DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE Idm-E NO. 577 DMEA NO. 2771

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [x] Project summary (final)
- [x] Work Completed analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab) FOLDER #2
- [x] Operator's Final Report (Tab) FOLDER #2
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [x] Settlement Sheets
- [ ] Drill Logs

Additional Folders: #2 Correspondence 1/1/56 To ——

Left Side

Folders No. 3 : Reports

- [x] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

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

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

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

17963

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E577, Docket DMEA-2771 (uranium), dated August 6, 1953, with

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

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Brown's Hole Area located in San Juan County, Utah, during the period October 1, 1961, through August 12, 1963.

A certification of discovery or development was issued on May 22, 1956, and, in accordance with Annex II which by Amendment No. 3 was substituted for Article 6 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated August 1, 1956, indicated accepted costs under the exploration contract amounting to $33,880.89 with the Government's contribution on a 90 percent basis being $30,492.80.

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

This review found the total sales subject to the Government's royalty for the period to be $21,991.57. Royalty payable to the Government at the rate specified in the contract is $1,099.58.

A prior Report of Royalty Review found the sales subject to the Government's royalty through September 30, 1961, to be $101,395.03, which added to the sales for this subsequent period make a total of $123,386.60. The royalty account as of September 30, 1961, was:

Total Royalty Payable	$5,069.74
Total Royalty Paid	5,069.74
Balance of Royalty Due	$ -0-

As of August 12, 1963, the royalty account of this project was found to be:

Total Royalty Payable	$6,169.32
Total Royalty Paid	6,169.32
Balance of Royalty Due	$ -0-

E. D. Talbert

August 13, 1963

E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the 60 unpatented mining claims located in sec. 28, T. 28 S., R. 23 E., S.L.B. & M., Brown's Hole Area. At the time the contract was executed the Operator was in possession of the property under three separate leases as follows:

Lessor	Claims
(a) Samuel V. Gramlich -	Golden West and Golden West Nos. 1 through 11 Canary and Canary Nos. 1 through 10 San Juan Nos. 1 through 6
(b) Irene S. Gramlich -	Red Rocks Nos. 1 through 11 Mary Jo Nos. 1 through 11 Blue Goose Nos. 1 and 2
(c) Howard Baisley -	Sunset, Red Bird, Blue Bird, Blue Jay, Pine Tree, Big Chief, and Sunnyside.

In consideration of the contract, an assignment thereof, and amendments thereto, the several lessors executed Owner's Consents to Lien during August 1954.

A few days after entering into the exploration project contract the Operator, a Colorado corporation, assigned the lease to Gramlich Exploration Company, a trade name owned and used by J. W. Gramlich, Sr. On February 17, 1954, the Government consented to the assignment of the exploration project contract.

Exploration work under the contract was completed during June 1955. Production during the exploration period and thereafter through September 30, 1961, was covered by Reports of Royalty Review dated November 21, 1956, and February 1, 1962. All such production came from the Blue Jay, Pine Tree, and Sunnyside claims.

This review included the tabulation and recomputation of copies of settlement sheets received in support of royalty remittances since the period covered by the prior Reports of Royalty Review. The

tabulation is filed with my audit work papers and is summarized below, together with the aggregate findings of the prior reviews:

	Prior Reviews	This Review	Totals
Production Sold:			
Ore - SWT	1,750.30	470.09	2,220.39
SDT	1,648.13	439.34	2,087.47
Contents, Lbs. - U_3O_8	15,247.90	3,553.07	18,800.97
V_2O_5	53,548.55	13,678.32	67,226.87
Proceeds:			
U_3O_8 Base	$ 53,273.66	$12,435.78	$ 65,709.44
Premiums	7,127.62	3,538.94	10,666.56
Development	7,624.12	1,776.57	9,400.69
Haulage	2,800.75	-	2,800.75
Bonus	15,672.98	-	15,672.98
V_2O_5	16,600.04	4,240.28	20,840.32
Deductions	-1,704.14	-	-1,704.14
Total	$101,395.03	$21,991.57	$123,386.60
Royalty @ 5%	$ 5,069.74	$ 1,099.58	$ 6,169.32

During the period covered by this review production through April 1962 was sold in the name of J. W. Gramlich, Sr. Thereafter, production was sold in the name of H. W. Balsley, with 77½% of the proceeds going to John H. Schuman, lessee and producer. All production during the period of this review came from the Blue Jay claim and was sold to Climax Uranium Company. The last settlement included was liquidation 5699, dated June 10, 1963, covering lot 3867 shipped during May 1963, for which H. W. Balsley remitted royalty on August 6, 1963.

The Operator surrendered its lease of the claims owned by Howard Balsley during the summer of 1962. In an August 5, 1963, reply to an inquiry, the Operator further advised that all other claims, i.e., those owned by Samuel V. Gramlich and Irene S. Gramlich, had been purchased by the Operator and leased to the Union Carbide Nuclear Company and that drilling thereon was in process.

The findings of this review are subject to revision in the event of future audit of the Operator's or producers' records or examination of the property.

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

(1) The files indicate that all sales of production have been reported and proper royalty thereon paid; and

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

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E577, Docket DMEA-2771 (uranium), dated August 6, 1953, with

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

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Brown's Hole Area located in San Juan County, Utah, during the period November 23, 1960, through September 30, 1961.

A certification of discovery or development was issued on May 22, 1956, and, in accordance with Annex II which by Amendment No. 3 was substituted for Article 6 of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated August 1, 1956, indicated accepted costs under the exploration contract amounting to $33,880.89 with the Government's contribution, on a 90 percent basis being $30,492.80.

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

This review established the total sales of uranium ore for the period to be $30,274.03. Royalty payable to the Government at rates specified in the contract is $1,513.68.

A prior Report of Royalty Review found the sales subject to Government royalty through November 22, 1960, to be $71,121.00 which added to the sales for this subsequent period make a total of $101,395.03. The royalty account as of November 22, 1960, was:

Total Royalty Payable	$3,556.06
Total Royalty Paid	3,626.77
Overpayment of Royalty	$ 70.71

As of September 30, 1961, the royalty account of this project was found to be:

Total Royalty Payable	$5,069.74
Total Royalty Paid	5,069.74
Balance of Royalty Due	$ -0-

E. D. Talbert

February 1, 1962

E. D. Talbert, OME Auditor

Idm-E577 Gramlich Exploration Company DMEA-2771

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

During the period covered by this review uranium ores produced from the Blue Jay and Sunnyside claims by John H. Schuman and Secrest Bros., respectively, were shipped to the Vanadium Corporation of America, Durango, Colorado, and the Climax Uranium Company, Grand Junction, Colorado, in the name of J. W. Gramlich, Sr. The producers operated under informal lease agreements and received 70% of the net proceeds. The Gramlich Exploration Company is a trade name, owned and used by J. W. Gramlich, Sr., as an individual.

This review included the tabulation and recomputation of copies of all liquidation statements received in support of royalty remittances since the period covered by the prior Report of Royalty Review. The tabulation is filed with my audit work papers and is summarized below, together with the findings of the prior review:

	Through 11/20/60	11/21/60 to 9/30/61	Through 9/30/61
Production Sold:			
Ore - SWT	969.41	780.89	1,750.30
SDT	915.34	732.79	1,648.13
Content - U_3O_8	9,762.60	5,485.30	15,247.90
V_2O_5	34,112.85	19,455.70	53,548.55
Proceeds:			
U_3O_8 - Base	$34,100.38	$19,173.28	$ 53,273.66
Premiums	5,148.75	1,978.87	7,127.62
Development	4,881.40	2,742.72	7,624.12
Haulage	1,712.09	1,088.66	2,800.75
Bonus	15,672.98	-	15,672.98
V_2O_5 Payments	10,574.98	6,025.06	16,600.04
Deductions	-969.58	-734.56	-1,704.14
Total	$71,121.00	$30,274.03	$101,395.03
Royalty Payable	$ 3,556.06	$ 1,513.68	$ 5,069.74
Royalty Paid	3,556.06	1,513.68	5,069.74
Balance Due	$ -0-	$ -0-	$ -0-

The $70.71 overpayment of royalty set forth in the prior Report of Royalty Review was refunded during January 1961. The last settlement included in this review was Climax Uranium Company's liquidation 4856 dated August 2, 1961, covering lots nos. 596 and 622

shipped during July 1961. Thereafter, the lessees quit and the mine was operated by Phil Gramlich, son of J. W. Gramlich, Sr., but the first shipment of ore was subsequent to the period covered by this review.

Under a provision of Annex II, the Operator is obligated, as principal if the producer or as surety if not the producer, to pay the Government's percentage royalty on all minerals produced from the sixty unpatented claims covered by the contract. The Government also holds liens on the claims and any mineral production therefrom by virtue of the execution during August 1954 by each of the three landowners (Irene S. Gramlich, Samuel V. Gramlich, and Howard W. Balsley) of an Owner's Consent to Lien.

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

(1) Sales for the period covered by this review have been checked by the Acting Field Officer, OME Region III, with the AEC production records;

(2) All sales of production were reported promptly and proper royalty thereon paid; and

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

MME Form 22
Dec. 60

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name and Address

Gramlich Exploration Company

Moab, Utah

Contract No.	Docket No.
Idm E577	DMEA-2771

Prepared by (Signature)	Date
Hugh M. Connors	1-22-62

Hugh M. Connors

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

8. Current status of property. (Check one).

- [X] Operating.
- [ ] Inactive.
- [ ] Abandoned.

Date of last production if not operating.

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

The AEC production records have been checked through the third quarter of 1961. Please note attached letter from the Operator.

84861-60

Smith River, Calif.
Jan 17, 1962

Office of Minerals Exploration
Bldg 30, Federal Center
Denver 25, Colo.
Attention: Hugh M. Connors

Re: OMEA-277
contract Ian E577
Jan 8-62

Dear Mr. Connors:

I am now in Smith River Calif doing a little fishing & enjoying the moderate climate. Did not get your mentioned letter of Dec 8, 61., your certified letter No 409524 was fwd to me here.

The Blue Jay mine is being mined by my son & Ore being shipped by Granite Exploration Co - Schuman ran out of ore & is terminated - Secrets also quit - No ore

Hope this answers your questions &

Best wishes for now & the New year!

J. H. Granitt Sr.

Murphy

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OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E577, Docket No. DMEA-2771 (Uranium), dated August 6, 1953, with

Gramlich Exploration Company
Moab, Utah

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Brown's Hole Area located in San Juan County, Utah, during the period November 16, 1956, through November 22, 1960.

A certification of discovery or development was issued on May 22, 1956, and, in accordance with Annex II made part of Amendment No. 3, of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract from April 12, 1954, for a period of 11 years from the date of the contract (August 3, 1953) or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final audit dated August 1, 1956, indicated accepted costs under the exploration contract amounting to $33,880.89 with the Government's contribution, on a 90 percent basis, being $30,492.80.

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

This review established the total sales of uranium ore for the period to be $50,205.01. Royalty due the Government at rates specified in the contract is $2,510.26.

A prior Report of Royalty Review found the sales subject to Government royalty through November 15, 1956, to be $20,915.99 which added to the sales for this subsequent period make a total of $71,121.00. The royalty account as of November 15, 1956, was:

Total Royalty Due	$1,045.80
Total Royalty Paid	1,116.66
Overpayment of Royalty	$ 70.86

At November 22, 1960, the royalty account of this project was found to be:

Total Royalty Due	$3,556.06
Total Royalty Paid	3,626.77
Overpayment of Royalty	$ 70.71

C. E. Fisher

C. E. Fisher, OME Auditor

November 29, 1960

Idm-E577 Gramlich Exploration Company DMEA-2771

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

My review included the tabulation and recomputation of copies of all liquidation statements, including applicable AEC initial production bonus, received in the Washington office in support of royalty remittances by the Operator. This tabulation is filed with my audit work papers and is summarized on the attached Exhibit "A".

