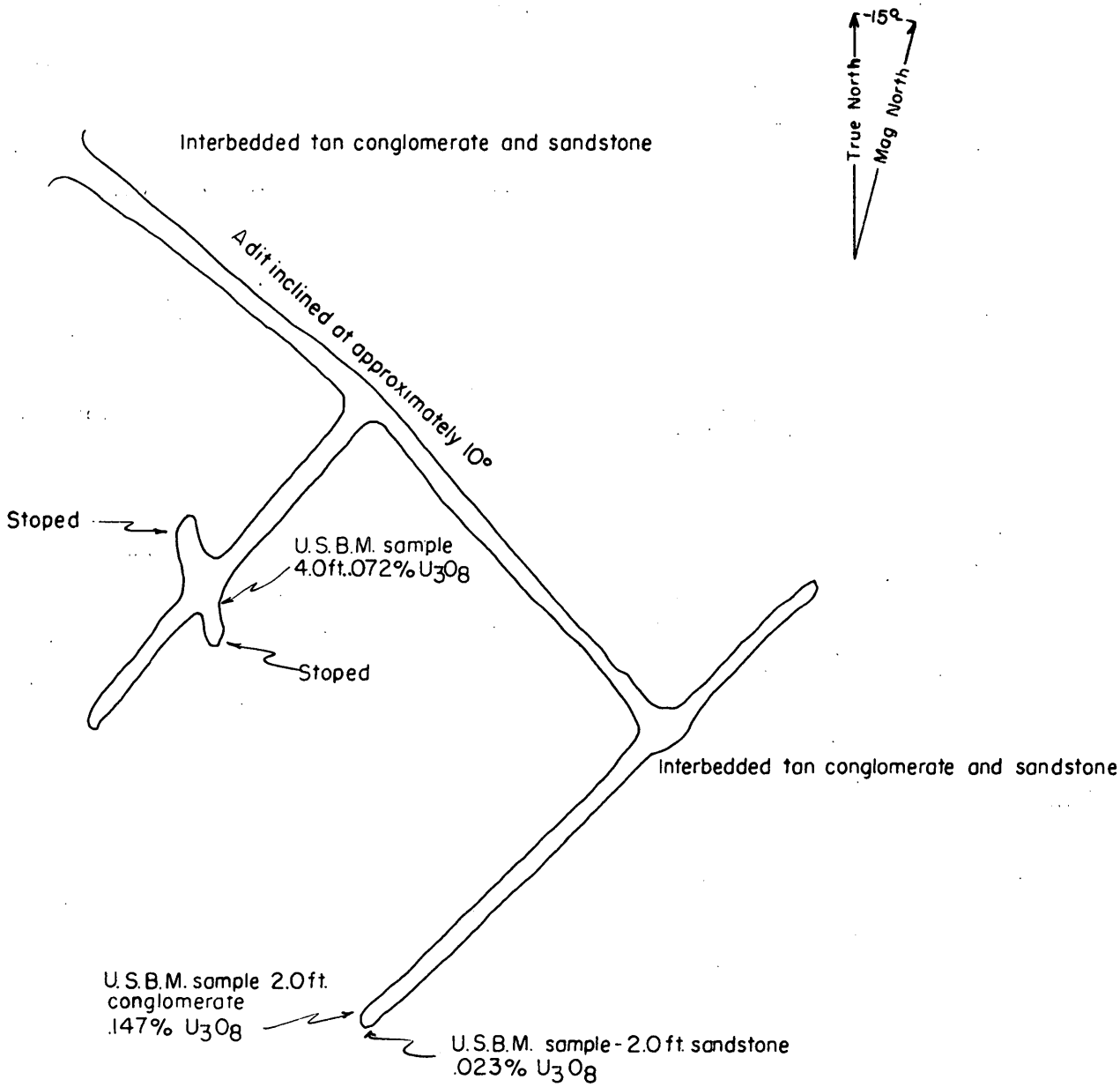


SALINA MINING AND SMELTING CO.
LYNN NUMBER I INCLINE
ORDERVILLE GULCH, KANE CO. UTAH

FIG. I

0 40 80 120 ft.
Scale

C. G. Tillman Nov. 6, 1953



SALINA MINING AND SMELTING CO.
LYNN NOMBER 3 INCLINE
FIG. 2- ORDERVILLE GULCH, KANE CO. UTAH

0 40 80 120ft
Scale

C.G. Tillman [redacted], 1953

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

224 New Customhouse
Denver 2, Colorado

December 10, 1953

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2378 (Uranium), Contract Idm-E399, Salina Mining & Smelting Company, Lynn Mining Claims, Kane County, Utah

Reference is made to the letter from W.S. Martin, Acting Chairman, Operating Committee, dated November 27, 1953, wherein he requested advice as to when you would receive the final reports of the operator and the Field Team for the subject contract.

We have deferred final payment to the operator pending release of a report of review from the Contract Administration and Audit Division, which we understand is now in Washington for approval.

We have been advised that the operator's, engineer's and geologist's final reports will be available for forwarding to you within the week ending December 18, 1953.

W H King

W. H. King

FILE COPY
SURNAME:

F. L. Knouse
Martin
Larrabee
K. Johnson
Hudson

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

NOV 2 7 1953

Mr. [illegible] King
Executive Officer
[illegible] Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. [illegible]-2373 (Uranium)
Contract No. Ide-[illegible]399
Salina Mining [illegible] Smelting Company
Lynn Mining Claims
Kane County, Utah

Dear Mr. King:

In order for us to keep our records current kindly advise when we may expect to receive the Final reports of the Operator and of the Field Team for the captioned project.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (24B)

Approved:

J. H. Hedges (24B)
Member, Bureau of Mines

D. M. Larrabee (24B)
Member, Geological Survey

FLKnouse/db
11-27-53
cc to: Adm. Reading File
Operating Committee
Docket
Messrs: H. D. Keiser, Rm. 3641
A. P. Butler, Jr., Rm. 3212, GSA
Ellis
Knouse

11-27-53

730

F L Knowse
Albs

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

NOV 3 1953

Mr. George [illegible], President
Collins Mining and Smelting Company
2425 E. Compton Blvd.,
Compton, California

Re: Docket No. [illegible]-2370 (Uranium)
Contract No. [illegible]-399
Lynn Mining Claim
Lane County, Utah

Dear Mr. [illegible]:

Reference is made to your above-named Exploration Project Contract for uranium. You are probably aware that in some similar cases it has been found that some part or all of the land which is the subject of the exploration project contract consists of claims located on land which was subject to prior Federal oil and gas leases. The validity of such claims is doubtful, and in some cases the Atomic Energy Commission has issued a lease to the land for whatever benefit that may afford in curing the invalidity as far as uranium is concerned.

By the recent act of Congress approved August 12, 1953 (Public Law 250, 83d Cong.), mining claims located between July 31, 1939, and January 1, 1953, on United States Lands which were then subject to oil and gas leases, may be validated by the owners of such claims, if, not later than December 10, 1953, they

> ".... post on such claim in the manner required for posting notice of location of mining claims and file for record in the office where the notice or certificate of location of such claim is of record an amended notice of location of such claim, stating that such notice is filed pursuant to the provisions of this Act and for the purpose of obtaining the benefits thereof."

If any of the land which is the subject of your Exploration Project Contract includes a located claim or claims, the validity of which might be questioned on account of a previous oil and gas lease, the statute cited is called to your attention so that you may validate your rights as above indicated, if you consider this to be in your interest. This Agency deems such validation to be desirable even though the land in question may be covered by a lease from the Atomic Energy Commission.

Sincerely yours,

C. D. Mettendorf

Administrator

FLKnouse/gla
10-30-53
cc to: Docket file
Reg. IV (2)
Division contract file

50811

FILE COPY
SURNAME:

Chang
Ellis

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

October 7, 1953

Memorandum

To: C. C. Mittendorf, Administrator

From: Ernest Wm. Ellis, Chief
Rare & Misc. Metals Division

Subject: Docket No. DMA-2378 (Uranium)
Contract No. Idm-E399
Salina Mining & Smelting Company
Kane County, Utah

Contract to be terminated.

Pursuant to your memorandum of September 4, 1953, regarding contracts to be recessed or terminated the following information is presented in connection with a request for termination of the captioned contract prior to completion.

1. The contract provides for driving 400 feet of adit at $23.38 per foot and 325 feet of drifting at $23.38 per foot. Total cost would amount to $16,950.50 and the Government's share at 90% would be $15,255.45.

2. The objective of the work is the exposure of uranium ore bodies by means of adits and drifts on the Lynn No. 1 and Lynn No. 3 Claims.

3. Work on the Lynn No. 3 Claim has been completed as specified in the contract, and consists of an inclined adit 200 feet in length, two drifts of 100 feet each, driven southwesterly from the adit along the strike of the bedding, and one drift of 50 feet, driven northeasterly from the adit.

Work on the Lynn No. 1 Claim has not been completely defined in field reports received to date, but, in a teletype dated September 25, 1953, Mr. W. N. King stated that Operator requests termination of contract leaving 50 feet of lateral work uncompleted. The inference is that an adit 150 feet in length has been driven to the northeast on the Dakota Summerville contact and from the adit face 75 feet of drifting in a northwesterly - southeasterly direction has been completed. The uncompleted work would then consist of an adit 50 feet in length, located 100 feet northwest of the first adit and paralleling the same.

The cost of work certified through July amounted to $12,625.20 of which the Government's share amounts to $11,362.68. Estimated cost of work as yet uncertified amounts to $3,156.30 making the overall cost approximately $15,781.50.

Except for a recess of three months from late November, 1952, to late February, 1953, occasioned by adverse weather conditions, the Operator appears to have prosecuted the work in a steady and efficient manner.

4. Work completed on the Lynn No. 3 Claim has exposed two uranium bearing lenses. Autunite, carnotite, and other uranium minerals associated with clay, wood fragments, and iron oxide concretions, occur throughout the lower part of the Dakota conglomeratic sandstone and the upper part of the Summerville formation, but the better grade ore is more apt to be found in the conglomeratic sandstone.

Following is a preliminary estimate of ore reserves by Mr. F. L. Wideman:

	Tons Indicated	Tons Inferred
Shipping ore (.10 to .20% U_3O_8)	1,350	1,000
Submarginal ore (less than .10% U_3O_8)	12,000	10,000

As a result of above exposure a certificate of discovery or development has been issued.

Results of work to date on the Lynn No. 1 Claim have been unfavorable and for that reason Operator wishes to terminate operations before completion of the work outlined in the contract.

