MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		120
9/10		110
11		100
		220

SEP 11 1964

Mr. Samuel V. Gramlich

Naturita, Colorado

Re: DMEA-2771 (Uranium)
Gramlich Exploration Company, Assignee
Brown's Hole Area
San Juan County, Utah
Contract Idm-E577

Dear Mr. Gramlich:

Enclosed is a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Owner's Consents to Lien, signed by you on June 23, 1953, February 3, 1954, and August 9, 1954, under the Defense Minerals Exploration Administration program.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

MMerrithew/mm (9/10/64)
cc: Director's Reading File
Region III
Docket
Code 120M

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
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		100
		220

SEP 1 1 1964

Mr. Howard W. Baisley
Box 95
Moab, Utah

Re: MMEA-2771 (Uranium)
Gramlich Exploration Company, Assignee
Brown's Hole Area
San Juan County, Utah
Contract Idm-2577

Dear Mr. Baisley:

Enclosed is a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Owner's Consents to Lien, signed by you on June 20, 1953, January 25, 1954, and August 10, 1954, under the Defense Minerals Exploration Administration program.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

MMerrithew/mm
9/10/64
cc: Director's Reading File
Region III
Docket
Code 120M

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		120
9/10		110
		100
		220

SEP 11 1964

Miss Irene S. Gramlich

Naturita, Colorado

Re: DMEA-2771 (Uranium)
Gramlich Exploration Company, Assignee
Brown's Hole Area
San Juan County, Utah
Contract Idm-E577

Dear Miss Gramlich:

Enclosed is a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Owner's Consents to Lien, signed by you on June 23, 1953, February 3, 1954, and August 9, 1954, under the Defense Minerals Exploration Administration program.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

MMerrithew/mm (9/10/64)
cc: Director's Reading File
Region III
Docket
Code 120M

23263

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

OFFICIAL FILE COPY
RECEIVED
DATE

DATE		
8/24		800
		100
8/29		110
		120
		120
		220

August 20, 1964

Mr. H. W. Balsley
Box 95
Moab, Utah

Re: DMEA 2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Co.
(Brown's Hole Area)
San Juan County, Utah

Dear Mr. Balsley:

Thank you for your letter of August 18, 1964. All of our dealings have been most pleasant to me and I sincerely hope that you find an even better mine than the one you have worked out.

I will be happy to forward the Certified Project Information Forms to the OME Washington office.

Very truly yours,

ORIGINAL SIGNED BY

Hugh M. Connors
Acting Field Officer, OME
Region III

cc: G. C. Selfridge
E. D. Talbert
E577
Chron

OME
DEPARTMENT OF THE INTERIOR

AUG 2 0 1964
REGION III
DENVER, COLORADO

Moab, Utah, August 18, 1964.

Mr. Hugh M. Connors,
Acting Field Officer,
OME Region III,
Building 20, Federal Center,
Denver 25, Colorado 80225

Re: DMEA 2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Co.,
(Brown's Hole Area)
San Juan County, Utah.

Dear Mr. Connors:

Herewith you will please find a statement covering the two ore settlements I have received from the Climax Uranium Company for the months of May and June. These two cover the only shipments of ore from the property since I last reported to you, namely, on May 14:

Liquidation No.	Period Covered	Gross Amount of Settlement	Royalty Owing Acc't DMEA Loan
6211	5/1/64 to 5/31/64	$474.12	$23.71
6252	6/1/64 to 6/30/64	443.03	22.15
		$917.15	$45.86

My check No. 1869, for the said amount due you is respectfully inclosed herewith.

So far as I know, Mr. Connors, this property is worked out. Nobody is operating any portion of it at this time and, as of now, I know of no one who would be interested in taking a lease on any part of it.

I am also handing to you two copies of the form entitled "Request For Information on Certified Project and Project Under Royalty Agreement", which forms were sent to me by Mr. George C. Selfridge, from your Washington office. I am assuming that you will kindly forward these forms on to Mr. Selfridge, along with a statement showing that royalty settlement, up to date, has been effected with you.

Our mutual friend, Mr. Ray A. Bennett, has told me, on several occasions, that you are a very fine person; in fact, he pointed you out to me at the last Colorado Mining Association Convention, in Denver, last February, and said he would introduce me to you, but we lost you in the crowd. We'll try again.

Thanking you for your courteous manner of dealing with me, I am

Very cordially yours,
H. W. Balsley
H. W. Balsley
Box 95
Moab, Utah

Copy to
G.C. Selfridge
E.D. Talbert.

5 Inclosures.

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

August 6, 1964

Re: DMEA-2771 (Uranium)
Gramlich Exploration Company
Brown's Hole Area
San Juan County, Utah
Contract Idm-E577

Mr. H. W. Balsley
Box 95
Moab, Utah

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

This inquiry relates to production from the Sunset, Red Bird, Blue Bird, Blue Jay, Pine Tree, Big Chief, and Sunnyside claims.

Our last record of ore sales is your letter of May 14, 1964, to Mr. Hugh M. Connors, Acting Field Officer, Region III, covering liquidation Nos. 6036, 6079, 6121, and 6160.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. ~~Since~~ May 14, 1964, to August 6, 1964, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before? Yes [X] No [ ]

There has been no change in the ownership of the property, but Gramlich Exploration Company relinquished its lease many months ago.

2. ~~Since~~ May 14, 1964, to August 6, 1964, has there been any production from the land subject to the contract? Yes [X] No [ ]

A. If so and it was shipped, give quantity, value, and name and address of purchaser. The ore produced from this property during the term of the DMEA contract has been fully reported, with the exception of the small production for the months of May and June, 1964. The report and remittance covering these two months are inclosed herewith.

Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

There is no ore whatever from this property stockpiled at the mine or elsewhere and there is no ore drilled out on any of the claims named in contract; in fact, no one is operating on the property at this time and the last operator states that he knows of no more ore available on the property

3. Since ~~through~~ ____, has any production been transported ~~workings (see ____ of contract)~~? Yes [ ] No [X]

A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
None		

Submitted by:

Name S.W. Balsley Title Owner

Address Box 95 Date Moab, Utah

4511

UNION CARBIDE

UNION CARBIDE CORPORATION

NUCLEAR DIVISION

P. O. BOX 1049, GRAND JUNCTION, COLORADO 81502

August 14, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 17 1964

DATE	INITIALS	CODE
8/17		800
		100
8/17		110
8/17		120
		120
		220

Mr. George C. Selfridge, Chief
Division of Exploration Operations
United States Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Re: DMEA-2771 (Uranium)
Gramlich Exploration Co.
Brown's Hole Area
San Juan County, Utah
Contract Idm-E577

Dear Mr. Selfridge:

Returned herewith is the completed questionnaire on the back of your August 6th letter together with Xerox copies of the Notice of Termination and Quitclaim Deed on the properties involved.

Yours very truly,

C. P. Martin
Manager of Accounting & Finance

CPMartin/my
Encls.

Ack. Notice & regulations (Copy) to Union Carbide & Gramlich Exp. Co.

Royalty period ended Aug. 6, 1964
Hold till Balsley submits 63 and then can close.

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 17 1964

DATE	INITIALS	CODE
		800
		100
		110
		120
		120

AUG 10 1964

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

August 6, 1964

Re: DMEA-2771 (Uranium)
Gramlich Exploration Company
Brown's Hole Area
San Juan County, Utah
Contract Idm-E577

Union Carbide Nuclear Co.
c/o Mr. J. L. Lake
Gen. Manager, Colo. Plateau Oper.
1600 Ute Avenue
Grand Junction, Colorado

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

This inquiry relates to production from the following claims which were leased to your company by Mr. J. W. Gramlich, Sr.

Golden West and Golden West Nos. 1 through 11; Canary and Canary Nos. 1 through 10; San Juan Nos. 1 through 6; Red Rocks Nos. 1 through 11; Mary Jo Nos. 1 through 11; and Blue Goose Nos. 1 and 2.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

Royalty expired 6/30/63

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

From August 5, 1963, to August 6, 1964

1. ~~SINCE~~ , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [✓] No [ ]

lease agreement terminated August 1964

From August 5, 1963, to August 6, 1964

2. ~~SINCE~~ , has there been any production from the land subject to the contract? Yes [ ] No [✓]

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see . of contract)? Yes [ ] No [ ]

A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name C. Mark Title Mgr Acctg & Finance

Address 1600 Ute Date 8-14-64
Grand Junction
Colo

4511

NOTICE OF TERMINATION

To J. W. Gramlich, Sr., John W. Gramlich, Jr., Helen Gramlich,
Phillip F. Gramlich and Rhea Gramlich
c/o J. W. Gramlich, Sr., General Delivery, Moab, Utah.

NOTICE IS HEREBY GIVEN that Union Carbide Corporation hereby elects to terminate that certain Lease Agreement relating to the following described mining claims situated in San Juan County, Utah, to wit:

Name of Claim	Original Location Notice Recorded		
	Book	Page	Date
Canary	R-3	283	4/4/51
Canary No. 1	R-2	606	3/14/51
Canary No. 2	R-2	607	3/14/51
Canary No. 3	R-2	607	3/14/51
Canary No. 4	R-2	607	3/14/51
Canary No. 5	R-2	608	3/15/51
Canary No. 6	R-2	608	3/15/51
Canary No. 7	R-2	608	3/15/51
Canary No. 8	R-2	609	3/15/51
Canary No. 9	R-2	609	3/15/51
Canary No. 10	R-2	609	3/15/51
Canary No. 11	25	64	4/24/53
Golden West	R-2	283	4/4/51
Golden West No. 1	R-2	602	3/14/51
Golden West No. 2	R-2	603	3/14/51
Golden West No. 3	R-2	603	3/14/51
Golden West No. 4	R-2	604	3/14/51
Golden West No. 5	R-2	604	3/15/51
Golden West No. 6	R-2	604	3/15/51
Golden West No. 7	R-2	605	3/23/51
Golden West No. 8	R-2	605	3/23/51
Golden West No. 9	R-2	606	3/23/51
Golden West No. 10	R-2	606	3/23/51
Golden West No. 11	25	65	4/24/53
Mary Jo. No. 1	R-2	599	3/19/51
Mary Jo. No. 2	R-2	599	3/19/51
Mary Jo. No. 3	R-2	599	3/19/51
Mary Jo. No. 4	R-2	600	3/20/51
Mary Jo. No. 5	R-2	600	3/20/51
Mary Jo. No. 6	R-2	600	3/20/51
Mary Jo. No. 7	R-2	601	3/20/51
Mary Jo. No. 8	R-2	601	3/20/51
Mary Jo. No. 9	R-2	602	3/20/51
Mary Jo. No. 10	R-2	602	3/25/51
Mary Jo. No. 11	R-2	602	3/25/51
Mary Jo. No. 12	25	65	4/24/53

Name of Claim	Original Location Notice Recorded Book	Page	Date
Red Rocks No. 1	R-2	595	3/19/51
Red Rocks No. 2	R-2	595	3/19/51
Red Rocks No. 3	R-2	596	3/19/51
Red Rocks No. 4	R-2	596	3/19/51
Red Rocks No. 5	R-2	596	3/20/51
Red Rocks No. 6	R-2	597	3/20/51
Red Rocks No. 7	R-2	597	3/20/51
Red Rocks No. 8	R-2	597	3/20/51
Red Rocks No. 9	R-2	598	3/20/51
Red Rocks No. 10	R-2	598	3/25/51
Red Rocks No. 11	R-2	598	3/25/51
Red Rocks No. 12	25	63	4/24/53
Red Rocks Fraction	42	153	6/27/55
Bull Snake	214	340	3/31/58
Bull Snake No. 1	214	340	3/31/58
San Juan	19	395	5/2/53
San Juan No. 1	R-2	610	3/21/51
San Juan No. 2	R-2	610	3/21/51
San Juan No. 3	R-2	610	3/21/51
San Juan No. 4	R-3	281	4/16/51
San Juan No. 5	R-3	283	4/16/51
San Juan No. 6	R-3	284	4/16/51
Blue Goose No. 1	R-3	281	4/4/51
Blue Goose No. 2	R-3	281	4/4/51
Blue Goose No. 3	265	277	12/18/54
Blue Goose No. 4	265	276	12/18/54
Blue Goose No. 5 Fraction	267	393	12/27/54
Blue Goose No. 6	267	394	12/27/54
Blue Goose No. 7	267	394	12/27/54
Blue Goose No. 7 Fraction	267	395	12/27/54
Blue Goose No. 8	267	395	12/27/54
Donna M. No. 1	73	395	3/19/54
Donna M.	73	394	3/19/54
Shirley J.	73	399	3/19/54
Shirley J. No. 1	73	400	3/19/54
Blue Jay Fraction			
Dugout	45	9	10/5/53
Dugout No. 1	73	396	3/19/54
Dugout No. 2	42	153	6/27/55
Rose	73	397	3/19/54
Rose No. 1	73	398	3/19/54
Sunset	49	67	12/21/53
Sunset No. 1	49	67	12/21/53
Sunset No. 2	49	68	12/21/53
Rosebud	73	393	1/15/54
Rosebud No. 1	73	393	1/15/54
Rosebud No. 2	303	377	4/11/59

Name of Claim	Original Location Notice Recorded Book	Page	Date
Grandview			
Grandview No. 1	25	67	4/24/53
Grandview No. 2	25	68	4/24/53
Grandview No. 3	25	69	4/24/53
Grandview No. 4	25	70	4/24/53
Grandview No. 5	25	71	4/24/53
Grandview No. 6	25	72	4/24/53
Grandview No. 7	25	73	4/24/53

which said Lease Agreement, dated June 30, 1963, has not been recorded in the records of the County Recorder of San Juan County, Utah.

There is attached hereto and delivered herewith a quitclaim deed from Union Carbide Corporation to the above named lessors for the purpose of complying with the provisions of paragraph numbered 14 of said Lease Agreement and for surrendering unto the lessors all of Union Carbide Corporation's interest in and to the aforementioned mining claims.

Such termination shall be effective on the date shown on the United States Post Office receipt given at the time of the posting of this notice in the United States mails, registered and return receipt requested.

UNION CARBIDE CORPORATION

By Kenneth Rush

Executive Vice President

U-641

June 1, 1964
1:40 p.m.
Orville T. Warren
Recorder
San Juan Co.
Book 364
p. 15
Utah

QUITCLAIM DEED

UNION CARBIDE CORPORATION, a New York corporation, with offices at Post Office Box 1049, Grand Junction, Colorado, hereby quitclaims to J. W. GRAMLICH, SR., JOHN W. GRAMLICH, JR. and HE[illegible]N GRAMLICH, of 3440 Fulton Avenue, No. 62 Trailer, Sacramento, California, and PHILLIP GRAMLICH and RHEA GRAMLICH, of Moab, Utah, for the sum of ten dollars and other valuable consideration, the minerals and mineral substances of every nature and character whatsoever in, upon and underlying the following described unpatented lode mining claims situate, lying and being in San Juan County, Utah, to wit:

Name of Claim	Original Location Notice Recorded Book	Page	Date
Canary	R-3	283	4/4/51
Canary No. 1	R-2	606	3/14/51
Canary No. 2	R-2	607	3/14/51
[illegible]nary No. 3	R-2	607	3/14/51
Canary No. 4	R-2	607	3/14/51
Canary No. 5	R-2	608	3/15/51
Canary No. 6	R-2	608	3/15/51
Canary No. 7	R-2	608	3/15/51
Canary No. 8	R-2	609	3/15/51
Canary No. 9	R-2	609	3/15/51
Canary No. 10	R-2	609	3/15/51
Canary No. 11	25	64	4/24/53
Golden West	R-2	283	4/4/51
Golden West No. 1	R-2	602	3/14/51
Golden West No. 2	R-2	603	3/14/51
Golden West No. 3	R-2	603	3/14/51
Golden West No. 4	R-2	604	3/14/51
Golden West No. 5	R-2	604	3/15/51
Golden West No. 6	R-2	604	3/15/51
Golden West No. 7	R-2	605	3/23/51
Golden West No. 8	R-2	605	3/23/51
Golden West No. 9	R-2	606	3/23/51
Golden West No. 10	R-2	606	3/23/51
Golden West No. 11	25	65	4/24/53

Name of Claim	Original Location Notice Recorded Book	Page	Date
Mary Jo. No. 1	R-2	599	3/19/51
Mary Jo. No. 2	R-2	599	3/19/51
Mary Jo. No. 3	R-2	599	3/19/51
Mary Jo. No. 4	R-2	600	3/20/51
Mary Jo. No. 5	R-2	600	3/20/51
Mary Jo. No. 6	R-2	600	3/20/51
Mary Jo. No. 7	R-2	601	3/20/51
Mary Jo. No. 8	R-2	601	3/20/51
Mary Jo. No. 9	R-2	602	3/20/51
Mary Jo. No. 10	R-2	602	3/25/51
Mary Jo. No. 11	R-2	602	3/25/51
Mary Jo. No. 12	25	65	4/24/53
Red Rocks No. 1	R-2	595	3/19/51
Red Rocks No. 2	R-2	595	3/19/51
Red Rocks No. 3	R-2	596	3/19/51
Red Rocks No. 4	R-2	596	3/19/51
Red Rocks No. 5	R-2	596	3/20/51
Red Rocks No. 6	R-2	597	3/20/51
Red Rocks No. 7	R-2	597	3/20/51
Red Rocks No. 8	R-2	597	3/20/51
Red Rocks No. 9	R-2	598	3/20/51
Red Rocks No. 10	R-2	598	3/25/51
Red Rocks No. 11	R-2	598	3/25/51
Red Rocks No. 12	25	63	4/24/53
Red Rocks Fraction	42	153	6/27/55
Bull Snake	214	340	3/31/58
Bull Snake No. 1	214	340	3/31/58
San Juan	19	395	5/2/53
San Juan No. 1	R-2	610	3/21/51
San Juan No. 2	R-2	610	3/21/51
San Juan No. 3	R-2	610	3/21/51
San Juan No. 4	R-3	281	4/16/51
San Juan No. 5	R-3	283	4/16/51
San Juan No. 6	R-3	284	4/16/51
Blue Goose No. 1	R-3	281	4/4/51
Blue Goose No. 2	R-3	281	4/4/51
Blue Goose No. 3	265	277	12/18/54
Blue Goose No. 4	265	276	12/18/54
Blue Goose No. 5 Fraction	267	393	12/27/54
Blue Goose No. 6	267	394	12/27/54
Blue Goose No. 7	267	394	12/27/54
Blue Goose No. 7 Fraction	267	395	12/27/54
Blue Goose No. 8	267	395	12/27/54
Donna M. No. 1	73	395	3/19/54
Donna M.	73	394	3/19/54

16

Name of Claim	Original Location Notice Recorded Book	Page	Date
Shirley J.	73	399	3/19/54
Shirley J. No. 1	73	400	3/19/54
Blue Jay Fraction			
Dugout	45	9	10/5/53
Dugout No. 1	73	396	3/19/54
Dugout No. 2	42	153	6/27/55
Rose	73	397	3/19/54
Rose No. 1	73	398	3/19/54
Sunset	49	67	12/21/53
Sunset No. 1	49	67	12/21/53
Sunset No. 2	49	68	12/21/53
Rosebud	73	393	1/15/54
Rosebud No. 1	73	393	1/15/54
Rosebud No. 2	303	377	4/11/55
Grandview			
Grandview No. 1	25	67	4/24/53
Grandview No. 2	25	68	4/24/53
Grandview No. 3	25	69	4/24/53
Grandview No. 4	25	70	4/24/53
Grandview No. 5	25	71	4/24/53
Grandview No. 6	25	72	4/24/53
Grandview No. 7	25	73	4/24/53

(The foregoing references to books and pages refer to the records of the County Recorder of San Juan County, Utah; however, such references may not embrace all documents of record relating to the location, relocation and amendment of said mining claims. Without waiver of any rights existing under any of the documents to which reference is made above, it is the intent of the parties hereto to include in the description of each of said claims those descriptions appearing in any further documents of record in said county relating thereto, and said claims are hereby described according to the documents to which reference is made above and such further documents of record as though all recording data with respect to each such further document were

specifically set forth herein.) Together with each and every right of Union Carbide Corporation in and to said unpatented lode mining claims.

This quitclaim deed is executed and delivered by Union Carbide Corporation pursuant to the provisions of paragraph numbered 14 of that certain Lease Agreement dated the 30th day of June, 1963, between J. W. Gramlich, Sr., John W. Gramlich, Jr., Helen Gramlich, Phillip F. Gramlich and Rhea Gramlich, as Lessor, and Union Carbide Corporation as Lessee, which said Lease Agreement has not been recorded in the records of the County Recorder of San Juan County, Utah.

This quitclaim deed is executed and delivered for the purpose of surrendering the aforementioned mining claims to J. W. Gramlich, Sr., John W. Gramlich, Jr., Helen Gramlich, Phillip F. Gramlich and Rhea Gramlich and for the purpose of terminating the aforementioned Lease Agreement with respect to all of said mining claims.

IN WITNESS WHEREOF Union Carbide Corporation has executed this quitclaim deed on the 27th day of May, 1964.

ATTEST: UNION CARBIDE CORPORATION

(s) E. F. Lambert
Secretary

By (s) Kenneth Rush
Executive Vice-President

STATE OF NEW YORK)
) ss
COUNTY OF NEW YORK)

On the 27th day of May, 1964, personally appeared before me Kenneth Rush, who, being by me duly sworn, did say that he is the Executive Vice- president of Union Carbide Corporation and that the foregoing instrument was signed in behalf of said corporation by authority of its bylaws and said Kenneth Rush acknowledged to me that said corporation executed the same. My commission expires: 3/30/65

E. Madelyn Carpenter
Notary Public, Residing at
Mt. Vernon, New York

Building 20 - Federal Center
Denver, Colorado 80225

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 17 1964

DATE	INITIALS	CODE
January 15		800
1/17		500
1/20		
		220

Mr. Howard W. Balsley
Box 95
Moab, Utah

Re: EMEA-2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company
(Brown's Hole Area)
San Juan County, Utah

Dear Mr. Balsley:

As you know, royalty is due the Government on all shipments of uranium ore from the subject property subsequent to the shipment covered by liquidation no. 5699, dated June 10, 1963.

Please furnish two copies of the settlement sheet for each shipment, together with your check to this office.

We would appreciate receiving all royalty payments in the future at monthly intervals.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

TMR/lm
cc Chief, Division of Field Operations, OME
Royalty Corres. E577
Chron

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 22 1963

DATE	INITIALS	CODE
8/26	Murphy	500
		220

August 19, 1963

Gremlich Minerals, Inc.
and its assignee
Gremlich Exploration Company
Box 435
Moab, Utah

Re: DMEA-2771 (Uranium)
Contract Idm-E577
Gremlich Exploration Company
(Brown's Hole Area)
San Juan County, Utah

Gentlemen:

Enclosed is a copy of the Report of Royalty Review on the subject contract dated August 13, 1963, covering the period October 1, 1961, through August 12, 1963, which shows that the royalty account is in balance as of the date of the Report of Royalty Review.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosure
cc: Chief, Division of Field Operations
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm-E577
Chron
HMC/lm

Building 20 - Federal Center
Denver 25, Colorado

August 19, 1963

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-2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company
(Brown's Hole Area)
San Juan County, Utah

Attached is the original Report of Royalty dated August 13, 1963, on the subject property covering the period October 1, 1961, through August 12, 1963.

Original signed by

Hugh M. Connors

Attachment
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres Idm-E577
Chron
HMC/lm

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

AUG 13 1963

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-2771 (Uranium)
Gramlich Exploration Company
Brown's Hole Area
San Juan County, Utah
Contract Idm-E577

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

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, U. S. Department of the Interior, Washington 25, D. C.;
(b) One copy for the Operator; and
(c) One copy for your files.

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

Enclosures

EDTalbert/ama 8-13-63

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

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/12	Talbert	800
	Griswold	500
		~~500~~
8/12	Ouleane	130
8/12	Johnson	110
9	Griswold	100
		220

AUG 1 2 1963

Memorandum

To: Acting Field Officer, Region III

From: ACTING Chief, Division of Field Operations

Subject: DMEA-2771 (Uranium)
Gramlich Exploration Company
Brown's Hole Area
San Juan County, Utah
Contract Idm-E577

Enclosed for your files is a copy of the Operator's August 5 reply to the Director's letter of July 23.

W. R. Griswold

Enclosure

EDTalbert/ama 8-12-63

cc:
Docket
Director's Reading File
CA & A Division
Review Committee

43683

Answering yours Jul 23rd Smith River, Calif.
Aug 5, 1963

OFFICIAL FILE COPY
O. ...
RECEIVED AUG 10 1963

DATE	INITIALS	COPY
8/12	OMW	800
		500

U.S. Dept Interior
attention: Geo Fremich Jr.
Washington 25 D.C.

Re: OMEA 2771
Granlich Exploration Co
Contract I Am E577.

Dear Mr Fremich

Our records show that the 5% deductions for O.M.E.A. were made on all shipments by us. Almost Uranium Co. we are authorized to make such deductions & send directly to you.

The termination of lease applies to all the Bolsby claims as listed by you.

The Irene S. Granlich & Samuel V. Granlich claims: & other claims in name of J.L. Granlich Sr. Philip F. Granlich & John A. Granlich Jr. which were included in O.M.E.A. above have been leased to Union Carbide Nuclear Co.

The San Juan claims No 1 to 6 are included in above O.M.E.A. San Juan claim was located after date of O.M.E.A. & does not apply.

The Irene S. & S.V. Granlich claims are now under ownership of J.L. Granlich Sr — having been pd for under contract

Trust this answers your inquiry.

Sincerely Yours
J.L. Granlich Sr.

Union Carbide is now drilling & there will be no ore shipped in near future except possibly from San Juan claim

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/23	Talbert	800
	Mirsure	500
7/23	Murphy	500
	Selbridge	120
7/23	Edwards	110
7	Fumich	100
		220

JUL 23 196

Mr. J. W. Gramlich, Sr.
Box 95
Moab, Utah

Re: DMEA-2771 (Uranium)
Gramlich Exploration Company
Brown's Hole Area
San Juan County, Utah
Contract Idm-E577

Dear Mr. Gramlich:

By letter dated June 21 receipt was acknowledged of your June 15 response to our MME Form 63 inquiry regarding the status of the property and production under the referenced contract and your attention was invited to your continuing obligation for payment of royalty. Furthermore, our letter requested your confirmation that four liquidations, as listed therein, represented the entire production during operation of the property by your son Phil. To date we have not had a reply.

In your response to our MME Form 63 inquiry, you stated that, since April 1962, "Lease has been terminated and is now in name of H. W. Balsley and his new lessee John Schuman". We assume that your response applies to the six claims (Blue Jay, Pine Tree, Blue Bird, Sunnyside, Sunset, and Red Bird). What is the status of the other claims under the referenced contract, i.e., the Red Rocks, Mary Jo, and Blue Goose group of claims held by you under bond and lease from Irene S. Gramlich, and the Golden West, Canary, and San Juan group of claims held under bond and lease from Samuel V. Gramlich? Do you still hold the leases? Has there been any production on which the Government's royalty has not been paid?

In order to clarify the records on this contract, your prompt reply to the above questions is requested.

Sincerely yours,

George Fumich, Jr.

Director

(PL)

EDTalbert/ama 7-22-63

cc:
Docket
Director's Reading File
CA & A Division
Region III

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/23	Talbert	800
	Jurasek	500
7/23	Murphy	500
	Selsdage	120
7/23	Shoaby	110
	Fumich	100
		220

JUL 23 1963

Mr. Howard W. Balsley
Box 95
Moab, Utah

Re: DMEA-2771 (Uranium)
Gramlich Exploration Company
Brown's Hole Area
San Juan County, Utah
Contract Idm-E577

Dear Mr. Balsley:

Receipt is acknowledged of your July 17 letter confirming that, since April 1962, production from claims owned by you and included in the referenced contract has been sold. We are sorry to hear of your misfortune, but gratified at your promise to account for the sales and to pay the royalty due thereon by August 1.

Your letter further states that you were not aware that the royalty repayment period was eleven years and, further, you have no description of the property involved. Amendment No. 3 and the Annex II attached thereto, both of which you state Mr. Gramlich recently gave you, provide the royalty terms of the contract including the specification that it is "for a period of eleven years from August 6, 1953".

Enclosed is a thermofax copy of an Owner's Consent to Lien, together with an attached Annex III, which you executed on August 10, 1954, in connection with Amendment No. 3. The six claims, upon which you specifically granted the Government a lien for a maximum of "eleven" years, are listed therein by names and recording data.

Please submit the past due royalty payment, with two copies of each settlement sheet involved, to Mr. Hugh M. Connors, Acting Field Officer, OME Region III, Building 20, Federal Center, Denver 25, Colorado, by August 1 as promised. Thereafter, your prompt submission to Mr. Connors of royalty and settlement sheets on future sales of production is solicited.

Sincerely yours,

George Fumich, Jr.

(pt)

Director

Enclosures

cc: Docket
Director's Reading File
CA & A Division
Region III (w/cy inc. ltr.)

EDTalbert/ama
7-22-63

43683

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 22 1963
DATE | INITIALS | CODE
7/22 | | 800
| | 500

Moab, Utah, July 17, 1963.

Mr. Frank E. Johnson,
Acting Director,
Office of Minerals Exploration,
Department of the Interior,
Washington, 25, D. C.

Re: DMEA-2771 (Uranium)
Gramlich Exploration Co.,
Brown's Hole Area,
San Juan County, Utah
Contract IDm-E577.

Dear Mr. Johnson:

Reference is respectfully made to your letter of June 21, with reference to the above-entitled matter:

First, may I apologize to you for my apparent negligence in responding to your letter, but I assure you the delay was occasioned by conditions--mostly physical--almost entirely beyond my control.

I do not question the correctness of your statements contained in your letter, and, while I question whether or not any part of the DMEA loan was actually expended upon my several claims, named in your letter, or that any discovery of ore was made thereon as a result of any drilling under said DMEA contract, the fact remains that my claims are apparently liable for the repayment of the DMEA loan. My claims are virtually surrounded by a large group of claims held by Mr. J. W. Gramlich, Sr., or the Gramlich Exploration Company.

Frankly, I do not find in my files a copy of the DMEA contract. Quite recently, Mr. Gramlich delivered to me a copy of an Assignment of Contract from Gramlich Minerals, Inc., to Gramlich Exploration Company, which was approved by your Denver office on February 17, 1954, a copy of Amendment No. 3 to the original contract, and a copy of Annex No. II to said contract. Neither of these documents contain a description of the mining property involved. However, I do have some recollection of having signed some document by which my claims were to be included with those of Mr. Gramlich or Gramlich Exploration Company.

If it should be possible for me to obtain a copy of the original contract, together with any amendments thereto, other than those I have, as mentioned above, that would be very much appreciated. I note from your said letter that this particular DMEA contract is for a period of eleven years. I have always been under the impression that these contracts were for ten years, only. I have been involved in several others, directly and indirectly and, in each instance, the contract has been for ten years.

For your information, and, I hope in partial justification for my apparent laxity in reporting to your department, I beg leave to submit the following: During the early evening of August 25, 1962, while I was absent for 2½ hours, there was stolen from my home a safe containing hundreds of documents of all descriptions, including leases, contracts, abstracts, deeds, mortgages, settlement sheets, $30,000 worth of promissory notes and "street stock" certificates never transferred into my name, plus several hundred dollars in cash, and my ledger containing a complete record of every insurance policy, stock certificate, promissory note, ore-settlement sheet, and every other transaction I have had during the past twenty years. If I ever had a copy of the above-designated DMEA contract, it was apparently in the stolen safe.

REWARD

10/25/62

HUNTERS - MINERS - STOCKMEN:
Please be on the lookout for my missing safe – light grey in color. For the return of the contents of said safe, less cash, in usable condition, I will pay a reward of $500 and no questions asked.

Howard Balsley

Although I have repeatedly offered a substantial reward, via radio and newspapers, for the return of the contents of the safe, less the cash therein, and have had a private detective and the local sheriff's office and police force working on the case ever since the theft took place, no trace whatever of the contents of said safe has been forthcoming. Incidentally, a new clue has developed within the week.

Nevertheless Mr. Johnson, I have always made it a rule to not attempt to avoid any of my just obligations and, inasmuch as it is apparent that I am liable for the payment to the Government of its proper share of any income I may have derived from the Blue Jay claim since the Gramlich Exploration Company surrendered its lease, the date of which I do not know, you can count on an early and satisfactory settlement.

In the absence of most of my original records, I think I now have assembled a copy of each ore-settlement sheet that has accrued since the property came back to me, and I assure you that funds are on hand with which to promptly settle this account with the Government in full just as soon as I can work out the amount due. While my affairs are in a pretty deplorable condition, because of the loss ofmy many records, together with the large amount of negotiable documents, etc., I feel quite sure that by August 1, I can submit to your department duplicate copies of each settlement for which I am obligated to account to you, together with a check for the amount found to be due.

I trust you folks will bear with me just a little longer in this matter, upon my assurance that, within the limitation of my rather limited physical and distraught mental capacities, I will work diligently to bring this matter up-to-date as quickly as possible.

To help corroborate the story I have depicted above, regarding my safe, I am inclosing one of the reward notices clipped from the local newspaper.

Respectfully submitted,

Howard Balsley

H. W. Balsley
Box 95
Moab, Utah.

1 Inclosure.

C/C to Mr. Hugh M. Connors, Acting Field Officer, OME, Region III, Denver, Colo.