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

(1) Inspection reports by field representatives of the Government and other information contained in the Washington office files indicates that all production from the property since April 12, 1954, subject to Government royalty has been accounted for and proper royalty has been received except as indicated on Exhibit "A"; and

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

Exhibit "A"

Idm-E577 | Gramlich Exploration Company | IMEA-2771

Summary of Production, Sales and Royalty

	4/12/54 thru 11/15/56	11/16/56 thru 11/22/60	4/12/54 thru 11/22/60
Production:			
Ore - Short Wet Tons	215.040	754.367	969.407
Ore - Short Dry Tons	205.511	709.831	915.342
U_3O_8 - Pounds	2,282.13	7,480.47	9,762.60
U_3O_8 - Pounds in excess 4#/SDT	1,486.55	4,641.12	6,127.67
U_3O_8 - Pounds in excess 10#/SDT	897.57	1,313.94	2,211.51
V_2O_5 - Pounds	8,033.08	26,079.77	34,112.85
Sales:			
U_3O_8 - Base payments	$ 7,918.63	$26,181.75	$34,100.38
U_3O_8 - Excess 4#/SDT	1,114.92	3,480.92	4,595.84
U_3O_8 - Excess 10#/SDT	224.40	328.51	552.91
Development allowances	1,141.07	3,740.33	4,881.40
Haulage allowances	437.14	1,274.95	1,712.09
V_2O_5	2,490.25	8,084.73	10,574.98
Penalty for excessive lime	(222.81)	(743.77)	(966.58)
Sampling fee	(3.00)	-0-	(3.00)
Total Receiving Stations	$13,100.60	$42,347.42	$55,448.02
AEC Production Bonus	7,815.39	7,857.59	15,672.98
Total value subject to royalty	$20,915.99	$50,205.01	$71,121.00
Royalty Due	$ 1,045.80	$ 2,510.26	$ 3,556.06
Royalty Paid	1,116.66	2,510.11	3,626.77
Overpayment of royalty	$ 70.86	$(.15)	$ 70.71

Schedule of Royalty Overpayment

Prior Report of Royalty Review

AS&R Co. Liquidation 6127	$ 86.58	
VCA Liquidation 72483	(15.72)	$ 70.86

Current Review

Climax Uranium Co. Liq. 3047 (Amended)			
Gross proceeds	$332.71		
Royalty Due		$16.64	
Royalty Paid		16.49	(.15)
Net overpayment			$ 70.71

Note: The last royalty receipt included in the above tabulation pertained to Climax Uranium Company liquidation No. 4647 dated November 7, 1960.

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Gramlich Exploration Co.

Address Moab

Utah

Exploration Contract No. Idm-E577

Docket No. DMEA 2771

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

Property is in production and royalty is received every month.

11/22/60
Date

Hugh M. Connors
Mining Engineer
Hugh M. Connors

12/3/56

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, DMEA Field Team, Region III, Denver, Colorado, pertaining to Contract Idm-X577, Docket No. DMEA-2771, including Amendments Nos. 1 through 5, (Uranium), dated August 6, 1953, with

Gremlich Exploration Company
Formerly Gremlich Minerals, Inc.
Moab, Utah

for the purpose of determining the amount of royalties due the U. S. Government on sales of Uranium and Vanadium ores from property involving 60 claims in San Juan County near Moab, Utah, and commonly referred to as the Brown's Hole Area, during the period April 12, 1954 to November 15, 1956.

My review included a tabulation and recomputation of all ore sales settlement sheets, confirmation of royalty receipts recorded by the Regional Finance Officer and reconciliation of total pounds of U_3O_8 sold, with the records of the Field Operations Office of the Atomic Energy Commission, Grand Junction, Colorado.

A Certification of Discovery or Development was issued May 22, 1956, and Annex II, Amendment No. 3 to the Exploration Contract provides for percentage royalty on all minerals mined from April 12, 1954, for a period of eleven years from August 6, 1953, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of a final audit dated August 1, 1956 indicated accepted costs under the Exploration Contract amounting to $33,880.89, with the Government's contribution on a 90 percent basis being $30,492.80.

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

(a) The Examining Engineer is of the opinion that all sales of ore produced during the period April 12, 1954 to November 15, 1956, for which settlement sheets have been released, have been properly accounted for.

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

The review established the total net sales of Uranium and Vanadium ores to be $20,915.99, as summarized in Exhibit A, attached. Royalty due the U. S. Government at the contract rate of 5% is $1,045.80. The royalty paid and balance due are as follows:

Total Royalty Due	$1,045.80
Total Royalty Paid	1,116.66
Overpayment (See Exhibit B)	$ 70.86

Donald T. Finch

November 21, 1956

Donald T. Finch, Auditor

Exhibit A

GRAMLICH EXPLORATION COMPANY
FORMERLY GRAMLICH MINERALS, INC.
MOAB, UTAH

Contract I4m-E577 | Docket No. DMRA-2771

SCHEDULE OF PRODUCTION AND ROYALTIES - PERIOD APRIL 12, 1954 THROUGH AUGUST 6, 1956

A.E.C. Purchasing Agent	A.S.& R. Co.	Climax Ur.	V. C. A.	Total
Dates	5/19/54 to 3/8/55	5/18/54 to 5/23/55	3/28/55 to 9/15/56	4/12/54 to 11/15/56
A.E.C. License No.	P-116	P-116	P-116	P-116
Gross Weight, Pounds	208,260	4,559.50	217,260	430,079.5
Dry Weight, Pounds	197,272	4,152	209,597	411,021
Dry Weight, Tons	98.636	2.0760	104.7985	205.5105
Average Assays				
U_3O_8 (Uranium)	.2877	22.1187	.3703	.55583
V_2O_5 (Vanadium)	1.6337	14.8642	2.0005	1.95442
Pounds, U_3O_8	587.58	918.37	776.18	2,282.13
Base Payment U_3O_8	$1,987.68	$3,214.30	$2,716.65	$7,918.63
Development Allowance	$ 293.77	$ 459.19	$ 388.11	$1,141.07
Premiums				
Excess of 4 lbs. U_3O_8 per ton				
Excess lbs. U_3O_8	219.52	910.05	356.98	1,486.55
Amount @ 75¢ per lb.	$164.63	$682.54	$267.75	$1,114.92
Excess of 10 lbs. U_3O_8 per ton				
Excess lbs. U_3O_8		897.57		897.57
Amount @ 25¢ per lb.		$224.40		$224.40
Haulage Allowance				
Per Wet Ton (Average)	2.20	22.00	1.46	2.03
Number of Wet Tons	104.1300	2.27975	108.6300	215.03975
Amount of Haulage Allowance	$228.83	$50.15	$158.16	$437.14
Pounds, V_2O_5	3,222.92	617.16	4,193.00	8,033.08
Amount of V_2O_5 Payment @ 31¢ per lb.	$999.10	$191.32	$1,299.83	$2,490.25
Penalty for Excessive Lime	$152.86		$69.95	$222.81
Sampling Fee	$3.00			$3.00
Total Receiving Station Payment	$3,518.15	$4,821.90	$4,760.55	$13,100.60
A.E.C. Bonus Payments	1,884.44	3,214.30	2,716.65	7,815.39
Total Value Subject to DMRA Royalty	$5,402.59	$8,036.20	$7,477.20	$20,915.99
Average Value per Ton	$ 54.77	$3,871.00	$ 71.35	$ 101.77
Royalty Percentage	5%	5%	5%	5%
DMRA Royalty Due	$270.13	$ 401.80	$373.87	$1,045.80
DMRA Royalty Received	356.71	401.80	358.15	1,116.66
Overpayment	$86.58	--	$ 15.72	$70.86

Last Settlement Sheet: V.C.A. 72483 dated 9/15/56.

Exhibit B

GRANLICK EXPLORATION COMPANY
FORMERLY GRANLICK MINERALS, INC.
MOAB, UTAH

Contract Idm-E577

Docket No. IMMA-2771

RECEIVED NOV 26 1956 D.M.E.A.

SCHEDULE OF ROYALTY OVERPAYMENT

American Smelting and Refining Company Liquidation Settlement No. 6127, dated September 22, 1954, included production from San Juan Claim and Pine Tree Claim. The San Juan Claim is not subordinated to the Exploration Contract.

Total Royalty Paid for this Liquidation	$104.81	
Royalty due Pine Tree Claim only was 5% of $364.51, or	18.23	
Overpayment Liquidation Settlement No. 6127		$86.58

Less:

Royalty due on Vanadium Corporation of America Liquidation Settlement No. 72483 for Period Aug. 28, 1956 to Sept. 15, 1956	$ 42.40	
Royalty Received this Statement	26.68	
Balance of Royalty Due		$15.72
Net Overpayment		$70.86

Check Sheet of Examining Engineer

RECEIVED NOV 26 1956 D.M.E.A.

Operator's Name [redacted]

Address [redacted]

Exploration Contract No. [redacted] Docket No. [redacted]

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

Date Aug. 21, 1956
Nov. 21, 1956
W.E.Y.

W. E. Young
Mining Engineer

Docket copy

Chi
F Kanouse
Robi
Sawyer
Appd. Sol. Gen.
Olsambur
Crawford
Palmer
Geehan
Kiilsgaard
Martin
F E Johnson

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

To: Gramlich Exploration Co.

Moab, Utah

Pursuant to the provisions of Exploration Project Contract No. Idm-E577, dated August 6, 1953, Docket No. DMEA-2771, hereinafter called the "contract", between you and the United States of America, hereinafter called the "Government", to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

Diamond core drilling in the vicinity of the Blue Jay mine intersected uranium-vanadium mineralization of ore grade. The ore occurs as irregularly distributed bodies in a sandstone lens of the Salt Wash member of the Jurassic Morrison formation.

Dated: MAY 2 2 1956

THE UNITED STATES OF AMERICA

By C O Mittendorf
Administrator, Defense Minerals Exploration Administration

cc to: Operator (original)
Samuel V. Gramlich
Irene S. Gramlich
Howard W. Palsley
Contract Adm. & Audit Division
DMEA Field Team, Region III (2)
Finance Officer
Docket
Rare and Misc. Metals Division
Admr.'s Reading File
Operating Committee
Robert W. Geehan, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
F. E. Johnson
Mr. Ching

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
9/10	[illegible]	110
	[illegible]	100
		220

SEP 11 1964

Gramlich Exploration Company
Box 435
Moab, Utah

Re: DMEA-3771 (Uranium)
Gramlich Exploration Company, Assignee
Brown's Hole Area
San Juan County, Utah
Contract 14s-5377

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated May 22, 1956, all minerals mined or produced from August 6, 1953, to August 6, 1964, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Fumich, Jr.

Acting Director

(Ph)

MMerrithew/mm (9/10/64)
cc: Mr. Howard W. Balsley, Box 95, Moab, Utah
Miss Irene S. Gramlich, Naturita, Colorado
Mr. Samuel V. Gramlich, Naturita, Colorado
Director's Reading File
Region III w/cy of incoming Form 63
CA&A Division
✓Docket
Code 120M

23263

8/13/56

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
AUG 13 1956

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Gremlich Exploration Company
(Formerly Gremlich Minerals, Inc.)
Moab, Utah

pertaining to Exploration Project Contract No. Idm-8577, Docket No. DMEA-2771, including Amendments Nos. 1 through 5, for the months of June, 1954 to June, 1955, inclusive, covering a project for the exploration of Uranium on property known as Brown's Hole Area located in San Juan County, approximately 22 miles south of Moab, Utah.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer of the DMEA Field Team, Region III, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reason:

> All of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by Contractor		$34,809.55
Exceptions: (Schedule attached)		
By DMEA Finance Officer	$917.26	
Herewith	11.40	928.66
Total Accepted Cost		$33,880.89

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Thirty thousand, four hundred ninety-two and 80/100ths Dollars

** $30,492.80 **

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

August 1, 1956

Donald T. Finch
Donald T. Finch, Auditor

Audit Report of Review

GRANLITE EXPLORATION COMPANY
(FORMERLY GRANLITE MINERALS, INC.)

CONTRACT [illegible]-2577 DOCKET NO. [illegible]-2772

SCHEDULE OF EXCEPTIONS

Exceptions by DMEA Finance Officer

251.5 Feet of diamond drilling @ $3.89 per foot applicable to Stage No. 3 Drill Hole No. 17, which was not located in conformance with the exploration contract — $979.50

Less Operator's error on MF-104 report for months of March, April, May, June, 1955

Total diamond drilling footage for Stage 3 Holes Nos. 11 through 20		
According to drill logs was	2,018.2 Feet	
Operator claimed	2,002.2 "	
Under Claim	16.0 "	
Amount under claimed 16 feet @ $3.89 per foot		$ 62.24

Net disallowance by Certifying Officer upon recommendation of Examining Engineer and approval of Executive Officer, DMEA Field Team, Region III — $917.26

Exceptions Herewith

5.5 Feet of diamond drilling @ $3.89 per foot which was in excess of maximum footage allowed for Stage No. 1 — $ 21.40

Less Operator's error in addition in cumulative total to date shown on MF-104 for months of March, April, May, June, 1955 — 10.00 — 11.40

Total Exceptions — $928.66

On August 1, 1956 all of the foregoing exceptions were reviewed with the Executive Officer of the DMEA Field Team, Region III. Both the Executive Officer and the Auditor concur in these exceptions.