5. The 50 feet of uncompleted lateral work represents approximately 7% of the total exploratory work contemplated in the contract and 18% of the work planned for the Lynn No. 1 Claim. Work completed on the latter Claim minimizes the importance of the uncompleted work in that both were planned to explore the Dakota Summerville contact within the same general area.

6. In view of the unfavorable results obtained by the work already done on the Lynn No. 1 Claim and the limited possibilities of this area, it is recommended that further work under the contract be discontinued.

EWEllis/db
10-7-53
cc to: Adm. Reading File
Docket
Ellis

Ernest Wm. Ellis

MDA
FILE COPY
SURNAME:

Murphy
Ellis
Butler
Chamberlain

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

FMMurphy/gla/db
9-29-53
cc to: Adm. Reading File
Docket
Messrs: H. D. Keiser, Rm. 3641
A. P. Butler, Jr., Rm. 3212, GSA
Ellis
Murphy
DMEA Field Team, Region IV

DMEA

5295 4640

14X3923.970 Working Fund, Interior, DMEA
September 29, 1953

W. H. King, Executive Officer, DMEA Field Team, Region IV
224 New Customhouse Building, Denver, Colorado

Docket No. DMEA-2376, Contract No. Idm-8399 (Uranium)
Salina Mining & Smelting Co.

URTT SEPTEMBER 25, SALINA MINING & SMELTING COMPANY, CONTRACT NO. IDM-8399, DOES NOT AGREE WITH YOUR MEMORANDUM AUGUST 19, ON WHICH CERTIFICATE OF DISCOVERY WAS ISSUED. HOWEVER, WITH ADEQUATE REASON YOU MAY AGREE TO DISCONTINUE FURTHER WORK UNDER CONTRACT. THIS OFFICE WILL PREPARE SPECIAL TERMINATION AGREEMENT ON RECEIPT OF OPERATOR'S FINAL REPORT AND OUR AUDIT CERTIFICATE.

Frank E. Johnson 657
F. E. JOHNSON, ACTING ADMINISTRATOR

R.C.G.
9-29-53

Mr. C. O. Mittendorf
9-25-53
12:50 PM

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 25 1953

DN 235 BUREAU MINES 9-255//XXX 9-25-53 9-36 AN

C O MITTENDORF

REFERENCE DOCKET 2378, CONTRACT IDM"XXX IDM-E399, SALINA MINING AND SMELTING COMPANY. RESULTS OF WORK TO DATE UNFAVORABLE. OPERATOR REQUESTS TERMINATION OF CONTRACT LEAVING 50 FEET OF LATERAL WORK UNCOMPLETED. PLEASE TELETYPE AUTHORITY TO TERMINATE CONTRACT BY MUTUAL AGREEMENT.

W H KING

Denver, Colo.

SEP 25 1 31 PM '53
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D.C.

FILE COPY
SURNAME:

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

SEP 1 7 1953

Docket
Mr. Ellis
Mr. Murphy
Mr. Chambers, Rm. 1542
Mr. F. E. Johnson
Field Team, Region IV (2)
Operating Committee
Mr. Hedges, Rm. 1601
Mr. Thayer, Rm. 5216, GSA
Ellis
Kindel
Hedges
Selfridge

Mr. George A. McCook, President
Sallie Mining and Smelting Company
1425 S. Compton Blvd.,
Compton, California

Re: Docket No. [illegible]-2376 (Uranium)
Contract No. [illegible]-399
Lynn Mining Claims
Kane County, Utah

Dear Mr. McCook:

Enclosed is a "Certification by the United States of America of a Discovery or Development Under an Exploration Project Contract." This certification covers all of the land described in Article 2 of the captioned contract.

By the terms of the Exploration Project Contract, and of the certification, all uranium and other valuable minerals produced from the claims described in Article 2 of the contract, from September 10, 1952, the date of the contract, are subject to the Government's percentage royalty as set forth in said contract until the time when the Government has charged as its participating interest is repaid, or until September 10, 1956, whichever occurs first.

Any [illegible] to be made to Mr. [illegible] King, Executive Officer, [illegible] Field Team, Region IV, 22[illegible] New Customhouse Building, Denver 2, Colorado. Checks should be made payable to the Treasurer of the United States. The purchaser should be authorized 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 reliable 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. King 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. King at six-month intervals that no production has been made, when that is the case.

Sincerely yours,

Frank E. Johnson (fw)

ACTING Administrator

Enclosure

FEKnowse/MMurphy/db
9-14-53
cc to Adm. Reading File

R. C. B.
9-17-53

FILE COPY
SUBNAME:

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

Murphy
Ellis
Bolin
McKone
Chamberlin

Mr. George R. McPeak, President
Salina Mining and Smelting Company
1425 E. Compton Blvd.,
Compton, California

Re: Docket No. DMEA-2378 (Uranium)
Contract No. Idm-8399
Lynn Mining Claims
Kane County, Utah

Dear Mr. McPeak:

Enclosed is a "Certification by the United States of America of a Discovery or Development Under an Exploration Project Contract." This certification covers all of the land described in Article 2 of the captioned contract.

By the terms of the Exploration Project Contract, and of the certification, all uranium and other valuable minerals produced from the claims described in Article 2 of the contract, beginning from September 10, 1952, the date of the contract, are subject to the Government's percentage royalty as set forth in the contract until the sum of $15,255.45 (subject to final audit) is paid, or until September 10, 1962.

Payments should be made to Mr. W. H. King, Executive Officer, DMEA Field Team, Region IV, 224 New Customhouse Bldg., Denver 2, Colorado. Checks should be made payable to the Treasurer of the United States. 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. King 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. King at six-month intervals that no production has been made, when that is the case.

Sincerely yours,

Administrator

Enclosure

FLKnouse/FMMurphy/gla
9-9-53

cc to: Adm. Reading File
Operating Committee
Mr. Hedges, Rm. 4604
Mr. Thayer - Rm. 5216 GSA
Field Team, Region IV (2)
Docket
Mr. Ellis
Mr. Chambers
Mr. Murphy
Mr. F. L. Johnson

FILE COPY
SURNAME:

Murphy
Ellis
Burjer
Dallane
Chemler
Pinkel
Hedges
Selfridge

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

SEP 17 1953

Mr. Irving Pumbel, Director
Materials Division
Emergency Procurement Service
General Services Administration
General Services Administration Building
Washington 25, D. C.

Re: Docket No. DMEA-2578 (Uranium)
Contract No. DMEA-399
Salina Mining and Smelting Company
Lyman Mining Claims
Kane County, Utah

Dear Mr. Pumbel:

Enclosed is a copy of a certification of discovery or development of the captioned project.

The exploratory work being conducted under the terms of this contract has not been completed; therefore, the final report of the Field Team is not available at this time. When this report has been received, a copy will be forwarded for your information.

Sincerely yours,

Frank E. Johnson

ACTING Administrator

Enclosure

Kirkhouse/Murphy/ela
9-9-53
cc to: Adm. Reading File
Operating Committee
Mr. Hedges, Rm. 1608
Mr. Shayer, 5216 DSA
Contract Adm. and Audit Division
Mails & Files Docket
Rare & Misc. Metals Division (Mr. Ellis)
Mr. Murphy
Mr. F. E. Johnson
Field Team, Region IV (2)

R.C.G.
9-17-53

FILE COPY
SURNAME:

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

2378

DMEA

EWEllis/gla/esf
5295 4640

September 17, 1953

W. H. King, Executive Officer, DMEA Field Team, Region IV, Denver, Colorado

Reurtt September 16, Certifications of Discovery being mailed to Operators and your office today as follows: Idm-E337, Verne Byrne; Idm-E381, Sunnyside Uranium Company; Idm-E399, Salina Mining and Smelting, and Idm-E440, Moreno Cripple Creek. Re Idm-E408, Gateway Mining Company Certification dated July 3, 1953, mailed to Operator with copies to you July 6, 1953. If your copies miscarried, please advise and we will forward duplicates for your records.

Frank E. Johnson (fw)

F. E. Johnson, Acting Administrator
Defense Minerals Exploration Administration

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Audits
Mr. Bishop (USBM)
Mr. Kinkel (USGS)
Chron.

SENT
SEP 17 1953
Clerical Service Section

R.C.S. 9-17-53

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

Department of the Interior
Defense Minerals Administration
Received
AUG 21 1953

224 New Customhouse
Denver 2, Colorado

August 19, 1953

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Certification of Discovery - Docket No. DMEA-2378 (Uranium), Contract Idm-E399, Salina Mining and Smelting Co., Kane County, Utah; Docket No. DMEA-2135 (Uranium), Contract Idm-E381, Sunnyside Uranium Co., Piute County, Utah

To date the Salina Mining and Smelting Company has shipped 128 tons of ore to Marysvale, Utah, and the Sunnyside Uranium Company has shipped over 300 tons of ore. We recommended that a certification of discovery be made on the Salina Mining and Smelting Company on June 15 and that a certification of discovery be made on the Sunnyside Uranium Company on June 16, 1953. We have been advised orally that your office prefers to wait until they receive the engineer's final report before making a certification of discovery.

We believe that it would be advisable to make certifications of discovery on both of these two operations immediately as we may encounter difficulty in collecting royalties after the contracts have been terminated. We have found that in all cases it is easier to obtain royalty payments directly from the ore buyer.

W. H. King

W. H. King

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

224 New Customhouse
Denver 2, Colorado

June 15, 1953

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: DMEA Field Team, Region IV

Subject: Recommendation for Certification of Discovery, Contract Idm-E399, Docket No. DMEA-2378, Salina Mining and Smelting Company, Kane County, Utah

Enclosed are two copies of a memorandum from F.L. Wideman, Bureau of Mines engineer, in which he recommends that a certification of discovery be issued to the Salina Mining and Smelting Company for ore discovered under Contract Idm-E399.

We agree that a certification of discovery should be prepared.

W. H. King

W. H. King

A. H. Koschmann

A. H. Koschmann

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

June 11, 1953

Memorandum

To: W. H. King, Chief, Mining Division, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: DMEA-2378, Contract Idm-E399, Salina Mining and Smelting Co., Kane County, Utah. Information for certification of discovery.

Attached are six copies of a memorandum prepared by F. L. Wideman concerning disclosure of uranium ore on property of the Salina Mining and Smelting Co., Kane County, Utah. The information is transmitted for use in certification of discovery on the property.

Mining claims included in the contract under item 2 are Lynn #1, Lynn #2, and Lynn #3. Exploratory work under the contract has resulted in discovery of ore on the Lynn #3 claim. The map attached to F. L. Wideman's memorandum illustrates the ore discovery and the position in relation to property on the north, owned by the State of Utah.