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

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 5 1963

DATE	IN	
July 1, 1963		
	7/5	800
	Murphy	500
		320

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company
(Brown's Hole Area)
San Juan County, Utah

This responds to your memorandum dated June 21, 1963 on the subject contract.

I have checked the AEC records for the second and third quarters of 1962 and the first quarter of 1963. The records for this period show no production of ore from this property.

Hugh M. Connors

Hugh M. Connors

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/21	[illegible]	800
6/21	Talbot Murphy	800 500
	on leave	120
		110
		100
		220

JUN 21 1963

Mr. J. W. Gramlich, Sr.
Box 95
Moab, Utah

Re: DMEA-2771 (Uranium)
Gramlich Exploration Company
Brown's Hole Area
San Juan County, Utah
Contract Idm-E577

Dear Mr. Gramlich:

Thanks for your response dated June 15, 1963, with respect to information pertaining to the referenced contract requested by our MME Form 63. We shall request information regarding production and sales from the property since April 1962 from Mr. Balsley and the Climax Uranium Company.

Your attention is directed to paragraph (2) of Annex II attached to Amendment No. 3 of the contract which makes the Operator (Gramlich Exploration Company) liable for royalty due to the Government, as principal if the producer, or as surety if not the producer, on all production from the property for a period of 11 years from August 6, 1953, or until the Government's contribution to exploration costs have been repaid without interest, whichever occurs first. Although we shall attempt to collect any royalty due to the Government from the producer of the minerals, such effort shall not be construed as a waiver of the Government's right to look to you for payment of the royalty in the event our efforts should prove unsuccessful.

In a letter dated January 17, 1962, you advised our Acting Field Officer, Denver, Colorado, that the mine was then being operated by your son Phil and that the ore was being shipped by Gramlich Exploration Company. Our records indicate that the Government has received royalty on four sales to Climax Uranium Company made in the name of J. W. Gramlich, Sr. during the early part of 1962, as follows:

43683

Liquidation No.	Date	Gross Price	Government Royalty
5036	Jan. 5, 1962	$ 1,360.50	$ 68.03
5087	Feb. 8, 1962	1,918.02	95.90
5122	March 6, 1962	766.03	38.30
5163	May 2, 1962	1,874.98	93.75

Will you please advise whether these liquidations represent the entire production during the period of your son's operation of the property?

Sincerely yours,

(signed) FRANK E. JOHNSON

ACTING Director

CFisher/mm
6/21/63
cc: Director's Reading File
Docket
Region III
CA&A Division

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/21	Fisher	800
6/21	Jacobs Murphy	800 500
	on leave	120
6/21	Johnson	110
		100
		220

JUN 21 1963

Memorandum

To: Acting Field Officer, Region III

From: ACTING Chief, Division of Field Operations

(T. M. Murphy (A.H.))

Subject: DMEA-2771 (Uranium)
Gramlich Exploration Company
Brown's Hole Area
San Juan County, Utah
Contract Lim-E577

Enclosed are copies of the Director's letters of this date to J. W. Gramlich, Sr. and Howard W. Baisley and MME Form 63, the reply portion of which was executed by Mr. Gramlich on June 15, 1963.

Will you please review the A.E.C. purchase records available to you and ascertain whether any additional sales to those listed in the letter to Mr. Gramlich were made and what, if any, sales on which royalty is due have been made by the subsequent lessee? If the records disclose sales on which royalty has not been paid, please request the purchaser to furnish copies of the liquidations.

Enclosures

CEFisher/mm
6/21/63
cc: Director's Reading File
CA&A Division
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/21	[illegible]	800
6/21	Talbot Murphy	800 500
	on file	120
		110
		100
		220

JUN 21 1963

Mr. Howard W. Balsley

Moab, Utah

Re: DMRA-2771 (Uranium)
Gramlich Exploration Company
Brown's Hole Area
San Juan County, Utah
Contract Idm-E577

Dear Mr. Balsley:

This office has been advised that the lease of certain claims owned by you to J. W. Gramlich, Sr. and included in the property on which exploration work was accomplished under the referenced contract has been terminated and a lease entered into with John Schuman and, further, that Mr. Schuman has shipped ore to Climax Uranium Company since April 1962.

Your attention is directed to Owner's Consent to Lien dated January 25, 1954, wherein you granted to the Government a lien for percentage royalty on production from the Blue Jay, Pine Tree, Blue Bird, Sunnyside, Sunset, Red Bird, and Big Chief claims as provided for under terms of the exploration contract, or any amendment thereof. Amendment No. 3 to the contract provided that, in the event the Government certified a discovery or development resulted from the exploration work, the royalty payment would be for a period of eleven years from August 6, 1953, or until the amount of the Government's contribution had been fully repaid without interest, whichever occurred first. A certification of discovery or development was issued on May 22, 1956.

We have no record of any royalty having been received applicable to production and sales by Mr. Schuman since April 1962. Will you please confirm or correct our understanding with respect to present operations of the property and whether any provision was made in any lease with Mr. Schuman whereby the Government's royalty interest was set forth and provision was made for the payment of such royalty? If shipments have been made please advise as to the gross proceeds and liquidation numbers, if known.

Sincerely yours,

(signed) FRANK E. JOHNSON

ACTING Director

(pl)

CEFisher/mm
6/21/63
cc: Director's Reading File
CA&A Division
Region III
Docket

43683

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

June 7, 1963

Re: DMEA-2771 (Uranium)
Gramlich Exploration
Co., Assignee
Brown's Hole Area
San Juan County, Utah
Contract Idm-E577

Gramlich Exploration Company
P. O. Box 435
Moab, Utah

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

F M Murphy

F. M. Murphy, Acting Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 20 1963

DATE	INITIALS	CODE
6/21	LEW	800
		100
6/21	JLD	110
		~~120~~
		~~500~~
		220

MME Form 63
Revised 3-62

DMEA-2771
Idm-E577

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

1. Since April 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [X] No [ ]

Lease has been terminated & is now in name of H.W. Balsley & his new lessee John Schuman

2. Since April 1962, has there been any production from the land subject to the contract? Yes [X] No [ ]

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
Colorado Uranium Co	see new lessee	

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes [ ] No [ ]

A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name [illegible] Title former lessee

Address Box 95 Moab Utah Date June 15 1963

4511

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
RECEIVED
DATE
3/7
Received
Murphy
800
500
220

March 5, 1962

J. A. Gramlich, Sr.
Gramlich Minerals, Inc. and its Assignee
Gramlich Exploration Company
P. O. Box 435
Moab, Utah

Re: Docket DMEA-2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company, Assignee
(Brown's Hole Area)
San Juan County, Utah

Dear Mr. Gramlich:

Please accept my apology for mistaking the origin of the ore recently shipped from the Blue Bird claim. I was not aware that there were two Blue Bird claims in the same mining district and I make every effort to collect the royalty due the Government.

I hope that you, as a taxpayer, appreciate my efforts.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Idm E577 Royalty Corres
Chron

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

February 21, 1962

P.S. 3/1/62
Was in to see Delmar W Co.
Today the ore in question was shipped
by bad claimant from a Blue Bird
claim near Monticello, Utah.
Delmar can give you the surplus
you desire.
Note enclosed from Delmar
Punk.
J.H.G.

CERTIFIED MAIL

Gramlich Minerals, Inc. and its Assignee
Gramlich Exploration Company
P. O. Box 435
Moab, Utah

Re: Docket DMEA-2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company, Assignee
(Brown's Hole Area)
San Juan County, Utah

Gentlemen:

This has further reference to my letter dated February 14, 1962.

The royalty due the Government is $7.18 on liquidation No. 4861 on ore shipped from the Blue Bird claim.

Please forward this office your check for $7.18 to bring this royalty account into balance.

OME
DEPARTMENT OF THE INTERIOR
DENVER, COLORADO

Yours very truly,

Hugh M. Connors

Hugh M. Connors
Acting Field Officer, OME
Region III

Note 2/28/62
As explained in previous letter: we are not ~~by~~ have not been producing from our Blue Bird claim - There are other Blue Bird claims under other ownership please investigate.
J. H. Gramlich Jr.

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 26 1962
DATE

February 21, 1962

DATE		
2/26	cash	8.00
"	Murphy	~~5.00~~
		220

CERTIFIED MAIL

Gramlich Minerals, Inc. and its Assignee
Gramlich Exploration Company
P. O. Box 435
Moab, Utah

Re: Docket DMEA-2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company, Assignee
(Brown's Hole Area)
San Juan County, Utah

Gentlemen:

This has further reference to my letter dated February 14, 1962.

The royalty due the Government is $7.18 on liquidation No. 4861 on ore shipped from the Blue Bird claim.

Please forward this office your check for $7.18 to bring this royalty account into balance.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Royalty Corres E577
Chron

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
RECEIVED FEB 19 1962

DATE		
2/19	Hill	800
	~~Murphy~~	~~500~~
		220

February 14, 1962

Climax Uranium Company
P. O. Box 989
Grand Junction, Colorado

Re: Docket BMKA-2771 (Uranium)
Contract Idm-E577
Gramlick Exploration Company, Assignee
(Brown's Hole Area)
San Juan County, Utah

Gentlemen:

Will you please forward this office two copies of liquidation No. 4861 for ore shipped to your mill by Carl Bizzant from the Blue Bird claim during the third quarter of 1961.

If the shipper has made any more shipments to your mill from the Blue Bird claim, will you please forward this office two copies of each settlement sheet as this claim is subordinated to the Government under the captioned contract.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Royalty Corres. E577
Chron

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 19 1962

DATE		
2/19		800
	Murphy	500
		220

February 14, 1962

Gramlich Minerals, Inc. and its Assignee
Gramlich Exploration Company
P. O. Box 455
Moab, Utah

Re: Docket DMEA-2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company, Assignee
(Brown's Hole Area)
San Juan County, Utah

Gentlemen:

It has come to our attention that Mr. Carl Dimmnt has been shipping ore from the Blue Bird claim on which no royalty has been paid to the Government.

Will you please forward this office a copy of Mr. Dimmnt's agreement with you to mine and remove ore from this property.

Yours very truly,

Original signed by
Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME (2)
Royalty Corres Idm E577
Chron

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
RECEIVED
12 1962
2/12 gla 500
220

February 7, 1962

Gramlich Minerals, Inc. and its Assignee
Gramlich Exploration Company
P. O. Box 435
Moab, Utah

Re: Docket DMEA-2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company, Assignee
(Brown's Hole Area)
San Juan County, Utah

Gentlemen:

Enclosed is a copy of the Report of Royalty Review on the subject contract dated February 1, 1962 covering the period November 23, 1960, through September 30, 1961.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosure
HMC/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres Idm E577
Chron

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
RECEIVED
12 1962

February 7, 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: Docket DMEA-2771 (Uranium)
Contract Idm-E577
Gramlich Minerals, Inc. and its assignee
Gramlich Exploration Company
(Brown's Hole Area)
San Juan County, Utah

Attached is the original Report of Royalty Review on the subject property dated February 1, 1962 covering the period November 23, 1960, through September 30, 1961.

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 E577
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

FEB 2 - 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-2771 (Uranium)
Gramlich Exploration Company
Brown's Hole Area
San Juan County, Utah
Contract Idm-2577

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

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

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

Enclosures

EDTalbert/ama 2-2-62

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

43683

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
M. F.
1962
1/11
800
500
220

January 8, 1962

CERTIFIED MAIL

Mr. J. W. Gramlich, Sr., President
Gramlich Exploration Co.
Moab, Utah

Re: Docket DMEA-2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company, Assignee
(Brown's Hole Area)
San Juan County, Utah

Dear Mr. Gramlich:

I have received no reply to my letter to you dated December 8, 1961 in which I requested information on the present status of the captioned property.

Will you please furnish the names of the present lessees if the lease arrangements with John H. Schuman and the Secrest Bros. have been discontinued.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME (2)
E577
Chron

OFFICIAL FILE COPY O. M. E. RECEIVED DEC 12 1961		
DATE	INITIALS	CODE
12/12	[illegible]	800
"	[illegible]	700
12/12	[illegible]	700
		220

Building 20 - Federal Center
Denver 25, Colorado

December 8, 1961

Mr. J. W. Gramlich, Sr., President
Gramlich Exploration Co.
Moab, Utah

Re: Docket DMEA-2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company, Assignee
(Brown's Hole Area)
San Juan County, Utah

Dear Mr. Gramlich:

A review of the files on the subject contract disclosed that the last reported shipment from the Blue Jay claim is covered by Climax Uranium Company's August 2, 1961, liquidation 4836. Also, the last reported shipment from the Sunnyside claim is covered by the Climax Uranium Company's June 5, 1961, liquidation 4799.

In view of the cessation of shipments, you are requested to advise this office as to the status of the property under the contract. Please advise whether or not the property has been active since the above reported shipments. Also, furnish names of present lessees if the lease arrangements with John H. Schuman and the Secrest Bros. have been discontinued.

An early reply will be appreciated.

Yours very truly,

Original signed by TMR

for
Hugh M. Connors
Acting Field Officer, OME
Region III

TMR/lm
cc Chief, Division of Field Operations (2)
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
E577
Chron

OFFICIAL FILE COPY

Date	Surname	Code
11/29	Selfridge	120
		220

NOV 2 9 1961

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-2771 (Uranium)
Gramlich Exploration Company
Brown's Hole Area
San Juan County, Utah
Contract Idm-E577

A review of the files on the subject contract disclosed that the last reported shipment from the Blue Jay claim is covered by Climax Uranium Company's August 2, 1961, liquidation 4836. Also, the last reported shipment from the Sunnyside claim is covered by Climax Uranium Company's June 5, 1961, liquidation 4799.

The cessation of shipments indicates the possibility that the Operator's informal lease arrangements with John H. Schuman and the Secrest Bros. may have been discontinued and that the property is now inactive. If this is so, a Report of Royalty Review would appear to be in order.

It is suggested that appropriate inquiry be addressed to the Operator as to the status of the property under the contract. Upon determination of the status, please submit to this Division an original and one copy of MME Form 22, Check Sheet of Examining Engineer, with an explanatory statement under item 8.

EDTalbert/ama 11-29-61

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

43683

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

OFFICIAL FILE COPY
O. M. E
RECEIVED 1961 3 JAN

DATE	INITIALS	CODE
1-3	gad	VVO
1-5	EDT	800
~~1-19~~	~~Murphy~~	~~500~~
		220

December 29, 1960

Memorandum

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

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket DMEA-2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company, Assignee
(Brown's Hole Area)
San Juan County, Utah
Royalty Review Overpayment $70.71

Attached is the original and one copy of a letter received from the Operator of the captioned project requesting refund.

Hugh M. Connors

Hugh M. Connors

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

1/5/61 The original of the letter from the Operator, which was attached, was given to Fiscal Section in exchange for a copy.

EDT

Moab Utah
12/27/60

Office of Minerals Exploration
Bldg 20 - Federal Center
Denver 25, Colo.
Attention: Mr Hugh M. Connors OME Reg 3

Re: Permit OMEA 2771
Contract Idm F577
Browns Hole Area San Juan Co Utah.

From your royalty review I am advised of an over paid to O.M.E. in the amt of 70.71 & am filing this as a claim for return of same.

Thank you
Granlich Exploration Co
By J. E. Granlich Sr.

OI
DEPARTMENT C
DEC 2
REG
DENVER

OME
DEPARTMENT OF THE INTERIOR
DEC 2 1960
REGION III
DENVER, COLORADO

FILE COPY
O. M. E
RECEIVED DEC 27 1960

DATE	INITIAL	CODE
12/27	cal	210
~~12/28~~	~~Murphy~~	~~500~~
		220

Building 20 - Federal Center
Denver 25, Colorado

December 19, 1960

Memorandum

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

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket No. DMEA-2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company
(Brown's Hole Area)
San Juan County, Utah

Attached is the original Report of Royalty Review on the Subject property dated November 29, 1960 covering the period November 16, 1960, through November 22, 1960.

Hugh M. Connors

Attachment

HMC/lm
cc: Chief, Division of Field Operations (2)
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E577
Chron

Building 20 - Federal Center
Denver 25, Colorado

December 20, 1960

Mr. J. W. Gramlich, Sr., President
Gramlich Exploration Co.
Moab, Utah

Re: Docket DMEA-2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company, Assignee
(Brown's Hole Area)
San Juan County, Utah

Dear Mr. Gramlich:

Enclosed is a copy of the Report of Royalty Review on the subject contract dated November 29, 1960 covering the period November 16, 1956, through November 22, 1960.

You will note that $70.71 is the amount of overpayment of royalty. If you submit a claim to us for that amount the overpayment in royalty will be refunded to you.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer
OME, Region III

Enclosure
HMC/lm
cc: Chief, Division of Field Operations (2)
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E577
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/15	cae	220

DEC 15 1960

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-2771 (Uranium)
Gramlich Exploration Company
Brown's Hole Area
San Juan County, Utah
Contract Idm-E577

Returned are the original and two copies of the Report of Royalty Review on the subject contract. This report has been corrected in accordance with the suggestions in your December 9 memorandum.

The amount of royalty indicated as paid through November 15, 1956, has been corrected to $1,116.66 and notation has been made at the bottom of Exhibit "A" to indicate that liquidation No. 4647 was the last included in the computation of royalty received and deposited through November 22, 1960. Thanks for calling our attention to these matters.

Future Reports of Royalty Review will indicate the last remittance included in the computations made.

Attachments

EDTalbert/ama
December 15, 1960

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

43683

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 13 1960

DATE	INITIALS	CODE
12/14	[illegible]	500
		220

Building 20 - Federal Center
Denver 25, Colorado

December 9, 1960

Memorandum

To: E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Washington 25, D. C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket DMEA-2771 (Uranium)
Contract Idm-5577
Gramlich Exploration Company, Assignee
(Brown's Hole Area)
San Juan County, Utah

Returned herewith is the Report of Royalty Review on the subject project dated November 29, 1960. It appears that a typographical error was made on the total " royalty paid on the first Report of Royalty Review. I believe the figure should be $1,116.66.

It would be a great help to this office and I am sure it would also be helpful to the Operator, if the Report of Royalty Review would state the last liquidation No. which is included in the Report of Royalty Review. The statement at November 22, 1960 the Royalty account was found to be . . . . . " is meaningless unless the last lot No. or liquidation No. is also shown.

If liquidation No. 4647 is the last lot covered by this Report of Royalty Review and $1,116.66 is correct, our records check.

Original signed by

Hugh M. Connors

Attachment
HMC/lm
cc Chief, Division of Field Operations (2)
Royalty Corres E577
Chron

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 19 1960

DATE	INITIALS	CODE
10-19	gad	NNO
	EJF	800
10-24	Mr. Murphy	500
		225

October 17, 1960

Memorandum

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

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket DMEA-2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company, Assignee
(Brown's Hole Area)
San Juan County, Utah

This has further reference to your memorandum dated September 1, 1960 on the subject project.

Enclosed is a copy of a settlement sheet for liquidation No. 3047, amended, forwarded to this office by the Climax Uranium Company.

A letter from Mr. J. W. Gramlich, Sr., dated September 30, 1960, enclosed a check of which $16.49 royalty was credited to liquidation No. 3047. It appears the correct amount due was $16.64. Since the Report of Royalty Review is being prepared on this project, other errors will be found, so I have not requested the 15 cents due on this liquidation from the Operator.

Hugh M. Connors

Hugh M. Connors

Attachment

CLIMAX URANIUM COMPANY

GRAND JUNCTION, COLORADO

ORE SETTLEMENT

Liquidation Number [illegible] Grounds
Bought of J. L. Grantland
Address Box 435 - Moab, Utah
Type of Ore Carnotite
Mining Claim Sunny Side

Date 12-27-56
A. E. C. License No. P-16
Date Received 12-4-56
Mining District Moab (Carnotite)

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	$CaCO_3$
4369	426	3.9	409	15.28	13.10	1.57	62.53	53.58	[illegible]
TOTAL									

OME
DEPARTMENT OF THE INTERIOR
OCT 12 1960
REGION III
DENVER, COLORADO

U_3O_8		Per Lb.	Per Ton	Short Tons	Total Value
15.28 % = 62.50 Lbs. @		$ 3.50	$ 193.75	0.20	$ 218.75
Development Allowance 62.50 Lbs. @		.50	156.25	0.20	31.25
Premium in excess of 4# per ton					
Total Lbs. U_3O_8	62.50				
Less 0.20 Tons @ 4#	.80				
PREMIUM LBS.	61.70 @	.75	231.40	0.20	46.28
Premium in excess of 10# per ton					
Total Lbs. U_3O_8	62.50				
Less 0.20 Tons @ 10#	2.00				
PREMIUM LBS.	60.50 @	.25	75.65	0.20	15.13
Total U_3O_8 Payment					$ 31.4[illegible]

[illegible] Lawful Owner of the Ore described in this Settlement Sheet [illegible] date of delivery of the ore, all my right, title and interest in and to [illegible] the payment for ores due to me on account of the ore delivered [illegible]

[illegible]
Date of Delivery

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 7 1960

DATE	INITIALS	CODE
10-7	gad	VVO
"	EJ	800
~~10-7~~	~~Dwight~~	~~00~~
		220

Building 20 - Federal Center
Denver 25, Colorado

October 5, 1960

Climax Uranium Company
749 Main Street
Grand Junction, Colorado

Re: Docket [redacted]A-2771 (Uranium)
Contract Idm-E577
Oramlich Exploration Company, Assignee
(Brown's Hole Area)
San Juan County, Utah

Gentlemen:

In December, 1956 the Operator of the captioned property shipped a lot of ore to you from the Sunnyside claim and according to his statement the liquidation number was 3047.

Will you please forward this office two copies of the settlement sheet for liquidation No. 3047.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer
OME, Region III

HMC/lm
cc: Chief, Division of Field Operations (2)
Royalty Corres E577
Chron

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 9 1960

DATE	INITIALS	CODE
9-9	gad	220
9/9	[illegible]	800
~~Lu~~	~~Murphy~~	~~800~~
		225

September 7, 1960

Memorandum

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

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket DMEA-2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company, Assignee
(Brown's Hole Area)
San Juan County, Utah

This responds to your memorandum dated September 1, 1960 on the subject project.

Attached are two copies of a letter to Mr. Gramlich requesting settlement sheets and a check for Royalty due on liquidation No. 3047. Our Royalty cards and settlement sheets show that the only Bonus Royalty due is that on liquidation No. 3-0-82 for ore shipped from the Blue Jay claim during the month of March 1960. As you know, production after March 31, 1960 is not subject to bonus payments.

Hugh M. Connors

Hugh M. Connors

Attachments

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 9 1960

DATE	IN

September 7, 1960

Mr. J. W. Gramlich, Sr., President
Gramlich Exploration Company
Moab, Utah

Re: Docket DMEA-2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company, Assignee
(Brown's Hole Area)
San Juan County, Utah

Dear Mr. Gramlich:

Your letter dated December 15, 1959 stated that you would forward this office a check for Royalty due on liquidation No. 3047. This check has not been received by this office.

It is also noted that on liquidation No. 3-0-82 for ore received at the mill during the month of March 1960, the Bonus Royalty due the Government amounts to $63.62.

Will you please forward this office two copies of the settlement sheet for liquidation No. 3047 and a check for the amount of Royalty due the Government on that liquidation. Also please forward your check for $63.62 for Bonus Royalty due on ore shipped from the Blue Jay claim during March 1960.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer
OME, Region III

HMC/lm
cc Chief, Division of Field Operations (2)
Royalty Corres. E577
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/31	Fisher	800
9/1	Murphy	500
	Johnson	500
9/1	GCS	130
"	Johnson	110
9/1	gad	220
		225

SEP 1 1960
960

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: DMEA-2771 (Uranium)
Gramlich Exploration Company
Brown's Hole Area
San Juan County, Utah
Contract Idm-E577

Our Contract Administration and Audit Division is in the process of preparing a Report of Royalty Review relating to this project and has noted the possibility of additional royalty being due from the Operator.

With a letter dated December 15, 1959, Mr. Gramlich forwarded his check for royalty due on production bonus applicable to 8 sales of U_3O_8 from Blue Jay Claims. He also stated that royalty would be paid applicable to liquidation No. 3047 listed in Mr. Townsend's letter dated November 16, 1959, and explained why he was not liable for royalty on the other liquidations listed in that letter. We have no record of receipt of royalty applicable to liquidation No. 3047.

A letter dated November 10, 1959, from the AEC stated that 1,673.42 pounds of U_3O_8 remained eligible for bonus payments. Although production from the Sunnyside Claims are not eligible for such bonus, it is noted that royalty has been received on 11 liquidations applicable to the Blue Jay Claims on which we have no record of bonus royalty having been paid to the Government.

Your advice in the matter will be appreciated.

/s/ George C. Selfridge

(242)

CEFisher/ama
August 31, 1960

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

43683

attention: Mr J W Townsend
Office Mineral Expl
Bldg 20 Ind Center
Denver 25 Colo.

Moab, Utah
Dec. 15, 1959

Re: Docket DMEA 2771
Contract Idm E577
Brown's Hole area Utah.

Dear Mr. Townsend:

Herewith check No 1863 in amt $329.26 as per yours of Nov 16 59. - Was in Idaho upon arrival your letter & have just returned here.

Regarding appendix attached to your letter must say First item Sunnyside claim is correct. am shipping from this claim now & when receipts are made will fwd check including Lic 3047.

Regarding the San Juan & other claims:
The San Juan claims 1 to 6 are listed in D.M.E.A. of 1952 however the ore mined is from the San Juan claim located in May 1953 & not subject to D.M.E.A.

The Kin A.L. Uranium - Blue Grass & Monro Uranium Corp are in no way under my control. I believe these claims are owned by H.O. Balsley of Moab Ut.

Very Truly yours,
J.W. Gramlich Jr.

DMEA-2771
E577 Gramlich Explor. Co.

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 18 1959

DATE	INITIALS	CODE
12-18	gad	220
"	LEE	800
12/22	Murphy	500
	"	225

Building 20 - Federal Center
Denver 25, Colorado
December 15, 1959

CERTIFIED MAIL

Mr. J. W. Gramlich, Sr., President
Gramlich Exploration Company
Moab, Utah

Re: Docket No. DMEA 2771 (Uranium)
Contract No. Idm-E577
(Brown's Hole Area)
San Juan County, Utah

Dear Mr. Gramlich:

We have not received a reply to our letter of November 16, 1959, wherein we requested the payment of $329.26 in bonus royalty due the Government for ore from the Blue Jay claim.

If we do not receive the royalty due the Government before January 15, 1960, we will have no recourse but to refer the matter to the Washington Office for such action as they deem necessary.

Very truly yours,

Original signed by

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

HMC:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres. E577
Chron.

Rec'd 12/22

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 18 1959

DATE	INITIALS	CODE
12-18	gad	VVO
"	EEP	800
12/22	Murphy	500
		225

Building 20 - Federal Center
Denver 25, Colorado
December 15, 1959

CERTIFIED MAIL

Mr. J. W. Gramlich, Sr., President
Gramlich Exploration Company
Moab, Utah

Re: Docket No. DMEA 2771 (Uranium)
Contract No. Idm-E577
(Brown's Hole Area)
San Juan County, Utah

Dear Mr. Gramlich:

We have not received a reply to our letter of November 16, 1959, in which we requested three copies of settlement sheets for ore shipped from the San Juan, Sunny Side and Blue Goose claims on which royalty to the Government has not been paid.

Will you please give this matter your immediate attention.

Very truly yours,

Original signed by

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

HMC:ltm

cc: Chmn. Op. Comm. (2)
Roy. Correc. E577
Chron.

No reply
Haven't received liquidations
or payment.

Answered
12/15/59
Follow #3

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 19 1959

DATE	INITIALS	CODE
11-19	gad	VVO
11/19	[illegible]	800
	~~Murphy~~	~~500~~
		225

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

Mr. J. W. Gramlich, Sr., President
Gramlich Exploration Company
Moab, Utah

Re: Docket No. DMEA 2771 (Uranium)
Contract No. Idm-2577
(Brown's Hole area)
San Juan County, Utah

Dear Mr. Gramlich:

We have information that the following ore has been shipped on which the Government has not received royalty:

Date	Liquidation Number	Producer	Claim	Pounds U_3O_8
1956				
December	3047	J. W. Gramlich, Sr.	Sunny Side*	62.50
1957				
June	0068	Gramlich Minerals	San Juan**	109.75
July	-	" "	"	115.96
August	0133	" "	"	150.27
October	0097	" "	"	518.44
November	-	" "	"	109.92
December	0082	" "	"	511.22
1958				
January	0095	" "	"	287.00
February	-	" "	"	798.59
"	-	Ken Fl Uranium	Kine Goose*	6.79
"	4021	Moreno Uranium Corp.	"	30.62
March	0087	Gramlich Minerals	San Juan	389.86
"	4056	" "	"	183.86
April	4095	" "	"	171.32
"	4132	" "	"	79.23
May	-	" "	"	106.80
"	4211	" "	"	40.94
"	4212	" "	"	155.66
June	4243	" "	"	119.87
"	4265	" "	"	159.25
July	-	" "	"	87.12
August	-	" "	"	206.09
September	-	" "	"	207.86
"	8546	" "	"	162.40
October	8666	" "	"	138.38
November	8730	" "	"	88.69
"	8806	" "	"	162.37

Date	Liquidation Number	Producer	Claim	Pounds U_3O_8
1958				
December	-	Gramlich Minerals	San Juan	290.52
1959				
January	-	" "	"	188.69
February	0038	" "	"	172.99

* Not certified for production bonus

** Production bonus paid in full prior to the production listed here

Please forward this office three copies of each settlement sheet for each liquidation listed above, and we will compute the amount of royalty due and advise you.

Very truly yours,

Original signed by

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

HMC:ltm

cc: Chmn. Op. Comm. (2) w/cpy
Erdahl's ltr.
Roy. Corres. E577)
Chron.

UNITED STATES
ATOMIC ENERGY COMMISSION
GRAND JUNCTION OPERATIONS OFFICE
GRAND JUNCTION, COLORADO

OME
DEPARTMENT OF THE INTERIOR
NOV 13 1959
REGION III
DENVER, COLORADO

November 10, 1959

IN REPLY REFER TO:

FD:ODK

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

Re: Docket No. DMEA 2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company
(Brown's Hole area)
San Juan County, Utah

Dear Mr. Townsend:

Bonus payments totaling $6,585.13 have been made on the liquidations listed in your letter of October 15, 1959. The remaining eligible balance for bonus payments is 1,673.42 pounds U308.

Our records show additional production from the claims listed in your letter for the period November 16, 1956, through September 30, 1959, which is detailed on the attached schedule.

Very truly yours,

Leland O. Erdahl

Leland O. Erdahl, Chief
Contract Finance Branch
Finance Division

Enclosure:
As above

J. W. Townsend - Docket No. DMEA 2771

November 10, 1959

SCHEDULE OF ORE PRODUCTION FROM SELECTED MINES

Date	Liquidation Number	Producer	Claim	Pounds U308
1956				
December	3047	J. W. Gramlich, Sr.	Sunny Side *	62.50
1957				
June	0068	Gramlich Minerals	San Juan **	109.75
July	-	" "	"	115.96
August	0133	" "	"	150.27
October	0097	" "	"	518.44
November	-	" "	"	109.92
December	0082	" "	"	511.22
1958				
January	0095	" "	"	287.00
February	-	" "	"	798.59
"	-	Ken Fl Uranium	Blue Goose *	6.79
"	4021	Moreno Uranium Corp.	"	30.62
March	0087	Gramlich Minerals	San Juan	389.86
"	4056	" "	"	183.86
April	4095	" "	"	171.32
"	4132	" "	"	79.23
May	-	" "	"	106.80
"	4211	" "	"	40.94
"	4212	" "	"	155.66
June	4243	" "	"	119.87
"	4265	" "	"	159.25
July	-	" "	"	87.12
August	-	" "	"	206.09
September	-	" "	"	207.86
"	8546	" "	"	162.40
October	8666	" "	"	138.38
November	8730	" "	"	88.69
"	8806	" "	"	162.37
December	-	" "	"	290.52
1959				
January	-	" "	"	188.69
February	0038	" "	"	172.99

* Not certified for production bonus

** Production bonus paid in full prior to the production listed here

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 19 1959

DATE	INITIALS	CODE
11-19	gad	220
11/19	[illegible]	800
	Murphy	600
		225

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

Mr. J. W. Gramlich, Sr., President
Gramlich Exploration Company
Moab, Utah

Re: Docket No. DMEA 2771 (Uranium)
Contract No. Idm-E577
(Brown's Hole Area)
San Juan County, Utah

Dear Mr. Gramlich:

Bonus payments totaling $6,585.13, have been paid you by the Atomic Energy Commission on ore from the Blue Jay claim through Liquidation No. 9-0-51.

The Government's royalty on this bonus amounts to $329.26. Will you please forward this office your check in that amount.

Very truly yours,

Original signed by

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

HMC:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres. E577
Chron.