Docket Copy

ASSIGNMENT OF CONTRACT
ASSIGNEE'S ACCEPTANCE
GOVERNMENT'S CONSENT

WHEREAS, Gramlich Minerals, Inc., a Colorado corporation (hereinafter called the "Operator"), entered into an Exploration Project Contract, Idm-E577, Docket No. DMEA-2771, dated August 6, 1953 (hereinafter called the "Contract"), with the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"); and

WHEREAS, no work under the contract has been performed, and the Operator has transferred its interests in the three (3) leases to the sixty (60) unpatented mining claims which are the subject of the Contract to the Gramlich Exploration Co. (hereinafter called the "Assignee"), _____ _____ _____; and

WHEREAS, the Operator and the Assignee desire that the Contract be assigned to the Assignee and the Assignee substituted as the Operator as of the date of the Contract;

NOW THEREFORE, the Operator, in consideration of the sum of $1.00 and other good and valuable consideration received from the Assignee, does hereby assign, transfer, and convey to the Assignee all of its right, title, and interest in the Contract as of August 6, 1953.

The Operator agrees to release and hereby releases the Government from any and all claims arising out of the Contract.

This Assignment is subject to the written acceptance of the Assignee; to assumption by the Assignee of the terms, provisions, and conditions of the Contract; and to the written consent of the Government.

Dated February 4, 1954.

GRAMLICH MINERALS, INC.

By J. W. Gramlich Jr.

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

J. W. Gramlich Sr. [Corporate Seal]

ASSIGNEE'S ACCEPTANCE

The Assignee, this ___ day of _____, 1954, hereby accepts the above Assignment and assumes and agrees to be bound by the terms, provisions, and conditions of the Contract.

GRAMLICH EXPLORATION CO.

By J. W. Gramlich Sr.

_____

_____

_____

I, J. W. Gramlich, Sr., certify that I am the sole owner (fill in title) of the company named as Assignee herein; that J. W. Gramlich, Sr. Moab Utah. who signed this Acceptance of Assignment on behalf of the company, was (were) then sole owner (fill in title) of said company; that said Acceptance of Assignment was duly signed for and in behalf of said company with proper authorization, and is within the scope of its powers.

J. W. Gramlich Sr.

GOVERNMENT'S CONSENT

The Government, this 17th day of February, 1954, hereby consents to the above Assignment and agrees to the substitution of the Assignee named therein in the place and stead of the Operator named therein, without releasing the Operator from any claims or demands that the Government may have against the Operator on or prior to the date of this Consent.

THE UNITED STATES OF AMERICA

By C Mittendorf
Administrator, Defense
Minerals Exploration
Administration

Chalmers Hoffman
Chandler

Rec'd 4/20/55

DEPARTMENT OF THE INTERIOR
Legal Records Administration
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APR - 7 1955

No. 3

AMENDMENT OF CONTRACT: No. Idm-8577

Contract Docket No. DMEA 8771, dated August 6, 1953, between the United States of America and Gramlich Exploration Company is hereby amended as follows, effective February 28, 1955:

> Referring to "Article 3. Exploration project" of Exploration Project Contract Form MF-200(A) (February 1952), following the words "and shall bring the project to completion prior to", the date of "March 1, 1955" as provided by Amendment No. 4 is hereby changed to read "June 30, 1955".

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated APR 5 1955

GRAMLICH EXPLORATION COMPANY

By John W. Gramlich
John W. Gramlich, Sr.
President

UNITED STATES OF AMERICA

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

No. 4

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AMENDMENT OF CONTRACT: No. Idm-E577

Contract Docket No. DMEA 2771, dated August 6, 1953, between the United States of America and Gramlich Exploration Co. is hereby amended as follows, effective October 1, 1954:

> Referring to "Article 3. Exploration Project" of Exploration Project Contract Form MF-200 (A) (February 1952) as amended by Amendment No. 1, following the words "and shall bring the project to completion prior to" delete "October 1, 1954" and in lieu thereof substitute "March 1, 1955."

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated OCT 25 1954

GRAMLICH EXPLORATION CO.

By John W. Gramlich Sr.
John W. Gramlich, Sr., President

UNITED STATES OF AMERICA

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

Docket Copy

EXPLORATION PROJECT CONTRACT
GRAMLICH EXPLORATION COMPANY
DOCKET NO. DMEA-2771

AMENDMENT NO. 3

It is agreed this 29th day of July, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Gramlich Exploration Company, that Exploration Project Contract Idm-E577 (Docket No. DMEA-2771), dated August 6, 1953, as amended, hereinafter called the "Contract," is further amended as follows:

Annex I attached to the Contract is cancelled, and Annex II (in which the periods for payment of royalty to the Government are redefined) attached hereto and made a part hereof is substituted for the provisions of Article 6.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mitteudorf
Administrator, Defense
Minerals Exploration
Administration

Rubin (DTA)
Hoffland
Ching
Ellis
Gramlich
Johnson
Selfridge

GRAMLICH EXPLORATION COMPANY

By J. E. Gramlich Sr.

EXPLORATION PROJECT CONTRACT
GRAMLICH EXPLORATION COMPANY
DOCKET NO. DMEA-2771

ANNEX II

The following provisions are in lieu of Article 6 :

Repayment by Operator.--a. Certification.--If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Royalty on production.--The Operator, as principal, if the Operator is the producer, or as surety, if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, (from the date of the contract)* until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, (for a period of ten years from the date of the contract)** or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

---

* In paragraph "b" line 6, the words "from the date of the contract" are deleted, and the words "from April 12, 1954" are substituted.

** In paragraph "b" lines 11 and 12, the words "for a period of ten years from the date of the contract" are deleted, and the words "for a period of eleven years from August 6, 1953" are substituted.

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

d. Unsold production.--If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. Lien for payment.--To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

g. Notice to purchasers.--The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

h. No obligation to produce.--Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

i. Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Utah, County of San Juan, described as follows:1/

Red Rocks, Mary Jo, and Blue Goose group of claims, more specifically described in ANNEX I attached.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Gramlich Exploration Company

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract or any amendment thereof shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ~~ten~~ years have elapsed from the date of the contract, whichever occurs first. *Substitute eleven for the word "ten".

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

(OVER)

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

_____

_____

_____

Dated this 9 day of August, 1954.

Irene S. Gramlich [Seal]

Irene S. Gramlich

_____ [Seal]

_____ [Seal]

MF-203 (Revised July 1, 1954)
OWNER'S CONSENT TO LIEN

ANNEX I

Claim	Recorded in Book	Page
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

All recorded in the San Juan County Court House, San Juan County, Utah

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Utah, County of San Juan, described as follows:1/

Golden West, Canary, San Juan group of claims, more specifically described in ANNEX II attached.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Gremlich Exploration Company

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract or any amendment thereof shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ~~ten~~ years have elapsed from the date of the contract, whichever occurs first. *Substitute eleven for the word "ten".

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

(OVER)

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

_____

_____

_____

Dated this 9 day of August, 1954.

Samuel V. Gramlich [Seal]
Samuel V. Gramlich

_____ [Seal]

_____ [Seal]

MF-203 (Revised July 1, 1954)
OWNER'S CONSENT TO LIEN

ANNEX II

Claim	Recorded in Book	Page
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 V	R-3	283
San Juan VI	R-3	284

All recorded in the San Juan County Court House, San Juan County, Utah.

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Utah, County of San Juan, described as follows: 1/

Blue Jay, Pine Tree, Blue Bird, Sunnyside, Sunset, and Red Bird claims, more specifically described in ANNEX III attached.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Gramlich Exploration Company

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract or any amendment thereof shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ~~ten~~ * years have elapsed from the date of the contract, whichever occurs first. *Substitute eleven for the word "ten".

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

(OVER)

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

_____

_____

_____

Dated this 10th day of August, 1954.

Howard W. Balsley [Seal]
Howard W. Balsley

_____ [Seal]

_____ [Seal]

MF-203 (Revised July 1, 1954)
OWNER'S CONSENT TO LIEN

ANNEX III

Claim	Recorded in Book	Page
Blue Jay	R	416
Pine Tree	R	417
Blue Bird	R	419
Sunnyside	R	419
Sunset	R	
Red Bird	R-1	467
Blue Bird	R-1	466

COPY

EXPLORATION PROJECT CONTRACT
GRAMLICH EXPLORATION COMPANY
DOCKET NO. DMEA-2771

JUSTIFICATION OF AMENDMENT NO. 3

1. The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Gramlich Exploration Company are parties to Exploration Project Contract Idm-E577 (Docket No. DMEA-2771), dated August 6, 1953. Article 3 of the Contract, prior to amendment, required the Operator to commence work within 90 days from the date of the Contract.

2. In September 1953, before any work on the project was begun, the Operator visited Field Team representatives and proposed a project of exploration that differed substantially from the project described in Exhibit "A" of the Contract. Shortly after the Operator's visit, the property was reexamined by the Field Team representatives and reports were rendered by them concerning the Operator's new proposal. There reports resulted in extensive correspondence between the Field Team and the Operator and between the Field Team and Washington, resulting eventually in the execution on April 12, 1954, of Amendment No. 1. In the meantime, no work on the project was performed, nor was it contemplated that any work be performed pending a new agreement as to the project work. However, during this 10-month period, the Operator, independent of the Contract, had produced some minerals from the land described in the Contract.

3. Annex I of the Contract provided that all production from the land described in Article 2 of the Contract, from the date of the Contract, is subject to the Government's percentage royalty, within the limitations of time specified in that annex.

4. As the project work was suspended almost from the inception of the Contract by informal agreement of the parties, and as it was not intended by the parties that during this period of suspension, in which no Contract costs were incurred, the Operator be required to pay royalty in advance against future contributions by the Government to the costs of project work, the parties executed Amendment No. 3 which formalized their real understanding and in which the periods for payment of the Government's percentage royalty are redefined.

Rubin 6 4

No. 2

AMENDMENT OF CONTRACT: No. Idm-E577

Contract Docket No. DMEA 2771, dated August 6, 1953, between the United States of America and Gramlich Exploration Company is hereby amended as follows, effective May 1, 1954:

> 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."

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated MAY 21 1954

GRAMLICH EXPLORATION COMPANY

By John W. Gramlich Jr.
John W. Gramlich, Jr., President

UNITED STATES OF AMERICA

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

Docket Copy

EXPLORATION PROJECT CONTRACT
GRAMLICH EXPLORATION COMPANY
DOCKET NO. DMEA-2771

AMENDMENT NO. 1

It is agreed this 12th day of April, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Gramlich Exploration Company, that Contract Idm-E577 (Docket No. DMEA-2771), dated August 6, 1953, is amended, effective as of August 6, 1953, as follows:

1. In Article 3 of the contract form, delete "within 90 days from the date of this contract" and in lieu thereof substitute "prior to May 1, 1954"; and delete "within a period of 6 months from the date of this contract" and in lieu thereof substitute "prior to October 1, 1954."

2. Delete EXHIBIT "A" in its entirety, including the map (Figure 2) attached thereto, and in lieu thereof substitute the following:

EXHIBIT "A"

Description of the Work

The object of this project is to explore for uranium ore by means of not to exceed 8,880 feet of AX (minimum size) diamond drill holes. The drilling will be performed in four stages. The location, inclination, direction, and extent of work under Stages 2, 3, and 4 will depend on the results of the work performed under Stage 1 and will require the written approval of the DMEA Field Team, Region IV, prior to the commencing of any work under Stages 2, 3, and 4.

The locations of the first five holes and the tentative location of the sixth hole to be drilled under Stage 1 are shown on the map titled "Figure 2 - Gramlich Minerals, Inc. Lease, Brown's Hole Area, San Juan County, Utah," dated June 12, 1953. The general location of the work under all four stages is shown on the map titled "Figure 3 - Claim Map of Gramlich Minerals, Inc., Lease, Showing Areas Recommended for Drilling under Proposed Amendment to Contract." The above-cited maps, Figure 2 and Figure 3, are attached hereto and made a part of this amendment.

A D-6 Caterpillar tractor-dozer, or its equivalent, shall be used not in excess of 45 hours to prepare necessary roads and drill sites.

The work to be performed under the four separate stages is further described as follows:

Stage 1

Diamond drill a maximum of 2,650 feet of holes on a grid pattern of 100-foot spacing, back of the rim on the Blue Jay claim. The first five holes to be drilled are shown on Figure 2. The locations, directions, inclinations, and extent of successive holes are subject to the prior approval of the Government, which will depend on the results of the first five holes and conditions encountered as the drilling progresses.

Stage 2

Diamond drill a maximum of 2,650 feet of holes on the Blue Jay claim on offsets of 50 feet from mineralized and favorable holes drilled under Stage 1.

Stage 3

Diamond drill a maximum of 3,580 feet of holes on the Blue Jay or adjacent claims on a grid pattern of 100 feet with a minimum of 50-feet spacing from any hole drilled under Stage 1 or Stage 2.