Stephen R. Wilson

Stephen R. Wilson

Enclosure

S. R. Wilson

June 8, 1953

F. L. Wideman

DMEA-2378, Contract Idm-E399, Salina Mining and Smelting Co., Kane County, Utah

The Salina Mining and Smelting Co., Orderville, Utah, is shipping ore to the Atomic Energy Commission's stockpile at Marysvale, Utah. The production is derived from an ore body encountered by DMEA exploratory work on the Lynn No. 3 mining claim.

Uranium minerals are found at the base of the Dakota formation and in the upper few feet of the Summerville (Windsor) formation. The base of the Dakota formation consists of red and gray conglomeratic sandstone that contains carbonized wood fragments and small lenses of shale. Autunite, carnotite, and other uranium minerals occur associated with clay, wood fragments, and iron oxide concretions throughout the lower part of the Dakota and the upper part of the Summerville (Windsor) formations. Exploratory work, however, has indicated that the better-grade ore follows indistinct channels in the conglomeratic sandstone.

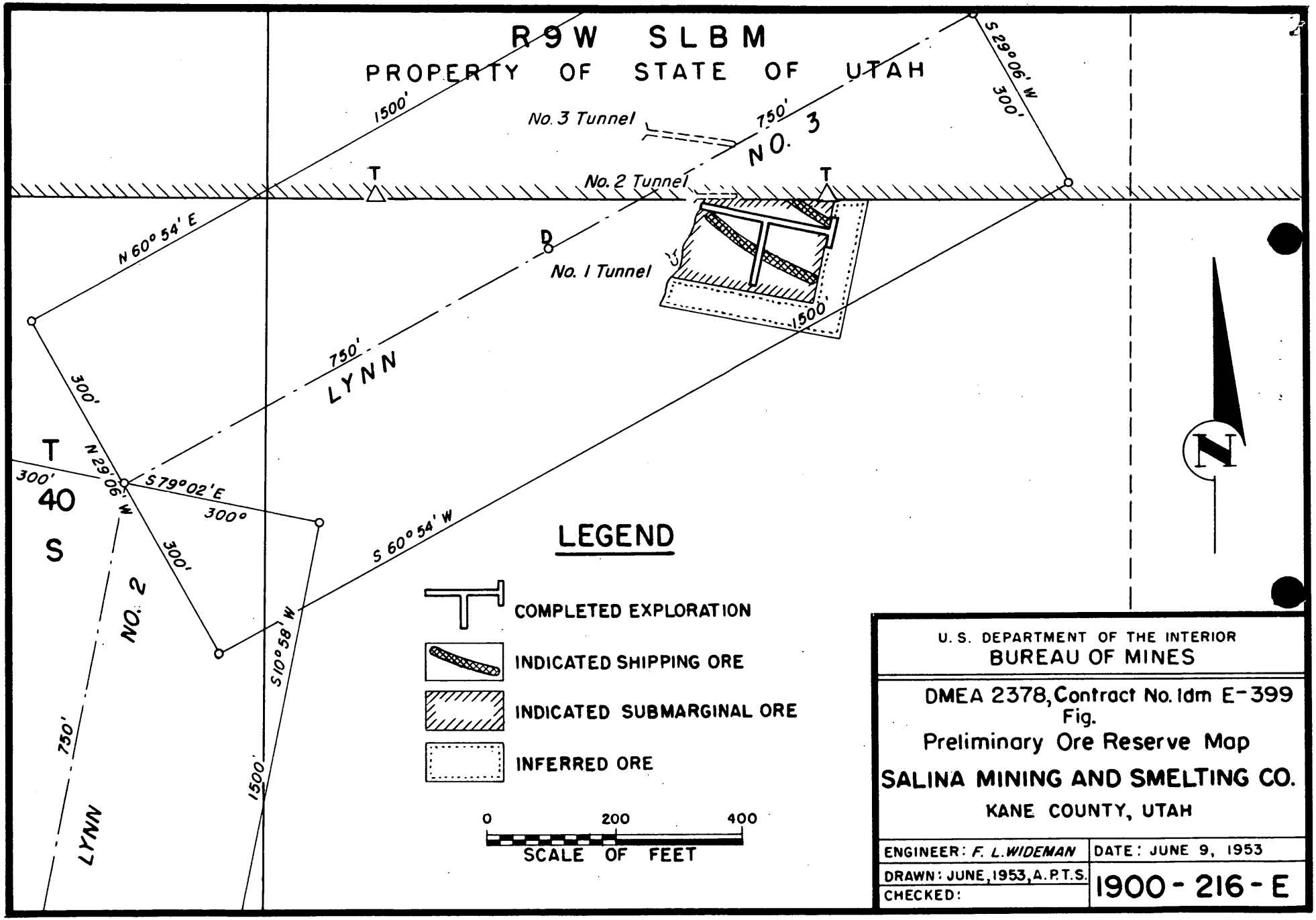
The exploratory work proposed under the subject contract has not been completed. Therefore, the following estimates of ore reserves are subject to revision, dependent on disclosures made by the remaining exploratory work. The block of ground subject to royalty is bounded on the north by land, the title of which is vested in the State of Utah, for which reason there is no subordination agreement. The reserves have been broken down into shipping and submarginal ore, the latter being material that contains uranium in percentages too small to be mined under present conditions, but which may be of economic interest in the future.

Table of Reserves

	Tons	Percent U_3O_8
Indicated shipping ore	1,350	0.10 to 0.20
Indicated submarginal ore	12,000	less than 0.10
Inferred shipping ore	1,000	0.10 to 0.20
Inferred submarginal ore	10,000	less than 0.10

F. L. Wideman

F. L. Wideman


R 9 W SLBM
PROPERTY OF STATE OF UTAH
No. 3 Tunnel
No. 2 Tunnel
No. 1 Tunnel
NO. 3
LYNN
NO. 2
LYNN
T 40 S
1500'
750'
300'
N 60° 54' E
S 29° 06' W
N 29° 06' W
S 79° 02' E
S 60° 54' W
S 10° 58' W
LEGEND
COMPLETED EXPLORATION
INDICATED SHIPPING ORE
INDICATED SUBMARGINAL ORE
INFERRED ORE
0 200 400
SCALE OF FEET
N
U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
DMEA 2378, Contract No. Idm E-399
Fig.
Preliminary Ore Reserve Map
SALINA MINING AND SMELTING CO.
KANE COUNTY, UTAH
ENGINEER: F. L. WIDEMAN
DATE: JUNE 9, 1953
DRAWN: JUNE, 1953, A. P. T. S.
CHECKED:
1900-216-E

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 2 1953

224 New Customhouse
Denver 2, Colorado

December 29, 1952

Mr. Richard J. Mc Peak, Secretary
Calina Mining and Smelting Company
1425 E. Compton Boulevard
Compton, California

Re: Docket No. DMEA - 2378
Contract Idm-8399

Dear Mr. Mc Peak:

Reference is made to your letter, dated December 10, 1952, to the Bureau of Mines, Salt Lake City, Utah, attention Stephen R. Wilson, wherein you request an extension of time for work under your DMEA 2378 loan. Your letter was forwarded to this office for appropriate action.

Authority is hereby granted to recess operations under contract Idm-8399 because of adverse winter conditions, until on or about May 1, 1953.

Please advise this office, with a copy to Mr. Stephen R. Wilson, the date when operations were resumed.

In the event additional time is required to complete the project work, because of the delay, a request for an extension of completion time may be submitted through Mr. Wilson for consideration by this office prior to the expiration date of the contract which is September 10, 1953.

Very truly yours,

W. H. KING

W. H. King
Executive Officer
DMEA Field Team, Region IV

cc COMittendorf

10/31/52 gla

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

October 31, 1952

Memorandum

To: Ernest William Ellis, DMEA Member,
Uranium Commodity Committee, Room 4640

From: H. D. Keiser, Bureau of Mines Member,
Uranium Commodity Committee

Subject: Final Report, DMEA Docket 2378, Salina Mining & Smelting Co., Kane County, Utah.

I reviewed the subject report and discussed it with Arthur P. Butler, Gological Survey Member, and Joseph O. Hosted, representative of the Atomic Energy Commission.

It is recommended that the report be approved.

H D Keiser

H. D. Keiser

October 27, 1952

Memorandum

To: Hazel Berry, Operating Committee, DMEA

From: Grace L. Ault, Rare & Misc. Metals Division

Subject: Amendments to Contract, and Contracts finalized by Region IV

With reference to your memorandum of October 24, 1952, this Division received a signed copy of Contract Idm-E399, DMEA-2378, Salina Mining & Smelting Company, on October 10, which was placed in our contract file. The copy of the field report which was cleared by the Operating Committee on October 20, 1952, was forwarded to Mails & Files and placed in the docket. Both the signed contract and the field report were reviewed and cleared as approved by engineers in this Division. The signed copy of the contract was retained for our Division file.

The following have been reviewed, approved by engineers in this Division, and filed in our contract file:

Signed copy of Contract Idm-E422, DMEA-2573, Glenn Mining Company, Inc., dated October 15, 1952, finalized by Region IV.

Amendment #6, DMEA-311, Contract Idm-E175, Realty Company, dated September 24, 1952.

Amendment #2, DMA-1526, Vermont Copper Company, dated October 8, 1952.

October 24, 1952

Memorandum

To: Grace Ault, Rare and Misc. Metals, Division, DMEA

From: Hazel Berry, Operating Committee, DMEA

Subject: Contract executed in Region IV under delegated authority.

Will you please advise me what action your Division has taken with respect to the following listed contract:

Salina Mining & Smelting Company, DMEA-2378, Idm-E399, dated September 10, 1952, and received in Washington October 6, 1952.

A field report has been received and cleared the Operating Committee on October 20, 1952.

Hazel Berry

10/30/52 gla

M NO. 64

e Memorandum • UNITED STATES GOVERNMENT

TO : E. Wm. Ellis, DMEA Member, Uranium Commodity Committee

DATE: Oct. 24, 1952

FROM : Arthur P. Butler, Jr., USGS Member, Uranium Commodity Committee

SUBJECT: Final Report, DMEA Docket 2378, Salina Mining & Smelting Company, Lynn Claims, Secs. 16 and 21, T. 40S, R. 9W, Kane County, Utah

I concur with the recommendations of the Field Team as set forth in the report identified above, that exploration assistance be granted for the Government's proportionate share of a total of $16,950.00 to perform the work outlined in the report.

Arthur P. Butler, Jr.