OFFICIAL FILE COPY O. M. E. RECEIVED OCT 19 1959		
DATE	INITIALS	CODE
10-19	gad	VVO
10/19	[illegible]	800
~~10/20~~	~~[illegible]~~	~~[illegible]~~
		225

Building 20 - Federal Center
Denver 25, Colorado
October 15, 1959

Mr. Robert W. Scott, Chief
Accounting Branch, Finance Division
U. S. Atomic Energy Commission
Grand Junction Operations Office
Grand Junction, Colorado

Re: Docket No. DMEA 2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company
(Brown's Hole area)
San Juan County, Utah

Dear Mr. Scott:

The DMEA contract on the captioned property subordinated the following unpatented claims to the Government; Gold West 1-11, Canary 1-10, San Juan 1-6, Red Rocks 1-11, Mary Jo 1-11, Blue Goose 1-2, Sunset, Red Bird, Blue Bird, Blue Jay, Pine Tree, Big Chief, Sunny Side.

Royalty and bonus royalty have been paid through and including Liquidation No. 72483, September 15, 1956. Since that time, 5 percent royalty has been paid but no bonus royalty has been paid the Government on the following liquidation numbers:

Liq. No.	Date	Liq. No.	Date
3-0-40	3/27/59	7-0-38	7/27/59
4-0-43	4/27/59	8-0-14	8/13/59
5-0-55	5/27/59	8-0-44	8/27/59
6-0-47	6/27/59	9-0-51	9/27/59

Will you please advise the amount of bonus that has been paid the Operator on the liquidations listed above and the number of pounds of U_3O_8 remaining which would be eligible for bonus payment.

We will also appreciate advice as to whether or not AEC records show any production from any of the claims listed in the first paragraph, since November 16, 1956, other than the liquidation numbers listed above.

Very truly yours,

Original signed by

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

JWT:ltm

cc: Chmn. Op. Comm. (2)
Roy. Corres. E577
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

MAR 7 1957

OFFICIAL FILE COPY DMEA RECEIVED MAR 11 1957		
DATE	INITIALS	CODE
3/11	C	220
3/12	[illegible]	130
3/18	C	220
/18	com	100

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 2771 (Uranium), Contract No. Idm-E577, Gramlich Exploration Company (Brown's Hole Area), San Juan County, Utah - FINAL REPORT.

Enclosed are the original and three copies of a joint final engineering and geologic report, dated February 15, 1957, by Frank M. Byers, Geologist, Geological Survey, and Paul V. Fillo, Mining Engineer, Bureau of Mines; and memoranda in transmittal thereof, in turn, by Stephen R. Wilson, dated February 21, 1957, and J. William Hasler, dated February 25, 1957.

The original and one copy of the Operator's final report were forwarded by our memorandum of October 11, 1956.

The exploration work completed consisted of expending 38 hours of bulldozer time in preparing access roads and drill sites, the drilling of 58 core drill holes, aggregating 8,597.4 feet, and analysis of 19 samples for U_3O_8 content; all at a total accepted cost of $33,880.89, toward which the Government contributed 90%, or an amount of $30,492.80.

Final payment to the Operator was processed by this office October 12, 1956, in conformance with the Report of Review of reported project costs, by the Contract Administration and Audit Division, DMEA, dated August 1, 1956.

The exploration work resulted in the discovery or development of a significant quantity of uranium ore, on which a Certification was issued May 22, 1956.

By E. N. Harshman
E. N. Harshman
Acting Executive Officer

Reviewed by
DMEA OPERATING COMMITTEE
3-15-57
(date)

IN REPLY REFER TO:

MINERAL DEPOSITS
DMEA
RECEIVED
FEB 27 1957
U.S. GEOLOGICAL SURVEY
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
DEPARTMENT OF THE INTERIOR
FEB 27 1957
REGION III
DENVER, COLORADO

P. O. Box 360
Grand Junction, Colorado

February 25, 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman E NH
~~J. F. Shaw~~

From: J. William Hasler

Sucject: Docket No. DMEA 2771 (Uranium), Contract Idm-E 577, Gramlich Exploration Co., San Juan County, Utah

Enclosed are the original and 10 copies of a joint final report on the above referenced docket. The report was prepared by F. M. Byers, Jr., of the Geological Survey and P. V. Filo, Bureau of Mines.

We find the report to be in order.

J. William Hasler
J. William Hasler,
Geologist

JWH/mlr

Enclosures

cc: S. R. Wilson

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 11 1957

DATE	INITIALS	CODE
		120 JB
		220

Reviewed by
DMEA OPERATING COMMITTEE
3-15-57
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 12, UTAH

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 11 1957

DATE	INITIALS	CODE
		130
		220

February 21, 1957

Memorandum

To: J. W. Hasler, Geological Survey, Grand Junction, Colo.

From: Stephen R. Wilson

Subject: Docket No. DMEA-2771 (Uranium), Contract Idm-E577, Gramlich Exploration Co., San Juan County, Utah

Attached are the original and 11 copies of a joint final engineering and geologic report covering all work completed under the subject contract. The report was assembled from data prepared by Frank Byers of the Survey and P. V. Fillo, Bureau of Mines.

Three illustrations are to be attached to the report. Sufficient copies of figure 1, the location map, are included. Figures 2 and 3 have been prepared in your office. Please attach the required prints to the report. The tabulation of diamond drill hole data, part of Frank Byers' rough-draft copy of the geologic section, is herewith returned.

I wrote to J. W. Gramlich February 12, 1957, to ask for assistance in clarifying the confusion pertaining to the two Bluebird claims encumbered under the contract. A print of the claim map was included with the letter with the request that Mr. Gramlich indicate which, if any, of the two Bluebird claims should be the Big Chief claim. No response has been received from Mr. Gramlich to date.

If the report meets with your approval, please transmit the original and 10 copies to E. N. Harshman. The extra copy is for your use.

Stephen R. Wilson
Stephen R. Wilson

Enclosure

cc: E. N. Harshman
J. B. Clemmer

Reviewed by
DMEA OPERATING COMMITTEE
3-15-57
(date)

GRAMLICH EXPLORATION CO.
SAN JUAN COUNTY, UTAH
DMEA-2771 - Idm-E577
Uranium

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 11 1957

DATE	INITIALS	CODE
		130
		220

Final Engineering and Geologic Report

By Frank M. Byers
Geologist
Geological Survey

and

Paul V. Fillo
Mining Engineer
Bureau of Mines

February 15, 1957

Reviewed by
DMEA OPERATING COMMITTEE
3-15-57

GRAMLICH EXPLORATION CO.
SAN JUAN COUNTY, UTAH

CONTENTS

	Page
Final engineering and geologic report	
Summary	2
Introduction	3
Location and accessibility	4
History and property ownership	5
Geology	7
Ore deposits	8
Production and ore reserves	11
The contract	12
Description of the project work	16
Conclusions and recommendations	18

APPENDIX

I Summary of Stage 1 drill holes
II Summary of Stage 2 drill holes
III Summary of Stage 3 drill holes

ILLUSTRATIONS

Fig. 1 Location map, Gramlich Exploration Co., San Juan County, Utah
Fig. 2 Claim map showing subordinated mining claims, general geology, mineralized ground, and drill holes
Fig. 3 Map of Blue Jay and adjacent claims, showing mine workings, DMEA drill holes, and mineralized ground

SUMMARY

Property held under lease by Gramlich Exploration Co., formerly Gramlich Minerals, Inc., was explored for uranium ores under DMEA contract during the period June 1954 through June 1955. The claims encumbered under the contract are located in the Brown's Hole area, San Juan County, Utah.

A request for Government assistance in exploration was submitted by the applicant during November 1952. The property was examined during January 1953 by Bureau of Mines and Geological Survey personnel. A modified two-stage program, consisting of 7,500 feet of diamond drilling at a total cost of $29,625, was recommended by the examining team. A contract prepared in the Washington Office of DMEA allows diamond drilling in two stages, totaling 8,800 feet of holes. The effective date of the contract is August 6, 1953.

The subordinated property consists of 60 unpatented lode claims held under agreements with three separate lessors.

Uranium mineralization in the Brown's Hole area occurs in the Salt Wash member of the Morrison formation, principally near the middle part. This member is approximately 350 feet thick.

Effective April 12, 1954, prior to completion of any work, the original contract was amended to allow diamond drilling on closer spaced grids, in four stages. The holes were planned to search for small deposits in the middle part of the Morrison formation. A total of 8,597.4 feet of drilling in 58 holes was completed under Stages 1, 2, and 3. The operator drilled hole 17 under Stage 3 to a depth of 251.8 feet, but

this footage was disallowed because of improper hole location. No work was approved under Stage 4 and the contract was terminated June 30, 1954. The cost of the contract work totaled $33,880.89. Government participation, at 90 percent, amounted to $30,492.80.

Ore was discovered as a result of exploration under the contract. A Certification of Discovery or Development was issued May 22, 1956. Indicated and inferred ore reserves in the general area of the drilling are based in part on the DMEA work and in part on past production. The indicated reserve is estimated to be 700 tons of ore containing 0.45 percent U_3O_8 and 1.45 percent V_2O_5. A slightly larger tonnage of inferred ore is estimated. The combined reserve is believed to be 1,500 tons of ores containing 0.50 percent U_3O_8 and 1.50 percent V_2O_5.

No further work with Government participation is recommended on property encumbered under the contract.

INTRODUCTION

During April 1953, Gramlich Minerals, Inc. (now Gramlich Exploration Co.), applied for a Government loan of $30,000 for a diamond drilling program on uranium property in the Brown's Hole area, San Juan County, Utah. The property, consisting of 60 lode mining claims held under lease, was examined by DMEA personnel during January 1953. A modified program of diamond drilling was recommended by the examiners and a short-form contract in an amount of $35,300 was executed August 6, 1953.

The original contract allows a total of 8,800 feet of diamond drilling in two stages. The operator requested an amendment, prior to start of work, to permit closer spaced drilling. An amended contract was prepared, effective April 12, 1954, to allow the 8,800 feet of diamond drilling in four stages. Work was started June 8, 1954, and a total of 8,597.4 feet of drilling was completed under Stages 1, 2, and 3. No work was done under Stage 4. Work under the contract was terminated June 30, 1955.

Actual expenditures under the contract totaled $33,880.89. The Government's share of this expenditure, at 90-percent participation, is $30,492.80.

A Certification of Discovery or Development was issued May 22, 1956, to cover property encumbered under the contract.

LOCATION AND ACCESSIBILITY

The Gramlich claims are located in an area known as Brown's Hole in San Juan County, Utah (fig. 1). The area is reached by driving 23 miles south of Moab on U. S. Highway 160, thence 2 miles to the east on a gravel road. The claims cover parts of sec. 28, T. 28 S., R. 23 E., S.L.B. and M.

Much of the area is relatively flat, and is accessible to diamond drilling equipment. Ore-purchasing plants are located at Moab and also at Monticello, 38 miles south of the junction of Highway 160 and the short gravel road leading easterly to the property.

All-year operations are not seriously hampered by weather conditions. Water for all uses is available from nearby sources. A sufficient labor supply may be recruited from Moab or Monticello.

HISTORY AND PROPERTY OWNERSHIP

Property subordinated under the project contract consists of 60 lode mining claims held by lease from three separate lessors. Several claims owned by Howard W. Balsley were located prior to 1934. Production records pertaining to the claims are incomplete, but all ores produced during the period 1934 to 1952 from the presently encumbered property was mined from the Balsley property. Production subsequent to 1952 was taken principally from the Blue Jay claim. Claims encumbered under the contract, with recording data, are listed below:

Owner	Claim	Recorded in Book	Page
Irene S. Gramlich	Red Rocks I	R-2	595
	Red Rocks II	R-2	595
	Red Rocks III	R-2	596
	Red Rocks IV	R-2	596
	Red Rocks V	R-2	596
	Red Rocks VI	R-2	597
	Red Rocks VII	R-2	597
	Red Rocks VIII	R-2	597
	Red Rocks IX	R-2	598
	Red Rocks X	R-2	598
	Red Rocks XI	R-2	598
	Mary Jo I	R-2	599
	Mary Jo II	R-2	599
	Mary Jo III	R-2	599
	Mary Jo IV	R-2	600
	Mary Jo V	R-2	600
	Mary Jo VI	R-2	600
	Mary Jo VII	R-2	601
	Mary Jo VIII	R-2	601
	Mary Jo IX	R-2	601
	Mary Jo X	R-2	602
	Mary Jo XI	R-2	602
	Blue Goose I	R-3	281
	Blue Goose II	R-3	281

Owner	Claim	Recorded in Book	Page
Samuel V. Gramlich	Golden West	R-3	283
	Golden West I	R-2	602
	Golden West II	R-2	602
	Golden West III	R-2	603
	Golden West IV	R-3	604
	Golden West V	R-2	604
	Golden West VI	R-3	604
	Golden West VII	R-2	605
	Golden West VIII	R-3	605
	Golden West IX	R-3	609
	Golden West X	R-3	606
	Golden West XI	R-3	606
	Canary	R-3	283
	Canary I	R-3	606
	Canary II	R-3	607
	Canary III	R-3	607
	Canary IV	R-3	607
	Canary V	R-3	608
	Canary VI	R-3	608
	Canary VII	R-3	608
	Canary VIII	R-3	609
	Canary IX	R-3	609
	Canary X	R-3	609
	San Juan I	R-3	610
	San Juan II	R-3	610
	San Juan III	R-3	610
	San Juan IV	R-3	281
	San Juan VI	R-3	284
Howard W. Balsley	Blue Jay	R	416
	Pine Tree	R	417
	Sunnyside	R	419
	Sunset	R	419
	Red Bird	R-1	467
	Blue Bird	R	419
	Blue Bird	R-1	466

The group of claims owned by Howard W. Balsley includes two with the same name, Blue Bird. This apparent discrepancy has not been clarified, but it is probable that one Blue Bird claim should properly be designated Big Chief. It appears that several claims may have been relocated since the contract was executed.

GEOLOGY

The Salt Wash member of the Jurassic Morrison formation, which contains the ore deposits in the Brown's Hole area, is approximately 350 feet thick. The Salt Wash rests on the Jurassic Summerville formation, which is thin and poorly exposed. The overlying Brushy Basin member of the Morrison formation consists mainly of thin-bedded mudstone and sandstone and is estimated to be 400 feet thick. Approximately 60 feet of hard quartzitic Burro Canyon sandstone of lower Cretaceous age caps the mesa and rests on the Brushy Basin member. Large blocks of this sandstone, which are chiefly residual remnants of the Burro Canyon, have become buried in the weathered mudstone overlying the Brushy Basin member. These sandstone blocks offer considerable difficulty in drilling.

The sedimentary sequence from the middle of the Salt Wash member through the top of the Burro Canyon sandstone is exposed at irregular intervals on three sides of a mesa which is covered by the Gramlich claims. The beds dip about 3 degrees northeasterly. The Lisbon Valley fault strikes northwest across the claims and the displacement decreases from 200 feet at the southeastern part of the property to approximately 100 feet in the northwestern part just south of the Blue Jay claim. The dip on the fault is steeply northeast.

ORE DEPOSITS

Several uranium-vanadium deposits are known around the mesa south of Brown's Hole (fig. 2); most of these are held by Gramlich Exploration Co. The deposit on the Blue Jay claim is probably the largest as determined by the contract drilling. Although the contract contains a provision for drilling on the Pine Tree and Sunnyside claims as Stage 4 in the event no work is accomplished under Stage 3, the total footage was practically exhausted on the Blue Jay and adjacent claims in the first three stages.

Data obtained from holes drilled under Stages 1, 2, and 3 of the contract are summarized in the appendix. The footages shown are as logged by the Geological Survey and include some for which reimbursement to the operator was not made because of nonconformity with the contract.

Only the upper part of the Salt Wash member is exposed on the Blue Jay claim. The sandstone beds are lenticular, and the number of Salt Wash sandstone lenses may vary from three to six within a claim length. The ore-bearing lens on the Blue Jay claim is informally called the "Blue Jay" sandstone and occurs in the middle of the Salt Wash member. The uppermost sandstone lens on the Blue Jay claim is also mineralized, but to lesser extent. The uppermost sandstone bed appears in general to be thicker and more extensive than any sandstone unit below and is probably the main ore-bearing sandstone to the southeast in the area of the Rattlesnake ore body. Between the "Blue Jay" sandstone and the uppermost sandstone bed is a discontinuous lenticular sandstone with

many mudstone splits. This sandstone is not known to be mineralized and is not recognizable in some of the holes drilled under the contract. A stratigraphic section of the middle and upper Salt Wash member and the lower part of the Brushy Basin member was penetrated by drill hole III-13 (fig. 3). The summary log of this hole is given in table 1.

TABLE 1.-- Summary log of drill hole III-13, Blue Jay and Mary Jo No. 1 claims (logged by C. L. Dodson)

Depth of base (feet)	Thickness (feet)	Rock	Color	Grain	Remarks	Member-bed
27.2	27.2	MS//ST	R & L Gy	Sandy	15% ST	Brushy
59.0	31.8	SS	L Br-L Gy	M-C	R & Gn pebbles	Basin
94.0	35.0	MS//ST	R Br	Sandy	30% ST	member
						Salt Wash member:
129.4	35.4	SS	Gy-Br	F-M		Uppermost SS
165.2	35.8	MS//ST	R	Sandy	50% ST	
189.8	24.5	SS	Gy-R Gy	F-M		
197.7	7.9	MS//ST	R Gy	Sandy	65% ST	
223.0	25.3	SS	LGy-L Br	F-M	Cbn, lower 1'	"Blue Jay" SS
224.0	1.0	MS	Gn By-R			
Bottom						

Abbreviations: Rock: MS, mudstone; ST, siltstone, SS, sandstone; //, interbedded with
Color: L, light; R, red(dish); Gy, gray; Br, brown; Gn, green(ish)
Remarks: Cbn, carbon

The Blue Jay uranium deposit (figs. 2 and 3) is in the "Blue Jay" sandstone, which ranges in thickness from less than 10 feet to about 25 feet. At the outcrop in the vicinity of the Blue Jay mine portals, the

thicker part of the "Blue Jay" sandstone lens is about 200 feet wide. The mineralized portion of the "Blue Jay" sandstone is about 125 feet wide and does not extend beyond the thicker part of the lens. Grayish-green claystone at the base of the "Blue Jay" sandstone thickens beneath the mineralized sandstone, but "does not extend far beyond its edge" (Gordon W. Weir, Memorandum Report dated September 30, 1953). The trend of the "Blue Jay" sandstone lens is east, as demonstrated by the drilling program. The mineralized sandstone within the lens extends about 650 feet easterly from the portal into the mesa. Two smaller mineralized areas, each inferred from two drill holes, occur at about 700 feet and 1,300 feet respectively east of the outcrop. East of drill hole III-15, the "Blue Jay" sandstone thins and can scarcely be recognized as penetrated in drill holes III-16 and III-17.

Holes BJ-1, -2, -3, -4, and -5 were drilled by Gramlich Exploration Co. after the completion of the contract work in the area between the working faces of the mine and the DMEA ore holes. Three holes penetrated ore and two are mineralized.

Ore pods are small and are largely replacement of carbonaceous trash, chiefly logs in the lower half of the "Blue Jay" sandstone. Ore pods are also localized or trapped beneath thin mudstone beds in cross-bedded sandstone.

High-grade uranium ore was submitted for mineralogical determination to the Geochemistry and Petrology Branch of the Geological Survey. The following report was prepared by Alice D. Weeks (letter to Gordon W. Weir dated October 15, 1953):

> "The specimen contains small remnants of pitchblende and has been highly oxidized and replaced by tyuyamunite, part of which has dehydrated to metatyuyamunite. One X-ray pattern showed a little carnotite, but most of the bright yellow and greenish-yellow is tyuyamunite. The orange and pale-brown is mostly "limonite"-stained tyuyamunite. Some of the orange mineral surrounding the black gives almost no X-ray pattern and could be referred to as "gummite." I would guess that a pitchblende-replaced piece of wood became oxidized to becquerelite, etc., and in turn altered to tyuyamunite and then became stained with iron oxide. Under a binocular you can see the waxy dull brown grading into yellow."

PRODUCTION AND ORE RESERVES

Production from the Gramlich property is given in table 2. The 100 tons of high-grade ore produced in 1955 from the Blue Jay claim was the direct result of the contract drilling.

Drilling on the Blue Jay claim resulted in delineating about as much mineralized ground as presently explored by existing workings (January 11, 1956). To this date 706.5 tons of ore containing 0.46 percent U_3O_8 and 1.44 percent V_2O_5 had been produced. This total includes shipments made prior to the DMEA contract. It appears reasonable to expect similar production from the remaining mineralized ground or an indicated reserve of about 700 tons containing 0.45 percent U_3O_8 and 1.45 percent V_2O_5. Reserves are estimated in this manner because of the irregular and unpredictable distribution of small pods of ore and "logs" within the mineralized ground. It seems logical to estimate an inferred reserve equal to or slightly greater than the indicated reserve.

TABLE 2.— Ore production from Gramlich Exploration Co. claims (AEC records, Grand Junction, Colorado)

Claim	Date	Tons	U_3O_8, percent	V_2O_5, percent
Blue Jay	1950-1952	170.9	0.32	1.47
	1953	270.8	0.46	1.29
	1954	165.1	0.51	1.26
	1st Q '55	43.6	0.33	1.71
	2nd Q '55	47.1	0.86	2.40
	3rd Q '55	9.0	0.45	2.39
	(4th Q '55	none)		
Total, Blue Jay	1955	99.7	0.59	2.10
Total, Blue Jay	1950-1955	706.5	0.46	1.44
Pine Tree	1948-1953	66.6	0.20	1.98
	1st Q '54	10.0	0.16	1.33
	2nd Q '54	22.0	0.13	1.69
Total, Pine Tree		98.6	0.18	1.85
San Juan	1953-1954	650.5	0.33	1.80
Sunnyside	1951	22.0	0.27	1.73

THE CONTRACT

A contract covering diamond drilling exploration of the claims held by Gramlich Exploration Co., formerly Gramlich Minerals, Inc., was executed August 6, 1953. The contract was prepared to allow work in two stages, as follows:

Stage I

Bulldozing, 45 hours at $10 per hour 1/ ---------2/	$ 450.00
Diamond drilling, 4,980 feet at $3.89 per foot	19,373.00
Sample analyses, 57 at $3 each 3/ ----------	171.00
Total, Stage I ----------	$19,994.00

1/, 2/ and 3/ See following page.

Stage II

Diamond drilling, 3,900 feet at $3.89 per foot 2/	$15,171.00	
Sample analyses, 45 at $3 each 3/	135.00	
Total, Stage II		$15,306.00
Total agreed unit cost of project		$35,300.00
Government participation at 90 percent		$31,720.00

1/ For actual operating time only, including the cost of rental, material, supplies, and operator.

2/ This includes also the cost of (1) the services of a full-time foreman to supervise the project, prepare drill sites, fix the location of drill holes, collect samples, store cores, and maintain records; (2) the services of a consulting engineer, approved by the Government (working a minimum of 5 days per month) who shall perform the necessary engineering and surveying services, prepare all maps and write all required reports; (3) the cost of all necessary casing and reaming and core and sludge recovery; and (4) the cost of drill core boxes, and a pickup truck, including the cost of a driver and all costs of operations of the truck.

3/ This includes all costs of transportation.

Under Stage I it is specified that the average depth of holes in Area A shall be approximately 220 feet and in Area B, 320 feet. The maximum space between drill holes under this stage shall be 400 feet and the minimum, 300 feet. Under Stage II it is stipulated that no hole shall be drilled less than 150 feet from the next nearest hole.

Prior to start of work under the original contract, an amendment was requested by the operator to permit closer spaced drilling. An inspection of the project area was made September 17, 1953, by Bureau of Mines and Geological Survey representatives. A recommendation was made that the contract be amended to permit closer spaced drilling. Accordingly,

Amendment No. 1, effective April 12, 1954, was prepared to allow closer spaced drilling. The amendment specifies drilling in four stages as follows:

Agreed Unit Costs

Stage 1

Bulldozing, 45 hours at $10 per hour 1/	$ 450.00	
Diamond drilling, 2,650 feet at $3.89 per foot	10,308.50	
Sample analyses, 33 at $3 each 2/	99.00	
Total, Stage I		$10,857.50

Stage 2

Diamond drilling, 2,650 feet at $3.89 per foot 3/	$10,308.50	
Sample analyses, 33 at $3 each 2/	99.00	
Total, Stage 2		$10,407.50

Stage 3

Diamond drilling, 3,580 feet at $3.89 per foot 3/	$13,926.20	
Sample analyses, 36 at $3 each 2/	108.00	
Total, Stage 3		$14,034.20

1/ For actual operating time only, which constitutes the total charge for performing the work. Time expended on Stage 1 work may be expended on work benefiting the successive stages, provided the drilling thereunder is authorized.

2/ The unexpended portion of the allowable charge for sample analyses under any stage may be transferred to successive stages for use thereunder.

3/ This includes also the cost of (1) the services of a full-time foreman to supervise the project, prepare drill sites, fix the location of drill holes, collect samples, store cores, and maintain records; (2) the services of a consulting engineer, approved by the Government (working a minimum of 5 days per month) who shall perform the necessary engineering and surveying services, prepare all maps and write all required reports; (3) the cost of all necessary casing and reaming, and core and sludge recovery; and (4) the cost of drill core boxes, and a pickup truck, including the cost of a driver and all costs of operations of the truck.

Stage 4

That unexpended portion of drilling footage and funds remaining from work not performed on prior stages may be expended in performing drilling on the Pine Tree and Sunnyside claims contingent on prior written approval by the DMEA Field Team, Region IV.

Agreed estimated total cost of project (rounded to)	$35,300.00
Government participation at 90 percent (rounded to)	$31,770.00

The original contract, executed in the name of Gramlich Minerals, Inc., was assigned to Gramlich Exploration Co. by agreement effective February 4, 1954.

In addition to contract Amendment No. 1 described above, four other amendments were approved. Amendment No. 2 extended the time for commencing the work from November 6, 1953, to May 1, 1954, and increased the period for completion of work from 6 months to approximately 14 months as follows:

> Referring to Amendment No. 1, dated April 12, 1954, item "1," which amended "Article 3" of the contract form, change "prior to May 1, 1954" to read "prior to June 1, 1954."

Amendment No. 3 changes the effective date for payment of royalty "from the date of the contract" to April 12, 1954. This change was made inasmuch as no work was started prior to the change in allowable items of work as included in Amendment No. 1. The effective date of Amendment No. 1 is April 12, 1954. Amendment No. 3 also changes the royalty payment period from 10 to 11 years, or from the date of the original contract, August 6, 1953, to August 6, 1964.

Amendment No. 4 extends the period for completion of the project work from October 1, 1954, to March 1, 1955. Amendment No. 5 further extends the completion date from March 1, 1955, to June 30, 1955.

DESCRIPTION OF THE PROJECT WORK

Exploration was started June 8, 1954, and completed June 30, 1955. A total of 8,597.4 feet of drilling in 58 holes was accomplished under the contract. In addition to the drilling, reimbursement was made to the operator for 38 hours of bulldozer work and analysis of 19 samples for U_3O_8. Exploration was performed in three stages, as follows:

Stage 1

Bulldozing, 3 hours at $10 per hour	$ 30.00	
Diamond drilling, 2,650 feet at $3.89 per foot	10,308.50	
Sample analyses, 3 at $3 each	9.00	
Total, Stage 1		$10,347.50

Stage 2

Bulldozing, 3 hours at $10 per hour	$ 30.00	
Diamond drilling, 2,561.6 feet at $3.89 per foot	9,964.63	
Sample Analyses, 11 at $3 each	33.00	
Total, Stage 2		$10,027.63

Stage 3

Bulldozing, 32 hours at $10 per hour	$ 320.00	
Diamond drilling, 3,385.8 feet at $3.89 per foot	13,170.76	
Sample analyses, 5 at $3 each	15.00	
Total, Stage 3		$13,505.76
Grand total		$33,880.89

The above costs are allowable costs as determined by audit. The operator actually performed 257.3 feet of additional drilling not in

conformance with contract terms. Disallowance was made for drill hole 17 under Stage 3, inasmuch as the location was not approved. This hole was drilled to a depth of 251.8 feet. A total of 5.5 feet of drilling was disallowed under Stage 1 because of excessive footage over 2,650 permitted in this stage.

Diamond drilling under Stages 1, 2 and 3 was accomplished on the Blue Jay, Mary Jo I, and Mary Jo II claims. The applicant originally proposed wide-spaced drill holes on the Canary, Golden West, and Mary Jo groups of claims to explore the ore-bearing Salt Wash sandstone beneath the Brushy Basin member of the Morrison formation. The examining team recommended an alternate program to consist of drilling holes nearer the sandstone rim outcrops of the Salt Wash member.

A total of 2,650 feet of drilling in 19 holes was completed under Stage 1 of the amended contract. Under Stage 2, 20 holes were drilled with a total of 2,561.6 feet. Stage 3 footage totaled 3,385.8 feet, also in 19 holes. No drilling was authorized under Stage 4, inasmuch as total allowable footage was near exhaustion. Amendment No. 1 states: "In the event that the Government considers the results of drilling under Stage 1 or Stage 2 unsatisfactory and Stage 2 or Stage 3 work is not authorized in whole or part, the drilling footage and funds expended thereunder will be transferred to drilling under Stage 4 on the Pine Tree and Sunny Side claims."

All drilling under the contract was completed AX size, or larger. Some difficulty was encountered in drilling as a result of the hard sandstone boulders near the surface.

The operator commenced work June 8, 1954, although the original contract was dated August 6, 1953. Considerable delay resulted in preparation of Amendment No. 1 and clarifying names and ownership of the claims.

Contract work was completed June 30, 1955. The operator's final report was received October 11, 1956.

Ore production from property encumbered under the contract from the effective date for royalty payments, April 12, 1954, through December 31, 1956, totals 223.76 tons. Royalty paid on this production, including bonus, totals $1,116.66.

CONCLUSIONS AND RECOMMENDATIONS

Exploration on property controlled by Gramlich Exploration Co. under docket No. DMEA-2771 resulted in discovery of ore. A Certification of Discovery or Development was issued May 22, 1956. It is estimated that indicated and inferred ores on the property total 1,500 tons with an average assay value of 0.50 percent U_3O_8 and 1.50 percent V_2O_5.

Ore disclosed by the contract drilling occurs in the "Blue Jay" sandstone lens near the middle of the Salt Wash member of the Morrison formation. A sandstone lens lying above the "Blue Jay," in the area of drilling, is also mineralized, but to a lesser extent. This lens, in general, appears to be thicker and more extensive than any sandstone unit below, and may be the main ore-bearing sandstone to the southeast in the area of the Rattlesnake ore body. Ore pods on the Gramlich property are small and occur largely as replacement of carbonaceous trash, chiefly logs in the lower part of the "Blue Jay" sandstone.

No further exploratory drilling on the Gramlich property, with Government participation, is recommended. It is believed that work to date has adequately explored the favorable areas near the Salt Wash rim. Additional drilling in the interior of the mesa, as requested by the applicant, does not appear warranted, in view of the depth of holes and the small size of the ore bodies in the area.