If the Government considers that the results of drilling under Stages 1 and 2 are favorable, and drilling under Stage 3 is authorized, any unexpended footages remaining under Stages 1 and 2 may be used for drilling under Stage 3, and work under Stage 4 will not be authorized.

Stage 4

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 unexpended thereunder will be transferred to drilling under Stage 4 on the Pine Tree and Sunny Side claims.* Prior to authorization of any

---

* No holes drilled under this stage shall be closer than 50 feet to any other hole drilled under Stage 4.

drilling under Stage 4, the Operator will furnish the Government with an adequate map or maps showing the Pine Tree and Sunny Side claims, said map or maps to incorporate all known workings and jackhammer holes to indicate the trend of the mineralization back of the rim on these claims.

Specifications Relevant to Diamond Drilling

All holes will be cored their entire length and will be bottomed in the first red mudstone below the ore-bearing sandstone strata. All cores will be boxed and marked with hole reference and depth and properly stored for examination by the Government. If cores are split for analysis purposes, one-half shall be retained for the use of the Government.

At the completion of the work authorized under each stage and before work under the successive stage will be authorized, the Operator will furnish the Government with an adequate map showing the locations, hole numbers, and collar elevations of all holes drilled under the particular stage, accompanied by logs of the holes drilled, certified by the Operator as being correct.

Agreed Unit Costs

Stage 1

Bulldozing—45 hours @ $10.00/hr. 1/	$450.00	
Diamond drilling—2,650 feet @ $3.89/ft. 3/	10,308.50	
Sample analysis—33 samples @ $3.00/ea. 2/	99.00	
Total Stage 1		$10,857.50
Government Participation Stage 1 @ 90%		9,771.75

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

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

3/ See page 5.

Stage 2

Diamond drilling—2,650 feet @ $3.89/ft. 3/	$10,308.50	
Sample analysis—33 samples @ $3.00/ea. 2/	99.00	
Total Stage 2		$10,407.50
Government Participation Stage 2 @ 90%		9,366.75

Stage 3

Diamond drilling—3,580 feet @ $3.89/ft. 3/	$13,926.20	
Sample analysis—36 samples @ $3.00/ea. 2/	108.00	
Total Stage 3		$14,034.20
Government Participation Stage 3 @ 90%		12,630.78

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 Sunny Side 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 @ 90% (rounded to)	$31,770.00

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

3/ See page 5.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

Robin
H. Hilland
Chamlin

GRAMLICH EXPLORATION COMPANY

By John W. Gramlich Sr.
John W. Gramlich, Sr., President

(Seal)

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 five 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 pick-up truck, including the cost of a driver and all costs of operations of the truck.

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Utah, County of San Juan, described as follows:1/

The Golden West, Canary, and San Juan groups of claims, further described in Annex II of Exploration Project Contract Idm-E577, Docket No. DMEA-2771, dated August 6, 1953, hereinafter called the "contract,"

~~which is the subject of a proposed exploration project contract, hereinafter called the "contract",~~ between the United States of America, hereinafter called the "Government", and

2/ Gramlich Minerals, Inc., as Operator, which contract the Operator proposes to assign to Gramlich Exploration Co., subject to the written consent of the Government;

~~hereinafter called the "Operator",~~ and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said assignment ~~contract~~ and as an inducement to the Government to consent to ~~enter into~~ same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

Dated this 3rd day of February, 1954.

Samuel V. Gramlich [Seal]
Samuel V. Gramlich

_____ [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Interior--Duplicating Section, Washington, D. C. 47318

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Utah, County of San Juan, described as follows:1/

The Red Rocks, Mary Jo, and Blue Goose groups of claims, further described in Annex II of Exploration Project Contract Idm-E577, Docket No. DMEA-2771, dated August 6, 1953, hereinafter called the "contract."

~~which is the subject of a proposed exploration project contract, hereinafter called the "contract",~~ between the United States of America, hereinafter called the "Government", and

2/ Gramlich Minerals, Inc., as Operator, which contract the Operator proposes to assign to Gramlich Exploration Co., subject to the written consent of the Government;

~~hereinafter called the "Operator",~~ and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said ~~contract~~ assignment and as an inducement to the Government to ~~enter into~~ consent to same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

Dated this 3rd day of February, 1954.

Irene S. Gramlich [Seal]
Irene S. Gramlich

_____ [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Interior—Duplicating Section, Washington, D. C. 47318

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

Department of the Interior
Bureau of Land Management
RECEIVED
MAR 8 - 1954

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Utah, County of San Juan, described as follows:1/

The Blue Jay, Pine Tree, Blue Bird, Sunnyside No. 3, Sunset, Red Bird, Big Chief No. 3 claims, further described in Annex II of Exploration Project Contract Idm-E577, Docket No. DMEA-2771, dated August 6, 1953, hereinafter called the "contract,"
~~which is the subject of a proposed exploration project contract, hereinafter called the "contract",~~
between the United States of America, hereinafter called the "Government", and

2/ Gramlich Minerals, Inc., as Operator, which contract the Operator proposes to assign to Gramlich Exploration Co., subject to the written consent of the Government;
~~hereinafter called the "Operator",~~ and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said ~~contract~~ assignment and as an inducement to the Government to ~~enter into~~ consent to same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

Dated this 25th day of January, 1954.

Howard W. Balsley [Seal]
Howard W. Balsley

_____ [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Interior—Duplicating Section, Washington, D. C. 47318

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT - 9 1953

DOCKET NO. DMEA 2771

COMMODITY Uranium

Docket Copy

UNITED STATES OF AMERICA IDM-E577
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 6th day of August, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Gramlich Minerals, Inc. - a corporation duly organized and existing under and by virtue of the laws of the State of Colorado Moab, Utah

hereinafter called the "Operator," as follows: and as set forth in Annexes I and II

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Utah, County of San Juan, described as follows: 60 unpatented mining claims located in sections 27,28, 33 and 34 of T.28S.,R.23 E. and in section 3 of T.29S.,R.23 E. Salt Lake Meridian, further described in Annex II and shown on map labeled "Fig. 2, DMEA Docket 2771 Claim Map, Geology and Proposed Drilling - Gramlich Minerals, Inc. Lease", both attached hereto and made a part hereof.

the Operator represents and undertakes:[4]

(a) ~~That the Operator is the owner in possession and entitled to possession, and that there exists no encumbrance or lien against the following described lands or leases, except as set forth in the section entitled "Encumbrances" attached:~~

(b) That the Operator is a lessee, in possession and entitled to possession, and the ~~Lease~~ Consent to Lien ~~is~~ are attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 90 days from the date of this contract shall commence work on a project of exploration for[5] Uranium

in or upon the described land; and shall bring the project to completion within a period of 6 months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 90 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $31,770.00 which is 90 percent of $35,300.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows: **See Annex I, substituted for that part of 6(a) preceding the colon.**

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided*, that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Gramlich Minerals, Inc.
(Operator)

By John W. Gramlich Sr. Pres

By O Mitteudorf
Administrator, Defense Minerals Exploration Administration

Before me Hoffman Chamber

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

John W Gramlich Jr [CORPORATE SEAL]

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT - 9 1953

EXPLORATION PROJECT CONTRACT
GRAMLICH MINERALS, INC.
DOCKET NO. DMEA-2771

ANNEX I

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

If the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after a sufficient, complete, final report and final account referred to in the contract has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development, The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2, as follows: (1) Regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

EXPLORATION PROJECT CONTRACT
GRAMLICH MINERALS, INC.
DOCKET NO. DMEA-2771

ANNEX II

Property Rights

The following 60 unpatented mining claims, in the Brown's Hole Area, are held under three separate leases. The location certificates of these claims are registered in the office of the County Clerk and Recorder of San Juan County, Utah.

Samuel V. Gramlich - Lessor

Name of Claim		Recorded in Book No.	Page No.
Golden West		R-3	283
"	1	R-2	602
"	2	"	"
"	3	"	603
"	4	R-3	604
"	5	R-2	"
"	6	R-3	"
"	7	R-2	605
"	8	R-3	"
"	9	"	609
"	10	"	606
"	11	"	"
Canary		R-3	283
"	1	"	606
"	2	"	607
"	3	"	"
"	4	"	"
"	5	"	608
"	6	"	"
"	7	"	"
"	8	"	609
"	9	"	"
"	10	R-2	"
San Juan	1	R-3	610
"	2	"	"
"	3	"	"
"	4	"	281
"	5	"	283
"	6	"	284

Irene S. Gramlich - Lessor

Name of Claim	Recorded in Book No.	Page No.
Red Rocks 1	R-2	595
" 2	"	"
" 3	"	596
" 4	"	"
" 5	"	"
" 6	"	587
" 7	"	597
" 8	"	"
" 9	"	598
" 10	"	"
" 11	"	"
Mary Jo 1	"	599
" 2	"	"
" 3	"	"
" 4	"	600
" 5	"	"
" 6	"	"
" 7	"	601
" 8	"	"
" 9	"	"
" 10	"	602
" 11	"	"
Blue Goose 1	R-3	281
" 2	"	"

Howard Balsley of Moab, Utah - Lessor

Sunset	R	
Red Bird	R-1	467
Blue Bird	R-1	466
Blue Jay	R	416
Pine Tree	R	417
Blue Bird	"	419
Sunnyside	"	419

Received
OCT - 8 1956

EXPLORATION PROJECT CONTRACT
GRAMLICH MINERALS, INC.
DOCKET NO. DMEA-2771

EXHIBIT "A"

Description of the Work

The object of this project is to explore for uranium ore by means of 8,880 feet of AX diamond drill holes at the locations indicated on Figure 2. The drilling shall be done in two stages and be subject to Government approval. A D-6 Caterpillar tractor-dozer or its equivalent shall be used not in excess of 45 hours to prepare necessary roads and drill sites. Recovered cores and sludge shall be stored and the Operator shall provide any samples required by the Government. The method of recovering diamond drill core and sludge, and the method and extent of sampling shall be subject to Government approval. Not in excess of 57 sample analyses in Stage I and 45 in Stage II shall be made by Government approved laboratories.

Stage I

In this stage, red colored holes Nos. 1 to 10 inclusive, for Area A, and 1 to 9 inclusive, for Area B, shall be drilled. 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 shall be 400 feet and the minimum, 300 feet.

Stage II

In this stage, blue colored holes Nos. 11 to 20 inclusive, in Area A and 11 to 15 inclusive, in Area B shall be drilled unless the Field Team directs otherwise, but no hole shall be drilled less than 150 feet from the next nearest hole.

Agreed Unit Costs

Stage I

Bulldozing--45 hours @ $10.00/hr. 1/	$ 450.00

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

Diamond Drilling--4980 feet @ $3.89/ft.2/-	$19,373.00	
Sample Analyses--57 @ $3.00/ea. 3/	171.00	
Total Stage I		$19,994.00
Stage II		
Diamond Drilling--3900 feet @ $3.89/ft.2/	15,171.00	
Sample analyses--45 @ $3.00/ea. 3/	135.00	
Total Stage II		$15,306.00
Total Agreed Unit Cost of Project		$35,300.00
Government Participation @ 90%		$31,770.00

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 five 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 pick-up truck, including the cost of a driver and all costs of operations of the truck.

3/ This includes all costs of transportation.

MF-203

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 6 1953

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of [redacted], County of [redacted], described as follows:1/

[redacted]

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ [redacted]

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ [redacted] 32,770.10 S/2., or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 23rd day of June, 1953.

Samuel T. Gramlich [Seal]

_____ [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

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

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

MF-203 OWNER'S CONSENT TO LIEN

ANNEX II

Claim	Recorded in Book	Page
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 V	R-3	283
San Juan VI	R-3	284

All recorded in the San Juan County Court House, San Juan County, Utah.

MF-203

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 9 1953

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of [redacted], County of [redacted], described as follows:1/

[redacted]

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ [redacted]

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the [redacted] is fully paid in the amount of the Government's contribution, not in excess of 4/$[redacted] 31,775.10 I. S. G., or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 23rd day of June, 1953.

Irene S. Gramlich [Seal]

_____ [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

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

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

NF-603 OWNER'S CONSENT TO LIEN

ANNEX I

Claim	Recorded in Book	Page
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	861
Blue Goose II	R-3	861

All recorded in the San Juan County Court House, San Juan County, Utah.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of [redacted], County of [redacted], described as follows:1/

[redacted]

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ [redacted]

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/ [redacted] 31,770.10 [redacted], or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 20th day of June, 1953.

Howard W. Balsley [Seal]

[Seal]

[Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator. (a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

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

(b) As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(c) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(d) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

MF-803 OWNER'S COMMENT TO LIEN

ANNEX III

Claim	Recorded in Book	Page
Blue Jay	R	416
Pine Tree	R	417
Blue Bird	R	419
Sunnyside	R	419
Sunset	R	
Red Bird	R-1	467
Blue Bird	R-1	466

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 0 1952

224 New Customhouse
Denver 2, Colorado

November 7, 1952

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Field Team, Region IV

Subject: (Uranium) Application of Gramlich Minerals, Inc., Brown's Hole Property, Moab, Utah

Enclosed are three copies of the subject application in the amount of $30,000.