Arthur P. Butler, Jr.

Copy to E.Wm.Ellis

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 29 1952

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 16 1952

224 New Customhouse
Denver 2, Colorado

October 8, 1952

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention: 210

From: Field Team, Region IV

Subject: Final Report, DMEA Docket 2378, (Uranium) Salina Mining & Smelting Company, Kane County, Utah

Enclosed are the original and three copies of the final report on DMEA 2378.

The contract has been signed and is in effect.

John F. Shaw
John F. Shaw
for W. H. King

A. H. Koschmann
A. H. Koschmann

cae 10-16-52

ON-SITE EXAM

Mining Division
Region IV

July 29, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 16 1952

Memorandum

To: Field Team, Region IV

From: Acting Chief, Mining Division, Region IV

Subject: Final Report, DMEA Docket 2378 (Uranium), Salina Mining and Smelting Company, Lynn Mining Claims, Kane County, Utah

Enclosed are eleven copies of the engineering report on subject property by R. L. Middleton of the Bureau of Mines.

The proposed work is estimated to cost $16,950 and consists of driving three adits totaling 400 feet and 325 of crosscuts.

The examining engineer believes that uranium occurrences show promise of grade increase beyond the zone of surface weathering and he recommends the application be approved.

We concur in his recommendation.

W. H. King

HMC/jp
Subj
Chron
AHKoschmann (2)

Reviewed by
DMEA OPERATING COMMITTEE
10-20-52
(date)

Mining [illegible]
Date Rec'd.

JUL 30 1952

BUREAU OF MINES
Denver, Colorado

July 22, 1952

Memorandum

To: W. H. King, Acting Chief, Mining Division, Region IV

From: Chief, Utah-Nevada Branch, Mining Division

Subject: DMM-1976, Salina Mining and Smelting Co., Sevier County, Utah

Enclosed are the original and 10 copies of an engineering report covering the subject property, prepared by R. L. Middleton. A Summary, Conclusions and Recommendations section is also included.

Maps attached to the application do not accurately illustrate the relation between the property lines and the proposed exploration. Soon after an examination of the property was made by this office, the applicant surveyed the area and defined the property boundaries. Claim No. 3 lode mining claim overlaps section 16, T. 23 S., R. 3 E., as shown on Figure 2 accompanying the engineering report. Section 16 is State of Utah school property, but held under lease by the applicant. The applicant's original exploratory proposals are on section 16. The Survey geologists proposed exploration to the south of the south boundary of section 16, for this area is believed as promising as that in section 16, and because of the uncertainty of obtaining "Owner's Consent to Lien" from the State of Utah. However, the proximity of the present proposed exploration to section 16 makes it seem desirable to obtain subordination from the State on this section.

I have discussed possible subordination of State property with representatives of the State Land Board. Statutes do not permit the State to subordinate property as required in "Owner's Consent to Lien." I suggested a possible method which will not require legislative action. The present lease on State property held by Salina Mining and Smelting Co. requires payment of 12½ percent royalty on net smelter return from production. It is suggested that this royalty be increased to 17½ percent, the State in effect to guarantee the Government's maximum 5 percent royalty on production for a ten-year period. The State Land Board may react favorably on this suggestion. The Board is presently considering the possibility and will write a letter to us concerning their reaction. In subordinating State ground,

It seems reasonable that a division should be made to limit royalty obligation to part of the proposed loan, and not to the complete amount.

I am in agreement with the present exploratory proposals, and recommend that a loan be granted to the Salina Mining and Smelting Co.

The original brochure is enclosed.

Stephen R Wilson

Stephen R. Wilson

Enclosures

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

200 New Customhouse
Denver 2, Colorado

July 11, 1952

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2378, Salina Mining and Smelting Co., Lynn Mining Claims, Kane County, Utah (Uranium)

Enclosed are 11 copies of the geologic report by J. W. Hasler and Vard H. Johnson of the U. S. Geological Survey, covering the above docket. It has been recommended that the loan be approved.

Donald R. Macharen
for
A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (11)

Room 208, 222 So. West Temple
Salt Lake City 1, Utah
8 July 1952

Memorandum

To: A. M. Kesehmann, Field Team, Region IV

From: Ralph J. Roberts

Subject: DMEA-2378, Salina Mining and Smelting Co., Lynn Mining Claims, Kane County, Utah (Uranium).

Enclosed are 11 copies of a geologic report on the Salina Mining and Smelting Company, Kane County, Utah.

The Salina Mining and Smelting Company DMEA Docket 2378 applied to the Defense Minerals Exploration Administration for a loan to explore for uranium. A request from the Field Team Region IV for an examination to determine the advisability of a loan was complied with and the examination was made June 10-11, 1952 by Mr. J. W. Hessler and Ward H. Johnson of the Geological Survey.

Uranium occurs in a zone near the base of the Dakota sandstone of Cretaceous age and in the upper few feet of the Winsor formation of Jurassic age. Sandstone, siltstone and clay are interbedded with carbonaceous and lignitic material which possess an unusually high radioactive count throughout the area.

A total of 55.16 tons of uranium ore averaging 0.138 percent U_3O_8 has been shipped from these areas.

Two claims, the Lynn No. 1 and Lynn No. 3 show promising concentrations of uranium mineralization which may increase in grade with depth. The projects are designed to explore both the basal Dakota and the upper few feet of the Winsor formations. The possibility of finding a few hundred tons of uranium ore averaging about 0.14 percent U_3O_8 is good. It is therefore recommended that the government enter into a contract with the applicant to do the exploratory work as outlined in the accompanying geologic report.

The Engineering report by the U. S. Bureau of Mines will submit the detailed costs of the project and include the applicants brochure.

I concur with the conclusions and recommendations of the examining geologists.

for - Ralph J. Roberts

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

By V. H. Johnson,
J. W. Hasler, and
R. L. Middleton

Salina Mining and Smelting Co., lessee of the Lynn uranium claims, Kane County, Utah, has requested an exploratory loan under DMEA docket 2378. An examination was conducted by Bureau of Mines and Survey personnel to appraise the feasibility of the applicant's proposals. A revised program, estimated to cost $16,956, in lieu of the applicant's proposals, is suggested.

Rocks in the area include the Summerville (Winsor) and Entrada formations of Jurassic age and the Dakota formation of Cretaceous age. The sediments strike to the northwest and dip 5° to 10° to the northeast and consist principally of red and gray sandstone, sandy clay, conglomeratic sandstone, and gypsum.

Radioactive minerals are found at the base of the Dakota sandstone and in the upper few feet of the Summerville (Winsor) formation. Autunite, carnotite and torbernite occur in close association with clay, carbonized wood fragments, iron oxide concretions, sandstone, conglomerate, and petrified logs.

The revised exploratory program consists of driving two adits totaling 200 feet and two crosscuts totaling 75 feet on the Lynn No. 1 claim. Also included are a 200-foot adit, a 100-foot crosscut, and a 150-foot crosscut on the Lynn No. 3 claim.

Uranium occurrences on the Lynn Nos. 1 and 3 claims show promise of grade increase beyond the zone of surface weathering. It is believed that the property warrants exploration as proposed. Recommendation is made that a loan of $16,956 be granted to the Salina Mining and Smelting Co. to complete the work as outlined.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA-2378, Salina Mining and Smelting Co., Lynn Mining Claims, Kane County, Utah

(Uranium)

Vard H. Johnson and J. William Hasler, Geologists
U. S. Geological Survey

July 8, 1952

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Ore Deposits	2
Ore Reserves	3
Proposed Exploration	3
Summary and Conclusions	4

ILLUSTRATIONS

Figure 1. Index Map

Figure 2. Geologic Map of Salina Mining and Smelting Co., Kane County, Utah.

Figure 3. Claim map showing present and proposed workings of Salina Mining and Smelting Co., Kane County, Utah.

DMEA Docket 2378, (Uranium) Salina Mining and Smelting Co.,

Lynn Mining Claims, Kane County, Utah

GEOLOGY

The rocks in the area include sandstone, siltstone, and shale of Jurassic and Cretaceous age. The sedimentary rocks strike northwest and dip 5°-10° to the east. The uranium ore minerals are in lenses, joints, cleavage cracks and along bedding planes, and in clay balls and carbonaceous or lignitic material in the sandstones and siltstones.

The rocks in the mine area (Fig. 2) include the Winsor and Entrada formations of Jurassic age. The combined thickness of these rocks is approximately 350 feet. These formations are composed of gypsum, red and gray sandstone, and sandy clay. Sandstone predominates in the upper 10 to 20 feet and gypsum beds outcrop as a white band 25 to 30 feet thick about 185 feet below the base of the overlying Dakota sandstone of Cretaceous age.

The Dakota sandstone in the mine area is from 50 to 75 feet thick and is composed of gray to buff fluviatile conglomerates and interbedded sandstone and clay. The conglomerate consists of quartz, quartzite and chert pebbles averaging 1 inch in diameter. The sandstone is buff, medium-grained, and slightly micaceous; it contains many clay lenses, carbonized wood fragments, petrified logs, and a few iron oxide concretions. In many places both the sandstone lenses and the conglomerate exhibit cross-bedding and outlines of channel fill. The clay and carbonized wood fragments are associated with the uranium minerals and seem to have controled the precipitation of uranium minerals.

The Tropic formation of Cretaceous age conformably overlies the Dakota sandstone and is composed of over 200 feet of shale, sandstone, carbonaceous shale, mudstone, and contains some coal.

The Salina Mining and Smelting Company property is on the south rim of Orderville gulch near the southern edge of the Markagunt Plateau. The Markagunt Plateau is bounded on the east by the Sevier fault, and on the west by the Hurricane fault. The fault zones are approximately 15 and 20 miles respectively from the mine area. The sedimentary rocks in the Markagunt fault block have a regional dip of about 5 degrees to the northeast.

ORE DEPOSITS

Concentrations of radioactive minerals have been detected in the mine area at the base of the Dakota sandstone and in the upper few feet of the Jurassic Winsor formation. Carnotite, autunite and torbernite are exposed in a few of the claims, dispersed throughout clay, carbonaceous clay, carbonized wood fragments, iron-oxide concretions, sandstone, conglomerate and petrified logs.

The greatest concentrations of radioactivity discovered thus far are on the Lynn No. 1 and Lynn No. 3 Claims. The uranium on the Lynn No. 1 claim is in a buff sandstone at the base of the Dakota sandstone and conglomerate with lenses and beds of carbonaceous mudstone forming an ore zone as much as 3 feet thick.