APPENDIX I -- Summary of Stage 1 Drill Holes

Hole	Collar elevation, feet	Total depth, feet	Total cored, feet	Core recovery, feet	Core recovery, percent	Salt Wash sandstone unit or lens	Altitude of base of SS unit, feet	Thickness of SS unit, feet	Color of SS unit	Thickness of Gn MS under SS, feet	Altitude at base of mineralized zone, feet	Thickness of mineralized rock sampled, feet: eU_3O_8	Thickness of mineralized rock sampled, feet: Chem. U_3O_8	Percent eU_3O_8 [a]	Percent U_3O_8 [b]	Percent V_2O_5	Ore-bearing potential of sandstone
I-1	6085.3	130.5	128.9	113.0	88	Uppermost	6051.6	31.6	LBr	1.3	6062.5	0.8		0.48			Semifavorable
I-2	6090.3	132.0	124.5	104.8	84	Uppermost	6049.8	30.5	LBr	0		0.0	0.0				Semifavorable
I-3	6095.0	121.0	118.3	108.5	92	Uppermost	6063.3	28.5	LBr	0		0.0	0.0				Semifavorable
I-4	6087.0	122.0	118.0	101.7	87	Uppermost	6056.4	26.6+	LBr	0		0.0	0.0				Unfavorable
I-5	6093.7	138.0	134.8	121.7	90	Uppermost	6055.0	35.5+	LBr	0.7		0.0	0.0				Semifavorable
						"Blue Jay"	5970.8	17.3	LBr-Gy	3.6	5971.9	2.8		0.02			Semifavorable
I-6	6098.0	128.0	128.0	108.4	85	Uppermost	6049.8	43.9+	LBr	0		0.0	0.0				Semifavorable
I-7	6096.6	131.3	131.3	118.6	90	Uppermost	6055.7	40.9+	LGy-LBr	0.6		0.0	0.0				Semifavorable
						"Blue Jay"	5968.6	26.2	GyR-LGy	1.6	5980.7	0.9		0.06			Semifavorable
											5978.2	0.9		0.02			
I-8	6090.6	121.0	121.0	112.1	93	Uppermost	6061.6	29.0+	LBr	4.5		0.0	0.0				Semifavorable
I-9	6087.9	110.0	110.0	103.6	94	Uppermost	6065.5	22.4+	LBr	1.2		0.0	0.0				Semifavorable
I-10	6095.0	117.5	117.5	97.8	83	Uppermost	6058.0	37.0+	LBr	0.4		0.0	0.0				Semifavorable
						"Blue Jay"	5978.9	23.1	LBr-LGy	0.4	5984.0	1.7	1.2	0.18	0.18	1.03	Semifavorable
I-11	6100.9	131.0	131.0	121.7	93	Uppermost	6051.9	49.0+	LBr	0.5		0.0	0.0				Favorable
						"Blue Jay"	5971.6	23.9	LBr-LGy	0	5977.8	1.2		0.07			Semifavorable

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APPENDIX I -- Summary of Stage 1 Drill Holes (Continued)

Hole	Collar elevation, feet	Total depth, feet	Total cored, feet	Core recovery, feet	Core recovery, percent	Salt Wash sandstone unit or lens	Altitude of base of SS unit, feet	Thickness of SS unit, feet	Color of SS unit	Thickness of Gn MS under SS, feet	Altitude at base of mineralized zone, feet	Thickness of mineralized rock sampled, feet: eU_3O_8	Thickness of mineralized rock sampled, feet: Chem. U_3O_8	Percent eU_3O_8 a/	Percent U_3O_8 b/	Percent V_2O_5	Ore-bearing potential of sandstone
I-12	6114.2	192.0	192.0	168.4	88	Uppermost	6060.2	30.0	LBr-LGy	0	6079.8	1.9	0.9	0.55	0.27	1.21	Semifavorable
						"Blue Jay"	5977.8	24.4		6.8	5979.5	1.0	1.0	9.0+	0.80	3.84	Favorable
											5976.2	3.3		0.07			
I-13	6120.8	151.0	129.0	126.1	98	Uppermost	6063.2	25.9	LBr	3.1		0.0	0.0				Semifavorable
I-14	6124.3	154.0	121.0	120.5	100	Uppermost	6063.8	27.5+	LBr	0		0.0	0.0				Semifavorable
I-15	Unknown	132.0	112.0	93.3	83	Uppermost	—	31.0	LBr-LGy	0		0.6		0.05			Semifavorable
I-16	6112.2	128.0	120.8	117.1	97	Uppermost	6064.0	34.1	LBr	0		0.0	0.0				Semifavorable
I-17	6124.1	174.0	134.0	134.0	100	Uppermost	6045.1(?)	36.0	LBr	1.3		0.0	0.0				Semifavorable
I-18	6123.3	152.0	121.2	108.4	89	Uppermost	6065.1	23.2	LBr	0		0.0	0.0				Semifavorable
I-19	6150.3	194.0	132.3	132.0	100	Uppermost	6041.2	38.6	LBr-LGy	0.6		0.0	0.0				Semifavorable

a/ Logged by Geological Survey Radiometric Unit
b/ Chemical determination by J. Earl Smith, Moab, Utah
c/ Favorability criteria modified after Doris Blackman Wier, 1952, U.S.G.S. Bull. 988B

Abbreviations: SS - Sandstone
MS - Mudstone
Gn - Green
LBr - Light brown
Gy - Gray
LGy - Light gray
GyR - Grayish red

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APPENDIX II -- Summary of Stage 2 Drill Holes

Hole	Collar elevation, feet	Total depth, feet	Total cored, feet	Core recovery, feet	Core recovery, percent	Salt Wash sandstone unit or lens	Altitude of base of SS unit, feet	Thickness of SS unit, feet	Color of SS unit	Thickness of Gn MS under SS, feet	Altitude at base of mineralized zone, feet	Thickness of mineralized rock sampled, feet: $_eU_3O_8$	Thickness of mineralized rock sampled, feet: Chem. U_3O_8	Percent $_eU_3O_8$ a/	Percent U_3O_8 b/	Percent V_2O_5	Ore-bearing potential of sandstone
II-1	6119.9	144.0	121.0	113.1	93	Uppermost	6061.6	26.8	LBr-LGy	0.2	6076.4	0.8	1.1	0.04	0.02	0.46	Semifavorable
						"Blue Jay"	5976.5	21.7	LBr-Gy	0.6+	5976.5		2.4		0.68	6.45	Semifavorable
II-2	6123.9	162.3	139.3	130.5	94	Uppermost	6062.1	24.2	LGy-LBr	0		0.0	0.0				Semifavorable
II-3	6116.8	139.0	119.0	80 (?)	67(?)	Uppermost	6062.0	25.8	LBr	0		0.0	0.0				Semifavorable
II-4	6111.0	137.0	115.0	95.0	83	Uppermost	6058.8	27.2	LBr	0		0.0	0.0				Semifavorable
II-5	6109.0	134.0	113.8	105.8	93	Uppermost	6058.9	27.3	RBr-Gy	0	6078.9	0.5		0.02			Semifavorable
II-6	6095.3	116.2	113.8	99.1	87	Uppermost	6060.7	25.3	LBr	1.5		0.0	0.0				Semifavorable
II-7	6099.1	127.5	125.1	109.1	87	Uppermost	6057.9	27.6	LBr-Gy	0		0.0	0.0				Semifavorable
						"Blue Jay"	5974.1	16.5		2.5+	5978.3	1.3	2.5	0.03	0.20		Unfavorable
II-8	6096.6	114.5	112.1	98.5	88	Uppermost	6061.3	26.9	LBr	0		0.0	0.0				Semifavorable
II-9	6093.5	111.8	109.4	97.9	87	Uppermost	6058.3	30.6	LBr	0		0.0	0.0				Semifavorable
						"Blue Jay"	5982.7	15.6	LBr-LGy	1.0+	5982.7	2.1		0.02			Unfavorable
II-10	6098.4	115.5	113.1	104.5	92	Uppermost	6061.4	34.6	LBr-LGy	0		0.0	0.0				Semifavorable
II-11	6096.2	128.5	125.7	115.9	92	Uppermost	6053.7	39.7	LBr-DGy	0	6068.0	1.6		0.09			Semifavorable
						"Blue Jay"	5968.7	18.5	LBr-LGy	0.6+	5972.9	0.8	2.0	0.03	0.20		Unfavorable

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APPENDIX II -- Summary of Stage 2 Drill Holes (Continued)

Hole	Collar elevation, feet	Total depth, feet	Total cored, feet	Core recovery, feet	Core recovery, percent	Salt Wash sandstone unit or lens	Altitude of base of SS unit, feet	Thickness of SS unit, feet	Color of SS unit	Thickness of Gn MS under SS, feet	Altitude at base of mineralized zone, feet	Thickness of mineralized rock sampled, feet: eU_3O_8	Thickness of mineralized rock sampled, feet: Chem. U_3O_8	Percent eU_3O_8 a/	Percent U_3O_8 b/	Percent V_2O_5	Ore-bearing potential of sandstone
II-12	6093.7	135.2	134.1	114.1	84	Uppermost	6053.7	38.9+	LBr-LGy	0		0.0	0.0				Semifavorable
						"Blue Jay"	5959.5	26.4	LBr-LGy	1.0+	5977.6	0.8	0.8	0.04	0.06		Semifavorable
											5968.2	0.8		0.03			
II-13	6093.7	120.8	120.1	109.1	91	Uppermost	6046.6	46.4+	LBr-LGy	0		0.0	0.0				Semifavorable
II-14	6092.9	128.1	127.6	110.1	86	Uppermost	6055.9	36.5+	LBr-LGy	0		0.0	0.0				Semifavorable
						"Blue Jay"	5965.2	17.5	Gy	0	5978.0	1.5		0.03			Unfavorable
II-15	6096.1	123.1	122.0	115.1	94	Uppermost	6057.1	37.9+	LBr-LGy	0		0.0	0.0				Semifavorable
						"Blue Jay"	5974.0	18.1	Br-Gy	1.0+	5979.3	1.0	2.0	0.03	0.19		Unfavorable
II-16	6093.5	118.2	116.8	107.8	92	Uppermost	6057.3	36.2+	LBr-LGy	0		0.0	0.0				Semifavorable
						"Blue Jay"	5975.0-	27.0+	LGy-DGy		5980.5	0.9	1.2	1.30	0.77	3.88	Semifavorable
II-17	6093.5	121.6	121.2	113.0	93	Uppermost	6060.0	33.1+	LBr-LGy	0		0.0	0.0				Semifavorable
II-18	6096.3	123.0	120.6	117.7	98	Uppermost	6057.6	36.3+	LBr-DBr	0		0.0	0.0				Semifavorable
II-19	6099.0	127.6	127.6	91.9	72	Uppermost	6054.9	44.1+	LBr-DGy	0		0.0	0.0				Semifavorable
						"Blue Jay"	5972.8	22.4	LBr-LGy	0	5981.1	1.7		0.03			Semifavorable
II-20	6100.4	130.7	130.7	130.7	100	Uppermost	6054.9	45.5+	LBr	0.5		0.0	0.0				Semifavorable
						"Blue Jay"	5971.2	28.7	LBr-LGy	1.5	5971.7	2.8	4.8	0.74	0.60	2.76	Semifavorable

a/ Logged by Geological Survey Radiometric Unit
b/ Chemical determination by J. Earl Smith, Moab, Utah
c/ Favorability criteria modified after Doris Blackman Wier, 1952, U.S.G.S. Bull. 988B

Abbreviations: SS - Sandstone; MS - Mudstone; Gn - Green; Gy - Gray; LGy - Light gray; GyR - Grayish red; RBr - Reddish brown; DBr - Dark brown; DGy - Dark gray; LBr - Light brown

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APPENDIX III -- Summary of Stage 3 Drill Holes

Hole	Collar elevation, feet	Total depth, feet	Total cored, feet	Core recovery, feet	Core recovery, percent	Salt Wash sandstone unit or lens	Altitude of base of SS unit, feet	Thickness of SS unit, feet	Color of SS unit	Thickness of Gn MS under SS, feet	Altitude at base of mineralized zone, feet	Thickness of mineralized rock sampled, feet: eU_3O_8	Thickness of mineralized rock sampled, feet: Chem. U_3O_8	Percent eU_3O_8[a]	Percent U_3O_8[b]	Percent V_2O_5	Ore-bearing potential of sandstone
III-1	6095.4	119.0	82.6	82.6	100	Uppermost	6057.8	31.0	LBr	0.8		0.0	0.0				Semifavorable
III-2	6088.6	117.7	117.7	114.8	97	Uppermost	6054.0	28.4	LBr	0.9		0.0	0.0				Semifavorable
III-3	6088.0	117.3	117.3	117.3	100	Uppermost	6052.6	31.0+	LBr	2.5		0.0	0.0				Semifavorable
III-4	6154.0	189.7	188.9	184.4	97	Uppermost	6045.0	36.1	LBr	0		0.0	0.0				Semifavorable
III-5	6147.7	191.3	191.3	186.1	97	Uppermost	6043.0	36.7	LBr	0.6		0.0	0.0				Semifavorable
III-6	6153.1	197.4	195.0	190.5	98	Uppermost	6047.3	33.0	LBr	1.9		0.0	0.0				Semifavorable
III-7	6151.3	194.7	194.7	192.7	99	Uppermost	6043.1	43.2	LBr-MGy	0		0.0	0.0				Semifavorable
III-8	6113.3	133.8	132.7	132.7	100	Uppermost	6063.6	33.5	LBr	0		0.0	0.0				Semifavorable
III-9	6130.9	156.2	156.2	154.9	99	Uppermost	6059.1	36.8	LBr-GnBr	1.2		0.0	0.0				Semifavorable
III-10	6145.4	202.1	202.1	196.4	97	Uppermost	6031.7	46.2	LBr	0		0.0	0.0				Semifavorable
						"Blue Jay"	5943.3	24.9+	LBr-GnGy		5949.1		2.8		.33	1.51	Semifavorable
III-11	6133.5	192.2	192.2	177.0	92	Uppermost	6040.9	33.2	LBr	1.3		0.0	0.0				Semifavorable
III-12	6128.5	182.7	181.9	175.0	96	Uppermost	6036.5	38.0	LBr	0		0.0	0.0				Semifavorable
III-13	6174.5	224.0	222.0	204.4	93	Uppermost	6045.1	35.4	LBr-LGy	0	6066.8	0.7	0.9	0.43	.13	2.31	Semifavorable
						Uppermost	5951.5	25.3	LBr-LGy	0.7	5953.1	0.7		0.07			Semifavorable
III-14	6176.6	219.0	219.0	215.2	98	Uppermost	6047.1	33.7	LBr-DGy	3.0	6038.2[d]	0.8	1.5	0.02	.02	1.18	Semifavorable

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APPENDIX III -- Summary of Stage 3 Drill Holes (Continued)

Hole	Collar elevation, feet	Total depth, feet	Total cored, feet	Core recovery, feet	Core recovery, percent	Salt Wash sandstone unit or lens	Altitude of base of SS unit, feet	Thickness of SS unit, feet	Color of SS unit	Thickness of Gn MS under SS, feet	Altitude at base of mineralized zone, feet	Thickness of mineralized rock sampled, feet: $_eU_3O_8$	Thickness of mineralized rock sampled, feet: Chem. U_3O_8	Percent $_eU_3O_8$ a/	Percent U_3O_8 b/	Percent V_2O_5	Ore-bearing potential of sandstone
III-15	6139.5	193.5	191.5	175.3	91	Uppermost	6038.1	35.3	LBr-MGy	0.4		0.0	0.0				Semifavorable
III-16 e/	6132.8	184.0	184.0	163.8	89	Uppermost	6027.7	44.7	"White" e/			0.0	0.0				Semifavorable
III-17 e/	6158.2	251.8	251.8	197.3	78	Uppermost	6053.1	11.1	"White" e/			0.0	0.0				Unfavorable
III-18 e/	6130.7	179.6	179.6	158.6	88	Uppermost	6036.4	41.5	"White" e/			0.0	0.0				Semifavorable
III-19 e/	6120.3	171.6	171.6	156.8	91	Uppermost	6035.7	40.2	"White" e/			0.0	0.0				Semifavorable
III-20 e/	6150.2	203.5	203.5	193.0	95	Uppermost	6010.4	63.2(?)	Wh-LBr e/		6042.4	1.5		0.02			Semifavorable

a/ Logged by Geological Survey Radiometric Unit
b/ Chemical determination by J. Earl Smith, Moab, Utah
c/ Favorability criteria modified after Doris Blackman Wier, 1952, U.S.G.S. Bull. 988B
d/ Below "third" sandstone
e/ Data from operator's monthly report

Abbreviations:
- SS - Sandstone
- MS - Mudstone
- LBr - Light brown
- MGy - Medium gray
- Gn - Green
- GnBr - Greenish brown
- GnGy - Greenish gray
- LGy - Light gray
- DGy - Dark gray

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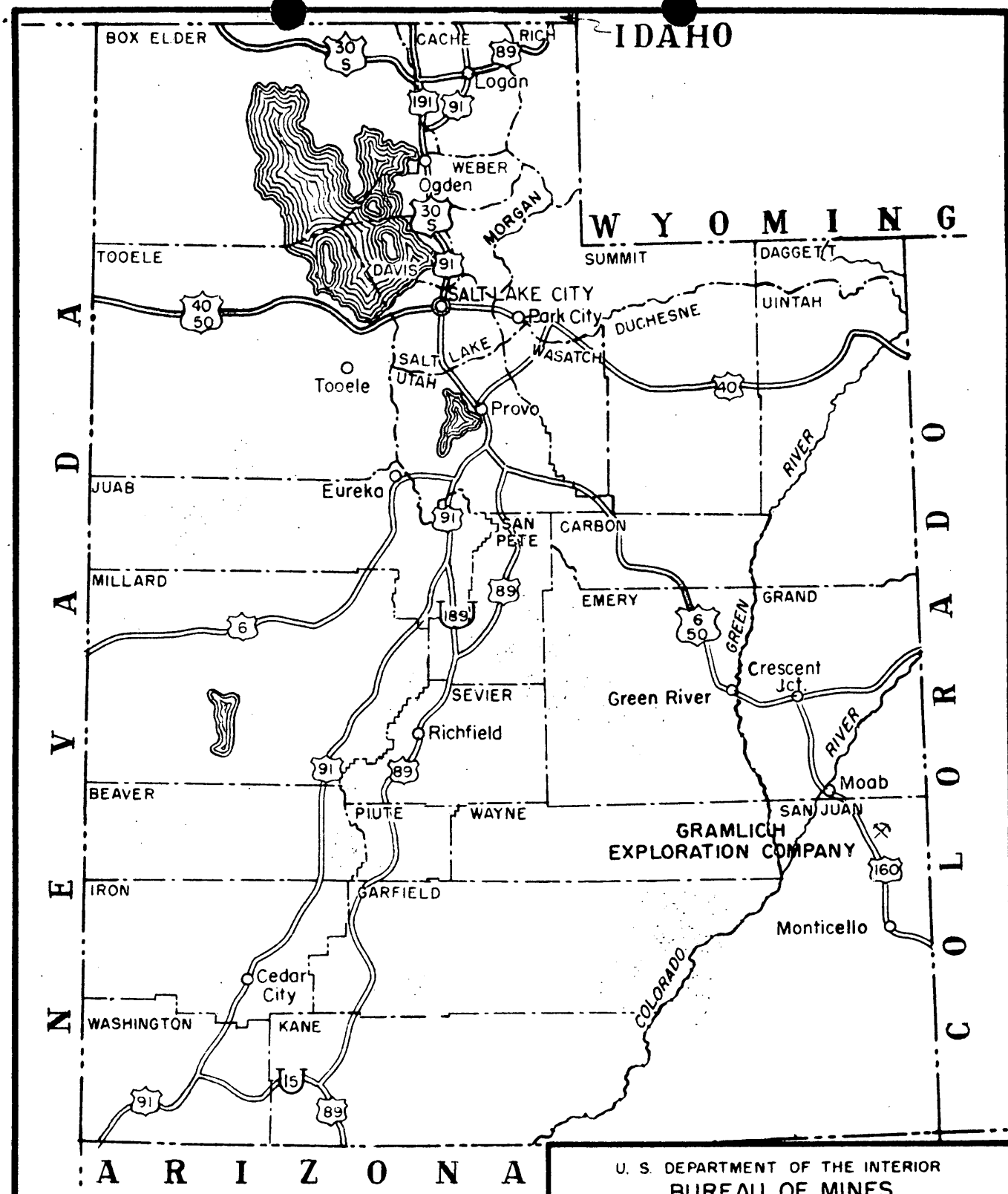


U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Fig. 1 DMEA Docket No. 2771

Location Map

GRAMLICH EXPLORATION COMPANY

SAN JUAN COUNTY, UTAH

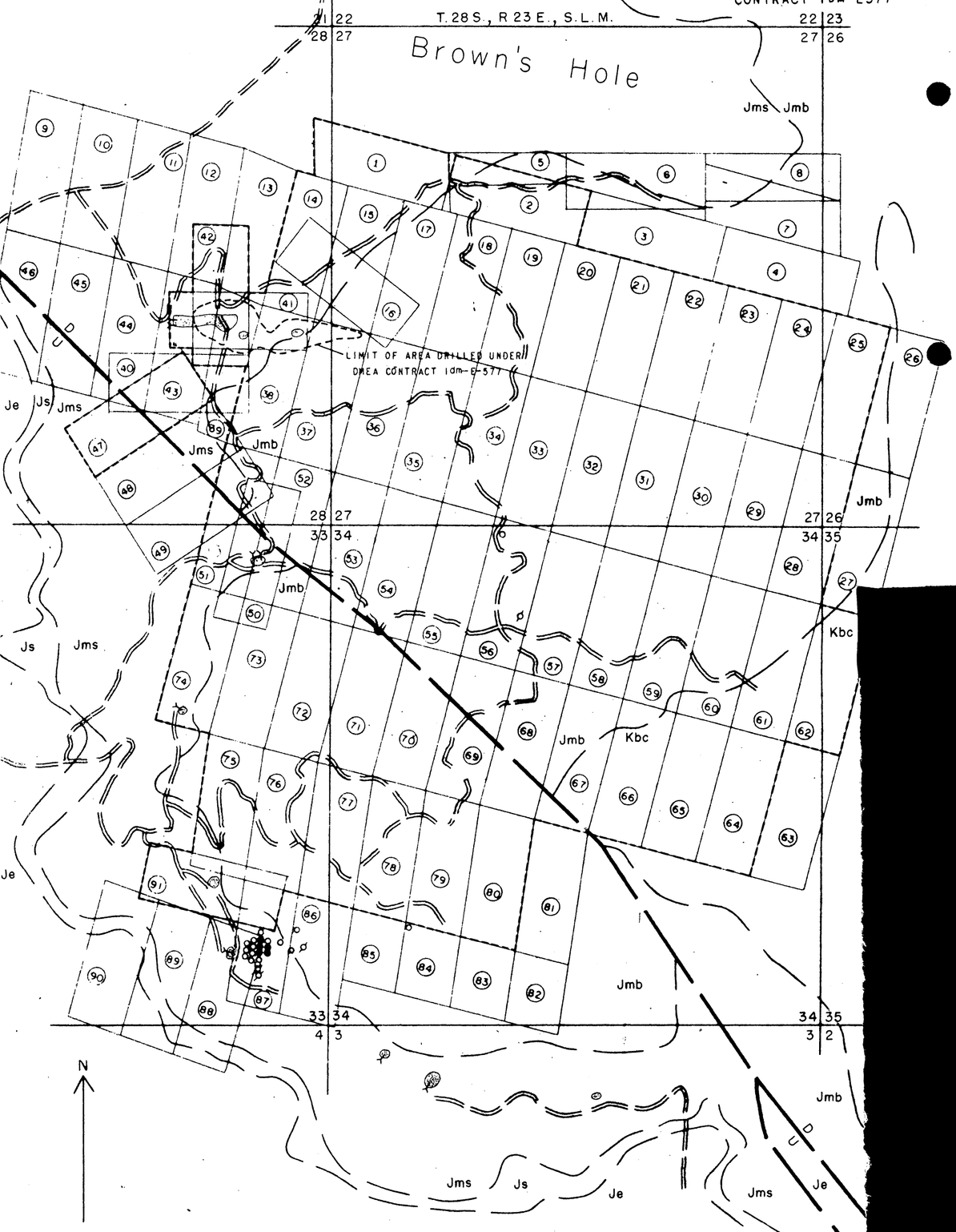
ENGINEER: P. V. FILLO	DATE: FEB. 15, 1957
TRACED: FEB., 1957, A.P.T.S.	1900 429 - G
CHECKED:	

OFFICIAL FILE COPY
D M E A
RECEIVED MAR 11 1957

DATE	INITIALS	CODE

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
NOVEMBER 1956
DOCKET 2771
CONTRACT IDM-E577



C L A I M I N D E X

1	BLUE GOOSE NO. 1	19	RED ROCK NO. 5	37	MARY JO NO. 2	55	GOLDEN WEST NO. 4	73	CANARY NO. 1
2	BLUE GOOSE NO. 2	20	RED ROCK NO. 6	38	MARY JO NO. 1	56	GOLDEN WEST NO. 5	74	CANARY
*3	BLUE GOOSE NO. 3	21	RED ROCK NO. 7	*39	BLUE JAY FRACTION	57	GOLDEN WEST NO. 6	75	SAN JUAN NO. 1
*4	BLUE GOOSE NO. 4	22	RED ROCK NO. 8	*40	OLD TREE	58	GOLDEN WEST NO. 7	76	SAN JUAN NO. 2
*5	BLUE GOOSE NO. 5 FRACTION	23	RED ROCK NO. 9	41	BLUE JAY	59	GOLDEN WEST NO. 8	77	SAN JUAN NO. 3
*6	BLUE GOOSE NO. 6 FRACTION	24	RED ROCK NO. 10	42	BLUEBIRD	60	GOLDEN WEST NO. 9	78	SAN JUAN NO. 4
*7	BLUE GOOSE NO. 7	25	RED ROCK NO. 11	43	(UNNAMED ON OPERATORS MAP)	61	GOLDEN WEST NO. 10	79	SAN JUAN NO. 5
*8	BLUE GOOSE NO. 7 FRACTION	*26	RED ROCK NO. 12	*44	DUGOUT	62	GOLDEN WEST NO. 11	80	SAN JUAN NO. 6
*9	DONNA M	*27	MARY JO NO. 12	*45	DUGOUT NO. 1	*63	CANARY NO. 11	*81	GRAND VIEW NO. 7
*10	SHIRLEY J NO. 1	28	MARY JO NO. 11	*46	ROSE	64	CANARY NO. 10	*82	GRAND VIEW NO. 6
*11	SHIRLEY J	29	MARY JO NO. 10	47	SUNSET (RELOCATED)	65	CANARY NO. 9	*83	GRAND VIEW NO. 5
*12	DONNA M NO. 1	30	MARY JO NO. 9	*48	SUNSET NO. 1	66	CANARY NO. 8	*84	GRAND VIEW NO. 4
*13	RED ROCK NO. 1 FRACTION	31	MARY JO NO. 8	*49	SUNSET NO. 2	67	CANARY NO. 7	*85	GRAND VIEW NO. 3
14	RED ROCK NO. 1	32	MARY JO NO. 7	50	PINE TREE	68	CANARY NO. 6	*86	GRAND VIEW NO. 2
15	RED ROCK NO. 2	33	MARY JO NO. 6	51	GOLDEN WEST	69	CANARY NO. 5	*87	GRAND VIEW NO. 1
16	REDBIRD	34	MARY JO NO. 5	52	GOLDEN WEST NO. 1	70	CANARY NO. 4	*88	SAN JUAN
17	RED ROCK NO. 3	35	MARY JO NO. 4	53	GOLDEN WEST NO. 2	71	CANARY NO. 3	*89	ROSEBUD
18	RED ROCK NO. 4	36	MARY JO NO. 3	54	GOLDEN WEST NO. 3	72	CANARY NO. 2	*90	ROSEBUD NO. 1
								*91	SUNNYSIDE

* NOT SUBORDINATED UNDER DMEA CONTRACT

E X P L A N A T I O N

- Kbc — CRETACEOUS BURRO CANYON
- Jmb — JURASSIC MORRISON FORMATION; BRUSHY BASIN MEMBER, Jmb;
- Jms — SALT WASH MEMBER, Jms
- Js — JURASSIC SUMMERVILLE FORMATION
- Je — JURASSIC ENTRADA SANDSTONE
- GEOLOGIC CONTACT, APPROXIMATELY LOCATED
- D/U — LISBON VALLEY FAULT, APPROXIMATELY LOCATED; D, DOWNTHROWN SIDE; U, UPTHROWN SIDE
- MINERALIZED GROUND DELINIATED BY CLOSE SPACED DRILLING
- ADIT
- DRILL HOLES, (INDIVIDUAL DMEA HOLES ON BLUE JAY AND ADJACENT CLAIMS NOT SHOWN)
- ● ORE BEARING
- ø MINERALIZED
- ○ BARREN
- ---- BOUNDARY OF GROUND SUBORDINATED UNDER DMEA CONTRACT

Note: GEOLOGY AND CLAIM BOUNDARIES FROM MAP PREPARED BY GEORGE H. NEWELL, REGISTERED SURVEYOR

1000 0 5000 FEET

FIGURE 2.—CLAIM MAP OF GRAMLICH EXPLORATION COMPANY LEASE, SHOWING SUBORDINATED MINING CLAIMS, GENERAL GEOLOGY, MINERALIZED GROUND, AND DRILL HOLES, BROWN'S HOLE AREA, SAN JUAN COUNTY, UTAH.

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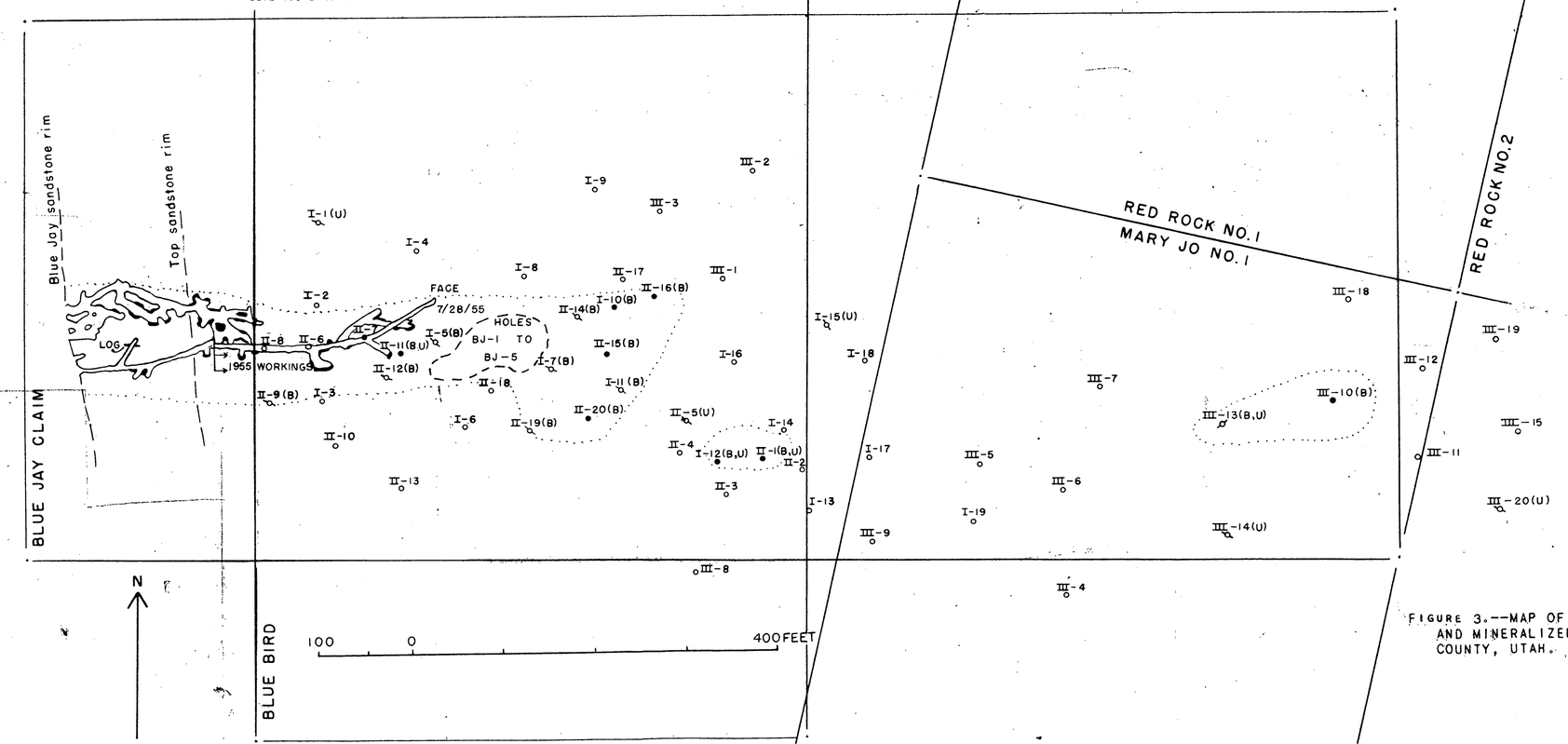
RECEIVED MAR 11 1957

DATE	INITIALS	CODE

Fig 3

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
NOVEMBER 1956 CONTRACT IDM-E577 DOCKET 2771



EXPLANATION

DRILL HOLES (ROMAN NUMERALS INDICATE STAGE UNDER DMEA CONTRACT IDM-E577. B, "BLUE JAY" SANDSTONE MINERALIZED; U, UPPERMOST SANDSTONE MINERALIZED)

III-1(B,U) ● ORE BEARING

III-20(U) ○ WEAKLY MINERALIZED

III-18 ○ BARREN

OUTLINE OF MINERALIZED "BLUE JAY" SANDSTONE, CONTAINING INDICATED AND INFERRED ORE

OUTLINE OF MINE WORKINGS SHOWING WALLS EXPOSING ORE GRADE MATERIAL (AFTER MAPS BY G.W. WEIR AND H.R. HART)

NOTE: BASE MODIFIED FROM MAP SUBMITTED BY OPERATOR

FIGURE 3.--MAP OF BLUE JAY AND ADJACENT CLAIMS, SHOWING MINE WORKINGS, DMEA DRILL HOLES, AND MINERALIZED GROUND, BROWN'S HOLE LEASE, GRAMLICH EXPLORATION COMPANY, SAN JUAN COUNTY, UTAH.

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RECEIVED MAR 11 1957
DATE | INITIALS | CODE

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 4 1957

DATE	INITIALS	CODE
3-7	C	220

224 New Customhouse
Denver 2, Colorado

February 25, 1957

Memorandum

To: S. R. Wilson

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

Subject: Semiannual Report Period 7/1/56 - 12/31/56. Docket DMEA 2771 (Uranium), Contract Idm-E577, Gramlich Exploration Company (Brown's Hole Area), San Juan County, Utah

Enclosed is a copy of the Chairman's letter dated February 18, 1957 which is self explanatory.

Undoubtedly your engineer was misguided by the data contained in the listing of uranium projects enclosed with our memorandum dated January 18, 1957 pertaining to the general subject of semiannual reports of certified projects.

The figures noted in this list are in error and should be corrected as follows:

Total amount of Bonus Paid to Operator to Date	$7,815.39
Bonus Royalty Paid	426.82
Bonus Royalty Due	none

The last item may perhaps be more clearly understood as Balance of Bonus Royalty Due. The word "none" is used so as to be consistent with the notation following the item Amount of Royalty Due found on page 1 of the subject report.

Four copies of this memorandum are being forwarded to the Chairman for filing as a supplement to the original report.

We suggest that you hold all semiannual reports on uranium projects until advised otherwise by this office.