Copies of our letters to the applicant and to S. R. Wilson are also attached.

John F. Shaw for
W. H. King

A. H. Koschmann

Enclosures

224 New Customhouse
Denver 2, Colorado

November 7, 1952

Memorandum

To: S. R. Wilson

From: Executive Officer, Field Team, Region IV

Subject: Application of Gramlich Minerals, Inc., Moab, Utah

We have received an application in the amount of $30,000 for Exploration aid on a uranium property in Brown's Hole, Utah.

Will you please advise if there are any public land withdrawals in Sections 27 and 34, T. 28 S., R. 23 E.

John F. Shaw

John F. Shaw for
W. H. King

HMC:oc

cc: Subject
DMEA-Washington
Chron.
A.H.Koschmann (2)

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

224 New Customhouse
Denver 2, Colorado

November 7, 1952

Mr. J. W. Gramlich
Gramlich Minerals, Inc.
Moab, Utah

Dear Mr. Gramlich:

This will acknowledge receipt of your application for exploration aid on your Brown's Hole properties.

The application is being forwarded to Washington for processing.

Very truly yours,

John F. Shaw

John F. Shaw for
W. H. King

HMC:oc

cc: Secretary to the Operating Committee
SRWilson
Subject
Chron.
AHKoschmann (2)

(2ND COPY)

Gramlich Minerals, Inc.

Application for D.M.E.A. Loan

of $30,000 for

An Exploratory Drilling Project

for

Carnotite (U_3O_8)

Browns' Hole Property

Moab, Utah.

1952

Moab, Utah,
Nov. 3, 1952.

Mr. W. H. King,
Executive Officer of DMEA,
224 New Custom House,
Denver, Colorado.

Subject: Application by Gramlich Minerals, Inc., for a DMEA loan.

Dear Mr. King:

The enclosed application in quadruplicate is for a DMEA loan of $30,000 for a proposed exploratory drilling program of the Browns' Hole properties near Moab, Utah.

These 59 unpatented claims are held by Gramlich Minerals Inc., under two separate leases -- copies of which are attached to the original application form. There are no conflicts of any sort on this ground. Maps showing location of claims and geology are attached to each of the four application forms.

We feel that the factors considered in passing upon applications are in each instance favorable for this property:

(a) The strategic importance of the mineral involved -- Carnotite (U_3O_8)

(b) As brought out in the application the geologic probabilities are very good.

(c) The availability of manpower, materials, supplies, equipment, and water are excellent.

(d) The accessibility is far above average, being only two miles from a U. S. paved highway.

(e) The applicants have all been successfully engaged in uranium-vanadium mining for a long period of time.

We trust that all information required is attached and if further data is needed it will be promptly submitted if available. If so desired we will be glad to assist your examining engineers and geologists upon their inspection trips.

Yours very truly,

J. W. Gramlich Sr.

For: J. J. Gramlich, Sr., Pres.
Gramlich Minerals, Inc.

COPY

MF-103
(Revised April 1952)

UNITED [redacted]S DEPARTMENT OF THE INTE[redacted]R
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Not to be filled in by applicant

Docket No. Dmea - 2771
Metal or Mineral
Date Received 11-10-52
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Gramlich Minerals, Inc. Moab, Utah. Incorporated in Utah, Colorado, and Arizona. (J. W. Gramlich, Sr., President, Moab, Utah.
Directors: (J. W. Gramlich, Jr., V. Pres. Paradox, Colorado.
(Philip F. Gramlich, Secy-treas., Green River, Utah.

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Please refer to accompanying map showing all claims envolved and ties to ¼ Cors. 27, 28, 33, & 34, of T. 28 S., R. 23 E., Moab District, Green River Desert Area, Utah. The claims are listed on accompanying papers, page 1.

(*b*) State any mine name by which the property is known. Brown's Hole properties.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lessee, under bond to purchase.

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

(*e*) If you own the land, describe any liens or encumbrances on it None

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. Please refer to accompanying papers, page 1.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes. Page 1

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. Pages 1 & 2

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you. Pages 2 & 3

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. Page 3

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power. Page 3

5. *The exploration project.*—[redacted] State the mineral or minerals for which [redacted]h to explore
Carnotite (U_3O_8), with associated Vanadium (V_2O_5)

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc. Pages 3 & 4

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract. Page 4

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations. Pages 4 & 5

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

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.). Page 5

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants. Page 5

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel. Not applicable

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be. Not applicable

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project: Not applicable

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project. Not applicable

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes. Page 5

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

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs. Page 5

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

(*b*) How do you propose to furnish your share of the costs?

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

Explain in detail on acompanying paper. Page 6

CERTIFICATION

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

Dated Nov. 3, 1952

Gramlich Minerals, Inc.
(Applicant)

By J. W. Gramlich Sr. pres

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

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

3. Applicant's property rights.

(a) Under Bond and Lease agreement from Irene S. Gramlich, Party of the First Part, lessor, of Naturita, Colorado, Gramlich Minerals, Inc., have the following claims:

Blue Goose 1 and Blue Goose 2
Red Rocks 1 to 11, Incl.
Mary Jo 1 to 11, "
Golden West
Golden West 1 to 10, "
Canary
Canary 1 to 10, "
San Juan 1 to 6, "

A total of 52 claims comprising approximately 1040 acres.

In addition the applicant has under lease from Howard Balsley, of Moab, Utah, the following claims; adjoining the above listed claims:

Sunset
Bad Luck
Grass Root
Blue Jay
Pine Tree
Blue Bird
Sunnyside
Red Bird (May be Grass Root on map)

A total of seven claims comprising approximately 140 acres.

None of the 59 claims listed above are patented, and the names of said claims and the book and pages in which the location certificates thereof are recorded in the office of the county recorder of said San Juan County, Utah, are given in the lease agreements covering the claims. A copy of these lease agreements are attached.

4. Physical description.

(a) There are no operations at the present time. Past mining operations were carried out on the Sunset, Bad Luck, Blue Jay, Grass Root (Red Bird), Pine Tree, and the Sunnyside claims. These operations were confined mainly to mining rim exposures and consist of relatively short drifts from 50 to 150 feet back from the rim, and shallow open pit operations. There is no equipment on the properties at the present time. All workings are accessible for examination and can be readily reached by road.

(b) Although records are not available for much of the production, the following figures were obtained for part of the production:

Blue Jay and Pine Tree Claims: Records indicate that part of the production (from 1934 to 1944) show:

Highgrade (log material) 5 tons 20 percent U_3O_8
Low grade ore 1500 tons from .30 to 1.00 percent U_3O_8; 1.00 to 5.00 percent V_2O_5

COPY

4. (b) Continued

In addition to the above during this period 200 tons of ore averaging 1.5 percent U_3O_8 and from 4.0 to 7.0 percent V_2O_5 was shipped. This ore as well as the 5 tons of highgrade was shipped to Vitro Chemical Co. The 1500 tons listed above was produced during the Metals Reserve program and was shipped to USV and VCA.

During the summer of 1952, leasers made the following shipments;

Wet Lbs	U_3O_8	V_2O_5
14,505	0.24	0.94
29,133	0.58	1.77
44,190	0.15	0.95
18,173	0.19	1.12
108,223	0.26	1.17
12,681	0.26	1.27

In addition these leasers handpicked approximately 1,000 pounds of highgrade ore assaying from 20.0 to 30.0 percent U_3O_8.

Although there are no records covering production from the Little Joe, Blue Bird, Sunnyside, and Grass Root claims, existing mine openings and estimated deposit thicknesses would indicate a probable total tonnages in excess of an additional 2500 tons produced from these claims.

(c)
The ore occurrences are found in the Salt Wash member of the Morrison formation of Jurassic Age. The deposits are bedded and irregular in shape and size. The minerals of commercial value are Carnotite (U_3O_8) and Vanadium (V_2O_5).

It is strongly believed that the mineral occurrences will be found to extend easterly from the rim in the Salt Wash under the Brushy Basin member of the Morrison formation--ground covered by the above named claims. It is believed advisable to begin exploratory drilling an appreciable distance back from the rim exposures for several reasons. Major (and subsequent minor post-mineral) faulting, combined with excessive erosion of the softer wet shale and clay beds separating the sandstone rims, has evidently resulted in considerable slump action along the rims. This action combined with normal erosion reflects conditions not typical of the undisturbed formations several hundred feet back from the rim.

In any discussion of the geologic probability of making a significant ore discovery in the Colorado Plateau Area several factors must be considered. It is relatively true that certain geologic criteria have been established during the past few years -- primarily through observation and experience of actual mining operations, commonly called hind-sight in less technical fields. However, it is now recognized that such factors as; favorable areas, favorable stratigraphic formations, special horizons or beds within these formations, localized characteristics of these special horizons or beds -- such as thickness, texture, and composition of the sand rock, and established trends or belts within the areas, are all factors that had an apparent effect

COPY

4. (c) Continued

on ore deposition. Although these criteria are important to the extent of determining favorable locations for exploration in a new or unknown area, they are still secondary to one important factor -- that is the presence of known ore bodies or the record of actual production.

The present trend of thought of practical geologists who have had occasion to work in the Colorado Plateau Area is that in an unknown, unproductive, area the above listed criteria are of major significance in considering an exploration program. When commercial ore bodies have been mined within the area, these criteria are of lessor importance, although they somewhat establish the exploratory pattern in the search for additional ore deposits in the area.

In other words, if commercial ore bodies of appreciable size have been mined in an area -- that in itself is the criteria, regardless of the presence or absence of so-called favorable geologic conditions. In the case of the Browns' Hole area most of the favorable conditions are present: (1) a favorable general area; (2) favorable productive Salt Wash formations, and fair to good characteristics of the various sandstone rims within the Salt Wash; and (3) the most important, the known appreciable production of both highgrade and medium grade ores from rim exposures almost incircling the area to be drilled.

(d)

The area is exceptionally accessible being less than two miles from main U. S. Highway 160, between Moab and Monticello, Utah. Access roads connect the area with the main highway, and others traverse the ground in question north and south, and east and west.

Ore produced could be trucked to Monticello, Utah, a distance of 35 miles; or to Thompsons, Utah, a distance of 61 miles.

All necessary mining supplies are available in Moab, a distance of 23 miles, and Monticello, Utah.

(e)

Ample manpower is available in Moab, Monticello, and the Colorado Plateau area in general. All materials, supplies, and necessary equipment can be obtained in Moab and Monticello, Utah, and Grand Junction, Colorado.

More than sufficient water is available from two year-around springs within a distance of one and one-half miles from the property. There is no electrical power available.

5. The exploration project.

(b)
As previously mentioned under 4 (c), it is believed advisable to explore by diamond-drilling the area easterly from the rim near claims Pine Tree and Blue Jay. Under the proposed DMEA loan of $30,000 it is estimated that between 7,500 feet and 9,000 feet of core-drilling can be accomplished under contract.

COPY

5. (b) continued

It is anticipated the depth to the Salt Wash member underlying the Brushy Basin may vary from 100 feet to 250 feet, probably averaging hole depths of 200 feet. Under public invitations to bid, the average price per foot for this depth, formations, locality, and footage, should approximate $3.25 to $4.00 per foot.

It is proposed to begin drilling in the vicinity of the Golden West Nos. 3, 4, 5, and 6 claims on a grid pattern of 500-foot centers. After 12 to 20 holes spaced in this manner have been drilled sufficient geological information should have been obtained to establish location and trends of the most favorable sandstones. Refer to map for preliminary hole locations. Geologic sections drawn in various directions from the core data should establish; (1) trends of favorable formations which will indicate locations for the remainder of the holes to be drilled under the contract, and (2) possible ore bodies or mineralized areas which will determine further hole locations.

It has been intimated by the Exploration Branch of the AEC that in the event either of the above two probabilities occur they would be interested to further explore the area under an AEC drilling program.

(c)

After the application has been approved and the Exploration Project Contract signed, it would take approximately 45 days to send forth invitations to bid, award the contract, and for the contractor to begin actual drilling.

Utilizing two drilling units the contract should be completed in 60 to 80 days. This area should be little affected by winter conditions.

(d) Operating experience.