The ore deposits on the Lynn No. 3 claim consist of autunite and torbernite-bearing mudstone, carbonaceous mudstone, and carnotite-bearing sandstone and conglomerate. The best exposures here are found in association with the clay fragments and in a yellowish-brown sandy clay zone near the base of the conglomerate. In the No. 3 tunnel on the Lynn No. 3 claim, autunite occurs as stringers and lenses along two 2 inch clay layers as well as on faults, joints and along cleavage cracks. Some autunite is disseminated sparsely throughout the poorly consolidated white medium-grained sandstone of the Windsor formation of Jurassic age.

ORE RESERVES

There are no measured ore reserves on the Lynn No. 1 and Lynn No. 3 claims, but there may be a few hundred tons of inferred ore on these claims, and other claims under lease in the area by the Salina Mining and Smelting Company. The applicant has shipped 55.16 tons of uranium ore from the Lynn No. 3 claim averaging 0.138 percent U_3O_8 and valued at $5.20 per ton. The total value is $286.43.

Several areas of high grade mineralization throughout the property appear to warrant a moderate amount of exploration work in the most favorable locations.

PROPOSED EXPLORATION

The original program suggested by the applicant has been discussed with the examining geologists and an alternate plan of exploration to more fully explore the deposits was agreed upon.

The following exploratory program is therefore recommended:

1. Uranium showings are to be explored on the Lynn No. 1 claim by driving a 150 foot 10° incline southeast of the present adit (Fig. 3), and short drifts at the bottom of the incline along the strike of the ore for approximately 75 feet, these workings will explore a high grade showing of uranium ore. One hundred feet northwest of the proposed incline, another short incline about 50 feet long will explore other showings of uranium ore. Each of the inclines are to remain in the contact zone just below the Dakota conglomerate in the silty sandstone that contains abundant carbonaceous mudstones which are uranium-bearing. Exploration drifts at 100 foot intervals.

2. Uranium showings on the Lynn No. 3 claim will be explored by driving a 200 foot 10° incline immediately southeast of the No. 2 tunnel into the white sandstone along the basal contact of the conglomerate in the Dakota formation.

Three drifts along the strike of the ore zone (Fig. 3), two 100 foot drifts trending southeast 100 feet apart, and one 50 foot drift northwest to the section line of school Sec. 16, will delimit the ore horizons. A zone of high grade uranium mineralization was found in the sandy clayey beds at the base of the Dakota conglomerate in tunnel No. 2. Several shipments of ore have been made from the No. 3 tunnel (incline) which is in the white sandstone below the conglomerate. The exploration project on the Lynn No. 3 claim is designed to explore those two mineralized zones.

SUMMARY AND CONCLUSIONS

The Salina Mining and Smelting Company has applied to the Defense Minerals Exploration Administration for a loan to explore for uranium in the Bullock group of claims, Kane County, Utah.

Uranium occurs in a zone near the base of the Dakota sandstone of Cretaceous age and in the upper few feet of the Winsor formation of Jurassic age. Sandstones, siltstones and clay are interbedded with carbonaceous and lignitic material which possess an unusually high radioactive count throughout the area. Below the Dakota formation, a white rather unconsolidated medium-grained sandstone known as the Winsor formation, of Jurassic age, contains autunite along clay bands, as well as being disseminated lightly throughout the sandstone. A total of 55.16 tons of uranium ore averaging 0.138 percent U_3O_8 has been shipped from these areas.

Two claims, the Lynn No. 1 and Lynn No. 3 show promising concentrations of uranium mineralization which may increase in grade with depth. The applicant has proposed two projects for the exploration of these favorable zones by a series of inclines and drifts. The projects are designed to explore both the basal Dakota formation and the white sandstone beneath it.

There are no measured ore reserves on the Salina Mining and Smelting Co. property. The possibility of finding a few hundred tons of uranium ore averaging about 0.14 percent U_3O_8 is good. Uranium mineralization throughout the group of claims leased by the applicant appears to be sufficient to warrant a moderate exploration program. It is therefore recommended that the government enter into a contract with the applicant to do the exploratory work as outlined in the accompanying geologic report.

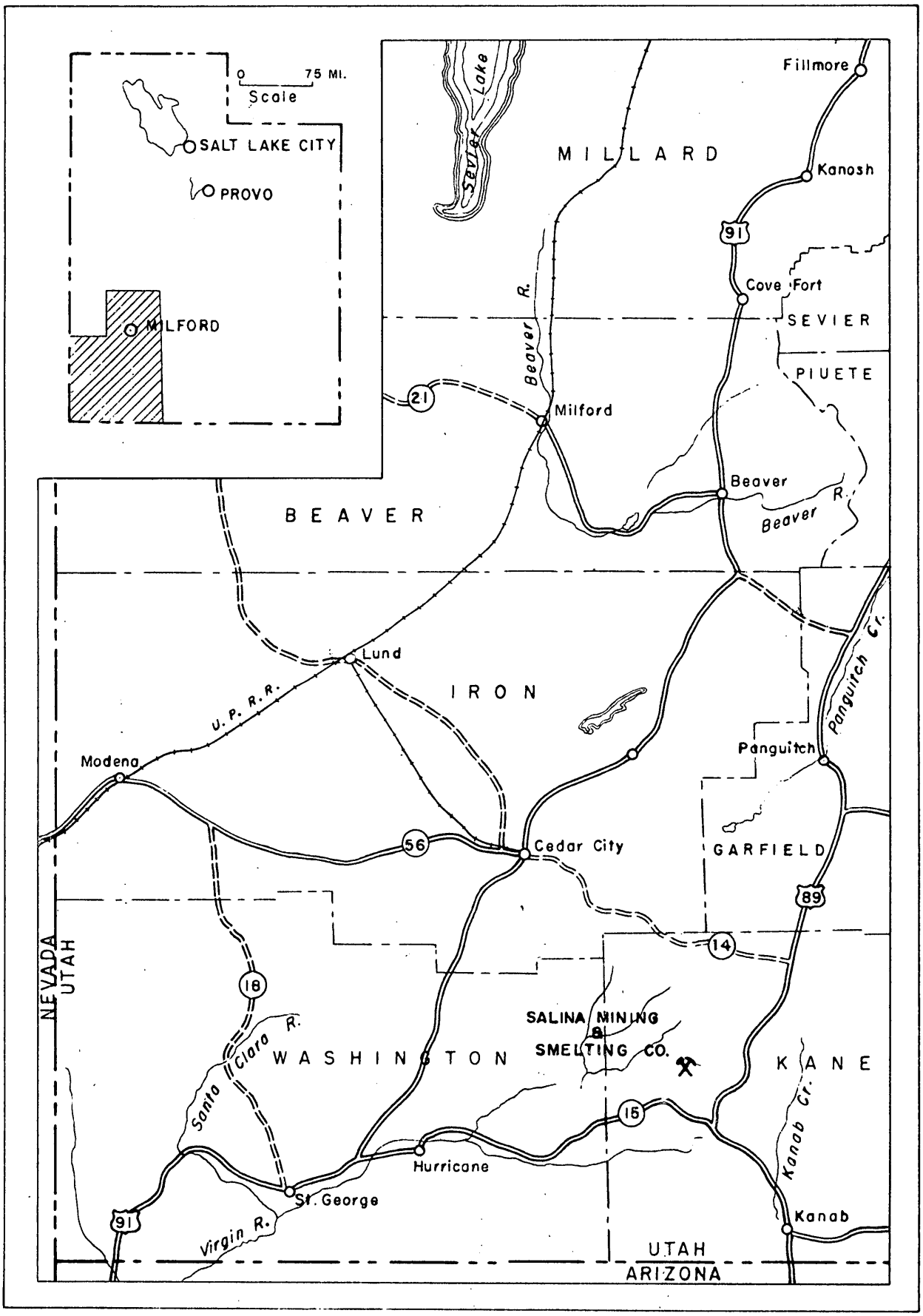

FIG. 1 INDEX MAP OF UTAH

0 5 10 15 20 MILES
Scale

SALINA MINING AND SMELTING COMPANY
LYNN MINING CLAIMS
KANE COUNTY, UTAH
DMEA-2378
Uranium

Engineering Report

By R. L. Middleton
Mining engineer
Bureau of Mines

SALINA MINING AND SMELTING COMPANY
LYNN MINING CLAIMS
KANE COUNTY, UTAH

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ILLUSTRATIONS

Fig. 1 Location map, Lynn mining claims, Kane County, Utah.
Fig. 2 Claim map and plan of proposed exploration.

INTRODUCTION

The Lynn mining claims, Salina Mining and Smelting Company, lessee, were examined during May 1952 to evaluate a request for uranium exploration assistance. The applicant's project, proposed in DMEA docket 2378, consists of 443 feet of inclined adits, 225 feet of crosscuts, 15 feet of winze, and 45 feet of raise to be done at an estimated cost of $41,016.46. The property examination indicated a revised program, consisting of 400 feet of inclined adits and 325 feet of crosscuts, would be more comprehensive. The estimated project cost, agreeable to the applicant, is $16,956.00.

ACKNOWLEDGMENTS

Data obtained from U. S. Geological Survey Trace Elements Memorandum Report 213 were used in the preparation of this report.

LOCATION AND TOPOGRAPHY

The Lynn Nos. 1, 2 and 3 mining claims lie on the east side of Orderville Gulch, in secs. 16 and 21, T. 40 S., R. 9 W., S.L.B.M., Kane County, Utah. The property is easily accessible from Utah Highway U-15 from a point 13 miles west of Mount Carmel Junction, thence north 10 miles by a fair-conditioned county road.

The mine area, on the east slope of Orderville Gulch, is a region of high mesas and steep cliffs. Because of the steepness, geological structures are well-exposed, but many are inaccessible for close

observation. Winter conditions, though cold, are not sufficiently severe to hinder mining. Water is available on the property.

HISTORY AND PRODUCTION

The Lynn Nos. 1, 2 and 3 claims are a part of the Bullock group of 36 unpatented lode mining claims located in 1949. During 1951, the Lynn No. 3 claim produced 94 tons of ores containing .117 percent U_3O_8 and .06 percent V_2O_5. During 1952, approximately 10 tons of uranium ores was produced from the Lynn No. 1 claim. The total production was sold to the Atomic Energy Commission ore-buying station at Marysvale, Utah, 125 miles north of the property.

OWNERSHIP AND EXTENT

The Lynn Nos. 1, 2 and 3 unpatented lode mining claims are owned by Henry Bullock, 399 East Center Street, Cedar City, Utah. The claims are leased for 10 years through January 1962 to the Salina Mining and Smelting Company, 1425 E. Compton Blvd., Compton, California (fig. 2).