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

Enclosure
MHM/vj
cc: Semiannual Report File E577
Correspondence File E577
Chair. Opr. Comm. (4)
Harshman) w/cy Chair. ltr dtd 2/18/57
Hesler)
Marshall
Chase

DMEA Form 7
(12-56)

700

2771

OFFICIAL FILE COPY

Date	Surname	Code
2/18	Ching	700
"	File	700
2/18	Selfridge	130
"	Johnson	110
"	Whitehead	100
		220

FEB 18 1957

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

Re: Semiannual Reports of
Certified Projects

Dear Mr. Traver:

Please refer to the latest semiannual reports on Docket DMEA-2771, Gramlich Exploration Company, Docket DMEA-1951, Ellihill Mining Company, and Docket DMEA-3003, Ol Jato Uranium Company, forwarded with your memoranda, dated February 11, 1957.

Under "Initial Production Bonus," on page 2 of each report, there appears to be a misinterpretation of the meaning of the last two items: Bonus Royalty Paid and Bonus Royalty Due. The engineer has interpreted these items as applying to the initial bonus itself and not the royalty therefrom.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JB)

APPROVED:

Frank D. Lamb
Member, Bureau of Mines (JB)

Thor H. Kiilsgaard
Member, Geological Survey (JB)

MChing/gla
2-18-57
cc to: Admr.'s Reading File
Operating Committee
DMEA-2771,
~~DMEA-1951~~ 1957
DMEA-3003
THKiilsgaard, Rm. 5224
Code 700 - 3 files
Mr. Ching

8623

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

224 New Customhouse
Denver 2, Colorado

November 29, 1956

Mr. J. W. Gramlich, Sr., President
Gramlich Exploration Company
Moab, Utah

Re: Docket DMEA 2771 (Uranium), Contract Idm-E577,
Gramlich Exploration Company (Brown's Hole Area)
San Juan County, Utah

Dear Mr. Gramlich:

The results of Report of Royalty Review covering the subject contract for the period April 12, 1954 to November 15, 1956, discloses that there is an overpayment of $86.58. Our records further indicate, however, that there is a balance of $15.72 due as royalty on AEC production bonus payment for shipment of ore covered by VCA settlement sheet, Lot No. 72483, which results in a net overpayment of $70.86.

Accordingly, this is to inform you that the amount of $70.86 is being credited to your royalty account.

Yours very truly,

Original signed by
W. M. TRAVER

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

MHM/vj

cc: Royalty File E577
Corres. File E577
Sec. Opr. Comm. (2)
W. R. Wilson
Finance Office, Reg. III
Marshall
Chron.

Talbert

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

NOV 26 1956

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

Re: Report of Royalty Review
Cremlich Exploration Company
Idm-E577, DMEA-2771

Dear Mr. Finch:

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

The Report is acceptable and normal distribution is authorized.

Sincerely yours,

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

WBorovies/wb
November 26, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.S.F.

11/26/56

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

224 New Customhouse
Denver 2, Colorado

November 19, 1956

Memorandum

To: J. W. Hasler

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2771 (Uranium), Contract Idm-E577, Gramlich Exploration Company (Brown's Hole Area), San Juan County, Utah

A review of the contract file discloses the following claims listed on Annex I, II and III of Amendment No. 3 to the exploration contract are not shown on the available maps of the claims subordinated thereto:

Golden West 11
Red Bird
Blue Bird
Big Chief

In order that the contract file may be completed, you are requested to prepare and submit 12 copies of a complete map of the 60 claims listed on Annex I, II and III.

We note that the map prepared by your office and part of Amendment No. 1 indicates that the bulk of the claims are aligned parallel to the side lines of adjacent sections. The same claims are canted in Figure-2 "Claim Map of Gramlich Exploration Company Lease", included in Interim Geologic Report forwarded to this office by your memorandum of April 6, 1956.

It is desirable that a complete claim map also be included with the forthcoming final report.

Original signed by
W. M. TRAVER

W. M. Traver

MHM/vj
cc: Royalty File E577
Corres. File E577
Sec. Opr. Comm. (2)
S. R. Wilson
E. N. Harshman
J. W. Townsend
Marshall
Chron.

11-[illegible]-56

RECEIVED
NOV 13 1956
D.M.E.A.

U. S. DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

224 New Customhouse
Denver 2, Colorado

Date: November 8, 1956

Memorandum

To: Chairman, Operating Committee, DMEA
From: Executive Officer, DMEA Field Team, Region III
Subject: Royalty payments, Docket DMEA 2771 (Uranium), Contract Idm-E577, Gramlich Exploration Company (Brown's Hole Lease), San Juan County, Utah
Period: October, 1956

Enclosed are settlement sheets for which royalty payments were received for ore or concentrates shipped from the subject property during the above month:

Date	Lot No.	Dry Tons	Royalty Due	Royalty Paid	Bonus Roy. Due	Bonus Roy. Pd.

Enclosed is settlement sheet for production 8/28 - 9/15/56, Lot No. 72483. Check in the amount of $26.68 was transmitted to Fiscal Department in September, 1956.

Totals:

Past Due Royalties Collected None

Total Dry Tons (Ore or Cons.) Shipped to Date

W. M. Traver

W. M. Traver

vj
cc: Royalty File E577 w/settlement sheets
Monthly Royalty Payment File
S. R. Wilson w/settlement sheet
Chron.

SHEET NO. 1 LICENSE NO. P-116

SETTLEMENT SHEET

DATE 8-23/9-13-56, 195

SHIPPED BY J. W. Crowlien, Sr.

MINE OWNER W. L. Bailey

ADDRESS Moab, Utah

NAME OF MINE OR LEASE [illegible]

LEASED TO

LEASED FROM

ADDRESS

ADDRESS

TYPE OF ORE [illegible]

Lot No.	Gross Wt.	% H_2O	Net Weight	% $CaCo_3$	% V_2O_5	Lbs. V_2O_5	Per Lb. V_2O_5	Value V_2O_5	% U_3O_8	Lbs. U_3O_8	Per Lb. U_3O_8	Value U_3O_8	Devel. Allow.	Value Total	Accts. Rec.	Balance	Lbs. $CaCo_3$
72483	22260	1.6	21904	6.1	2.06	451			.41	89.81							
	22260	1.6	21904	6.1	2.06	451	.31	139.81.41		87.41	3.50	314.34	44.91				
	From 10.9520 tons x 4 lbs = 87.41-43.81									45.60	.75	34.20					
												348.84		50.56			

CHECK NO. $

CHECK NO. 8045 9-13-56 $ 433.5[illegible] For J. W. Crowlien, Box 435, Moab, Utah

CHECK NO. 8046 $ 7[illegible].30 For W. L. Bailey, Moab, Utah (35% F & S)

CHECK NO. 8047 $ 26.68 For Dawson Minerals Exploration Administration, 224 New Customs Bldg., Denver, Colorado (5% F.U & Dev.)

CHECK NO. $

CHECK NO. $

I hereby certify that the ore described above and sold is from the _____ Mine, and that I have authority from its owner to remove and sell the same, that said ore is not encumbered by any liens or attachments and receipt of payment in full is hereby acknowledged.

Vendor

By

E577

RECEIVED
OCT 19 1956

224 New Customhouse
Denver 2, Colorado

October 15, 1956

Mr. J. W. Gramlich, Sr.
Gramlich Exploration Company
Moab, Utah

Re: Docket DMEA 2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company
Brown's Hole Area
San Juan County, Utah

Dear Mr. Gramlich:

Reference is made to the Administrative Audit Difference Statement dated July 14, 1955, whereby you were informed that an amount of $500.00 was withheld from the March-June, 1955 monthly report and voucher pending additional work or receipt of your Final Report. The Final Report has been received in this office.

During the review of contract expenditures by the Contract Administration and Audit Division, DMEA, it was determined that the maximum allowable drill footage for Stage I was exceeded by five feet. Final payment to you is now being processed by this office, from which the Government's share of the cost for five feet of drilling at the Fixed Unit Cost of $3.89 per foot will be deducted.

Very truly yours,

J. W. Townsend

J. W. Townsend
Acting Executive Officer,
DMEA Field Team, Region III

JDC:jy
cc: Corresp. E577
Sec. Op. Comm. (2)
Harshman
Wilson
Townsend
Chron.

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

RECEIVED
OCT 1 5 1956
RECEIVED
OCT 1 5 1956

224 New Customhouse
Denver 2, Colorado

October 11, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 2771 (Uranium), Contract No. Idm-E577, Gramlich Exploration Company (Brown's Hole Area), San Juan County, Utah.

Enclosed are the original and one copy of the final engineering and geologic report submitted by the Operator pertaining to work completed under the subject contract.

E. N. Harshman

E. N. Harshman

Enclosures

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

RECEIVED
OCT 1956

224 New Customhouse
Denver 2, Colorado

October 11, 1956

Mr. John W. Gramlich, Sr.
Gramlich Exploration Company
Moab, Utah

Re: Docket No. DMEA 2771 (Uranium)
Contract No. Idm-E577
Gramlich Exploration Company
(Brown's Hole Area)
San Juan County, Utah

Dear Mr. Gramlich:

Reference is made to your letter of October 9, 1956 whereby you forwarded the original and four copies of your final engineering and geologic report and requested reinstatement of costs of drilling Hole III-17, which were disallowed in processing form MF-104 for the period March through June, 1955.

A review of the matter indicates that Hole III-17 was drilled some 300 feet east of the approved location and some 200 feet east of the most easterly hole approved for drilling by the Field Team's letter of April 22, 1955.

Under the circumstances, it is deemed that Hole III-17 was not drilled within the provisions of the Contract. Therefore, your request for reinstatement of the drilling costs previously disallowed by this office is denied.

Upon receipt of your final engineering and geologic report today, we initiated action to effect final payment to you of the amount withheld in processing form MF-104, "Operator's Monthly Report and Voucher," for the period March through June, 1955, and you should receive the Government's check within the next few days.

Very truly yours,

E. N. Harshman

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

JWT:prl
cc: Chairman, Op.Comm. (2)
Harshman
Wilson
Hasler
Townsend
Corres. file
Chron.

w/copy of Operator's letter of Oct. 9, 1956

Grand Junction, Colorado
October 9, 1956

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

Re: Docket DMEA - Contract Idm-E577

Dear Mr. Traver:

Enclosed is a letter from Mr. Ernest E. Burgh of Grand Junction stating he forwarded copies of a final report on the above DMEA contract. You will note this material was forwarded September 18, 1956, but to date, I have not received same. I have, therefore, requested Mr. Burgh to supply additional copies which I have now received and am forwarding same to you.

Reference is made to Administrative Audit Difference Statement, dated July 4, 1955, wherein $979.50 was disallowed inasmuch as Hole No. III-17 allegedly did not come within the contract terms. We should like for you to reconsider payment for this hole for the following reason:

> This hole was drilled under the authorization shown by a map attached to your letter of April 22, 1955 signed by W. M. Traver and E. N. Harshman. The decision to drill III-17 was based on the general E-W trend of ore as shown by previous stages. It was planned to drill south and west of III-16 no more or less than 100 feet distant. However, the rough terrain and existence of several large and cherty boulders made the location of III-17 some 200 feet west of III-16 the most advantageous from drill site preparation cost standpoint.

I am sorry for the inconvenience any delays on my part have caused and I sincerely hope that this DMEA contract can now be finalized.

Very truly yours,

J. W. Gramlich Sr.

John W. Gramlich, Sr.
Gramlich Exploration Company

jwg/lc

Enc.

BUREAU
DEPARTMENT OF THE INTERIOR
OCT 1
DENVER, COLORADO

FINAL ENGINEERING AND GEOLOGIC REPORT

BLUE JAY CLAIM GROUP

BROWN'S HOLE

SAN JUAN COUNTY, UTAH

September, 1956

Submitted by: Ernest E. Burgh
Mining Engineer

OPP'S FINAL REPORT

INTRODUCTION

This report is prepared at the request of John W. Gramlich, Sr., President of Gramlich Exploration Company, Moab, Utah. This is a final engineering and geologic report on claims leased by Gramlich Exploration Company and upon which a DMEA exploration contract has been recently completed.

The unpatented claims covered by this report include the following as recorded in the office of the County Clerk and Recorder of San Juan County, Utah:

Claim Name	Book No.	Page No.
Red Rocks 1	R-2	595
Red Rocks 2	R-2	595
Mary Jo 1	R-2	599
Red Bird	R-1	467
Blue Bird	R-1	466
Blue Jay	R	416

GENERAL

The general claim location is shown in figure 1. The specific location is Section 28, Township 28 South, Range 23 East in San Juan County, Utah. This area is known as the Brown's Hole and is about 2 miles east by gravel road from paved Highway 160 This intersection with Hiway 160 is 23 miles south of Moab, Utah and 38 miles north of Monticello, Utah, both of which have ore purchasing mills. Haulage roads are thus all-weather roads permitting all year operation.

Water for both domestic and drilling purposes is available nearby. Adequate labor and mining supplies are available from either Monticello or Moab.

GEOLOGY

Geology of the Brown's Hole area is typical of the Colorado Plateau and is a rugged highland ranging from 5,000 to 6,000 feet. Surface formations include the Dakota formation and the Brushy Basin and Salt Wash members of the Morrison formation, Summerville, Entrada and Carmel. The LaSal Mountains are to the northeast. The Big Indian Fault is only a few hundred feet to the southwest of the claim group.

The Salt Wash member of the Morrison formation is the chief product of ore on the Colorado Plateau. Principal producer in the Brown's Hole area is the sandstone rim below the top rim with ore principally of the higher grade roll and tree types in mineralized zones. Ores consist of carnotite and uraninite with vanadium.

Exploration and development in the area has been scant and has been primarily limited to rim exposures. Considerable exploration has been conducted to the east, namely, in the Rattlesnake Mine area. Success of this exploration has tended to increase emphasis on the Brown's Hole area.

PRODUCTION

As shown in figure 2, the Blue Jay Mine on the Blue Jay Claims has drifted in some 400 feet from a rim exposure. Initial production probably started during World War I and has continued

intermittently to the present. Early production records are not available, but Table 1 is a record of shipments in 1953, 1954, and 1955.

EXPLORATION and RESERVES

In June, 1954, a Defense Minerals Exploration Loan Contract was executed with Gramlich Exploration Company. A total of 59 core holes was drilled on the Blue Jay and Mary Jo Claims. These 59 holes were drilled in three stages at a total cost of $34,809.55 on the basis of 90% participation by the government. This loan is to be repaid at a 5% royalty on ores as provided in the contract. In addition to the DMEA holes, 5 holes were drilled by Mr. Gramlich.

Three mine samples as taken in the mine workings are included in exploration data. All data are summarized in Tables 2 and 3 and locations are shown in figure 2.

TABLE 1

Production record from August, 1953 to August 1955

Blue Jay Mine

Date	Tons Shipped	% U_3O_8	%V_2O_5	%$CaCO_3$
8/25/53	19.7	0.29	1.38	17.7
9/28/53	27.5	0.32	1.38	13.5
10/28/53	27.6	0.57	1.54	-
11/19/53	17.3	0.37	1.40	8.5
12/14/53	56.0	0.27	1.79	13.7
2/16/54	9.4	0.33	1.05	10.8
3/18/54	9.3	1.08	2.11	10.0
4/19/54	15.7	0.41	1.33	9.3
5/18/54	1.0	24.15	14.53	3.5
5/19/54	19.0	0.40	1.84	10.6
6/17/54	9.5	0.26	1.17	11.0
12/15/54	7.6	0.30	1.20	7.9
1/13/55	14.1	0.28	1.30	8.7
1/15/55	37.4	0.20	0.79	13.3

TABLE 1
(Continued)

Date	Tons Shipped	% U_3O_8	% V_2O_5	%$CaCO_3$
3/8/55	29.4	0.36	1.90	7.9
4/15/55	21.9	0.32	2.09	5.2
5/23/55	1.2	20.38	15.15	3.3
7/15/55	9.3	0.45	2.39	5.1
8/27/55	23.9	0.45	2.10	6.8
Total	358.8			
Weighted Average		0.49	1.50	10,9

TABLE 2
Summary of DMEA Core Drill Hole Logs

Hole No.	Depth to ore	Ore Thickness	%U_3O_8	%V_2O_5
Phase I				
1			barren	
2			ø	
3			barren	
4			ø 1/	
5			ø	
6 - 9			barren	
10	111.4	1.2	0.18	1.03
11			barren	
12	133.5	1.0	0.81	3.84
13			ø	
14			ø	
15			ø	
16			barren	
17			ø	
18			ø	
19			barren	
Phase II				
1	143.4	2.4	0.68	6.45
2 - 4			barren	
5			ø 1/	
6			ø	
7	120.5	2.5	0.20	-
8			barren	
9			ø	
10			ø	

TABLE 2
(Continued)

Hole No.	Depth to ore	Ore Thickness	$\%U_3O_8$	$\%V_2O_5$
11	124.0	1.6	0.21	-
12			ø	
13			barren	
14			ø	
15	119.4	2.0	0.19	-
16	113.8	1.2	0.76	3.88
17-18			barren	
19			ø 1/	
20	125.0	1.0	0.68	2.76
	128.8	3.8	0.58	-
Phase III				
1 - 6			barren	
7			ø	
8 - 9			barren	
10	196.3	2.8	0.33	1.51
11-12			barren	
13	Main rim		ø	
	Top rim	1.6	0.12	2.31
14			ø	
15			ø 1/	
16-18			barren	
19			ø 1/	
20			ø 1/	

1/ Top Rim

TABLE 3
Radiometric data on Gramlich Holes
as supplied by J. W. Gramlich

Hole No.	Depth to Ore	Ore Thickness	$\%\ eU_3O_8$
BJ-1			ø
BJ-2	125.1	1.9	0.50
BJ-3			ø
BJ-4	115.1	2.5	0.45
BJ-5	118.2	4.3	0.50

TABLE 4
Mine Sample Assay Data
as supplied by H. C. Anderson

Sample	$\%U_3O_8$	$\%\ V_2O_5$	Remarks
G-1	0.50	2.48	20" chip sample
G-2	2.02	5.10	12" cut across junction of two seams
G-3	7.63	6.13	12" cut opposite G-2

Above samples cut from favorable spots in mine and are not representative. However, they show possible development of minable tonages.

Of the 59 DMEA holes and 5 Gramlich holes, 13 were in ore, and 23 were mineralized. An east-west ore trend was indicated and several ore bodies delineated.

Reserve calculations are based on the following classifications and definitions:

Indicated - Indicated ore is ore for which tonnage and grade can be computed from specific sample and production data and from projections for a reasonable distance on geologic data and experience. The estimate should not vary more than 10% from the quantity eventually realized.

Inferred - Inferred ore is calculated from limited exposures on an assumed continuity based on geologic data. The estimate should not vary more than 20% from the quantity eventually realized.

Potential - Potential is ore not discovered in areas containing known deposits. Projections are based on geologic data. The estimate should not vary more than 50% of the quantity eventually realized.

The reserve calculations are based on chemical assays for the DMEA and mine sample data and on radiometric probe data for the Gramlich holes. Where V_2O_5 was not assayed, an average of 1.5% V_2O_5, based on production data, is assumed. The method of arithmetic average area of influence rather than polyganal area of influence was used.

BLOCK A (Figure 2)

Hole No.	Thickness	$\%U_3O_8$	$\% V_2O_5$
I 10	1.2	0.18	1.03
II 15	2.0	0.19	1.50
II 16	1.2	0.76	3.88
II 20	4.8	0.61	1.50
Weighted Average	2.3	0.48	1.75

Area Indicated Ore - 6,700 sq. ft.

At 2.3 ft., tonnage is $\frac{6700 \quad (2.3)}{13.5}$ = 1150 tons

Area Inferred Ore - 2,500 square feet

At 2.3 ft., tonnage is $\frac{2500 \quad (2.3)}{13.5}$ = 425 tons

BLOCK B (Figure 2)

Hole No.	Thickness	$\%U_3O_8$	$\%V_2O_5$
I 12	1.0	0.81	3.84
II 1	2.4	0.68	6.45
Weighted Average	1.7	0.72	5.70

Area Indicated Ore - 4200 square feet

At 1.7 feet, tonnage is $\frac{4200 \quad (1.7)}{13.5}$ = 525 tons

BLOCK C (Figure 2)

Hole No.	Thickness	$\%U_3O_8$	$\%V_2O_5$
II 11	1.6	0.21	1.50
Sample 2	1.6	1.00	3.00 1/
Sample 3	1.6	1.00	3.00 2/
Weighted Average	1.6	0.73	2.50

Area Indicated Ore - 1130 square feet

At 1.6 feet, tonnage is $\frac{1130 \quad (1.6)}{13.5}$ = 135 tons

1/ Actual sample value, 2.07 U_3O_8, 5.10 V_2O_5

2/ Actual sample value, 7.63 U_3O_8, 6.13 V_2O_5

BLOCK D (Figure 2)

Sample No.	Thickness	$\%U_3O_8$	$\%V_2O_5$
1	1.7	0.50	2.48

Area Indicated Ore - 800 square feet

At 1.7 feet, tonnage is $\frac{800 \quad (1.7)}{13.5}$ = 100 tons

BLOCK E (Figure 2)

Hole No.	Thickness	U_3O_8	V_2O_5
III 10	2.8	0.33	1.51

Area Indicated Ore - 1960 square feet

At 2.8 feet, tonnage is $\frac{1960}{13.5}(2.8) = 400$ tons

BLOCK F (Figure 2)

Hole No.	Thickness	eU_3O_8	V_2O_5
BJ-2	1.9	0.50	1.50
BJ-4	2.5	0.45	1.50
BJ-5	4.3	0.50	1.50
Weighted Average	2.9	0.49	1.50

Area Indicated Ore - 4500 square feet

At 2.9 feet, tonnage is $\frac{4500}{13.5}(2.9) = 950$ tons

1/ These are "probe" data

2/ Based on average V_2O_5 from production record

TOTAL RESERVES

Indicated		Grade	
Block	Tons	U_3O_8	V_2O_5
A	1,150	0.48	1.75
B	525	0.72	5.70
C	135	0.73	2.50
D	100	0.50	2.48
E	400	0.33	1.51
F	950	0.49	1.50
Total	3,260		
Weighted Average		0.51	2.34
Inferred			
A	425	0.48	1.75
Grand Total	3,685		

VALUE :[1/]

Indicated	3,260 tons	at $59.96	$195,000
Inferred	425 "	" $53.45	22,500
Total	3,685 tons		$217,500

1/ Does not include bonus or transportation allowance. A lime penalty may also be imposed as the lime content is 10 percent.

POTENTIAL RESERVES

No estimate of potential reserve is made for this report primarily because such estimates must be based on projections of geologic data and interpretations of these data can vary widely. Generally, potential can be expected to be about double calculated reserves.

CONCLUSIONS

On the basis of a DMEA drill program, underground workings and private drilling, a reserve of over 3,500 tons is indicated on the Blue Jay Claim of the Blue Jay Claim Group in Brown's Hole. This tonnage represents a gross valuation of about $217,500. An east-west ore trend was established and mineralization indicated by several holes, other than ore holes, shows definite potential for additional ore. Mineralization and one ore hole in the "top rim" indicate a good possibility of finding minable ore in this horizon.

Additional exploration and development is probably warranted. Detailed study will be necessary to determine whether this exploration can best be done by underground or surface work or a combination.

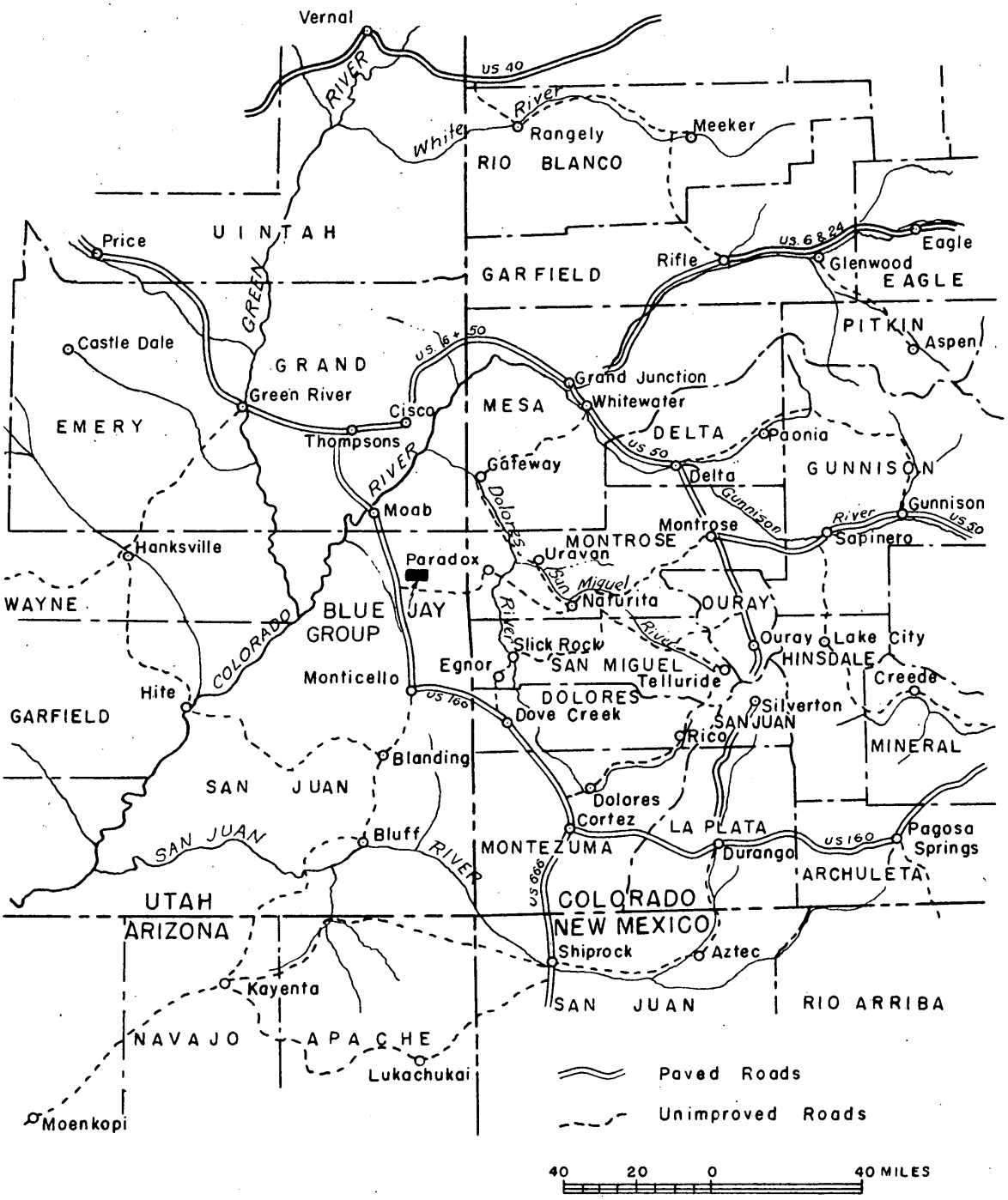
The ore discovered is very good grade. Mining conditions are better than average because of good access roads and relatively mild climatic conditions.

The success ratio for the DMEA program of about 0.25 tons per foot is considerably above average for the Colorado Plateau in Morrison ores and speaks well for the area.

Respectfully submitted,

Ernest E. Burgh

Ernest E. Burgh, Mining Engineer



INDEX MAP OF COLORADO PLATEAU

SHOWING BLUE JAY GROUP

FIGURE NO. 1

UMEA
DEPARTMENT OF THE INTERIOR
REGION III
DENVER, COLORADO

Mrs. Ann Eccles
Nine 0th Street, Shell Lake, Wis.

Mrs. Eccles,

Sept. 1, 1950

Contract 2 DH
Job 2 DH.

Dear Mrs. Eccles:

Here, now after the week for recent weather to get this report to you. Just received the Ashburg's report, and they have not got to it as in having it sent to Mr. Ernest Berge who says he will get it to you in the very near future.

I am minded every time Lumbermen drag so long, because Scott Engineering are so busy they don't care whether they do a job or not. Mr. Berge is just getting started as perhaps we can depend on them to do a good early job.

Sincerely

[illegible]

RECEIVED
SEP 2 1950

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

224 New Customhouse
Denver 2, Colorado

September 19, 1956

Mr. John W. Gramlich, Sr., President
Gramlich Exploration Company
Moab, Utah

Re: Docket DMEA 2771 (Uranium)
Contract Idm-E577
Gramlich Exploration Company
Brown's hole area
San Juan County, Utah

Dear Mr. Gramlich:

Reference is made to our letter to you, dated July 23, 1956, wherein we requested advice from you as to when we could expect to receive the final engineering and geologic report for Contract Idm-E577.

A letter, dated July 25, 1956, was received from your bookkeeper, Merna Beach. In her letter she stated that you had made arrangements with Mr. John Schumacher to write the report and forward it to this office. As of this date, we have had no further word concerning the final report.

If the final report has not been received in this office within thirty days from the date of this letter, the matter will be referred to the Washington Office for such action as may be deemed necessary.

Very truly yours,

W. M. TRAVER

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

JDC:jy
cc: Corresp. E577
Sec. Op. Comm. (2)
Harshman
Wilson
Hasler
Townsend Chron.

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

SEP 17 1956

Mr. T. H. Breding & D. T. Finch
DMEA Auditors
224 New Customhouse Building
Denver 2, Colorado

Dear Mr. Breding and Mr. Finch:

You doubtless will recall that we discussed the project with the Gramlich Exploration Company, Docket DMEA-2771, Contract IDM-E577, in regard to their period for royalty payment as set forth in Amendment No. 3.

It was indicated to me that the Washington office had written this amendment without the recommendation of the Field Team. Upon my return to Washington, I investigated the matter and found that on June 14, 1954, W. H. King, then Executive Officer, recommended the amendment and urged the processing of such as follows:

> "If it is at all possible it appears in this case that the operator should be relieved of the payment of royalties on ore produced from the property described in the contract prior to the date work was commenced.
>
> "We will appreciate a ruling on the matter at your earliest convenience."

On July 6, 1954, apparently Mr. King had not received his answer and he teletyped the Operating Committee as follows:

> "REFERENCE DOCKET 2771, CONTRACT IDM-E577, GRAMLICH EXPLORATION COMPANY, OUR MEMORANDUM OF JUNE 14, 1954 TO THE ADMINISTRATOR. PLEASE TELETYPE ADVICE AS TO YOUR DECISION RELATIVE TO ROYALTY PAYMENTS."

On June 9, 1954, Mr. Wilson of Salt Lake City wrote a memorandum to W. H. King in which he set forth all the reasons why the project had not been started earlier. While the contract was amended to start the royalty payments on April 12, 1954, the period of years under which payment would be made was increased to 11 years from the date of the contract in order to make the payment period the customary 10 years.

I am sending this information prior to attending to other matters which we discussed because I thought you might have some particular reason for the information.

R.G.

I might add here for Mr. Brading's benefit that copies of all the incoming letters in regard to the Arizona Copper Mines, Inc., will be sent to him in the near future.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
September 17, 1956

Copy to: Docket DMEA-2771
Admr. Reading File
Mr. Chambers

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

RECEIVED
JUL 30 1956

224 New Customhouse
Denver 2, Colorado

July 27, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2771 (Uranium), Contract Idm-E577, Gramlich Exploration Company (Brown's Hole Area), San Juan County, Utah.

Enclosed for your records are two copies of a self-explanatory letter, dated July 25, 1956 from the Operator's bookkeeper, which is in reply to our letter of July 23, 1956 pertaining to the Operator's rendering the final engineering and geologic report.

W. M. Traver

W. M. Traver

Enclosures

DMEA
Date Rec'd.
JUL 26 1956
BUREAU OF MINES
Denver, Colorado

Moab, Utah
July 25 - 56

2171
#577

Mr. W. M. Traver
Denver, Colo.

Dear Mr. Traver,

I regret that this report has not reached you before now.

Arrangements were made by Mr. Franklin for Mr. John Schumacher of Grand Junction, Colo. to make the report on this contract and send it to you, over a month ago.

Mr. Schumacher is out of town at present but will be back about August 1st. I am certain he will take care of this just as soon as he returns.

Sincerely Yours
Myrna Beneck

Carl Lesser

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

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

July 23, 1956

RECEIVED
JUL 25 1956

Mr. John W. Gremlich, Sr., President
Gremlich Exploration Company
Moab, Utah

Re: Docket DMEA 8771 (Uranium)
Contract Idm-8577
Gremlich Exploration Company
(Brown's Hole Area)
San Juan County, Utah

Dear Mr. Gremlich:

By letter of May 18, 1956, we called to your attention the provisions under Article 5 (b) of Exploration Project Contract Idm-8577 requiring the rendering by your company of a final engineering and geologic report pertaining to the work completed under the contract.

We will appreciate advice from you by return mail as to the date on which you expect to forward the required report to this office.

Very truly yours,

W. M. TRAVER

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

JWT:prl

cc: Chairman, Oper. Comm. (2)
Harshman
Wilson
Hasler
Townsend
Corres. file
Chron.

Surname Copy

700

Ching
Ellis
Selfridge
F Peterson

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

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

JUL 23 1956

Re: Docket No. DME-2771 (Uranium)
Contract No. Idm-E577
Gramlich Exploration Company
Brown's Hole Area
San Juan County, Utah

Dear Mr. Traver:

Reference is made to your memorandum of July 11, 1956, requesting advice as to whether a correction should be made to Annex II of the original contract and Annex III of Owner's Consent to Lien, dated August 10, 1954, with respect to the designation and recording page of the Blue Bird or Big Chief claim.