J. W. Gramlich, Sr. President Gramlich Minerals Inc.

1916 through 1919.	Worked for Standard Chemical Co. As shipping clerk, shift boss, ore sorter, and in charge of ore sorting. Worked for Radium Co. of Colo. As surveyors helper, uranium ore sorter, assistant to accountant. Owned claims and mined and shipped highgrade uranium ores during radium days.
1940 to 1945	Owned and operated Lion Group of claims on La Salle creek, Colorado, producing over 4,000 tons of ore averaging 1.96 percent V205 and 0.30 percent U308.
1948 to 1950	Operated own property near Green River, Utah, producing over 3,000 tons of ore averaging 0.25 percent U308 for AEC procurement.
1950 to Present	Reopened Lion Group property and produced over 3,000 tons of 0.24 U308. ore. Presently active at Lion Group and at Green River, Utah.

COPY

5. (d) Continued

J. W. Gramlich, Jr., Vice president of Gramlich Minerals Inc.

1940 through 1941	Worked for his father at Lion Croup property in all phases of the operation, mining, mucking, tramming, shifting, supervising, and clerical.
1942	Left the operation to enter the U. S. Air Corps, returning to Lion Group operation in 1950 as mine-foreman, a position he now holds.

Philip F. Gramlich Secy-treasure of Gramlich Minerals Inc.

For the past five years worked for and with his father J. W. Gramlich, Sr., in all phases of mining, exploration, and production, of uranium and vanadium ores at the Green River, Utah, operation mentioned above. At the present time he is employed as miner and mine-foreman at the Green River property.

J. W. Gramlich, Sr. will supervise the proposed exploratory drilling program on the Browns' Hole property.

6. Estimate of Costs.

(a) Independent contracts.

All drilling will be under contract on a cost per foot basis. Public invitations for bid will be published and the lowest acceptable contractor will be awarded the job. It is estimated $26,000 will be available to allocate for contract drilling.

Approximately 7,500 feet of hole @ approx. $3.50/ft. $26,000

(b) Labor, supervision, consultants.

Supervision, accounting, core logging and handling, sample preparation, assist. engineering, etc.

J. W. Gramlich, Sr.	$500.00 per month based upon a 3 month period	1,500
	Estimated traveling expense to project 3-month period	450
Engineering and geological studies and mapping: based upon a 3-month period $500/ mo. fee.		1,500
(g) Miscellaneous.	Analytical work (est.)	200
	Rent of quantitative counter	100
(h) Contingencies.	Approx. 8 percent of (b) & (g)	250
	Total	$30,000

COPY

7. Payment of costs.

(a) I am prepared to furnish my share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)

(b) I propose to pay all costs incidental to the proposed project by cash. At the end of each full calendar month I will submit to the DMEA field office a voucher (Form MF-104 and MF-104A), for payment. This will include a detailed statement of all work done and all allowable costs. It is understood that upon approval the Government will pay me its agreed-upon proportion of the allowable costs incurred.

COPY

DEFENSE MINERALS
EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

OFFICIAL BUSINESS

(PMEC)

Docket

700

Project Summary Report

By: Michael Ching Date: March 21, 1957

1. Docket No.: DMEA-2771 (Uranium)
   Contract No.: Idm-E577

   Operator - Gramlich Exploration Company, Assignee of Gramlich Minerals, Inc. Moab, Utah

   Property - 60 unpatented lode mining claims, including the Golden West, Golden West 1-11, Canary, 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 and Sunnyside Claims, situated in secs. 27, 28, 33, and 34, T. 28 S., R. 23 E., and sec. 3, T. 29 S., R. 23 E., S.L.M.&B., San Juan County, Utah.

   Operator's Property Rights - Lessee. 3 Owner's Consent to Lien, Undated, dated Feb. 3, 1954, and August 9, 1954, respectively, signed by Samuel V. Gramlich; 3 Owner's Consent to Lien, dated June 23, 1953, Feb. 3, 1954, and Aug. 9, 1954, respectively, signed by Irene S. Gramlich, and 3 Owner's Consent to Lien, dated June 20, 1953, Jan. 25, 1954, and Aug. 10, 1954, respectively, signed by Howard W. Balsley.

2. Contract (Short Form) - dated August 6, 1953

   Final starting date - Prior to June 1, 1954. Actual starting date - June 8, 1954.

   Contract completion date - June 30, 1955. Actual completion date June 30, 1955.

   Work Authorized (As amended)

   Stage I - Drilling on Blue Jay Claim on 100-foot centers:

2,650 ft. diamond drilling @ $3.89/ft.	$10,308.50	
45 hrs. bulldozing @ $10/hr.	450.00	
33 sample analyses @ $3/each	99.00	$10,857.50

   Stage II - 50-foot offsets of favorable Stage I holes:

2,650 ft. diamond drilling @ $3.89/ft.	$10,308.50	
33 sample analyses @ $3/each	99.00	$10,407.50

   Stage III - Drilling on Blue Jay or adjacent claims on 100-foot grid and 50-foot offsets: If authorized, Stage IV to be cancelled.

3,580 ft. diamond drilling @ $3.89/ft.	$13,926.20	
36 sample analyses @ $3/each	108.00	$14,034.20

Stage IV - Drilling on Pine Tree and Sunnyside Claims: To be authorized only if Stage II or Stage III is not done and the unused footage and funds are available. -

Total Estimated Cost of Project $35,300.00

Government Participation @ 90% (rounded) $31,770.00

Amendments:

No. 1 - dated April 12, 1954 - Extends final starting date from 90 days from date of contract to prior to May 1, 1954, extends completion date from 6 months from date of contract to prior to Oct. 1, 1954, and revises Exhibit "A" completely to status shown in Work Authorized (above).

No. 2 - dated May 21, 1954 - Extends final starting date from prior to May 1 to prior to June 1, 1954.

No. 3 - dated July 29, 1954.- Substitutes Annex II for Annex I, increases royalty payment period from 10 to 11 years, and changes effective date for payment of royalties from the date of the contract to April 12, 1954.

No. 4 - dated Oct. 25, 1954 - Extends completion date from prior to Oct. 1, 1954 to prior to March 1, 1955.

No. 5 - dated April 5, 1955 - Extends completion date from prior to March 1, 1955 to prior to June 30, 1955.

Work Completed (8,597.4 feet diamond drilling in 58 holes):

Stage I - 19 holes:

2,650 ft. diamond drilling @ $3.89/ft.	$10,308.50	
3 hrs. bulldozing @ $10/hr.	30.00	
3 sample analyses @ $3/each	9.00	$10,347.50

Stage II - 20 holes:

2,561.6 ft. diamond drilling @ $3.89/ft.	$9,964.63	
3 hrs. bulldozing @ $10/hr.	30.00	
11 sample analyses @ $3/each	33.00	$10,027.63

Stage III - 19 holes:

3,385.8 ft. diamond drilling @ $3.89/ft.	$13,170.76	
32 hrs. bulldozing @ $10/hr.	320.00	
5 sample analyses @ $3/each	15.00	$13,505.76

Total Actual Cost of Project $33,880.89

Government Participation @ 90% $30,492.80

The work was done on the Blue Jay, Mary Jo 1 and Mary Jo 2 claims. One hole drilled in Stage III was disallowed because the location was not approved. No work was done under Stage IV.

Final Reports Received:

Operator - dated Sept. 1956, received Oct. 15, 1956.
Field Team - dated Feb. 15, 1957, received March 11, 1957.

3. Auditor's Report of Review, dated Aug. 1, 1956.

Total Cost as Billed by Operator	$34,809.55
Exceptions	928.66
Total Accepted Cost	$33,880.89
Government Participation @ 90%	$30,492.80

4. Certification of Discovery, dated May 22, 1956.

5. Results and Comments:

The subject property covers a mesa south of Brown's Hole. The Salt Wash, Brushy Basin and Burro Canyon members are exposed at irregular intervals on three sides of the mesa. Ore found under the subject project occurs in the "Blue Jay" sandstone at the middle of the Salt Wash member.

Several ore deposits are known around the rim of the mesa. The deposit on the Blue Jay claim, explored under the present project, is probably the largest. The ore-bearing sandstone here ranges from 10 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 were indicated by drilling farther to the east. Total production through 1955 from this deposit, including production prior to the DMEA project, amounted to 706 tons of ore containing 0.46% U_3O_8 and 1.44% V_2O_5. Indicated reserves might reasonably be considered as 700 tons of similar grade material and inferred reserves are estimated as equal to the indicated reserves. 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 difficult. The ore-bearing sandstone was thin and unfavorable in the easternmost part of the area drilled under the contract.

Mineralized areas on the Pine Tree claim are limited in size. About 100 tons of low-grade ore have been produced from this deposit. Reserves would be very small.

The deposit on the Sunnyside claim is also small. Last production in 1951 amounted to 22 tons.

An ore deposit on the San Juan claim (not covered by this project) was entirely removed from a large openpit in 1953 and 1954. About 650 tons of ore containing 0.33% U_3O_8 and 1.80% V_2O_5 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.

The Old Texas Mining Company, just south of the subject property, produced about 260 tons of ore from a small deposit.

The Operator requested additional work and funds on October 12, 1955 to explore the central part of the mesa, away from the rim. The request was denied because of the small size of known deposits in the area and the deep drilling required (average 450 feet).

Work to date has adequately explored the favorable areas near the Salt Wash rim. No further Government participation in exploratory drilling on the property is recommended.

Progress under the project was extremely slow. Considerable delay resulted in preparation of Amendment No. 1 and clarifying names and ownership of the claims. Some difficulty was encountered in drilling because of the presence of hard sandstone boulders near the surface. The Operator was often uncooperative.

Michael Ching

Michael Ching, Mining Engineer
Rare & Miscellaneous Metals Div.

[x] Audited

[x] Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of March 20 1957
Incl. Voucher for June, 1955

[ ] Actual Cost

[X] Agreed Unit Costs

Name Gramlich Exploration Company

Docket No. DMEA-2771

State Utah

Commodity Uranium

Idm-E No. 577

OPERATION	AUTHORIZED Units Feet	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) Diamond	8880	$34,544.00	8597.4	33,443.89	33,443.89
Surface Excavation					
Underground Excavation					
Roads and Trails		450.00		380.00	380.00
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Chemical Analyses		306.00		57.00	57.00
Totals		$35,300.00		$33,880.89	$33,880.89

Prepared by Michael Ching

71626

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

RECEIVED
DEC - 1 1955

224 New Customhouse
Denver 2, Colorado

November 28, 1955

Memorandum

To: S. R. Wilson) w/copy of Operator's application, complete
J. W. Hasler)

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2771 (Uranium), Contract Ida-2577, Granlich Exploration Company, San Juan County, Utah

Enclosed is a copy of the Operator's letter of October 12, 1955, with attached Exhibits 1 to 11, inclusive, which were delivered to this office in person November 22, 1955.

The Operator is applying for an amendment to Contract Ida-2577, to authorize additional work and additional funds in the amount of $363,549.00, the work to be performed on a three-stage basis.

The Operator has estimated the Government participation on a 90% basis, which would not be the case, as 75% would be the maximum Government participation.

Please submit a joint memorandum report of your recommendations in the matter.

When the enclosed material has served your needs, please return it to this office.

W. M. Traver

By J. W. Vannoy

Enclosures

JWVapri
cc: Chairman, Oper. Comm. (2)

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

RECEIVED
DEC - 1 1955

Denver Federal Center
Denver, Colorado

November 23, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Gamma-ray log interpretations

Enclosed are four copies of gamma-ray log interpretations on the following DMEA exploration projects:

DMEA Docket

2771 - Walter Gramlich
3297 - Continental Uranium Company
3475 - Amuranium Corporation
3514 - Climax Uranium Company
3555 - Four Corners Exploration - Bachelor group
3579 - Eula Belle Uranium, Inc.
3582 - Walter Duncan Mining Co.
3632 - Colamer Corporation
3649 - Simpson Uranium Co.
3660 - Mid Continent Uranium Corp.
3675 - Great Frontier Uranium Company
3730 - Vaughey & Vaughey, Ouray Ventures
3939 - Westvaco Mineral Products

W. M. Traver

By [illegible]

Enclosures

DMEA 2771

Walter Gramlich
Private Drilling
Blue Jay Mine Area-Browns Hole

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
BG-1	?	None	5.0-86.1	Barren						
PT-1	252.2	None	5.0-237.8	Salted						
PT-2	133.0	None	5.0-132.8	Barren						
PT-3	123.6	None	5.0-121.4	100.5 - 113.9	13.4	300			0.005	

* From top to bottom depths

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

224 New Customhouse
Denver 2, Colorado

November 9, 1955

RECEIVED NOV 14 1955

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

Re: Docket DMEA 2771 (Uranium),
Contract Idm-E577

Dear Mr. Gramlich:

Thank you for your letter of November 7 in reply to our letter of November 3. We will hold our files open on contract Idm-E577 to enable you to formulate plans in conjunction with your request for an extension of the contract to authorize additional exploration work.

Relative to your inquiry regarding another sizeable group of claims in a different area on which you wish to submit an application for DMEA exploration assistance, it appears that it would be necessary for you to submit a separate application. If you are in need of forms for that purpose please advise us.