The proposed exploration is confined to the following claims recorded in the county records at Kanab, Utah:

	Recording Date	Page	Book
Lynn No. 1	May 3, 1949	166	4
Lynn Nos. 2 and 3	May 3, 1949	167	4

A portion of Lynn No. 3 claim lies in school section 16. The Salina Mining and Smelting Company has a mineral lease from the State of Utah covering section 16. No subordination agreement has been

arranged with the State Land Board, but it is probable that a satisfactory arrangement can be made.

DESCRIPTION OF THE DEPOSITS

The uraniferous deposits in the area of the Lynn claims occur in the lower part of the Cretaceous Dakota sandstone and upper part of the Jurassic Summerville (Winsor) formation. The Dakota sandstone unconformably overlies the Summerville formation and this contact is well-exposed in the proposed exploration areas. Block faulting has produced a homoclinal structure in which the sedimentary sequence strikes northwest and dips approximately 5 degrees to the northeast.

During 1950 the Trace Elements Branch, U. S. Geological Survey, detected abnormal radioactivity along the Dakota and Summerville contact on the Lynn No. 1 and Lynn No. 3 claims. Uranium mineralization occurs chiefly as autunite with minor amounts of carnotite and torbernite. These minerals are associated with carbonaceous clay, carbonized wood, iron oxide and pyrite concretions within sandstone lenses.

The presence of uranium in the ground water of Tunnel No. 3 on Lynn No. 3 claim indicates that uranium is being redistributed by ground waters. The rather widespread distribution of lenses containing .03 to .10 percent uranium along the weathered contact outcrop suggests the possibility of uranium enrichment inward from the weathered zone.

MINABLE ORE RESERVES

There are no minable ore reserves on the Lynn Nos. 1, 2 and 3 claims.

PRESENT STATUS

The Lynn No. 1 claim is developed by a 20-foot adit, driven on the Dakota and Summerville (Winsor) formation contact. The adit is within a sandstone lense containing pyrite blebs and carbonaceous material. Approximately 20 tons of ores containing .263 percent U_3O_8 were mined and are stock-piled near the adit portal.

The Lynn No. 3 claim is developed by three inclined adits (fig. 2). These adits, numbered 1, 2 and 3, are driven on the contact and within the Dakota sandstone. Adit No. 1 followed a few petrified logs which are partially replaced with carnotite.

The property is equipped with housing facilities and the applicant is able to furnish all the operating equipment for mining.

At the present time no work is being done on the property.

PROJECT PROPOSALS, WITH COSTS

The proposed exploration on the Lynn No. 1 consists of driving two adits to the northeast on the Dakota Summerville (Winsor) formation contact (fig. 2). The one adit is to be 50 feet in length and is located to determine the extent of the uranium mineralization appearing at the surface. The other adit, 100 feet southeast of the first, is to be driven 150 feet, and from the adit face, crosscuts 50 feet and 25 feet are to be driven.

The proposed exploration on Lynn No. 3 consists of driving a 5- to 10-degree, inclined adit 200 feet eastward from a point south of the boundary of section 16, which is State-owned. It is also proposed to drive two crosscuts from the adit for distances of 100 and 150 feet at favorable locations (fig. 2).

The estimated time for project completion is 216 8-hour shifts, or nine months.

Fixtures and Improvements

No item of this nature is necessary for the proposed project.

Operating Equipment

The applicant will furnish the operating equipment on a depreciation basis or include the equipment in a unit-cost contract. It will not be necessary to rent or purchase equipment.

Operating equipment to be furnished by the operator:

Item	Fair Value
1 125-cu. ft. compressor, gasoline-driven	$2,800.00
2 jackhammers, one equipped with a jackleg	650.00
1 pressure tank and 50 feet each of air and water hose	90.00
1 gasoline-driven electric generator	350.00
1 1952 1-ton Studebaker pick-up truck	2,200.00
1 gasoline-driven air blower	90.00
1 1-ton mine car	75.00
1 gasoline-driven hoist with ½-inch wire rope	650.00
Total	$6,905.00
Monthly depreciation for a five-year period is	$ 115.09
Total depreciation for 9 months	$1,035.81

Labor and Supervision

1 miner at $14.00 per day
1 mucker at $13.50 per day
1 hoistman-supervisor at $16.00 per day

Total estimated cost of labor and supervision --- $9,396.00

Compensation, insurance, payroll taxes ---------- $1,034.00

Supplies

Gasoline, oil, grease	$2,045.00	
Powder, caps, fuse	1,425.00	
Timber	400.00	
Drill steel	100.00	
Drill bits	100.00	
12-pound rail	500.00	
2-inch pipe	320.00	
Transportation	400.00	
Miscellaneous	100.00	
Small tools	100.00	
Total		$5,490.00

Rehabilitation and Repairs

No rehabilitation or repairs are needed.

Summary of Estimated Costs

Operating equipment furnished by the operator	$1,035.81
Labor and supervision	9,396.00
Compensation, insurance, payroll taxes	1,034.00
Operating supplies	5,490.00
Total estimated project cost	$16,955.81

The average unit cost per foot for 725 feet of crosscut and adit is $23.38. The mine is equipped with equipment and facilities. Therefore, if a contract is entered into between the Government and the applicant to process the exploration, as outlined in this report, it seems logical to use contract form MF-200(A) based on a unit cost of

$23.38 per foot of adit and crosscut. The applicant stated this type of contract and the unit cost of $23.38 per foot is agreeable.

CONCLUSIONS AND RECOMMENDATIONS

The engineering aspects of the proposed exploration are feasible. The possibilities of encountering uranium mineralization of ore-grade beyond the zone of surface weathering and within the limits of the exploration are considered to be good. It is recommended that a loan of 90 percent of $16,956 be granted to the Salina Mining and Milling Company for exploration on the Lynn claims on a unit basis of $23.38 per foot of adit and crosscut.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 6 1952

224 New Customhouse
Denver 2, Colorado

October 3, 1952

REGISTERED 87394

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract Idm-E399, Docket DMEA 2378, Salina Mining and Smelting Company (Uranium)

Enclosed are the original and two copies of Contract Idm-E399. Copies of this contract have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

We have entered the State in which the corporation was organized, as requested in a letter from Mr. Ellis dated September 29, 1952.

W. H. King

W. H. King

Enclosures

RECEIVED
OCT 29 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

140 FILE COPY
SURNAME:

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

SEP 29 1952

Mr. W. E. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2378
Salina Mining & Smelting Co.

Dear Mr. King:

This contract is returned for compliance with the instructions contained in footnote 2 of the contract. After the name "Salina Mining and Smelting Company" in the opening paragraph, insert the following: "a corporation duly organized and existing under and by virtue of the laws of the State of _____", and fill in the blank with the name of the State of incorporation.

Number Idm-1399 has been assigned to this contract. Kindly retain the Operator's, Field Team's and Finance Officer's copies for distribution, and return the remaining copies to this office.

Sincerely yours,

Ernest Wm. Ellis (B.A.) 9-29-52

ACTING Chairman, Operating Committee

Enclosures

AEKane/mef/ema/gla 9-26-52
Mails & Files
Adm. R. File
Op. Comm.
Mr. Thayer
Mr. Hedges
J. L. Hofflund
A. E. Kane
Ernest Wm. Ellis
Chron.
Pending

Approved:

C. H. Johnson (B.A.)
Member, Bureau of Mines

A. R. Kinkel, Jr. (B.A.)
Member, Geological Survey

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
SEP 15 1952

224 New Customhouse
Denver 2, Colorado

September 10, 1952

REGISTERED #82989

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, Field Team, Region IV

Subject: Contract Docket DMEA 2378, Salina Mining and Smelting Company (Uranium)

Enclosed are six copies of a contract between the Government and the Salina Mining and Smelting Company. All copies have been properly executed by the applicant and signed by the Executive Officer, DMEA Field Team, Region IV.

Please assign a contract number and return the required number of copies of the contract to this office.

W. H. King

W. H. King

Enclosures

RECEIVED
SEP 22 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

SB 9/14/52

700 FILE COPY
SURNAME:

F. L. Knouse
Ellis

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

August 7, 1952

BL

Memorandum

To: Mails and Files

From: Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-2378 (Uranium)
Salina Mining and Smelting Co.
Lynn Mining Claims
Kane County, Utah

Based upon information contained in the Field Team's memorandum of July 29, 1952, a carbon copy of which was received by this Division today and placed in the docket file attached, we have removed this application from our list of pending dockets.

It is noted that Region IV is preparing a contract covering exploration work estimated to cost $16,950, with 90% Government participation, or $15,255, although the original application covered a project estimated to cost $41,016.46 (see Region IV transmittal letter dated February 5, 1952).

Accordingly, the docket file is returned herewith.

signed 8/8/52

Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division

GLAult/a

cc to: Mr. Ellis
Mr. Knouse

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

224 New Customhouse
Denver 2, Colorado

July 29, 1952

Memorandum

To: Administrator, Defense Minerals Exploration Administration, Attention: 210

From: Field Team, Region IV

Subject: Final Report, DMEA Docket 2378 (Uranium), Salina Mining and Smelting Company, Lynn Mining Claims, Kane County, Utah

The application for Government assistance in exploration work estimated to cost $16,950, has been approved by us and a contract is being prepared.

Government participation will be 90 percent, or $15,255.

Four copies of the Final Report will be forwarded when the contract is processed.

The original and one copy of Form 3b is attached.

W. H. King
W. H. King

A. H. Koschmann
A. H. Koschmann

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
[illegible]
AUG 7 1952

Delegation of Authority Region IV case.
copy of memo to Rare & Miscellaneous Metals Division, 8-7-52

700

FILE COPY
SURNAME:

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

MAR 17 1952

AIR MAIL

Mr. J. H. East, Jr.
Executive Officer, Region IV
DMEA Field Team
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA-2378 (Uranium)
Salina Mining and Smelting Co.
Lynn Mining claims
Kane County, Utah

Dear Mr. East:

The captioned application is referred to your office for a field team examination.

Copies of memoranda from Mr. Arthur P. Butler dated March 11, 1952, and Mr. A. J. Kauffman, Jr., dated February 20, 1952, outline important questions to be considered by the Field Team.

If the Field team recommends either the exploration program submitted by the applicant or an alternate program approved by the applicant, maps or sketches showing the proposed work in relation to the geology, sample values, and claim lines, with detailed costs of the recommended work as is outlined in Form DF-103, should accompany the report.