Inasmuch as we have Mr. J. W. Gramlich, Jr.'s letter of March 1, 1954, countersigned by H. W. Balsley, the owner, explaining the correct designation and page of recordation; and inasmuch as we have an Owner's Consent to Lien, dated January 25, 1954, signed by Howard W. Balsley, with the correct designation of the claim, we believe that further correction at this date is unnecessary.

It is suggested that in any future reference or business involving the claim in question the following correct designation and recording data be used:

Big Chief Book R Page 420

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

P. F. Yopes

Member, Bureau of Mines

N. E. Nelson

Member, Geological Survey

M Ching/ai 7-20-56
cc to: Docket
Admr. Reading File
Operating Committee
Code 700
Mr. Ching
Messrs. JECrawford, Rm. 3643
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210

ew

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

RECEIVED
JUL 16 1956

224 New Customhouse
Denver 2, Colorado

July 11, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2771 (Uranium), Contract Idm-E577
Gramlich Exploration Company (Brown's Hole Area)
San Juan County, Utah

The Owner's Consent to Lien, Annex III to Amendment No. 3 dated July 29, 1954 shows

Blue Bird	Book R	Page 419
Blue Bird	Book R-1	Page 466

Annex II of the original contract agrees with the above.

A review of the correspondence file indicates that the above first mentioned Blue Bird should be

Big Chief	Book R	Page 420

Please see letter dated March 1, 1954 to W. H. King signed by J. W. Gramlich, Sr., J. W. Gramlich and countersigned by H. W. Balsley, copies of which were forwarded you with our letter of March 5, 1954.

This project was certified by Certificate May 22, 1956.

Please advise if a correction should be made to Annex II of the original contract and Annex III of Amendment No. 3, showing Big Chief, Book R, Page 420. A Report of Review by the auditors is being deferred pending your decision.

W. M. Traver

W. M. Traver

7-9-56

C
O
P
Y

July 6, 1956

Memorandum

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

From: Donald T. Finch, Auditor

Subject: Contract Idm-E577, Docket DMEA-2771, Uranium
Gramlich Exploration Co., Assignee of Gramlich Minerals, Inc.

1. Reference is made to our discussion July 6, 1956 concerning the claims listed on Page 2 of Annex II attached to the Exploration Contract. Under the name "Howard Balsley of Moab, Utah - Lessor" there appears a list of seven claims. Included in this list are:

Blue Bird	Recorded in Book No. R1	Page 466
Blue Bird	Recorded in Book No. R	Page 419

2. A review of the correspondence for this contract in your files indicates that Annex II of the contract should have been corrected to show claim Big Chief recorded in Book No. R Page 420 in place of Blue Bird Recorded in Book R Page 419. See letter copy dated 3-1-54 to W. H. King signed J. W. Gramlich, Sr., J. W. Gramlich and countersigned by H. W. Balsley. See also letter to Chairman, Operating Committee, D.M.E.A. from Executive Officer, D.M.E.A. Field Team, Region IV dated March 5, 1954.

3. The project was certified by certificate May 22, 1956.

4. It is my understanding from our conference that your office will undertake to determine if a correction should be made of Annex II of the Exploration Contract. Completion of the Report of Review will be deferred pending your determination and advice to me.

Donald T. Finch

7-6-56

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

RECEIVED
JUN 20 1956

224 New Customhouse
Denver 2, Colorado

June 18, 1956

Mr. J. W. Gramlich, Sr., President
Gramlich Exploration Company
Moab, Utah

Re: Royalty payments, Docket DMEA 2771 (Uranium), Contract Idm-E577, Gramlich Exploration Company (Brown's Hole Lease) San Juan County, Utah

Dear Mr. Gramlich:

Enclosed is a photocopy of our letter of May 17, 1956 for which we have not received your reply.

Please give this matter your immediate attention.

Yours very truly,

W. M. TRAVER

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

Enclosure

MHM/vj

cc: Royalty File E577
Sec. Opr. Comm. (2) w/encls.
S. R. Wilson w/encl.
Marshall
Chron.

224 New Customhouse
Denver 2, Colorado

May 17, 1956

RECEIVED
JUN 20 1956

Mr. J. W. Gramlich, Jr., President
Gramlich Exploration Company
Moab, Utah

Re: Royalty payments, Docket DMEA 2771 (Uranium), Contract Idm-E577, Gramlich Exploration Company (Brown's Hole Lease) San Juan County, Utah

Dear Mr. Gramlich:

Receipt is acknowledged of your check No. 1359 to the amount of $43.26.

The amount of $49.91 requested in our letter of April 30, 1956, is correct. We are furnishing a photo copy of our letter for your convenience.

Please send your check to the amount of $6.65 to the Executive Officer, DMEA Region III, Room 224, New Customhouse, Denver 2, Colorado. We would appreciate keeping this royalty account current. Government royalty checks are to be made payable to the Defense Minerals Exploration Administration.

Very truly yours,

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

Enclosure

MHM/vj

cc: Royalty File E577
Sec. Opr. Comm. (2)
S. R. Wilson
Chron.

Secretary Operating Comm.
DMEA
c/o Mr. C.O. Mittendorf

RECEIVED
JUN 15 1956

DN 235 BUR MINES 6-15-56 10-06

SECRETARY TO OPERATING COMMITTEE, DMEA
ATTN-- C O MITTENDOFR

REURTELEPHONE CALL 6-14-56 DMEA 2771, CONTRACT IDM-E577, GRAMLICH EXPLORATION CO. FIND WE HAVE COPIES OF ALL CORRESPONDENCE REFERRED TO IN OUR FILES. WILL REQUEST FURTHER INFORMATION FROM FIELD REGARDING DELAY NXX IN EXAMINATION OF DOCKET 4103, DEER TRAIL.

W M TRAVER

Denver, Colo.

JUN 15 1 43 PM '56
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

Surname copy

700

Ching
FEJohnson
Hydman

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

MAY 23 1956

Mr. John W. Gramlich, Sr., President
Gramlich Exploration Company
Moab, Utah

Re: Docket No. DMEA-2771 (Uranium)
Contract No. Idm-2577
Brown's Hole Area
San Juan County, Utah

Dear Mr. Gramlich:

This is with reference to your letter of May 15, 1956, regarding the subject property.

I have noted your comments concerning your property and operations as well as your reference to the field examination made on your property. Our decision to deny your application was made only after a careful study of the many pertinent factors involved. The work completed under the subject contract has undoubtedly contributed greatly to our knowledge of your property. This and other information made available in recent months do not support the idea of the presence of extensive ore bodies in the central area. Therefore, in the absence of more tangible geological evidence favoring such occurrences, we do not believe that further Government participation in exploring your property is warranted.

However, in the event further work on your part discloses new and more favorable evidence of large-scale mineralization in the central area, we shall be pleased to consider a new application.

Sincerely yours,

C. O. Mittendorf

Administrator

MChing/FEJohnson/gla
5-23-56
cc to: Admr.'s Reading File
Mails & Files docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700
Mr. Ching
DMEA Field Team, Region III (2) w/2cc
Mr. Gramlich's letter 5/15/56

R.G.

Surname copy

700

Ching
L. Hassard
Rubin
Chambers
Cragwall
Pacey
Geehan
Kilgard
Martin
Hylmson

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

Mr. J. W. Gramlich, Sr., President
Gramlich Exploration Co.
Moab, Utah

MAY 22 1956

Re: Docket No. DMEA-2771 (Uranium)
Contract No. Idm-E577
Brown's Hole Area
San Juan County, Utah

Dear Mr. Gramlich:

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

By the terms of the Exploration Project Contract, as amended, and of the certification, all uranium and other valuable minerals produced from the claims described in Article 2 of the contract, from August 6, 1953, the date of the contract, are subject to the Government's percentage royalty as set forth in the contract until the sum which the Government has advanced as its participating interest is repaid, or until August 6, 1964, whichever occurs first.

Payments should be made to Mr. W. M. Traver, Executive Officer, DMEA Field Team, Region III, 224 New Customhouse Building, Denver 2, Colorado. Checks should be payable to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer. Any bonus payments or allowances received by you from the sale of ore are considered to be a part of the purchase price to which the Government's royalty applies. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. Traver of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at

R.C.K.

any time for an extended period, please notify Mr. Traver at six-month intervals that no production has been made, when that is the case.

Sincerely yours,

G. O. Mittendorf (for)

Administrator

Enclosure

Copies to: Samuel V. Gramlich
Irene S. Gramlich
Howard W. Balsley

MChing/gla
5-15-56
cc to: Admr.'s Reading File
Operating Committee
Robert W. Geehan, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
Field Team, Region III (2)
Docket
Rare & Misc. Metals Division
Contract Adm. & Audit Division
F. E. Johnson
Mr. Ching

J.

700

FILE COPY
Surname:
Ching
T. Kiilsgaard
Crawford
Geehan
Kiilsgaard
Martin
Johnson

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

MAY 28 1956

Miss Irene S. Gramlich
Naturita
Montrose County, Colorado

Re: Docket No. DMEA-2771 (Uranium)
Contract No. Idm-B577
Gramlich Exploration Company
Brown's Hole Area
San Juan County, Utah

Dear Miss Gramlich:

For your information, a certification of discovery or development has been issued to the Operator as a result of the exploration program under the above-referenced contract.

The property as set forth in the contract covers the property referred to in the Owner's Consent to Lien, dated August 9, 1954, which was signed by you.

We are enclosing the following for your records:

1. A copy of a "Certification by the United States of America of a Discovery or Development Under an Exploration Project Contract."

2. A copy of the transmittal letter to Mr. J. W. Gramlich, Sr., President, Gramlich Exploration Company, Moab, Utah.

Sincerely yours,

C. O. Mittendorf

Administrator

Identical letter sent to Samuel V. Gramlich, *Naturita, Montrose County, Colorado
Similar letter sent to Howard W. Balsley, Moab, Utah (Consent to Lien dated August 10, 1954)

MCHing/izm 5-15-56

cc to: Docket
Contract Adm.& Audit Div.
Operating Committee
Admr.'s Reading File
Field Team, Reg. III (2)
Rare & Misc. Metals Div.
F. E. Johnson
Mr. Ching
T. H. Kiilsgaard, Rm. 5224
Robert W. Geehan, Rm. 3608

R.C.S.

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

RECEIVED MAY 21 1956

224 New Customhouse
Denver 2, Colorado

May 18, 1956

Mr. John W. Gramlich, Sr., President
Gramlich Exploration Company
Moab, Utah

Re: Docket DMEA 2771 (Uranium)
Contract Idm-2577
Gramlich Exploration Company
(Brown Hole Area)
San Juan County, Utah

Dear Mr. Gramlich:

Reference is made to the letter, dated May 11, 1956, from the Administrator, DMEA, wherein your request for additional Government assistance under the Defense Minerals Exploration Administration program was denied.

Inasmuch as all presently approved work has been completed and the Government's approval for additional work will not be forthcoming, your attention is directed to the provision under Article 5(b) of Exploration Project Contract form MP-200A (February 1952) on which Contract Idm-2577 is prepared, relative to your rendering a final engineering and geologic report pertaining to the work completed under the contract.

As we are desirous of closing this account at an early date, we will appreciate your prompt attention to the matter of rendering the original and four copies of your final engineering and geologic report, each copy complete with maps and all other pertinent data.

Very truly yours,

W. M. TRAVER

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

JWT:prl
cc: Chairman, Oper. Comm. (2)
Harshman
Wilson
Hasler
Townsend
Corres. file
Chron.

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

RECEIVED
MAY 21 1956

224 New Customhouse
Denver 2, Colorado

May 17, 1956

Mr. J. W. Gramlich, Sr., President
Gramlich Exploration Company
Moab, Utah

Re: Royalty payments, Docket DMEA 2771 (Uranium), Contract Idm-E577, Gramlich Exploration Company (Brown's Hole Lease) San Juan County, Utah

Dear Mr. Gramlich:

Receipt is acknowledged of your check No. 1359 to the amount of $43.26.

The amount of $49.91 requested in our letter of April 30, 1956, is correct. We are furnishing a photo copy of our letter for your convenience.

Please send your check to the amount of $6.65 to the Executive Officer, DMEA Region III, Room 224, New Customhouse, Denver 2, Colorado. We would appreciate keeping this royalty account current. Government royalty checks are to be made payable to the Defense Minerals Exploration Administration.

Very truly yours,

W. M. TRAVER

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

Enclosure

MHM/vj

cc: Royalty File E577
Sec. Opr. Comm. (2)
S. R. Wilson
Chron.

5-18-56

RECEIVED
MAY 17 1956

Moab, Utah
May 15, 1956

U. S. Department of Interior, D. M. E. A.
Washington, D. C.

Attention: Mr. C. O. Mittendorf

RE: Extension D. M. E. A. 2771 Contract Idm E 577

Gentlemen: [Uranium Exploration Co.]

It was my desire when in Washington last week to visit and talk with you personally in regard to our project above. However, I was advised of your temporary absence and referred to Mr. Ellis whom I found to be very pleasant and cooperative. In due course, Mr. Ling, geologist in charge of our application, was called in. Mr. Ling made no commitments but advised that some action would be taken within two or three weeks and we would be duly notified later.

During the discourse it became quite obvious to me that his decision would ultimately be unfavorable. He stressed quite strongly that since only small and medium sized deposits had been mined around the edges of this area, the potential deposits could be expected to be similar and therefore, not a suitable drill target.

In view of the following, I wonder if you agree with that approach - to me, it seems illogical.

On these claims rich uranium ore has been and is being mined - proof of its presence and a source. Since many of us know that a favorable structure or structures need exist to hold a major deposition and that these structures seldom show on the surface of the average covered area, then the only solution of their existence is to find them by drilling. (a D. M. E. A. function). No

The area embraced by this application has many features favorable to the formation of above structures or traps, namely:

Limited only for small outlying deposits

1. Variable thick and thin sands (some known up to 108 ft.)
2. Abundant and necessary clays and shales.
3. Many fractures and faulting causing tilting and irregularities of beds.

Besides being traversed by The Big Indian (Lisbon) fault, along which some of the largest and richest known deposits of uranium have been discovered, the Rattle Snake mine is barely two miles to the southeast, being the nearest, and in identical geological formations.

As an example of the folly of the small deposit theory, let me quote the following from actual experience.

In 1945 I located the Green River Utah Vanura group of claims; started shipping ore at beginning of A. E. C. programs in 1948 under direct supervision of my son, Philip, who produced a large tonnage from various outcrops and deposits near edge of claims. Though an area two miles long on the outcrop was worked, we never encountered a deposit containing over 300 tons - many as small as a few hundred pounds each.

Phil was drafted off the job and sent to Korean war. I had too much property to manage alone so sold the G. R. property to Four Corners Uranium Corporation and retained the Brown's Hole property, believing then and still do, that it is the better of the two. During my ownership of the G. R. property, I tried at numerous times to get the U. S. G. S. and A. E. C. to give me some of the drilling they were doing in what they considered favorable areas. They sent in various geologists at different times to determine if it was worth drilling.

The geologic conclusion was - viz: Since there had been no major ore bodies found or mined and since only small deposits had been encountered over a considerable area, there was no reason to believe a large deposit was possible in this area. Therefore, the target would be too small to justify a drilling program.

No drilling was done - area rejected.

After selling to Four Corner Uranium Company, they solicited my opinion as to where to drill and asked if I thought there was a chance for large deposits in that area.

My reply was -- The presence of rich ore in any amount indicates a source: drill back where there is more cover and where a more constant moisture content is present and if the proper trap or structure exists you will have a chance of major deposits.

Results: They began striking large deposits. In some instances a few hundred feet away and others over a quarter of a mile from the small deposits. The largest ore body to date (one continuous deposit) contains over 57,000 tons. Others range from 4,000 to 40,000 tons. Currently, considerably over 200,000 tons have been found in a comparatively small radius on the Green River Claims, and all this in an area rejected by geologists because only small deposits had been found previously.

Being an official of Four Corners Uranium Corporation, I can verify the figures quoted above as authentic.

Your field geologists do not spend enough time on the ground to study physical possibilities. The one reporting to you on this application was on the property only one day.

Thank you for bearing with me thus far and trusting you can give the potentialities of this area some consideration in view of the above, I am

Yours very truly,

Gramlich Exploration Company

J. W. Gramlich Sr.

By: J. W. Gramlich, Sr.

JWG:pp

May 15, 1956

RECEIVED
MAY 17 1956

P.S.

While this letter was in the hands of the typist, I have just this morning received your letter of the 11th stating your denial of application. The decision to me is inconceivable -- Since the Radium days of 1914 and until now, I have worked with, studied, found and mined uranium ores. Surely within that time I should have learned how to select the most promising areas. This denial covers one of them -- I would bet my last dollar that millions will yet be taken from this condemned property and I had hoped D. M. E. A. could participate in this worthy project.

If you would review my first application you would see that I was not allowed to expend the first part of this contract in the area. I requested to explore and where the larger deposits will be found.

Because we had just encountered some rich uraninite in a tunnel on the Blue Jay claim, your geologists designated that area and to get anything, I had to acquiesce. We did find it there just as I expected - small rich deposits, however, even there, enough ore was found to guarantee return of entire cost to the government at five percent participation.

Is this rejection final? Or, is there a chance for appeal? If only 15 or 20 holes could be allowed to be properly placed around the two on the Golden West claims the big deposits would begin to shop up.

Thanking you again for further consideration, I am

Very truly,

J. W. Gramlich, Sr.

J. W. Gr. Sr.

700

FILE COPY

Surname:
Chiang
Ellis
Nelson
Young
Delaney
Johnson

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

MAY 11 1956

Mr. John W. Gramlich, Sr., President
Gramlich Exploration Company
Moab, Utah

Re: Docket No. DMEA-2771 (Uranium)
Contract No. Idm-E577
Brown's Hole Area
San Juan County, Utah

Dear Mr. Gramlich:

Your application, dated October 12, 1955, for additional aid under the subject exploration project, and other information available to us in Washington concerning the above-named property have been reviewed.

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

Based upon the results of the work performed under the exploration contract and other information available to us, further participation by the Government in exploring for uranium on your property does not appear to be justified. We regret to advise you that, under these circumstances, your application for additional exploration assistance is denied.

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

Sincerely yours,

C. O. Mittendorf

Administrator

MChing/izm 5-11-56
cc to: Docket
Code 700
Mr. Ching
Admr.'s Reading File
Operating Committee
DMEA Field Team, Region III (2)

Messrs. JECrawford, Rm. 3643
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

Docket Copy
790

Ching
Ellis

May 11, 1956

Summary of Proposed Project

Object: Denial of application for additional work and funds.

Docket No.: DMEA-2771

Contract No. Idm-E577

Commodity: Uranium

Applicant: Gramlich Exploration Company
Moab, Utah

Property: 60 unpatented mining claims; Golden West 1-11, Golden West, Canary 1-10, Canary, San Juan 1-6, Red Rocks 1-11, Mary Jo 1-11, Blue Goose 1-2, Sunset, Red Bird, Blue Bird, Blue Jay, Pine Tree, Big Chief and Sunnyside, located in secs. 27, 28, 33 and 34, T. 28 S., R. 23 E., and sec. 3, T. 29 S., R. 23 E., S.L.B.& M., San Juan County, Utah. Operator is the Lessee. Consents to Lien by Samuel V. Gramlich, Irene S. Gramlich, and Howard W. Balsley, dated August 9, 1954, August 9, 1954 and August 10, 1954, respectively.

Date of Supplemental Application: October 12, 1955

Amount of Supplemental Application: $363,349.00

Work Proposed: Explore the central part of the mesa away from the rim by drilling in four stages as follows:

Stage I - (Holes indicated on map, Exhibit 1)
7,500 ft. (16 holes) @ $6.66/ft. overall $49,996.00

Stage I(b)
4 offset holes around each of Stage I holes
28,600 ft (64 holes) @ $6.66/ft. 190,476.00

Stage II - (Holes indicated on map, Exhibit 1)
9,450 ft. (21 holes) @ $6.66/ft. 62,937.00

Stage III - Offset favorable Stage II holes
9,000 ft. (20 holes) @ $6.66/ft. 59,940.00

Total $363,349.00
Government Participation @ 75% $272,511.75

Field Report: Frank Byers, USGS, April 11, 1956:

The subject property is on a mesa south of Brown's Hole. Rocks exposed are the Salt Wash and Brushy Basin members of the Morrison formation and the capping Burro Canyon sandstone.

The proposed drilling would be in the central part of the mesa where most of the holes would be collared high in the Brushy Basin member. Average depth of holes would be 450 feet. Large blocks of hard quartzitic Burro Canyon sandstone buried in the weathered mudstone mantle of the Brushy Basin member cause considerable difficulty in drilling.

Several ore deposits are known around the rim of the mesa. The deposit on the Blue Jay claim, explored under the present contract (Docket 2771), is probably the largest. The ore bearing sandstone here ranges from less than 10 feet to 25 feet in thickness. The mineralized portion is about 125 feet wide and trends easterly from the rim about 650 feet. Two smaller mineralized areas are indicated from drilling farther to the east. Total production through 1955 from this Blue Jay deposit amounted to about 700 tons of ore containing 0.46 percent U_3O_8 and 1.44 percent U_2O_5. Indicated reserves might reasonably be considered as another 700 tons of similar grade material. The ore within the mineralized ground occurs in small pods and "logs" in an irregular and unpredictable manner; hence exploration and ore reserve estimates are very difficut. In the easternmost part of the area drilled under this contract the ore-bearing sandstone is thin and unfavorable.

Mineralized areas on the Pine Tree claim are probably less than 100 feet in diameter and ore bodies are probably less than 60 feet in diameter and from 1 to 4 feet thick. About 100 tons of low-grade ore have been produced from this deposit. Reserves would be very small.

The Sunnyside deposit contains ore bodies that are probably less than 50 feet in diameter and from 1 to 4 feet thick. There has been no production here since 1948. Production prior to 1948 is estimated to be in the order of 400 tons of low and medium-grade ore.

The ore deposit on the San Juan claim was entirely removed from a large open pit in 1953 and 1954. About 650 tons of ore containing 0.33 percent U_3O_8 were produced from a sandstone lens at about the same stratigraphic horizon as the Blue Jay sandstone. Maximum thickness of this sandstone is about 40 feet. In January, 1956, the Applicant drilled a number of holes several hundred feet east of the open pit and reportedly encountered ore in five of the holes. Reserves in this area may amount to another 650 tons of 0.33 percent U_3O_8 ore.

The Old Texas Mining Company, just south of the Gramlich holdings produced about 260 tons of ore from a small deposit.

Two deep holes were drilled by the Applicant in the central part of the mesa prior to Government participation in the project. In both holes the sandstone penetrated was unfavorable to semi-favorable. One hole had two weakly mineralized zones of about one foot which reportedly ran 0.017 and 0.038 percent U_3O_8, respectively. The other hole had a weakly mineralized zone of one foot that assayed 0.016 percent U_3O_8. Much of the proposed drilling in the supplemental application would be in this area.

It is concluded that the small size of the known deposits around the edge of the mesa indicates that deposits within the mesa are not likely to be sufficiently large to provide a reasonable target for drilling depths averaging 450 feet. The maximum size target as indicated by the Blue Jay deposits would probably not exceed a mineralized area 100 feet by 600 feet, within which much weakly mineralized and some barren ground would occur. A further disadvantage in the proposed additional work is the uncooperative attitude of the Applicant as demonstrated in the recently completed exploration project. It is recommended that the application for additional funds be denied.

Commodity Group Comments:

USGS, W. P. Williams, April 26, 1956:

Due to the unfavorable geologic conditions on the property, concurs with the examining geologist's recommendation that the contract be terminated, that a Certification of Discovery be issued to cover the completed work, and that no further Government financial assistance be given at this time.

USBM, John E. Crawford, May 10, 1956:

Discussed the field report with the AEC representative and concurs with the recommendation for denial of the Operator's request for additional funds.

Rare & Miscellaneous Metals Div., Michael Ching, May 11, 1956:

The rim area surrounding the subject property appears to have been rather thoroughly explored. A number of small ore bodies have been found and mined, but mineralized areas have lacked uniformity and continuity. The available information does not encourage the belief that larger ore bodies would be found in the central part of the mesa where the additional work is proposed.

Progress under the completed project was extremely slow and the Operator was evidently somewhat uncooperative.

Conclusions and Recommendations:

The chances of finding worthwhile ore bodies by the proposed additional work are not good. It is recommended that the application for additional work and funds be denied.

Ernest Wm. Ellis

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

5-11-56

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

RECEIVED
MAY 11 1956

May 10, 1956

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

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

Subject: Report of Examination, DMEA Docket 2771, Contract Idm-E577, Gramlich Exploration Company (Brown's Hole area), San Juan County, Utah

I have reviewed the report of examination, DMEA Docket 2771, Contract Idm-E577, Gramlich Exploration Company (Brown's Hole area), San Juan County, Utah, dated May 3, and received in this office May 8, 1956. I have also discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

The Gramlich Exploration Company has discovered about 700 tons of ore under DMEA drilling. Encouraged by the discovery, the company has requested an amendment or an extension to the contract to provide for a drilling program costing about $363,000.

The examining geologist recommends that the application for amendment to the contract for the additional funds be denied because of the small size of the ore bodies encountered and the depth of the required drilling.

We concur in the recommendation that the request for additional funds be denied.

John E Crawford
John E. Crawford

5-8-56

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

RECEIVED
MAY 7 - 1956

224 New Customhouse
Denver 2, Colorado

May 3, 1956

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Gamma-ray log interpretations - DMEA 2771 (Uranium) Contract Idm-E577, Gramlich Exploration Company (Brown's Hole area) San Juan County, Utah

Enclosed are four copies each of gamma-ray log interpretations for holes drilled on the subject property.

W. M. Traver

Enclosures

Walter Gramlich
San Juan County, Utah
Private Holes

27713

RECEIVED
MAY 7 - 1968

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From*	Depth Logged To	Anomaly Detected From*	Anomaly Detected To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_eU_3O_8$	Remarks
SJ-5	203.6	None	11.4	203.7	202.6	203.4	0.8	11,000			0.40	
SJ-6	235.5	None	10.7	217.2	Barren							
[illegible]-7	204.7	None	9.8	200.6	135.3	136.9	1.6	280			<0.005	
					138.2	138.9	0.7	280			<0.010	
					195.6	196.5	0.9	4,200			0.16	
					196.5	197.3	0.8	1,000			0.024	
					197.3	197.9	0.6	1,500			0.06	
					197.9	199.1	1.2	1,200			0.027	
					199.1	200.4	1.3	21,000			0.66	
SJ-8	203.0	None	11.6	191.6	191.0	191.6+	>0.6	>4,300			>0.24	
SJ-18	365.0	None	11.1	256.7	216.1	248.4	Salted					
					248.4	249.2	0.8	47,000			3.3	
					249.2	250.6	1.4	600			0.014	
					250.6	252.0	1.4	26,000			0.80	
SJ-22	260.6	None	12.1	261.8	248.2	249.0	0.8	3,700			0.15	
					249.0	250.8	1.8	1,200			0.025	
					250.8	251.8	1.0	4,300			0.16	
					251.8	261.8	Salted					

* top to bottom depths

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

RECEIVED
MAY 2 - 1956

224 New Customhouse
Denver 2, Colorado

April 30, 1956

Mr. J. W. Gramlich Sr., President
Gramlich Exploration Company
Moab, Utah

Re: Royalty payments, Docket DMEA 2771 (Uranium)
Contract Idm-E577, Gramlich Exploration
Company (Brown's Hole Lease), San Juan
County, Utah

Dear Mr. Gramlich:

On March 30, 1956 we sent you a letter requesting payment of $37.99 additional royalty due on ore shipped under Lot Nos. 66363 and 66417. As we have not received an answer to this letter we again furnish you a copy.

Subsequent to March 30, 1956 we received an additional check for $1.26 from the Vanadium Corporation of America to be applied to this shipment. This will in effect decrease the balance of royalties due by you to $36.73.

Additional settlement sheets for Lot No. 67213 have also been received together with correct initial royalty payment of $22.84. A.E.C. Production bonus on this shipment will amount to $263.66 and royalty due the Government at 5.0 percent will be $13.18.

Please send your check for $49.91 to the Executive Officer, DMEA Region III, Room 224 New Customhouse, Denver 2, Colorado. We would appreciate keeping this royalty account current. Government royalty checks are to be made payable to the Defense Minerals Exploration Administration.

Yours very truly,

W. M. TRAVER

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

Enclosure
RDB/vj
cc: Royalty File E577
Sec. Opr. Comm. (2)
S. R. Wilson
Chron.

IN REPLY REFER TO:

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

RECEIVED
APR 23 1956

April 26, 1956

Memorandum

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

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

Subject: Review of Interim Report, DMEA 2771 (uranium), Contract Idm-E577, Gramlich Exploration Co., Brown's Hole district, San Juan County, Utah.

The Operator proposes to amend Contract Idm-E577 to provide for additional exploration drilling. The proposed work would have a total estimated cost of $363,014. The first stage of drilling would consist of 38 holes, but definite proposals are not made for succeeding stages. Contract Idm-E577 bears Government participation at the rate of 90 percent.

Uranium and vanadium ore in the Brown's Hole area is found in small, erratically distributed pods and rolls and as mineralized logs and vegetal matter. The grade of the small deposits may be relatively high. AEC records show a shipment of 47 tons that assayed 0.86 percent U_3O_8. As the examining geologist points out, however, the small, scattered ore bodies present an exceedingly difficult, if not impractical, target for a drilling project. The Operator has obtained small production from the property by driving an aimless, wandering adit in search of the scattered 'hot spots.' The examining geologist estimates that only about 700 tons of indicated ore have resulted to date from work under the contract.

The unfavorable geologic conditions on the property lead me to concur with the examining geologist's recommendation that Contract Idm-E577 be terminated, that a Certification of Discovery be issued the Operator to cover the completed work, and that no further Government expenditures for exploration be made on the subject property at this time.

W P Williams

W. P. Williams

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

RECEIVED
APR 13 1956

224 New Customhouse
Denver 2, Colorado

April 16, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket DMEA 2771 (Uranium), Contract Idm-E577, Gramlich Exploration Company (Brown's Hole Area), San Juan County, Utah.

Enclosed is the following material pertaining to a request by the Operator for the Government's approval of additional work and funds under Contract Idm-E577:

1. Original and one copy of the Operator's request.

2. Original and three copies of an interim geologic report by Frank Byers, Geologist, Geological Survey, dated April 11, 1956, and transmittal thereof from J. William Hasler, Geological Survey, dated April 6, 1956.

3. Original and three copies of a memorandum from Stephen R. Wilson, Bureau of Mines, dated April 11, 1956, wherein he concurs in the recommendations contained in the report prepared by F. M. Byers.

The Operator estimates the additional work proposed will cost $363,349.00 and has indicated Government participation at 90%, or an amount of $327,014.10.

For reasons stated in the interim report, Byers recommends that the Operator's request be denied, that Contract Idm-E577 be terminated, and that a certification of discovery or development be issued.

The examining geologist, in his interim report, appears to consider the economics of the matter in stating that it is quite probable that the proposed drilling would be extremely costly in proportion to the value of the ore bodies contained in any mineralized ground that might be discovered.

A review of past operations and conditions encountered indicates to us that the probability of making a significant discovery as a result of the additional work proposed is very unlikely. In addition, procrastination by the Operator and his general lack of co-operation with DMEA personnel in administration of the contract work performed to date, lead this office to recommend that the Operator's request be denied, that the contract, Idm-E577, be terminated, and that the project be certified as a discovery or development as a result of the work performed to date.

DMEA Field Team, Region III

W. M. Traver

E. N. Harshman

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
Date Rec'd.
APR 13 1956
BUREAU OF MINES
Denver, Colorado

April 11, 1956

Memorandum

To: W. H. Tranor, Executive Officer, DMEA Field Team, Region III

From: Stephen R. Wilson

Subject: Docket No. DMEA-2771 (Uranium), Contract Ida-2577, Granlich Exploration Co., San Juan County, Utah

Reference is made to your memoranda of November 28, 1955, and March 15, 1956, relative to a request by the subject operator for additional DMEA funds. A copy of the operator's letter, dated October 12, 1955, was attached to your memorandum of November 28, 1955.

A report prepared by F. M. Byers, Geological Survey, has been transmitted to E. F. Hartman in Denver. The report recommends denial of the operator's request for additional funds. I am in accord with the recommendations contained in the report.

The operator's request letter, with attached exhibits, is herewith enclosed.

Stephen R. Wilson
Stephen R. Wilson

Enclosure

cc: J. H. Clemmer

MINERAL DEPOSITS DATA
RECEIVED
APR 10 1956
GEOLOGICAL SURVEY
DENVER, COLORADO

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 360
Grand Junction, Colorado

April 6, 1956

DMEA
Date Rec'd.
APR 12 1956
BUREAU OF MINES
Denver, Colorado

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman

From: J. William Hasler

Subject: Transmittal of interim report reviewing work completed under DMEA contract Idm-E 577, DMEA docket 2771 (Uranium), Gramlich Exploration Company, Brown's Hole area, San Juan County, Utah, with recommendations concerning request for additional funds to further test the area.