Very truly yours,

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

By J. W. Townsend

JWT:prl
cc: Chairman, Oper. Comm. (2)) w/copy of Operator's letter of Nov. 7

BUREAU OF MINES
Denver, Colorado

Nov. 7, 1955

U.S. Dept Interior D.M.E.A.
224 Customhouse.
Attention: Mr. W.M. Traver
Mr. J.W. Townsend

Re: Market DMEA 2771
Contract Adm E 5-77

Gentlemen:

In reply, yours of Nov. 3rd, thank you kindly for keeping contract open.

We are definitely intending to submit application to extend contract & will submit same upon completion. Hope to have it in your hands soon. To formulate a pattern that will be workable as well as practical is taking much study & thought both on & off the property, but it is now taking shape.

We now have another sizeable group of claims at base of Mt. Melenthin, La Sal Mountains, at base of igneous intrusion where marrion has been pushed up to an elevation of about 10,000 ft. found some 15 to 20% to 3% float & have dug off a rim showing of good Vanadium containing L.G.W. averaging from 2 ft to 6 ft thick. Would like to drill this on D.M.E.A. Could this be included under our present Extension or must it be by new contract? Conditions + costs are about same as Brown's hole, however working season will be short.

Thanking you for past co-operation & a reply on last question we are:

Sincerely,

Gramlich Exploration Co
By J.H. Gramlich Jr.

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

224 New Customhouse
Denver 2, Colorado

November 3, 1955

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

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

Dear Mr. Gramlich:

In your March-June Operator's Narrative Report you indicated that you plan to submit an application to extend Contract Idm-E577, and that the application would be forwarded at an early date. It has now been four months since we received the above report, during which period we have kept the contract active.

Please inform this office by return mail whether you do or do not still plan to apply for the extension, and if you do so plan, by what date we may expect to receive the application.

In case you have abandoned your plan to request additional funds this will remind you that a Final Engineering and Geologic Report is required of the Operator by Article 6(c) of the contract and that we are still withholding the amount of $500.00 from your last MF-104 Voucher pending receipt of this report.

Very truly yours,

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

By J. W. Townsend
J. W. Townsend

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

Mr. Chiu
Contract file

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

RECEIVED
OCT 13 1955

October 11, 1955

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Gamma-ray log interpretations for:

1 set to USGS 10/19/55

DMEA 2771, Contract Idm-E577, Gramlich Exploration Company
DMEA 3297, Contract Idm-E800, Continental Uranium, Inc.
DMEA 3449, Contract Idm-E745, United States Uranium Company
DMEA 3475, Contract Idm-E760, Amuranium Corporation
DMEA 3555, Contract Idm-E791, W. A. Greer (Four Corners Exploration Company)
DMEA 3649, Contract Idm-E812, Simpson et al Mining Company
DMEA 3579, Contract Idm-E794, Eula Belle Uranium, Inc.
DMEA 3582, Contract Idm-E796, Walter Duncan Mining Company
DMEA 3514, Contract Idm-E823, Climax Uranium Company
DMEA 3614, Contract Idm-E795, Western Oil Fields, Inc.

Enclosed are four copies of gamma-ray log interpretations for holes drilled on the subject properties with transmittal memorandum by E. N. Harshman, Region III DMEA Field Team member.

W. M. Traver

By G W Townsend

JC:ab
cc: Corresp. File E577, 745, 760, 791, 795
Corresp. File E800, 812, 794, 796, 823
Harshman
Hasler
Shaw (2) w/one copy log interpretations
Townsend
Chron.

IN REPLY REFER TO:

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

DMEA
Date Rec'd
OCT 17 1955
BUREAU OF MINES
Denver

October 6, 1955

RECEIVED
OCT 13 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: E. N. Harshman

Subject: Gamma-ray log interpretation data

Enclosed are eight copies each of gamma-ray log interpretations for the following projects:

DMEA 2771 - Walter Gramlich
" 3297 - Continental Uranium Corp., Big Indian area
" 3449 - U. S. Uranium, Red Hill claim
" 3475 - Amuranium Corporation
" 3555 - Four Corners Exploration Co., Bull Canyon
" 3571 - Simpson Mining Company, Rajah claims
" 3579 - Jerome Craig, Ula Bella claims
" 3582 - Walter Duncan Mining Co.
" 3514 - Climax Uranium, Beaver Mesa
" 3614 - Western Oil Fields, Binder group

Four copies of each log interpretation should be forwarded to the Chairman of the Operating Committee for information.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures (10)

Walter Gramlich - Private Holes
La Sal Mtns. - San Juan Co., Utah
IDA Claims

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
IDA-1	310.7	50.0 NX	5.5-209.9	196.8-200.3	3.5	250			<0.005	
IDA-2	230.0	None	0.4-194.8	None						
IDA-3	231.0	50.0 NX	2.0-230.2	196.1-197.2 205.4-207.1	1.1 1.7	300 380			<0.010 <0.010	
IDA-4	212.0	None	5.1-209.2							
IDA-5	183.8	None	4.9-180.7							
IDA-6	284.0	100.0 NX	3.8-282.9							

* From top to bottom depths

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

RECEIVED
AUG 29 1955

224 New Customhouse
Denver 2, Colorado

August 24, 1955

Memorandum

To: Chairman, Opertating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Gamma-ray log interpretations
Docket 2771, Contract Idm-E577, Gramlich Exploration Company, Utah
Docket 3094, Contract Idm-E649, Camoose Uranium Mines of America, Inc., Colorado
Docket 3151, Contract Idm-E671, Four Corners Exploration Company, New Mexico
Docket 3190, Contract Idm-E672, Flattop Mining Company, New Mexico
Docket 3266, Contract Idm-E733, Big Indian Uranium Corporation, Utah
Docket 3297, Contract Idm-E800, Contenental Uranium, Inc., Utah
Docket 3360, Contract Idm-E723, Mid-Continent Uranium Corporation, Utah
Docket 3449, Contract Idm-E745, United States Uranium Company, Colorado
Docket 3475, Contract Idm-E760, Amuranium Corporation, Utah
Docket 3550, Contract Idm-E782, Radium Hill Uranium, Inc., Colorado
Docket 3565, Contract Idm-E778, The Golden Cycle Corporation, Colorado
Docket 3579, Contract Idm-794, Eula Belle Uranium, Inc., Colorado
Docket 3582, Contract Idm-796, Walter Duncan Mining Company, Utah
Docket 3620, Contract Idm-808, Uranium Prospectors Company, Ltd., Colorado

3 Lets Remain
1 let to USGS

Enclosed are four copies of gamma-ray log interpretations for holes drilled on the subject properties, and transmittal by E. N. Harshman, Region III DMEA Field Team member.

Wm Traver
W. M. Traver

Gramlich Group, Blue Jay Claims
Brown's Hole, Moab area -- DMEA

2771

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
DMEA 1	130.5	0.0	5.3-119.5	118.9-119.5	0.6	300			∠0.010	
I-1	123.0	0.0	5.1-123.0	22.0- 22.8	0.8	8500			0.48	
				24.6- 26.4	1.8	660			0.014	
I-2	?	0.0	4.1-124.6	116.5-118.0	1.5	200			∠0.005	
				118.0-119.2	1.2	520			0.013	
				119.2-120.5	1.3	200			∠0.005	
				120.5-122.1	1.6	250			∠0.005	
I-4	Plugged									
I-5	?	0.0	0.8-135.6	119.0-121.8	2.8	1100			0.020	
I-6	128.0	0.0	6.2-126.3	Barren						
I-7	?	0.0	4.0-129.1	14.5- 15.8	1.3	420			∠0.010	
				15.8- 18.0	2.2	220			∠0.005	
				107.1-109.9	2.8	250			∠0.005	
				111.2-115.0	3.8	340			∠0.010	
				115.0-115.9	0.9	2000			0.060	
				117.5-118.4	0.9	640			0.020	
				118.4-121.3	2.9	240			∠0.005	
				124.6-125.8	1.2	360			∠0.010	
I-8	121.0	0.0	6.7-118.4	Barren						
I-9	110.0	0.0	6.2-107.8	Barren						
I-10	117.3	0.0	3.8-116.2	109.3-110.1	0.8	6200			0.30	
				110.1-111.0	0.9	2200			0.065	

RECEIVED
AUG 29 1956

* From top to bottom depths

Gramlich Group, Blue Jay Claims
Brown's Hole, Moab area -- DMEA

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
I-11	131.0	0.0	4.0	128.0	120.4	121.9	1.5	600			0.014	
					121.9	123.1	1.2	2400			0.066	
					123.1	124.1	1.0	600			0.017	
I-12	?	0.0	4.3	187.8	32.5	33.3	0.8	24000			0.85	
					33.3	34.4	1.1	8000			0.34	
					133.7	134.7	1.0	85000			>9.0	
					134.7	138.0	3.3	3000			0.074	
I-15	118.4	0.0	3.8	114.2	33.2	33.8	0.6	1400			0.052	
					105.9	107.4	1.5	400			<0.010	
					107.4	110.2	2.8	240			<0.005	
I-17	160.0	0.0	4.6	153.8	115.1	118.0	2.9	240			<0.005	
					119.6	121.1	1.5	480			0.011	
I-18	140.0	0.0	7.0	96.6	Barren							
I-19	194.0	0.0	0.0	180.7	142.0	143.3	1.3	430			<0.010	
					145.3	146.3	1.0	280			<0.010	
					150.1	150.5	0.4	220			<0.010	
					157.2	158.0	0.8	320			<0.010	

* From top to bottom depths

Gramlich Group, Blue Jay Claims
Brown's Hole, Moab area -- DMEA

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_eU_3O_8$	Remarks
II-1	139.0		2.2-135.7	37.4- 38.2	0.8	1750				
II-2	164.0	0.0	5.3-123.4	Barren						
II-3	144.0	0.0	5.6-139.5	13.1- 15.1	2.0	340			0.010	
				18.5- 19.8	1.3	320			0.010	
				26.5- 27.7	1.2	260			0.010	
				49.5- 50.3	0.8	240			0.010	
				128.3-130.4	2.4	240			0.005	
				132.6-139.5	6.9	360			0.010	
II-4	137.0	0.0	5.4-136.2	104.9-112.1	7.2	460			0.010	
II-5	?	0.0	5.2- 91.5	13.3- 14.2	0.9	220			0.005	
				28.9- 30.0	1.1	640			0.018	
				32.8- 34.0	1.2	400			0.010	
II-9	111.8	0.0	0.0-107.3	0.2- 2.6	2.4	1700			0.035	Hole contaminated, possibly radon gas.
				12.8- 13.9	1.1	1600			0.040	
				13.9- 16.0	2.1	1200			0.023	
II-10	115.5	0.0	2.8-111.1	98.1- 99.3	1.2	240			0.005	
				106.8-111.1	4.3	420			0.010	
II-11	131.0	0.0	0.0- 78.3	3.3- 5.0	1.7	200			0.005	
				11.0- 12.1	1.1	220			0.005	
				17.4- 18.2	0.8	3700			0.15	
				18.2- 19.0	0.8	1000			0.0235	
II-12	135.2	0.0	0.4-132.6	115.3-116.1	0.8	1400			0.038	
				124.7-125.5	0.8	900			0.034	
II-13	120.8	0.0	4.7-115.0	12.4- 13.5	1.1	300			0.010	
				16.3- 17.7	1.4	280			0.010	
				18.3- 21.3	3.0	460			0.010	

* From top to bottom depths

Gramlich Group, Blue Jay Claims
Brown's Hole, Moab area -- DMEA

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
II-14	128.1	0.0	5.3-124.5	113.4-114.9	1.5	1400			0.031	
II-15	?			16.8- 19.9	3.1	370			∠0.010	
				35.6- 37.0	1.4	430			∠0.010	
				38.8- 40.1	1.3	300			∠0.010	
				40.1- 41.0	0.9	340			∠0.010	
				69.5- 70.5	1.0	300			∠0.010	
				96.2- 97.7	1.5	510			0.011	
				97.7-100.8	3.1	360			∠0.010	
				115.8-116.8	1.0	1200			0.028	
				118.5-120.0	1.5	430			∠0.010	
II-16	118.2	0.0	7.8-115.9	112.1-113.0	0.9	34000			1.3	
II-17	118.2	0.0	7.6-118.9	86.8- 88.9	2.1	240			∠0.005	
				101.7-102.8	1.1	240			∠0.005	
				104.3-105.3	1.0	520			0.014	
				114.5-115.5	1.0	360			∠0.010	
II-18	123.0	0.0	1.7-123.0	20.9- 25.3	4.4	260			∠0.005	
				100.3-104.1	3.8	360			∠0.010	
				121.1-123.0	1.9	320			∠0.010	
II-19	127.0	0.0	2.9-127.0	18.7- 19.7	1.0	360			∠0.010	
				108.7-109.7	1.0	240			∠0.005	
				112.9-116.2	3.3	440			∠0.010	
				116.2-116.9	0.7	800			0.026	
				116.9-117.9	1.0	1600			0.042	
				117.9-120.3	2.4	440			∠0.010	
				120.3-122.0	1.7	300			∠0.005	
				125.5-126.3	0.8	360			∠0.010	
II-20	130.7	0.0	5.0-128.7	125.9-127.1	1.2	33000			1.1	
				127.1-127.8	0.7	6000			0.35	
				127.8-128.7	0.9	17000			∠0.60	