The description and cost of equipment units required to do the work (classified into units to be purchased or rented), and fair market value and description of units to be furnished by the operator should also accompany the report. If all or any part of a recommended program is to be done by a contractor it should be so indicated and a detailed breakdown of the costs for the contract part of the work supplied. If an exploration program is recommended we will require from the applicant one original and six copies of Form DF-202 (Landlord's Subordination Agreement), signed by each property owner. Also furnish a list of the mining claims on which work is to be done and any adjoining claims controlled by the applicant, where the claims are recorded, book number, page and entry date.

Forms DF-103 and DF-100 submitted by the applicant were transmitted to your office under date of February 18, 1952.

When we receive the above information we will be able to proceed with the processing of this application.

Sincerely yours,

(signed) FRANK H. JOHNSON
Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures

CONCUR:
C. H. Johnson (JB)
Member, Bureau of Mines
L. P. Thayer (JB)
Member, Geological Survey

F. Knouse/jem 3/12/52 CC to: Adm. Reading File
Docket Messrs. A.J.Kauffman, Rm. 1347-A.P.Butler
Rm. 3206 GS- Ellis-Keller
Field Team, Reg. IV

S.N. 3-17-52

FILE COPY
SURNAME:
TOC

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

MAR 17 1952

Mr. Richard J. McPeak
Calline Mining & Smelting Co.
1425 W. Compton Blvd.
Compton, California

Re: Docket No. [illegible]-2378 (Uranium)
Lynn Mining claims
Kane County, Utah

Dear Mr. McPeak:

Your application for assistance in exploring your property in Kane County, Utah, under the above captioned docket number, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration and has been referred to Mr. J. N. East, Jr., Executive Officer, Region IV, DMEA Field Team, 224 New Customhouse Building, Denver 2, Colorado, for a field examination.

The regional office will contact you at the earliest opportunity in regard to your project.

Sincerely yours,

C. O. Mittenderf (for) S.W. 3-17-52

Acting Administrator
Defense Minerals Exploration
Administration

FLKnouse/jem
3/12/52
cc to: Adm. Reading File
Docket
Messrs. Mr. A.J.Kauffman, Rm. 1347
A.P. Butler, Rm. 3206 GS
Allis
Knouse
Field Team, Region IV (2)

3/11/52 gla

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : E. Wm. Ellis, Uranium Commodity Committee Member, DMEA

DATE: March 11, 1952

FROM : Arthur P. Butler, Jr., Uranium Commodity Committee Member, USGS

SUBJECT: Review of application for exploration loan, DMEA Docket 2378, Salina Mining & Smelting Co., 1425 E. Compton Blvd., Compton, California - (Bulloch Plains, Kane County, Utah).

The applicant has shipped marketable ore from this property, and the Geological Survey estimates that the results of the examinations, carried out in the course of its uranium investigations program, indicate a few thousand tons of marketable ore on this property. I believe, therefore, that the application should be sent to the field team for review with respect to the type and amount of exploration that would be most effective in developing the deposits. The field team should consult with Mr. Linn R. Page, Geological Survey, Denver Federal Center, Denver, Colorado. As the Survey's investigations have been made under his supervision, he or members of his staff will be able to furnish information on the availability of maps or make suggestions with regard to the most effective means of exploration for deposits.

Arthur P. Butler, Jr.

Arthur P. Butler, Jr.

2/21/52 gla

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

February 20, 1952

Memorandum

To: Rare and Miscellaneous Metals Division
Defense Minerals Exploration Administration
Ernest Ellis
Room 4070

From: A. J. Kauffman, Jr.
Rare and Precious Metals Branch

Subject: DMEA Docket 2378, Salina Mining and Smelting Company, Compton, California. Property (Lynn Claims Nos. 1 to 4) in Kane County, Utah

This application is recommended for examination by the field team. It is suggested that the Grand Junction Exploration Branch of the Atomic Energy Commission be consulted before making the examination.

A. J. KAUFFMAN, JR.

Attachments: 3

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 21 1952

EXPLORATION

Subject: DMEA-2378
Re: Exploration Loan
Salina Mining & Smelting Co.
February 18, 1952

Mr. Richard J. McPeak
Salina Mining & Smelting Co.
1425 E. Compton Blvd.
Compton, California

My dear Mr. McPeak:

This will acknowledge receipt of your application dated January 19, 1952 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2378 and referred to the Rare and Miscellaneous Metals Division.

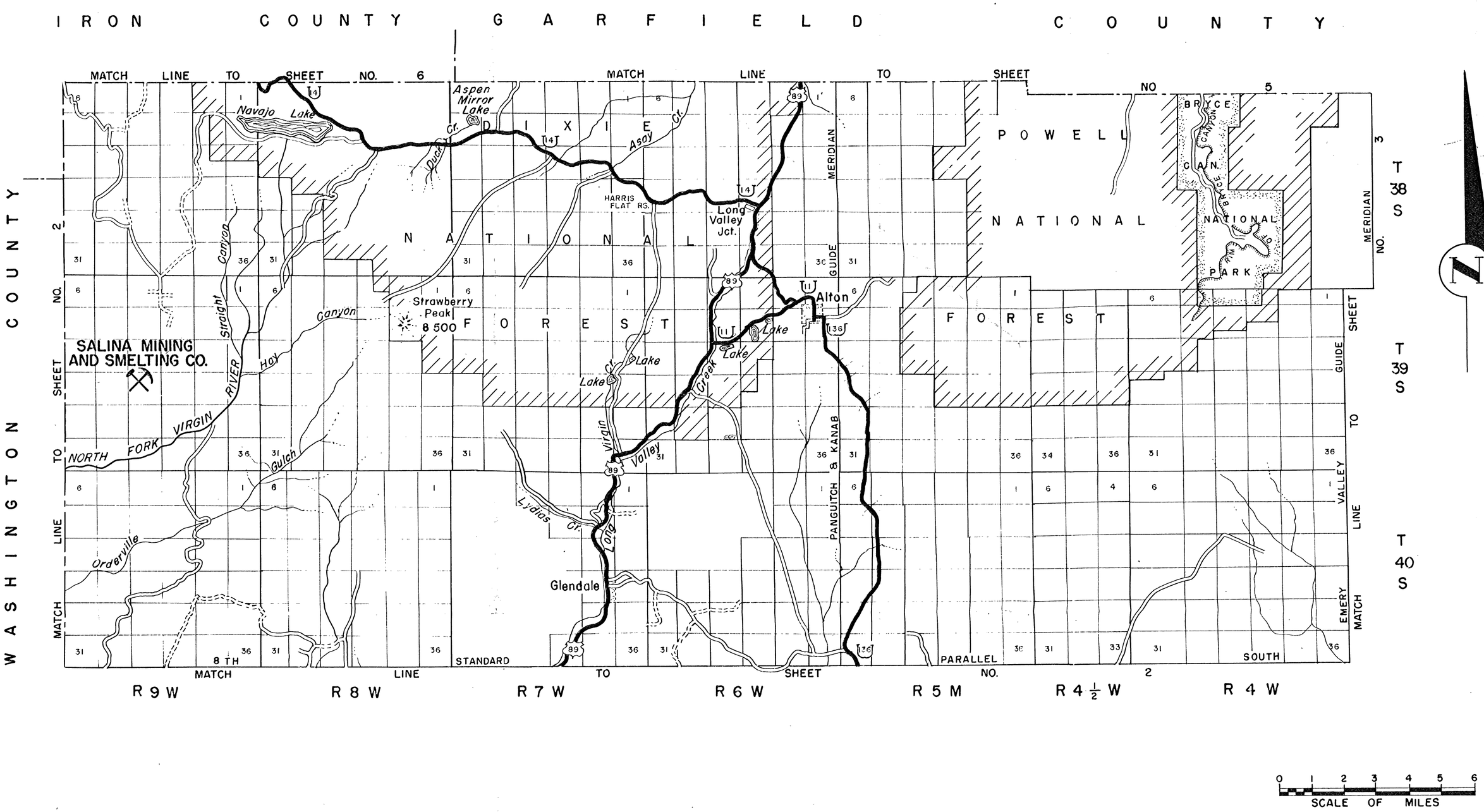
Kindly refer to DMEA-2378 in any future correspondence relating to your application.

Sincerely yours,

R. E. ADAMS

Robert E. Adams
Acting Administrative Officer

7862



U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Fig. 1 DMEA Docket No. 2378

STATE : UTAH

COUNTY : KANE

Sheet 1 of 6

Location Map

ENGINEER : R. L. MIDDLETON	DATE : JULY 14, 1952
TRACED: JULY, 1952 BY: A. P. T. S.	1900 - 176 - C
CHECKED :	