The Gramlich Exploration Company originally applied to the Defense Minerals Exploration Administration to explore for uranium on the Blue Jay, Pine Tree, Sunnyside, and San Juan claims in the Brown's Hole area, San Juan County, Utah. The application was referred to the field and the application was approved following several field examinations. The work was completed by the applicant in June, 1955, during which time some ore was discovered, and it is, therefore, recommended that a certification of discovery be made.

The Gramlich Exploration Company has recently applied for an amendment or an extension to contract Idm-E 577, DMEA docket 2771, to provide for a drilling program costing about $363,000.

The ore deposits in the Brown's Hole area are found in characteristic pods and rolls common to the uranium-vanadium ore deposits occurring in the Salt Wash member of the Morrison formation of Jurassic age. The deposits in the applicant's property are spotty, although they are in places high grade. Exploration for deposits of this kind is difficult, in that there are no specific trends of channels or rolls to guide the exploration, which makes successful exploration projects unduly expensive.

In the opinion of the examining field team, the small size of the known deposits on the applicant's property indicates that they are not likely to be sufficiently large enough to provide a reasonable target for drilling which will average 450 feet in depth, as will be required in this case. The minimum size target of mineralized ground would probably

not exceed deposits larger than 100 feet in width nor 600 feet in length; ore targets would be even smaller. Because of the small drilling target that would be expected and the deep drilling required, it is quite probable that drilling in the central portion of the applicant's area would be extremely costly in proportion to the value of ore bodies contained in any mineralized ground that might be discovered.

During the administration of contract Idm-E 577, relations with Mr. Gramlich became quite untenable, as he regards himself as being a competent geologist and capable of supervising a drill contract, thus making suggestions and advice by competent Geological Survey geologists very difficult. Mr. Gramlich has been a successful operator, in that he has been involved in several ventures which have produced ore and also promotional activities which have net him considerable profits. His ability to find and discover ore has largely been a matter of good fortune in our estimation, rather than through geological knowledge of the area.

Because of the small drilling target that would be expected and the deep drilling required, and the complications that would be involved in executing a contract with Mr. Gramlich, the applicant, it is recommended that the request of the Gramlich Exploration Company for further exploration assistance under contract Idm-E 577 be denied. If a contract should be approved, it should be emphasized that any future contracts with the operator should provide for the retention of a competent geologist or mining engineer to supervise the work at all times.

It is further recommended that DMEA contract Idm-E 577 be terminated and that a certification of discovery be made.

J. William Hasler

J. William Hasler,
Geologist

JWH/mlr

RECEIVED
APR 13 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA 2771

Brown's Hole Area

Gramlich Exploration Company

San Juan County, Utah

Uranium

Interim Geologic Report

by

Frank Byers
Geologist
Geological Survey

April 11, 1956

CONTENTS

Page

Introduction, Summary and Recommendations..... 1

Geology..... 3

Ore Deposits..... 4

Blue Jay and adjacent claims..... 4

Pine Tree deposits..... 6

Sunnyside deposit..... 7

San Juan deposit..... 7

Old Texas Mining Company..... 8

Drill holes in the interior of the mesa..... 9

Production and Ore Reserves..... 10

Conclusions and Recommendations..... 12

ILLUSTRATIONS

Figure — Follows page

1. Index map showing approximate location of the Gramlich Exploration Company Lease, Brown's hole area, San Juan County, Utah. DMEA 2771..... 1

2. Claim map of Gramlich Exploration Company Lease, showing proposed Stage I drill hole locations under amendment to contract Idm-E577, Brown's hole area, San Juan County, Utah. DMEA 2771..... 13

TABLES

Page

Table 1. Ore production from Gramlich Exploration Company (Gr) claims and Old Texas Mining Company (OT) claims, AEC records, Grand Junction, Colorado..... 11

INTRODUCTION, SUMMARY AND RECOMMENDATIONS

Gramlich Exploration Company (earlier called Gramlich Minerals, Inc., in original application and in contract Idm-E 577) has applied for an amendment to their DMEA contract, Idm-E 577, setting up an exploration program requiring an additional $363,349 for deep drilling, to test the Salt Wash member of the Jurassic Morrison formation beneath their Brown's Hole lease. The applicant has requested a DMEA allotment of $327,014.10 under the assumption that the Government would participate at 90 percent of the total cost. Thirty-eight drill holes, more or less randomly distributed on the property, would constitute the first stage.

The Brown's Hole lease of Gramlich Exploration Company (fig. 1) is reached by U. S. Highway 160, twenty-four miles south of Moab, Utah; thence easterly for two miles on a gravel road that leaves the main highway one mile north of La Sal Junction.

The Brown's Hole lease of Gramlich Exploration Company consists of 91 claims, covering most of the mesa south of Brown's Hole. This mesa is about two miles across and exposes most of the Salt Wash and Brushy Basin members of the Jurassic Morrison formation and the capping Burro Canyon sandstone. The Blue Jay, Pine Tree, Sunnyside, and San Juan claims each have produced up to about 700 tons of uranium ore during 1948 to 1955 from small ore pods and mineralized logs in lenses of Salt Wash sandstone member, which is exposed on three sides of the mesa. The Junction and Junction No. 3 claims of the Old Texas Mining Company on the south side of the mesa have had a production of 260 tons of ore during 1955, but have almost exhausted their reserve. Indicated reserves on the Blue Jay claim, as a

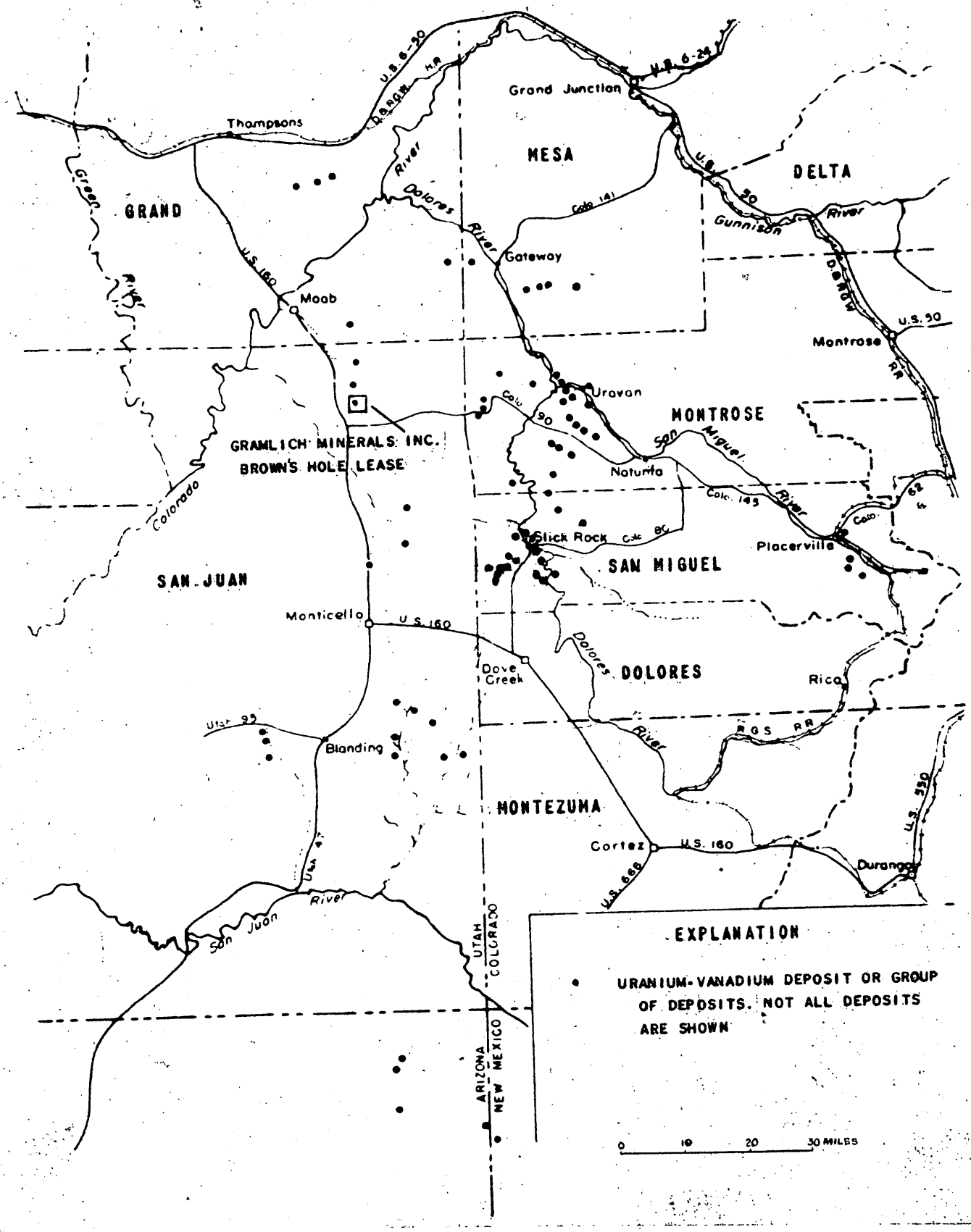


FIGURE 1. INDEX MAP SHOWING APPROXIMATE LOCATION OF THE GRAMLICH EXPLORATION COMPANY LEASE, BROWN'S HOLE AREA, SAN JUAN COUNTY, UTAH.

result of the DMEA drilling under contract Idm E-577, consists of about 700 tons of ore or approximately equal to the past production. A similar indicated reserve occurs on the San Juan claim.

The 38 stage I drill holes proposed by the applicant are in the central part of the mesa (fig. 2), where most of the holes would be collared high in the Brushy Basin member; one hole would even be collared in the Burro Canyon formation. These holes would average 450 feet in depth. Two holes already drilled on the Golden West No. 5 claim were 551 and 503 feet deep, respectively; these holes penetrated one foot of very weakly mineralized sandstone. Another hole recently drilled by Gramlich near the northwest corner of Grand View No. 4 claim is reported to have penetrated one inch of vanadiferous sandstone. It is possible that scattered, small areas underlain by mineralized ground, as much as 125 by 600 feet might exist beneath the central part of the mesa; however, the total ore reserve within such a mineralized deposit would probably be less than 1,500 tons. It is concluded that the cost of finding such deposits under the mesa by any exploration program would be excessive and would constitute prospecting rather than exploration.

In conclusion, it should be pointed out that Mr. Gramlich has, at times, during the administration of contract Idm-E 577 been rather obstinate and has refused to follow the suggestions of the inspection team. If any DMEA contract is ever again let to Gramlich, it should contain a provision for hiring a professional geologist-engineer for supervision of the work.

Because of the adverse ratio of exploration cost to value of possible undiscovered ore, it is recommended that the request for additional DMEA funds under contract Idm-E 577, docket 2771, be denied. It is further recommended that the contract be terminated and that a certification of discovery be made.

GEOLOGY

The Salt Wash member of the Jurassic Morrison formation, which contains the ore deposits in the Brown's Hole area, is about 350 feet thick. The Salt Wash rests on the Jurassic Summerville formation, which is thin and poorly exposed. The overlying Brushy Basin member of the Jurassic Morrison formation consists mainly of thin-bedded mudstone and sandstone and is estimated to be about 400 feet thick. About 60 feet of hard quartzitic Burro Canyon sandstone of lower Cretaceous age cap the mesa and rests on the Brushy Basin member. Large blocks of this hard sandstone, which are largely residual remnants of the Burro Canyon, have become buried in the weathered mudstone mantle of the Brushy Basin member. These hard sandstone blocks often cause considerable difficulty in drilling.

The sedimentary sequence from about the middle of the Salt Wash member through the top of the Burro Canyon sandstone is exposed at irregular intervals on three sides of the mesa where the Gramlich-held claims have been staked south of Brown's Hole (fig. 2). The beds dip about 3 degrees northeasterly. The Lisbon Valley fault strikes northwest

across the Gramlich-held claims (fig. 2) and the displacement decreases from about 200 feet at the southeastern part of the property to about 100 feet in the northwestern part of the property just south of the Blue Jay claims. The dip on the fault is steeply northeast.

ORE DEPOSITS

Several uranium-vanadium deposits are known around the rim of the mesa south of Brown's Hole (fig. 2) and most of these are held by Gramlich Exploration Company. The deposit on the Blue Jay claim is probably the largest as determined by the DMEA drilling program under contract Idm-E 577, docket 2771. Although DMEA contract Idm-E 577 contained a special provision for alternative drilling on the Pine Tree and Sunnyside claims as stage 4 in the event there was no stage 3, the total footage was practically exhausted on the Blue Jay and adjacent claims in the first three stages. The deposits around the Salt Wash rim and the results of Gramlich drilling in the interior of the mesa are described below.

Blue Jay and adjacent claims

The middle and upper part of the Salt Wash member is exposed on the Blue Jay claim. Inasmuch as the sandstone beds are lenticular, it is probably misleading to refer to them such as "second" or "third" sandstone. The number of Salt Wash sandstone lenses may vary from 3 to 6 within a claim length. The ore-bearing sandstone lens on the Blue Jay claim will be informally called the "Blue Jay" sandstone and the uppermost sandstone will be called the "top" sandstone, although it is realized that

the "top" sandstone at the Blue Jay claim may not be the top sandstone at another nearby claim. However, the "top" sandstone bed appears in general to be thicker and more extensive than any sandstone unit below and is probably the ore-bearing sandstone two miles to the southeast in the area of Continental Uranium's Rattlesnake pit. Between the "Blue Jay" sandstone and the "top" sandstone is a discontinuous sandstone with many mudstone splits. This sandstone is not known to be mineralized and cannot even be recognized in some of the holes drilled under DMEA contract Idm-E 577.

The Blue Jay deposit (fig. 2) is in a sandstone lens known locally as the "Blue Jay" sandstone, which ranges from less than 10 feet to about 25 feet in thickness. At the outcrop in the vicinity of the Blue Jay mine portals (fig. ~~3~~ 2), the thicker part of the "Blue Jay" sandstone lens is about 200 feet wide. The mineralized portion of the "Blue Jay" sandstone is about 125 feet wide and does not extend beyond the thicker part of the lens. Grayish-green claystone at the base of the "Blue Jay" sandstone thickens beneath the mineralized sandstone but "does not extend far beyond its edge" (Gordon W. Weir, memorandum report dated September 30, 1953). The trend of the "Blue Jay" sandstone lens, as demonstrated by the recent DMEA drilling program (fig. 2), is east; the mineralized sandstone within the lens extends about 650 feet easterly from the portal into the mesa (fig. 2). Two smaller mineralized areas, each inferred

from two drill holes, occur at about 700 feet and 1,300 feet, respectively, east of the outcrop. In the easternmost part of the DMEA-drilled area, the "Blue Jay" sandstone thins and is unfavorable.

Pine Tree deposits

The Pine Tree (fig. 2) deposits occur in the "first" and "second" sandstone beds below the top of the Salt Wash member. The larger deposits are found in the "second" sandstone bed, which is about 20 feet thick at the mine. This sandstone may thin laterally from the mine, but exposures are poor and relations are not clear. Exposures at the outcrop and in the mine workings suggest that areas of mineralized ground are less than 100 feet in diameter; ore bodies are probably less than 60 feet in diameter and are from 1 to 4 feet thick.

The main mine workings, which are in the "second" sandstone, are located about 200 feet west of the Lisbon Valley fault, which in this area probably has a throw of no more than 150 feet. No deposits have been found along the fault and the increased depth required for drilling the downthrown (northeastern) side of the fault has discouraged exploration.

The deposit in the "first" or "top" sandstone, according to Union Mines Development Corporation map (Wardwell, 1946, fig. 10), is near the pinchout of a lens about 15 feet thick. The area of mineralized ground is about 100 feet wide; the length is unknown. Mine workings and jackhammer drilling behind the rim (W. C. Gramlich, personal communication) suggests that this deposit contains little material of ore grade and thickness.

Sunnyside deposit

The Sunnyside (fig. 2) deposit occurs in a "first" and a "second" sandstone bed below the top of the Salt Wash member. The larger deposits are found in the "first" or "top" sandstone bed, which is about 25 feet thick at the mine. The width of the thicker part of this thick sandstone is more than 200 feet. Exposures on the outcrop and in the mine workings suggest that the width of the areas of mineralized ground may be about 100 feet; ore bodies are probably less than 50 feet in diameter and are from 1 to 4 feet thick. The length and trend of the thick sandstone is not known. Exposures on the outcrop and in the mine workings suggest that the deposit may have an easterly or southeasterly trend.

Development work done in 1952 exposed a deposit in the second sandstone bed. The mineralized ground appears to be about 75 feet wide and contains some material of ore grade and thickness.

There has been no production from this claim since 1948 and the mine is currently inactive. Production from this claim prior to 1948 is estimated to be on the order of 400 tons of low- and medium-grade ore.

San Juan deposit

The exposed ore deposit on the San Juan claim (fig. 2) was entirely removed from a large open pit during 1953 and 1954. About 650 tons of uranium ore containing 0.33 percent of U_3O_8 (see production and ore reserves, table 1) was produced from a mineralized zone near the base of a sandstone lens at about the same stratigraphic position as the "Blue Jay" sandstone. The maximum thickness of this sandstone lens is about 40 feet. The greenish-gray mudstone at the base of this ore-bearing

sandstone lens grades into red mudstone within 10 feet beyond the edge of the mineralized zone.

The Gramlich Exploration Company was drilling on the San Juan and Grand View claims at the time of the DMEA examination on January 11, 1956. This activity was 200 to 300 feet east of the large open pit from which the ore in the San Juan ore body was removed. At the east side line of the San Juan claim (fig. 2) and about 250 feet east of the open pit, a fence of six drill holes, 35 feet apart, had been drilled. Three consecutive holes were ore-bearing, according to Mr. J. W. Gramlich, Sr. Holes drilled along a fence 50 feet nearer the pit were barren. The next fence drilled 50 feet east of the San Juan side line also contained two ore-bearing holes, according to Mr. Gramlich (oral communication, March 1, 1956). These ore-bearing holes are approximately located on figure 2.

Old Texas Mining Company

The Old Texas Mining Company, just south of the Gramlich holdings, has driven a tunnel northerly on the Junction 3 claim. This adit was about 200 feet in length and had a few short crosscuts. Near the face of the adit, the back was about 15 feet high, owing to the fact that the ore zone had dropped into the floor and was subsequently recovered. The face was barren, and the ore zone had essentially pinched out. Other mineralized exposures are widely scattered along the walls of the aidt. The deposit appears to have been essentially mined out. About 260 tons have been produced to date (see table 1).

Drill holes in the interior of the mesa

Two deep holes were drilled on the Golden West No. 5 claim by the Gramlich Exploration Company some time prior to the DMEA contract Idm-E 577. Logs of these holes were submitted by Mr. Gramlich and assays were made on portions of the drill core showing anomalous radioactivity. Portions of the cores were examined in the field by the DMEA examining geologist. Drill hole No. 1 was also logged by Gordon W. Weir, geologist, U. S. Geological Survey. Two or three Salt Wash sandstones were penetrated in each of the drill holes; all sandstones were semifavorable or unfavorable in drill hole 1. Two weakly mineralized zones of about a foot are reported by Gramlich to contain 0.017 and 0.038 percent of U_3O_8, respectively. Hole number 2 penetrated unfavorable to semifavorable sandstones and a mineralized zone of one foot that assayed 0.016 percent of U_3O_8, a barren zone by U. S. Geological Survey rating. The mineralized zones in both holes were not in the most favorable sandstones, but were actually in thin Salt Wash sandstones, less than 10 feet thick, which can not be correlated with any exposed on the rim of the mesa. A drill hole close to the northwest corner of Grand View No. 4 was reported by Mr. Gramlich to have penetrated one inch of dark vanadiferous (non-radioactive) sandstone.

PRODUCTION AND ORE RESERVES

The production from the Gramlich Brown's Hole property and from Old Texas Mining Company property, just south of the Gramlich properties, is given in table 1. The 100 tons of high-grade ore produced in 1955 from the Blue Jay claim was the direct result of the DMEA drilling under contract Idm-E 577.

The DMEA drilling under contract Idm-E 577, on the Blue Jay claim, resulted in delineating about as much mineralized ground as now (January 11, 1956) approximately explored by existing workings. Up to January 11, 1955, 706.5 tons of ore, containing 0.46 percent of U_3O_8 and 1.44 percent V_2O_5 had been produced from these workings. Hence, it is reasonable to expect that a similar production from the remaining mineralized ground equal to an indicated reserve of about 700 tons containing 0.45 percent U_3O_8 and 1.45 percent V_2O_5. These reserves are computed in this manner because of the irregular and unpredictable distribution of the small pods of ore and "logs" within the mineralized ground. The best geologic guess that may be made as inferred reserves, is that the inferred ore reserves are possibly equal to the indicated reserves.

Reserves on the San Juan claim as indicated by the recent drilling of Gramlich Exploration Company, are probably equal in tonnage and grade to the ore body already mined out; namely, 650 tons containing 0.33 percent U_3O_8 and 1.80 percent V_2O_5.

A very small reserve of possibly a few hundred tons may exist on the Pine Tree and Sunnyside claims. No reserve can be indicated on the Junction No. 3 claim on the basis of recent development work by the Old Texas Mining Company.

Table 1.--Ore production from Gramlich Exploration Company (Gr) claims and Old Texas Mining Company (OT) claims, AEC records, Grand Junction, Colo.

Claim	Date	Tons	$\%U_3O_8$	$\%V_2O_5$
Blue Jay (Gr)	1950-1952	170.9	0.32	1.47
	1953	270.8	0.46	1.29
	1954	165.1	0.51	1.26
	1st Q '55	43.6	0.33	1.71
	2nd Q '55	47.1	0.86	2.40
	3rd Q '55	9.0	0.45	2.39
	(4th Q	None)		
Total, Blue Jay	1955	99.7	0.59	2.10
Total, Blue Jay	1950- 55	706.5	0.46	1.44
Pine Tree (Gr)	1948-1953	66.6	0.20	1.98
	1st Q '54	10.0	0.16	1.33
	2nd Q '54	22.0	0.13	1.69
Total Pine Tree		98.6		
San Juan (Gr)	1953-1954	650.5	0.33	1.80
Sunnyside (Gr)	1951	22	0.27	1.73
Junction (OT)	1955	9.7	0.26	0.97
Junction No. 3 (OT)	2nd Q 1955	11.0	0.28	1.04
Junction No. 3 (OT)	3rd Q 1955	85.0	0.19	0.87
Junction No. 3 (OT)	4th Q 1955	155.0	0.24	1.22
Total)OT)	1955	260.7	0.23	1.09
Total production		1,738.3	0.36	1.55

CONCLUSIONS AND RECOMMENDATIONS

The Gramlich Exploration Company has applied for an amendment or extension to contract Idm-E 577, docket 2771, to provide for a drilling program, costing $363,014.10, with Government participation at $327,014.10 or 90 percent of the total. Thirty-eight holes, averaging 450 feet in depth would constitute the first stage (see fig. 2). Stages II and III are also proposed, but the applicant is somewhat vague in his proposal as to how many holes are to be drilled under stages II and III.

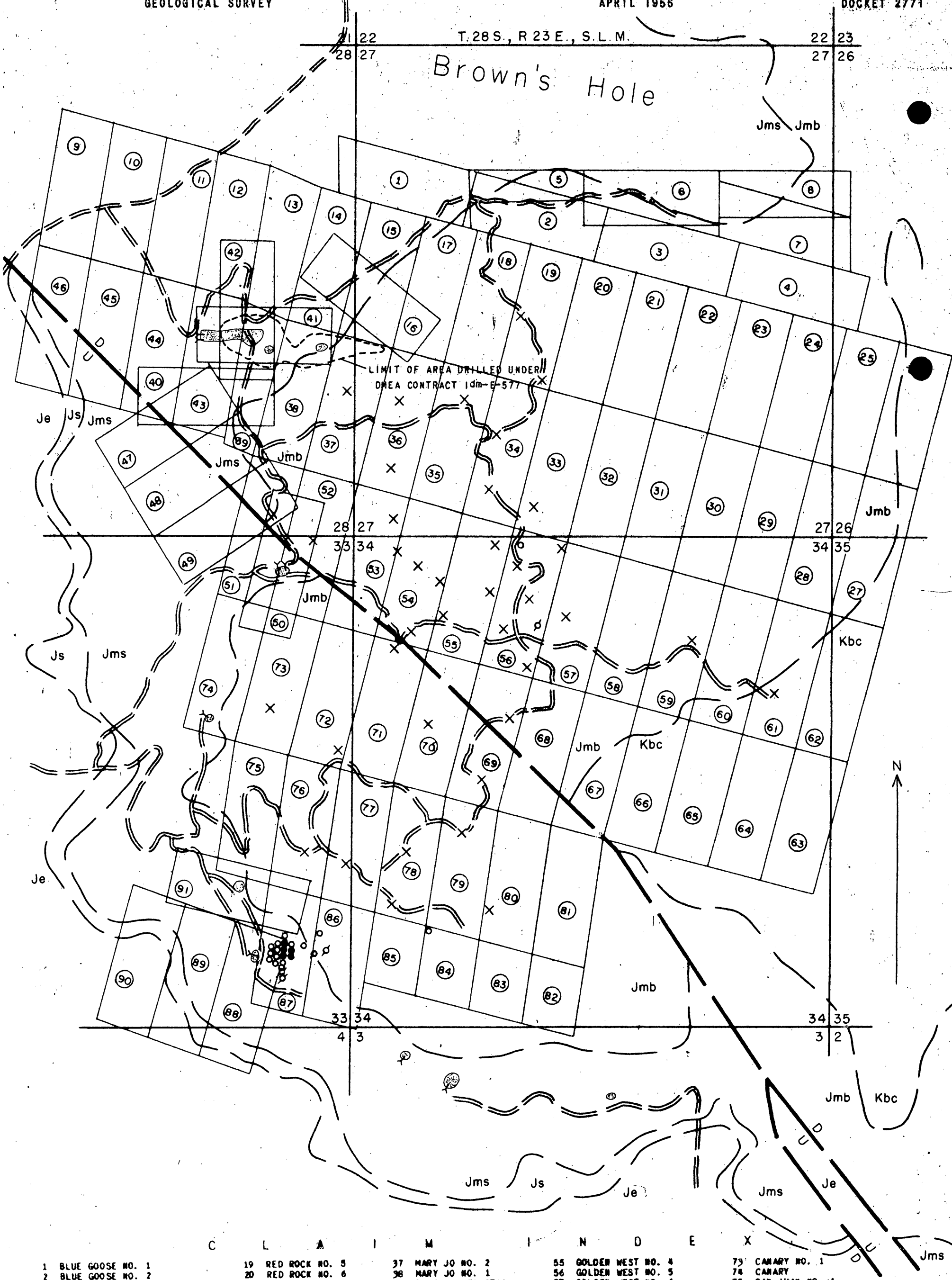
In the opinion of the DMEA examining geologist, the small size of the known deposits around the edge of the mesa (fig.2), indicates that deposits within the mesa are not likely to be sufficiently large to provide a reasonable target for drilling averaging 450 feet. One of the holes would be collared in the Burro Canyon and would need to be 700 feet deep to penetrate the Salt Wash. The maximum size target, as indicated by the Blue Jay deposits, would probably not exceed 100 feet in width nor 600 feet in length; much weakly mineralized and even some barren ground would occur within any overall mineralized area such as on the Blue Jay claim.

In administration of contract Idm-E 577, Mr. Gramlich has occasionally moved drill-hole sites without consulting the DMEA field team, notwithstanding the fact that he was later paid for the holes. Mr. Gramlich regards himself as being competent in doing geological work and to date he has had some luck in picking sites that later proved to be locations of ore holes. Nonetheless, it should be pointed out that in letting any future contracts to Gramlich Exploration Company, a provision should be made for hiring a geologist-engineer, other than Mr. Gramlich.

Because of the small drilling target that would be expected, and the deep drilling required, it is quite probable that drilling in the central portion of the mesa would be extremely costly in proportion to the value of ore bodies contained in any mineralized ground that might be discovered. It is recommended that the request of Gramlich Exploration Company for further DMEA assistance under contract Idm-E 577 be denied. It is further recommended that DMEA contract Idm-E 577 be terminated and a certification of discovery be made.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
APRIL 1956
DOCKET 2771



CLAIM INDEX

1 BLUE GOOSE NO. 1
2 BLUE GOOSE NO. 2
3 BLUE GOOSE NO. 3
4 BLUE GOOSE NO. 4
5 BLUE GOOSE NO. 5 FRACTION
6 BLUE GOOSE NO. 6 FRACTION
7 BLUE GOOSE NO. 7
8 BLUE GOOSE NO. 7 FRACTION
9 DONNA M
10 SHIRLEY J NO. 1
11 SHIRLEY J
12 DONNA M NO. 1
13 RED ROCK NO. 1 FRACTION
14 RED ROCK NO. 1
15 RED ROCK NO. 2
16 REDBIRD
17 RED ROCK NO. 3
18 RED ROCK NO. 4
19 RED ROCK NO. 5
20 RED ROCK NO. 6
21 RED ROCK NO. 7
22 RED ROCK NO. 8
23 RED ROCK NO. 9
24 RED ROCK NO. 10
25 RED ROCK NO. 11
26 RED ROCK NO. 12
27 MARY JO NO. 12
28 MARY JO NO. 11
29 MARY JO NO. 10
30 MARY JO NO. 9
31 MARY JO NO. 8
32 MARY JO NO. 7
33 MARY JO NO. 6
34 MARY JO NO. 5
35 MARY JO NO. 4
36 MARY JO NO. 3
37 MARY JO NO. 2
38 MARY JO NO. 1
39 BLUE JAY FRACTION
40 OLD TREE
41 BLUE JAY
42 BLUEBIRD
43
44 DUGOUT
45 DUGOUT NO. 1
46 ROSE
47 SUNSET
48 SUNSET NO. 1
49 SUNSET NO. 2
50 PINE TREE
51 GOLDEN WEST
52 GOLDEN WEST NO. 1
53 GOLDEN WEST NO. 2
54 GOLDEN WEST NO. 3
55 GOLDEN WEST NO. 4
56 GOLDEN WEST NO. 5
57 GOLDEN WEST NO. 6
58 GOLDEN WEST NO. 7
59 GOLDEN WEST NO. 8
60 GOLDEN WEST NO. 9
61 GOLDEN WEST NO. 10
62 GOLDEN WEST NO. 11
63 CANARY NO. 11
64 CANARY NO. 10
65 CANARY NO. 9
66 CANARY NO. 8
67 CANARY NO. 7
68 CANARY NO. 6
69 CANARY NO. 5
70 CANARY NO. 4
71 CANARY NO. 3
72 CANARY NO. 2
73 CANARY NO. 1
74 CANARY
75 SAN JUAN NO. 1
76 SAN JUAN NO. 2
77 SAN JUAN NO. 3
78 SAN JUAN NO. 4
79 SAN JUAN NO. 5
80 SAN JUAN NO. 6
81 GRAND VIEW NO. 7
82 GRAND VIEW NO. 6
83 GRAND VIEW NO. 5
84 GRAND VIEW NO. 4
85 GRAND VIEW NO. 3
86 GRAND VIEW NO. 2
87 GRAND VIEW NO. 1
88 SAN JUAN
89 ROSEBUD
90 ROSEBUD NO. 1
91 SUNNYSIDE

EXPLANATION

Kbc	CRETACEOUS BURRO CANYON
Jmb / Jms	JURASSIC MORRISON FORMATION: BRUSHY BASIN MEMBER, Jmb; SALT WASH MEMBER, Jms
Js	JURASSIC SUMMERVILLE FORMATION
Je	JURASSIC ENTRADA SANDSTONE
	GEOLOGIC CONTACT, APPROXIMATELY LOCATED
D / U	LISBON VALLEY FAULT, APPROXIMATELY LOCATED; D, DOWNTHROWN SIDE; U, UPTHROWN SIDE
	MINERALIZED GROUND
	ADIT
	DRILL HOLES, (INDIVIDUAL DMEA HOLES ON BLUE JAY AND ADJACENT CLAIMS NOT SHOWN)
●	ORE BEARING
ø	MINERALIZED
o	BARREN
×	STAGE I DRILL HOLE PROPOSED UNDER EXTENSION OF CONTRACT Idm-E-577

Note: GEOLOGY AND CLAIM BOUNDARIES FROM MAP PREPARED BY GEORGE H. NEWELL, REGISTERED SURVEYOR

1000 0 5000 FEET

FIGURE 2. CLAIM MAP OF GRAMLICH EXPLORATION COMPANY LEASE, SHOWING PROPOSED STAGE I DRILL HOLE LOCATIONS UNDER AMENDMENT TO CONTRACT Idm-E-577, BROWN'S HOLE AREA, SAN JUAN COUNTY, UTAH.

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

RECEIVED
APR 10 1956

DMEA
Date Rec'd.
APR 13 1956
BUREAU OF MINES
Denver, Colorado

April 11, 1956

Memorandum

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

From: Stephen R. Wilson

Subject: Docket No. DMEA-2771 (Uranium), Contract Idm-E577, Gramlich Exploration Co., San Juan County, Utah

Reference is made to your memoranda of November 28, 1955, and March 16, 1956, relative to a request by the subject operator for additional DMEA funds. A copy of the operator's letter, dated October 12, 1955, was attached to your memorandum of November 28, 1955.

A report prepared by F. M. Byers, Geological Survey, has been transmitted to E. N. Harshman in Denver. The report recommends denial of the operator's request for additional funds. I am in accord with the recommendations contained in the report.

The operator's request letter, with attached exhibits, is herewith enclosed.

Stephen R. Wilson
Stephen R. Wilson

Enclosure

cc: J. B. Clemmer

E X H I B I T S

Number	
a	General Letter of Application
1	Map of General Area
2	Log of Hole No. 1, Golden West No. 5
3	Assay sheets of Hole No. 1, Golden West No. 5
4	Log of Hole No. 2, Golden West No. 5
5 (a)	Assay of Hole No. 2, Golden West No. 5
6 (b)	Assay of Hole No. 2, Golden West No. 5
7	Four Corners offer for J. W. Gramlich, Sr.'s services
8	Drilling Costs
9	Estimate Drilling Costs, Minerals Engineering Co.
10	Estimate Drilling Costs, Euvon ~~Ro~~ Ed Johnson Only Leo
11	Estimate Drilling Costs, Jones Drilling Co.

EXHIBIT "A"

RE: EXPLORATION PROJECT CONTRACT

GRAMLICH EXPLORATION CO.

Moab, Utah
October 12, 1955

Docket D.M.E.A. - 2771
Idm-E577

Subject: Extension - Additional Funds for Exploration.

Developments in general area since first application:

1. Drilling on Blue Jay claim indicates ore reserves of around 12,000 tons or more.

2. Drilling on Amuranium Corporation claims 1/4 mile northerly from our Blue Goose claims reports very large tonnage drilled out and yet drilling, also presently mining and shipping.

3. Rattlesnake Mine of Continental Uranium Corp. about 2 miles southeast from our southeast boundary reports discoveries of over 120,000 tons uranium ore from drilling and are presently engaged in a huge strip mining operation.

PHYSICAL CHARACTERISTICS

The approximately 1600 acres owned by applicant in this area (of which approximately 1040 acres are embraced under D.M.E.A. 2771) are situated between above producers - are traversed by the same Big Indian fault zone - reveal the same favorable geological characteristics and with proper drilling should indicate uranium deposits of huge tonnage and of above average grades. X S77

The surface of areas to be drilled are mostly of the upper Brushy Basin formation, with some Dakota formation faulted down on the north side of fault in the vicinity of Golden West claims

Nos. 4, 5 and 6 (drilled through 60 feet of Dakota sand in hole No. 1, Golden West No. 1. See map, Exhibit 1.)

Surface of general area is extremely rough with gullies and hills and covered largely with hard flinty chert slabs and boulders in all sizes up to many tons. This condition will prohibit road building and drilling in some local areas, and is the reason why proposed drill sites cannot definitely be pin pointed (variation should be allowed of up to 500 feet.) In some places several holes will need to be started in order to find an opening. This will prove costly and retard progress.

ORE CHANNEL TRENDS

The ore belt trend in middle or 2nd Salt Wash sand indicates from drilling and mining on Blue Jay and San Juan claims an easterly and westerly direction.

The trend on 3rd or upper Salt Wash member has not definitely been determined on this property; however, we can reasonably believe it will also be easterly-westerly since A.M. Uranium to the north has found it so and the Rattlesnake mine to the south-east also indicates easterly-westerly. However, some drilling should be done to determine if trend might be northwest and south-east.

On the extreme south end of the property (near Sunny Side claim) where all formations are exposed from Entrada to Brushy Basin, there are five distinct Salt Wash sands with shales between, and each of these sands either show ore or have yellow and green

leaching on surface which is very indicative of ore bodies somewhere back of exposures. Good tonnages have been mined from the top or third rim on the Sunnyside Claim and from the second rim or member of the Salt Wash sands on the San Juan Claim.

DRILL HOLES

In hole No. 1, Golden West No. 5 claim, drilled by applicant (around which we propose to commence next drilling) (see log enclosed, Exhibit No. 2), mineralization was encountered at 359 feet and continued at intervals down to 428 feet. Parts of three lenses were assayed (see assay sheets attached, Exhibit No. 3) as follows:

Sample	c/o U_3O_8	c/o V_2O_5
No. 1 - 360' to 362½' hard sandy black shale	.017	.04
No. 2 - 388' to 390½' sandy black shale and carbon	.038	.06
No. 3 - 423.6' to 424.6' sandy G.S. with carbon layers	.025	.03

Below this to bottom of hole, 531 feet, the formation is poor to semi-favorable. The formation is in the third member of the Salt Wash, depth of 359-428 feet.

Gamma Log was run on this hole by A.E.C. Unit No. 976 from Dry Valley, on November 2, 1953 (see your records.) (Note this log information was denied to D.M.E.A. applicant.)

In Hole No. 2 (see Exhibit No. 4 log) Golden West No. 5 claim (drilled by applicant), extremely favorable mineralization was also encountered in what we believe to be the 2nd or middle Salt Wash member.

The upper, pr 3rd, Salt Wash member in this hole was encountered at 315.5 feet and continued through 418.5 feet - having an unusual thickness of 104 feet but of only semi-favorable appearance. In this respect this hole is very significant because of the channel or bar character of the sand deposition; in this district the ore bodies proven in this rim are in environments where thick sands have thinned. Therefore between this thickness and where it thins down, there should be ore.

Apparently there was but 4 feet of red shale between top and middle sands, at 423.5 feet.

Immediately under the red shale, mineralization commenced and continued to 445 feet. One foot, 428.7 to 429.7, assayed .016 U_3O_8 and 0.58 V_2O_5 (see Exhibit No. 5.) 7 foot core assayed.

An assay (Exhibit No. 6) was run on core 423.5 to 430.5 feet. Result: U_3O_8 .012, V_2O_5 .22. 7 ft. core assayed.

An assay (Exhibit No. 6) was run on core 430.5 to 437.5 feet. Result: U_3O_8 .005, V_2O_5 .01. 7 ft. core assayed.

This mineralization or vein matter was identical to that encountered in Blue Jay drilling where sometimes it was within a few feet from commercial ore.

DRILLING PATTERN

Valuable geological information and depth data should be obtained by drilling Hole No. 15 (Golden West No. 1) and Holes Nos 13 (Canary No.3) and 38 (Golden West No. 3) (see map, Exhibit 1.) These holes being back of known producing out-crops have good potential as well as giving displacement at two places on Big Indian or Lisbon fault. (Fault displacement unknown to date)

Next, due to the very favorable mineralization of above described Golden West No. 5 holes Nos, 1-2, it is proposed to drill four offset holes at distances of from 200 feet to 600 feet around each of above two original holes. Then a fence pattern holes No. 9-10-11-12-14-17 should be drilled to penetrate probable channel between outcrop on Pinetree Claim and mineralization on the Golden West No. 5 Claim. (See cost sheet, Stage 1A, Exhibit 8.)

Should any or all of above 17 holes encounter or indicate ore, then additional offset holes on approximately 100 foot centers should be drilled. It may be necessary in locating trends or where terrain dictates, to make a few 50 foot centers optional. (See cost sheet, Stage 1B, Exhibit 8.)

Should it be found inadvisable, from results of above first 17 holes, to drill offsets (above paragraph), then exploratory holes Nos. 17 to 37 should be drilled, including same offset provision as above (see stage II, exhibit 8.)

Two holes of the 17 above should be drilled through bottom member of Salt Wash, also at least every fifth hole of the Nos. 17 to 36 exploratory holes should be drilled to this depth, especially as drilling progresses in a southerly direction.

In the event offset holes in Stage IB and Stage II are completed, then Stage III offsets are to be completed.

As drilling progresses, revealing new data which would indicate a change of hole location in any phase, then U.S.G.S. field man in cooperation with applicant should have pre-vested authority to make such changes, without the customary time consuming, customary formality of filing an amendment and awaiting an approval.

ESTIMATED COSTS

(a) To penetrate through the two principle producing sands (middle and 3rd Salt Wash) will require an average depth of approximately 450 feet. However, the occasional holes to test bottom Salt Wash rim may run as deep as 550 to 600 feet.

(b) From Exhibit 8 (sample estimate) you will observe that costs for roads, drill sites, sample analysis, core boxes, engineering, supervision, etc. will run at approximately $.66 per foot.

Bid estimates from: Minerals Engineering Co., Johnson and Youvon Drilling Co., and Jones Drilling Co. (see Exhibit Nos. 9-10-11) would indicate a drilling cost of from $6.00 to $8.00 per foot. However, we believe that by using our own drill rigs and crews, we could do the drilling for $6.00 per foot. This in addition to the $.66 per foot (paragraph (b)) would give an overall price per foot of $6.66.

This rate would be offered in anticipation of plug drilling all shales and include coring and boxing of sands. (No sludge possible.)

SUMMARY OF COSTS

All costs drilling Stage I	$ 49,996.00
All costs drilling Stage I(a)	190,476.00
All costs drilling Stage II	62,937.00
All costs drilling Stage III	59,940.00
Total cost:	$363,349.00
Operator participating 10% =	- 36,334.90
Government participating 90% =	$327,014.10

By far the simplest, most satisfactory and practical manner to execute this contract would be to not have stages or phases - but to allow a maximum amount at a given rate per foot, drilling pattern to take shape and continued as indications, ore, topography, weather and general conditions dictate as drilling progresses.

Contract time required will probably be about three years.

Applicant does not favor drilling to prove or disprove geologic theories. The object is to find ore as economically and with as few holes as possible.

We anticipate, from the results of this drilling, to locate large ore bodies, mine them and repay every cent of the Government participation.

Thank you.

GRAMLICH EXPLORATION CO.

By: J. W. Gramlich Sr.

J. W. Gramlich, Sr., Owner

EXHIBIT NO. 2

D.M.E.A. 2771 Idm E577

Log of Drill Hole No. 1, Golden West No. 5 Claim

Feet	
.0 to 5	- Top soil
5 to 65	- Dakota sand
65 to 305	- Brushy Basin (red and blue shale hard ribs.) Plug drilled.
	Cored here to bottom.
305 to 314	- Brushy Basin, blue clay and purple clay (Blue predominating)
314 to 325	- Soft coarse G.S.
325 to 328	- Blk sandy shale, hard
328 to 335	- Fine grained G. sand with dark layers and seams
335 to 345	- Red and green mottled shale
345 to 348	- Red shale
348 to 356	- Fine grained G.S. with B.C. and R.C. seams
356 to 357	- Sandy B.C. with pink tint
357 to 359	- Hard G.S. Third Salt Wash possibly begins here
359 to 367	- Sandy hard blk shale, some count, mineralization V .04 U .017 (see assay, Exhibit No. 3)
367 to 375	- G.S., fine grained with dark B.C. seams
375 to 387	- R. shale with G.C. spots Definitely 3rd Salt Wash below
387 to 392	- Black sandy shale and carbon, some count (V .06%, U .038%. See assay, Exhibit 3)
392 to 398	- G.S. white bleached, fine grained.
398 to 400	- G.S., white bleached with carbon seams
400 to 413	- G.S., white bleached
413 to 421	- G.S. with B.C. and blk C. nodules (roll action)
421 to 424.6	- G.S. smoky tint with carbon seams, some count (V .034 U .025%. See Exhibit 3.)
424.6 to 425.5	- G.S., rusty tint.
425.5 to 427.0	- G.S., smoky tint.
427.0 to 428.0	- G.S. Bottom 3rd Salt Wash
428.0 to 481.0	- R. shale, blk shale with hard ribs
481.0 to 485.0	- Sandy R.C.
485.0 to 495.0	- G.S. fine grained, soft (probably 2nd or middle Salt Wash)
495.0 to 551.0	- Red shale, green shale, hard ribs Bottom of hole.

Smith's Laboratory

CHEMIST AND ASSAYER

MOAB, UTAH

Exhibit No 3.

Gramlich Exploration
Moab
Ut.

Oct. 18, 1955

Sample Description	% U_3O_8	% V_2O_5	%	%	%	%			
G. W. 5 claim									
Hole #1 360-362½	0.017	0.04							
388-390½	0.038	0.06							
423.6-424.6	0.025	0.03							

TOTAL CHARGES $ 12.00

J. Earl Smith
CHEMIST

EXHIBIT NO. 4

D.M.E.A. 2771 Idm E577

Log Drill Hole No. 2, Golden West No. 5 Claim

Feet		
.0 to 252.5	-	Brushy Basin (Red and blue shale - hard ribs) 4th Salt Wash sand begins.
Cored:		
252.5 to 262.0	-	Fine grained G.S. with some B.C. seams.
265.5 to 270.0	-	Coarse G.S., large limonite spots (lower half.) 4th Salt Wash sand ends.
270.0 to 314.5	-	Alternate red and blue shale. 3rd Salt Wash sand begins.
314.5 to 418.5	-	G.S., some B.C. seams, horizontal stratification. 104' thickness, only semi-favorable. 3rd Salt Wash sand ends.
418.5 to 423.5	-	Red shale 2nd or middle Salt Wash begins.
423.5 to 425.5	-	Vein matter, possible LGV, slight count carbon)
425.5 to 428.7	-	Blk sandy shale, much carbon, angle stratas) Assay
428.7 to 429.7	-	Smoky sand L.G.V. (assay V_2O_5 .58%,)Exhibit U_3O_8 .016%)) 6
429.7 to 430.5	-	Smoky sands L.G.V. (Exhibit No. 5)
430.5 to 436.0	-	Favorable G.S. and sandy blk clay, carbon.
436.0 to 440.0	-	Red clay, blk clay, angle stratas
440.0 to 445.0	-	Smoky sand, B.C. seams, angle stratas
445.5 to 449.0	-	Red clay seams with smoky sand between 2nd or middle Salt Wash sand ends.
449.0 to 455.0	-	Red shale. 1st or bottom Salt Wash begins?
455.0 to 461.0	-	Pink sand
461.0 to 465.0	-	Red clay
465.0 to 484.5	-	G.S., pink tint
484.5 to 490.5	-	Sandy R.C. and B.C.
490.5 to 492.5	-	Variegated cross angle, G.S. purple tint
492.5 to 493.0	-	Blue clay
493.0 to 503.6	-	Hard ribs in red shale Bottom of hole.

Smith's Laboratory

CHEMIST AND ASSAYER

MOAB, UTAH

Exhibit No 5

RECEIVED

APR 18 1956

Gramlich Exploration

May 31, 1955

Sample Description	% U_3O_8	% V_2O_5	%	%	%	%			
Golden West #5 claim									
Hole #2									
Core 428.7' to 429.7'	0.016	0.58							

TOTAL CHARGES $ 4.00

J. Earl Smith

CHEMIST

Smith's Laboratory

CHEMIST AND ASSAYER

MOAB, UTAH

Exhibit No 6

Gramlich Exploration

June 4, 1955

Sample Description	% U_3O_8	% V_2O_5	%	%	%	%			
Golden West #5 claim Hole #2									
core 423.5' to 430.5'	0.012	0.22		Seven	feet	core			
430.5 to 437.5'	0.005	0.01		-	-	-			

TOTAL CHARGES $ 8.00

J. Earl Smith
CHEMIST

Exhibit No 7

Four corners uranium corporation

U.S. NATIONAL BANK BUILDING
ALPINE 5-0387
DENVER 2, COLORADO

December 2, 1954

Mr. J. W. Gramlich, Sr.
Moab, Utah

Dear Mr. Gramlich:

The management of Four Corners Uranium Corporation has been discussing for some time the growing need for additional experienced help in securing and evaluating new acquisitions.

Your many years of successful experience and operation in the many phases of uranium production makes your services very desirable, especially in directing our various drilling programs and the determining of most favorable areas to drill.

From your success in finding ore we believe you could, perhaps, save us thousands of feet of exploratory drilling.

It is my considered opinion that your services would be of such value to me that I would like to arrange with you to do this specialized work for the company on the basis of $100.00 per diem, plus traveling expenses to points designated by Four Corners Uranium Corporation.

If you feel that the terms are satisfactory and you have time available, I would appreciate hearing from you setting forth your view in this matter.

Very truly yours,

E. H. Sanders, President

EHS:mc

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APR 18 1956

EXHIBIT NO. 8

D.M.E.A. 2771

Idm E577
Application
Extension

Estimated Costs and Plan

STAGE I(A) (see Map Exhibit 1)

Drill holes Nos. 1 to 15 including No. 38 = 16 holes.
2 holes to test all members of Salt Wash 2 X 600 feet = 1,200 feet.
14 holes thru middle or 2nd Salt Wash 14 X 450 feet = 6,300 feet.
Total footage: 7,500 feet.

7,500 feet @$6.00 per foot:	$45,000.00
Roads and drill sites Dozer 110 hrs. @ $12.00 (price here)	1,320.00
Sample analysis 2 per hole 32 X 2	96.00
Core boxes 5 per hole or 80 X $1.00	80.00
Engineering, Surveying, Maps, etc.	2,000.00
Supervision foreman and pickup	1,500.00
	$49,996.00

Overall cost $49,996.00 ÷ 7,500 ft. = $6.66/ft.

STAGE I(B)

Approximately 4 offset holes around each of above = 4X16 = 64 holes
64 holes X average depth 450 ft. = 28,600 ft.
28,600 ft. X $6.66 per ft. = $190,476.00

STAGE II

Drill balance exploratory holes Nos. 16 to 37 = 21 holes
21 holes X 450 ft. average depth = 9,450 ft.
9,450 ft. X $6.66 per ft. = $62,937.00

STAGE III

Drill 20 offset holes around most favorable of holes Stage 2
20 X 450 average depth = 9,000 ft.
9,000 X $6.66 per ft. = $59,940.00 Stage 3

49,996.00	Stage 1
190,476.00	Stage 1(b)
62,937.00	Stage 2

TOTAL APPLIED FOR: $363,349.00

MINERALS ENGINEERING COMPANY

Exhibit No 9

TUNGSTEN MILL AND MINES
GLEN, MONTANA
REFINERY
SALT LAKE CITY

ENGINEERING AND PRODUCTION OF MINERALS AND METALS
URANIUM DRILLING AND ELECTRONICS

TELEPHONE 430 801 4TH AVENUE P. O. Box 957
Grand Junction, Colorado

RECEIVED
APR 13 1956

4/I5/55

To Whom It May Concern:

Upon examination of Gramlich - Brown's Hole Property with reference to Non - Coring and Core Drilling costs.I find the formation one of the most difficult on the Plateau area to get holes down to the desired depth.

Quartsite slabs and boulders are expensive to penetrate for two reasons.They wear any type of bit very rapidly and they tend to make the hole crooked which in turn makes it very difficult to insert casing. It is normal figuring to have about 25 % loss on casing recovery in this formation.

Basing my opinion on facts already encountered on the Rattlesnake Property which formation is identical to the above mentioned area. I would recommend an average of $ 6.00 per foot cost on drilling from the top of the ground to the bottom of the coring depth.

This would definately not include drill sites,roads, engineering,etc, necessary to complete the job.

MINERALS ENGINEERING COMPANY

By Sherman Vaglund
Field Drilling Supt.

We're Building a Company - - -
ME Co.
- - - and We're in a Hurry

Exhibit No 10

Moab, Utah
April 26, 1955

Gramlich Exploration Co.
Moab, Utah

RECEIVED
APR 18 1956

Dear Sirs:

As per your request for an estimate on core drilling your property in Sections 27, 28, 33 and 34 in Township 28 S., Range 23 East., I give you the following:

On previous drilling in almost the same formation and conditions, we have encountered extreme difficulty in drilling thru the top bed of loose quartsite slabs, and boulders. Several methods were tried to penetrate these beds, and I believe that by using a roller bit to smooth these boulders so that they can be drilled with diamond bits is the most practical. However, this requires running several strings of casing, changing drill bits and extreme wear on diamond bits.

After penetrating the upper bed of loose quartsite slabs and boulders and reaching solid formation, drilling can then proceed in a normal manner.

Due to the uncertainty of the depth and condition of the top 200 to 300 feet, extreme wear on diamond bits, high loss of casing, I would recommend a price of $6.75 per foot for drilling depths up to 600 feet.

JOHNSON & YOUVON DRILLING CO.

Jack Youvon

Jack Youvon, Partner

PLANT ADDRESS:
2006 INDUSTRIAL BLVD.

MAILING ADDRESS:
P. O. BOX 5332

JONES Core Drilling COMPANY

TELEPHONE:
HARWOOD 2806

Exhibit No 11

DIAMOND DRILLING AND PRESSURE GROUTING

CONTRACTORS

DALLAS 2, TEXAS

RECEIVED
APR 13 1956

July 17, 1955

Gramlich Exploration Co.
Moab, Utah

Dear Sirs,

In reply to your request for an estimate on drilling in sections 27, 28, 33 & 34 in Township 28 S., Range 23 East., We give the following as an estimate only;

Due to the bad surface conditionssuch as hard boulders, faulting and loss of drilling fluid the cost would be high. The casing loss would be thirty to thirty five percent.

Ordinarily coring is much higher than the non-coring portion of a hole but in this area I would estimate the non-coring at the same price as the coring.

I would estimate the following prices;

0 to 200	non-coring	$ 5.50 per ft.	Core drilling	$ 6.00 per ft.
200 to 400	Non-coring	$ 6.50 per ft.	Core drilling	$ 7.00 per ft.
400 to 600	Non-coring	$ 7.00 per ft.	Core drilling	$ 8.00 per ft.
Stand-by time at the request of the owner				$ 12.50 per hr.
Casing left in the hole at the request of the owner				$ 1.75 per ft.

Jones Core Drilling Co. Inc.

By Glen Martin
Glen Martin Drlg. Supt.

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

March 30, 1956

224 New Customhouse
Denver 2, Colorado

Mr. John W. Blackburn
Vanadium Corporation of America
Durango, Colorado

Re: Royalty payments, DMEA Docket 2771 (Uranium) Contract Idm-E577, Gremlich Exploration Company, San Juan County, Utah

Dear Mr. Blackburn:

Your company's check No. 7493 for $49.48 in payment of royalties due the Government on Lot Nos. 66363 and 66417 shipped during the period February 28, 1956 to March 15, 1956 has been received.

In the case of uranium shipments the correct DMEA royalty should be 5.0 percent of the gross payment including development and haulage allowances. The additional royalty due has been requested from Mr. Gremlich; however, if arrangements can be made to have your mill withhold 5.0 percent of the gross payments on future shipments from Gremlich Exploration Company and other DMEA operators it would considerably decrease our correspondence with the operating companies. Also four copies of each settlement sheet are required for our DMEA files.

Any assistance you can give to these requests will be greatly appreciated.

Yours very truly,

W. M. TRAVER,

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

HMC:ab

cc: Royalty File E577
Royalty File-General
Sec. Op. Comm. (2)
S. R. Wilson
Chron.

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

March 30, 1956

224 New Customhouse
Denver 2, Colorado

Mr. J. W. Gramlich Sr., President
Gramlich Exploration Company
Moab, Utah

Re: Royalty payments, DMEA Docket 2771 (Uranium) Contract Idm-E577, Gramlich Exploration Company, San Juan County, Utah

Dear Mr. Gramlich:

Partial DMEA royalty payment for Lot Nos. 66363 and 66417 in the amount of $49.48 has been received from the Vanadium Corporation of America. Correct royalty on this shipment should have been 5.0 percent of the gross payment ($1,147.75) or $57.39 leaving a balance due of $7.91. In addition royalty is due for the A.E.C. Production Bonus on this shipment. This will be 5.0 percent of $601.55 or $30.08.

Please send your check for $37.99 to the Executive Officer, DMEA Region III, Room 224 New Customhouse, Denver 2, Colorado. Government royalty checks are to be made payable to the Defense Minerals Exploration Administration.

Yours very truly,

W. M. TRAVER

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

HMC:ab

cc: Royalty File E577
Sec. Op. Comm. (2)
S. R. Wilson
Berk
Chron.

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

RECEIVED
MAR 1 3 1956

224 New Customhouse
Denver 2, Colorado

March 16, 1956

Memorandum

To: S. R. Wilson
J. W. Hasler

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2771 (Uranium), Contract Idm-2577, Gramlich Exploration Company, San Juan County, Utah

Please advise as to the date we can expect to receive your recommendations relative to the Operator's request for approval of additional work and funds, which was forwarded to you by our memorandum of November 28,1955.

W. M. TRAVER

W. M. Traver

JWT:prl
cc: Chairman, Oper. Comm. (2)
Harshman
Townsend
Corres. file
Chron.

3/8/56

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

RECEIVED
MAR - 8 1956

224 New Customhouse
Denver 2, Colorado

March 2, 1956

Memorandum

To: S. R. Wilson

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty payments, DMEA Docket 2771 (Uranium), Contract Idm-E577, Gramlich Exploration Company, San Juan County, Utah

Your "Ore Shipment and Royalty Data" sheet for the month of February 1956 shows that ore is being shipped by the subject operator; however, the last settlement sheet furnished to this office was for Lot No. 60383 shipped during the period June 28, 1955 to July 1, 1955.

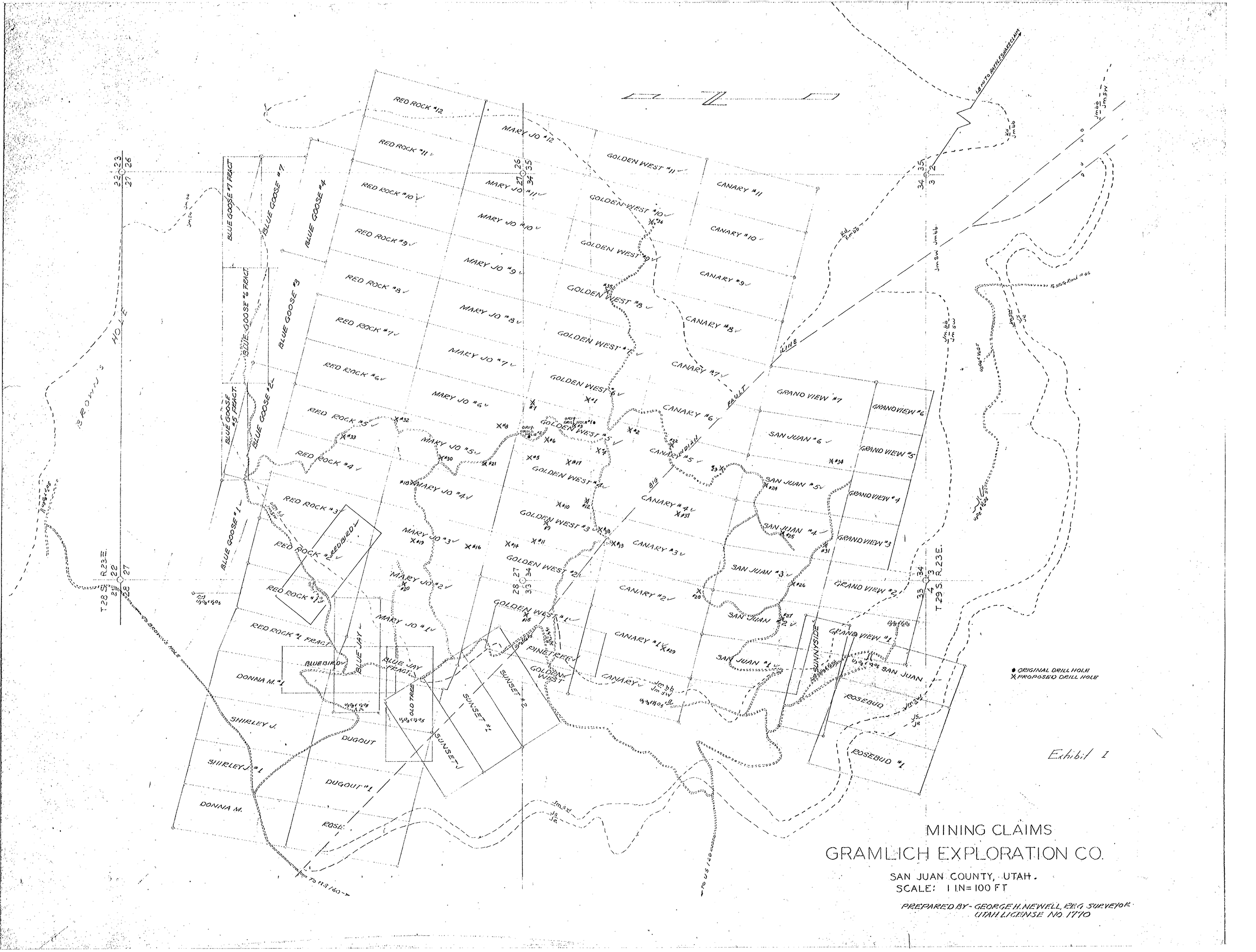
Please advise if there have been subsequent shipment for which we should request royalty payment.

W. M. TRAVER

W. M. Traver

RDB/vj

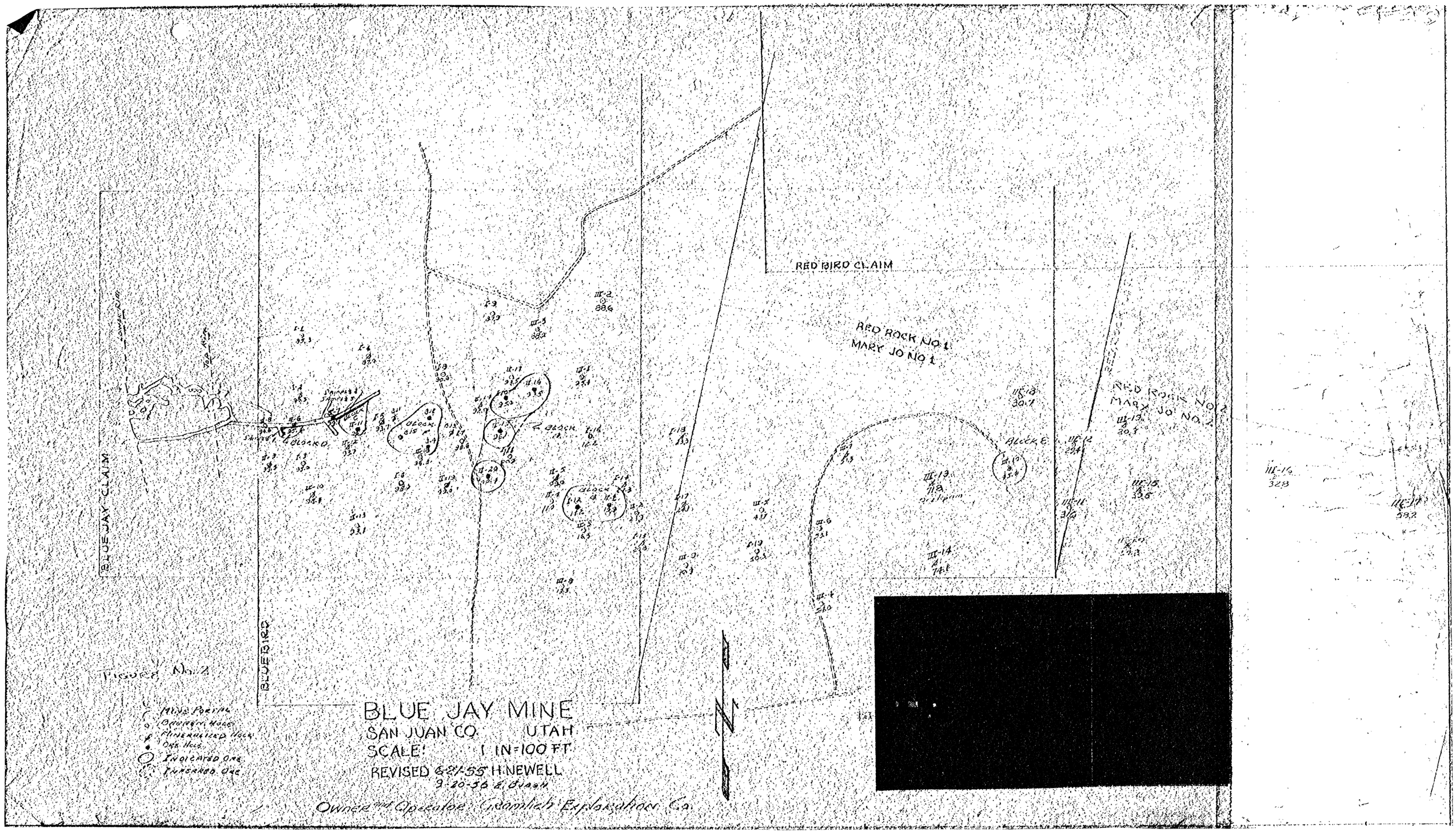
cc: Royalty File E577
Sec. Opr. Comm. (2)
Berkenkotter
Chron.



MINING CLAIMS
GRAMLICH EXPLORATION CO.

SAN JUAN COUNTY, UTAH.
SCALE: 1 IN = 100 FT

PREPARED BY - GEORGE H. NEWELL, REG. SURVEYOR
UTAH LICENSE NO 1770


RED BIRD CLAIM
RED ROCK No 1
MARY JO No 1
RED ROCK No 2
MARY JO No 2
BLUE JAY CLAIM
BLUE BIRD
BLOCK D
BLOCK E
BLOCK No. 2
Mine Portal
Operating Hole
Mineralized Hole
Ore Hole
Indicated Ore
Inferred Ore
BLUE JAY MINE
SAN JUAN CO. UTAH
SCALE: 1 IN=100 FT
REVISED 6-21-55 H. NEWELL
9-20-56 E. Black
Owner and Operator Columbia Exploration Co.