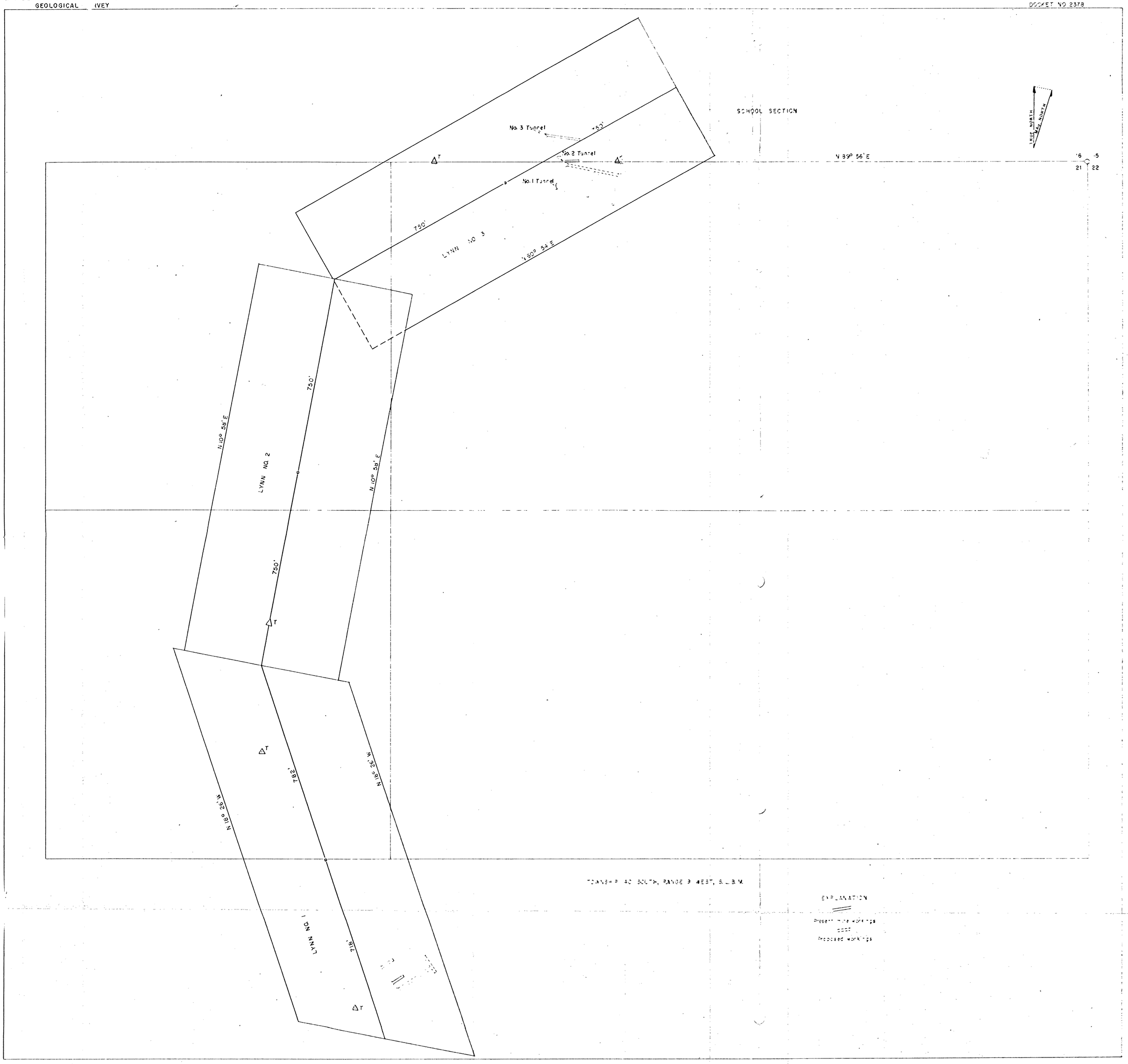
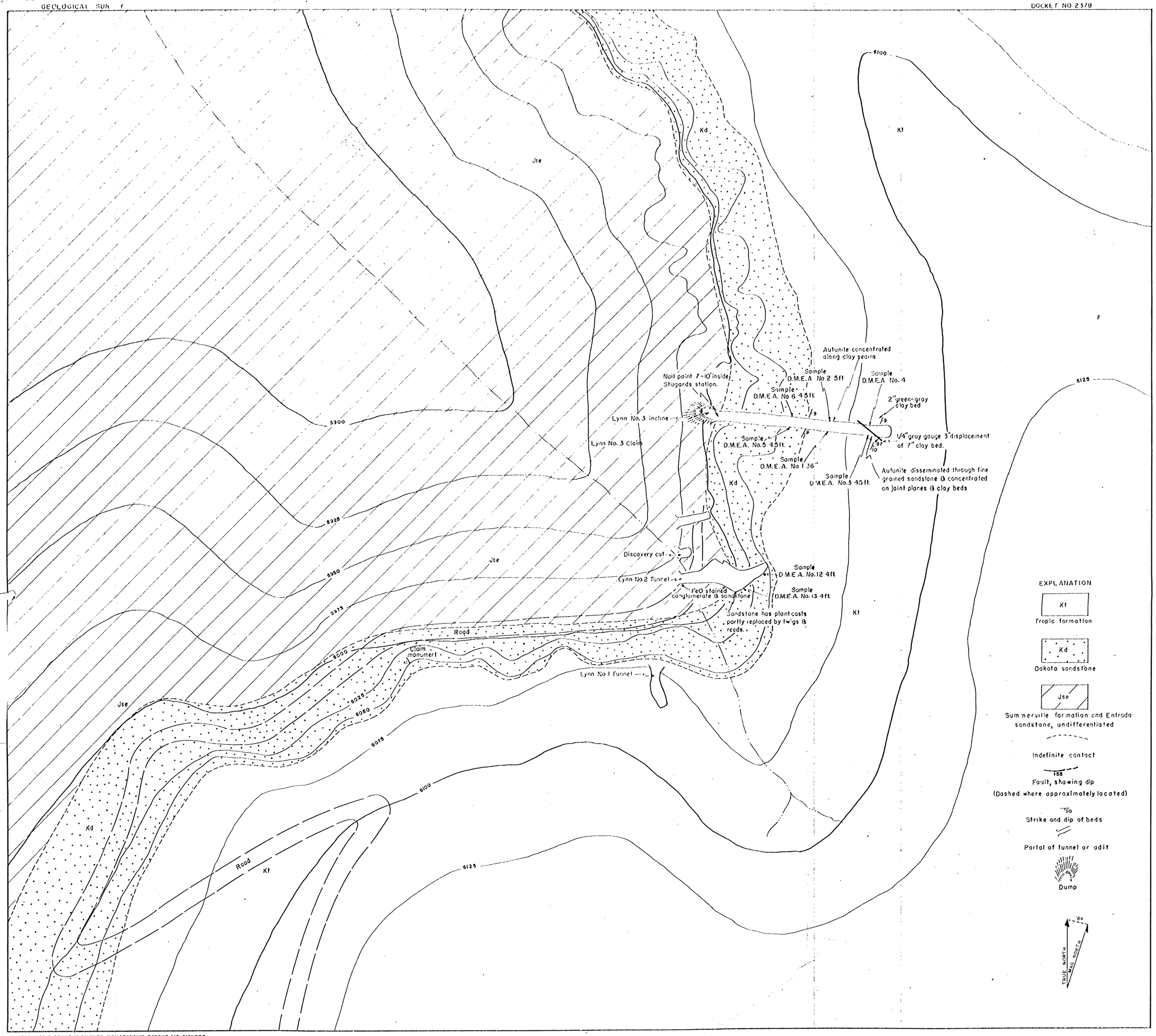


FIG. 3

CLAIM MAP SHOWING PROPOSED WORKINGS OF SALINA MINING AND SMELTING CO.
KANE COUNTY, UTAH

U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO 2378



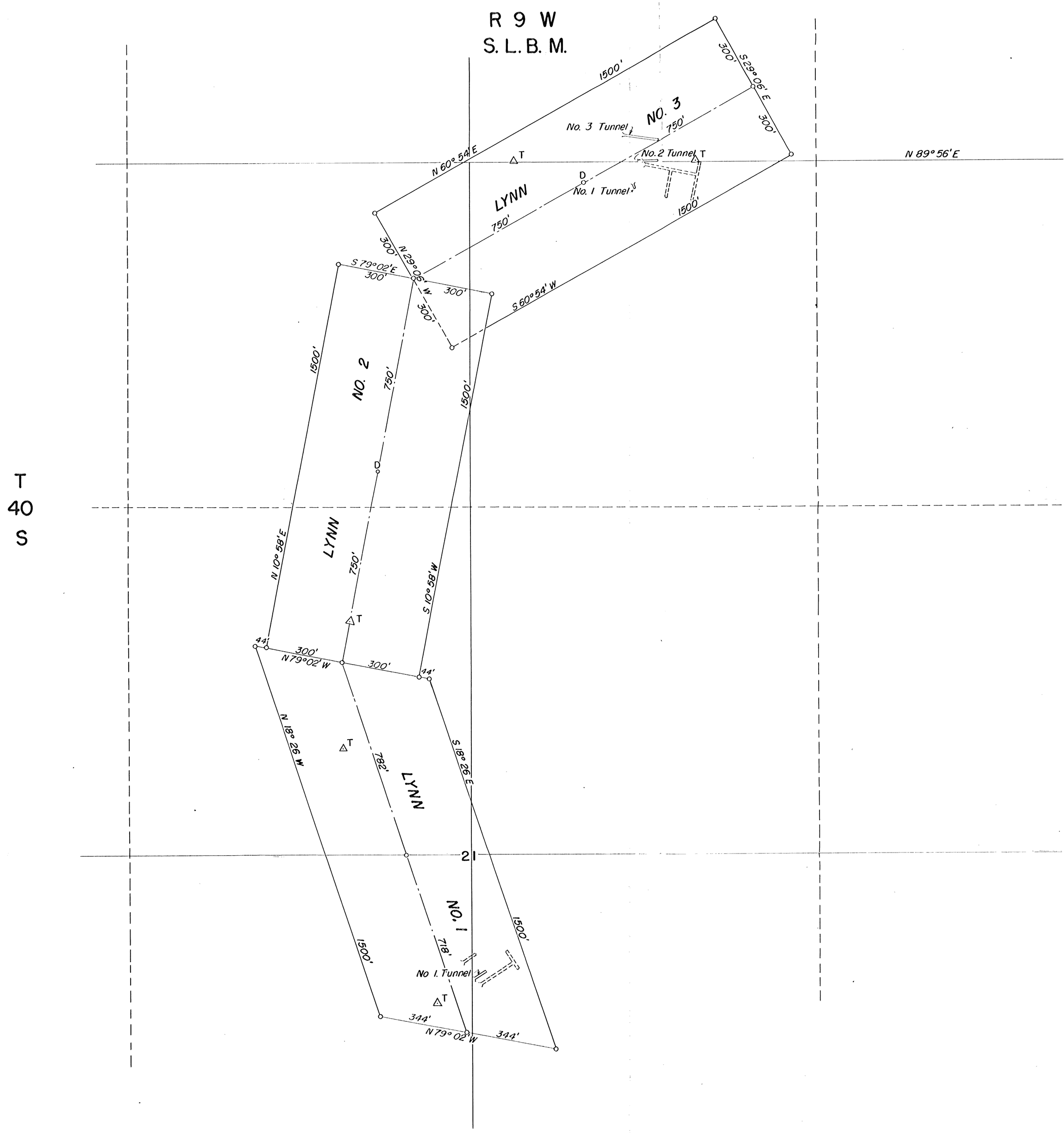
ADAPTED FROM TRACE ELEMENTS MEMORANDUM REPORT 213 FIGURE 2

FIG. 2

SALINA MINING AND SMELTING CO.

KANE COUNTY, UTAH

0 40 80 FEET
Scale


R 9 W
S. L. B. M.
T
40
S
NO. 3
LYNN
No. 3 Tunnel
No. 2 Tunnel
No. 1 Tunnel
N 89° 56' E
N 60° 54' E
S 60° 54' W
S 29° 06' E
N 29° 06' W
S 79° 02' E
N 79° 02' W
1500'
300'
750'
NO. 2
N 10° 58' E
S 10° 58' W
44'
N 18° 26' W
S 18° 26' E
782'
NO. 1
718'
No 1. Tunnel
344'
21