* From top to bottom depths

GAMMA-RAY LOG INTERPRETATION

Gramlich Group, Blue Jay Claims
Brown's Hole, Moab area -- DMEA

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
III-11	192.2	0.0	7.4-190.4	Barren						
III-12	183.0	0.0	33.8-181.8	148.9-150.8	1.9	420			∠0.010	
III-13	?			88.8- 89.9	1.1	200			∠0.005	
				107.0-107.7	0.7	7100			0.43	
				107.7-109.0	1.3	1000			0.021	
				109.0-112.1	3.1	260			∠0.005	
				220.7-221.4	0.7	2100			0.074	
III-14	219.0	0.0	6.0-217.7	134.7-135.9	1.2	500			0.012	
				137.6-138.4	0.8	660			0.022	

* From top to bottom depths

Gramlich Group, Blue Jay Claims
Brown's Hole, Moab area -- DMEA

GAMMA-RAY LOG INTERPRETATION

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_e U_3O_8$	Remarks
DD-14	154.0		0.2-148.2	Barren						
DD-16	?		4.9-127.1	25.7- 28.9	3.2	540			0.011	
				103.0-125.5	Contaminated					
				126.0-126.7	0.7	1200			0.035	

* From top to bottom depths

DMEA
Date Rec'd.
AUG 19 1955
BUREAU OF MINES
Denver, Colorado
RECEIVED
AUG 29 1955

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

August 19, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: E. N. Harshman

Subject: Gamma-ray log interpretations

Enclosed are 9 copies of gamma-ray log interpretations on the following DMEA exploration projects:

Docket	Company
2771	Gramlich Exploration Company
3094	Camoose Uranium Company, Peanut Group
3151	Four Corners Exploration Company, Flat Top claims Nos. 4 and 5
3190	Richard Vopat, et al, Flat Top Nos. 1, 2, and 3
3266	Big Indian Uranium Corporation
3475	Amuranium Corporation
3579	Jerome Craig
3565	Golden Cycle Corporation
3550	Radium Hill Uranium Company
3582	Walter Duncan Mining Company
3360	Mid-Continent Uranium Company
3449	U. S. Uranium Company
3620	Uranium Prospectors
3297	Contenental Uranium Company

I have discussed with Hasler the need for more frequent transmittal of these data, and in the future log interpretations will be transmitted about once each month.

Four copies each of the enclosures should be transmitted to the Chairman of the Operating Committee for information purposes.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures

GAMMA-RAY LOG INTERPRETATION

Gramlich Exploration Co.
Brown's Hole, Moab, Utah -- DMEA

2771

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_eU_3O_8$	Remarks
III-15	193.5	0.0	6.8-193.5	164.3-166.8	2.5	450			∠0.010	
				166.8-167.9	1.1	220			∠0.005	
III-16	184.0	40.0	4.8-183.5	None						
III-17	251.8	0.0	Hole caved at 4.5 (Not Logged)							Core does not show anomaly
III-18	179.6	0.0	5.6-179.0	149.2-151.7	2.5	300			0.005	
				151.7-152.7	1.0	270			∠0.010	
				153.6-154.6	1.0	520			0.014	
				155.0-156.7	1.7	220			∠0.005	
III-19	171.6	0.0	4.0-171.0	70.6- 71.5	0.9	380			∠0.010	
				141.2-143.1	1.9	320			∠0.010	
				170.4-171.0	0.6	340			0.010	
III-20	203.0	0.0	9.1-202.1	103.3-104.2	0.9	220			∠0.005	
				106.3-107.8	1.5	740			0.018	
				108.2-108.9	0.7	260			∠0.010	
				200.0-201.0	1.0	400			∠0.010	

* From top to bottom depths

Gramlich Exploration Co.
Golden West No. 5, San Juan Co., Utah

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
GEC 1	505.6	None	5.8	288.5	Barren		Hole caved when casing was pulled.					
			This is a private hole logged for DMEA information.									

* From top to bottom depths

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

224 New Customhouse
Denver 2, Colorado

August 19, 1955

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:

Settlement sheets dated June 28 to July 15, 1955 and partial royalty payment in the amount of $23.31 have been received from the Vanadium Corporation of America. Correct royalty on this shipment is $25.41 leaving a balance due of $2.10.

Our records show that the A.E.C. production bonus royalty on the last four shipments (Lot Nos. 57762 and 58063; 1729; 59048 and 59078; and 60383) have not been received. These bonus royalties amount to $24.86, $79.78, $37.32 and $14.67 respectively.

Please send us your check in the amount of $158.73 in order that this account may be kept current. All 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

RDB/vj

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

RECEIVED
AUG 2 1955

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 23 1955

224 New Customhouse
Denver 2, Colorado

April 26, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2771 (Uranium), Contract Idm-E577, Gramlich Exploration Co., San Juan County, Utah

Enclosed are four copies of project work approval issued by the DMEA Field Team, Region III, relative to work under Stage III of the subject contract. Also enclosed are four sets of data relevant to the matter.

W. M. Traver

W. M. Traver

Enclosures

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

224 New Customhouse
Denver 2, Colorado

April 22, 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 29 1955

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

Re: Docket DMEA 2771 (Uranium)
Contract Idm-E577

Dear Mr. Gramlich:

Consistent with the stipulation in Contract Idm-E577 relative to the authorization of drilling under Stage III, and confirming verbal approval of March 29, 1955, the remaining footage under Stage III will be expended in drilling holes at the locations shown on the map attached hereto and made a part of this confirmation of work approval.

After the holes at locations indicated by the symbol /x/ have been drilled, the remaining footage may be expended in drilling holes at any of the locations indicated by the symbol ⊕. The selection of locations of holes indicated by the latter symbol will be those indicated to be most favorable based on the results of prior drilling.

Nothing in this work authority shall be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Very truly yours,

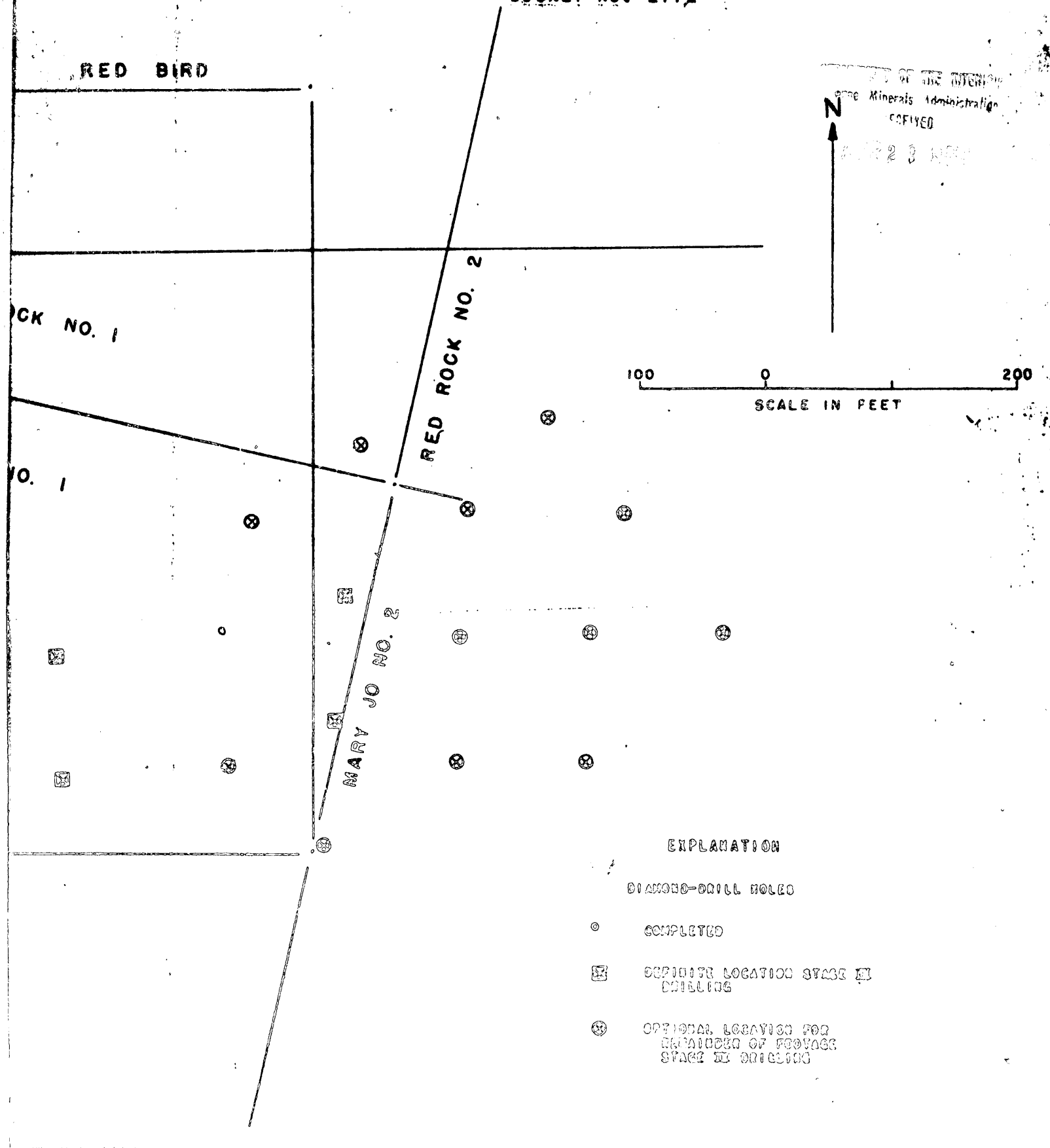
DMEA Field Team, Region III

By W. M. TRAVER
W. M. Traver

By E. N. Harshman
E. N. Harshman

JWT:jp
cc Chairman, Op. Comm. (4)
Harshman
Williams
Wilson
Christensen
Amendment File
Subject
Chron
Townsend

EXPLORATION ADMINISTRATION
DOCKET NO. 2771



Minerals Administration
RECEIVED

IN REPLY REFER TO:

DMEA
Date Rec'd.

APR 11 1955

BUREAU OF MINES
Denver, Colorado

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

April 8, 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 29 1955

Memorandum

To: Field Team, Region III

From: E. N. Hansmann

Subject: DMEA Docket 2771 (Uranium), Contract Idm-X 577, Gremlich Exploration Company, San Juan County, Utah

Enclosed are 10 copies of a memorandum report by G. W. Weir, U. S. Geological Survey, outlining the remaining holes to be drilled under stage 3 of the above subject contract.

The memorandum is self-explanatory and includes a map showing the locations of the proposed holes and a summary of the Burnaby logs of holes No. 1 to No. 10, inclusive. On March 29, 1955, Gremlich was given verbal authority to proceed with the drilling outlined by Weir.

E. N. Hansmann

E. N. Hansmann
Member, Field Team

Enclosures (10)

ENHansmann:mrh

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 29 1955

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P.O. BOX 360
GRAND JUNCTION, COLORADO

March 29, 1955

Memorandum

To: E. N. Harshman, DMEA Field Team, Region III

From: G. W. Weir Through: W. P. Williams

Subject: Location of holes for remaining footage of stage 3 of DMEA 2771 (Uranium), Gramlich group of claims, Brown's Hole area, San Juan County, Utah

Drilling of the first 10 holes of stage 3 at the Gramlich group of claims has been completed. The preliminary geologic results of this work suggests that potentially ore-bearing area may be extended to the east from the area previously drilled and, therefore, I recommend that the Operator be authorized to proceed at once with the remainder of stage 3 drilling.

According to the Operator, 2043.5 feet remain to be drilled in stage 3. Drilling depths are estimated to average slightly less than 200 feet, allowing a maximum of 10 or possibly 11 holes yet to be drilled. The recommended location of 4 holes to be drilled are specified on the accompanying map. Because the detailed geology of this area is difficult to predict, it is recommended that the remaining 6 or 7 holes be selected by the Operator from the 12 optional hole locations shown on the accompanying map. The locations should be selected by the Operator on the basis of the geologic information developed by drilling the first 4 holes of this final drilling.

G. W. Weir

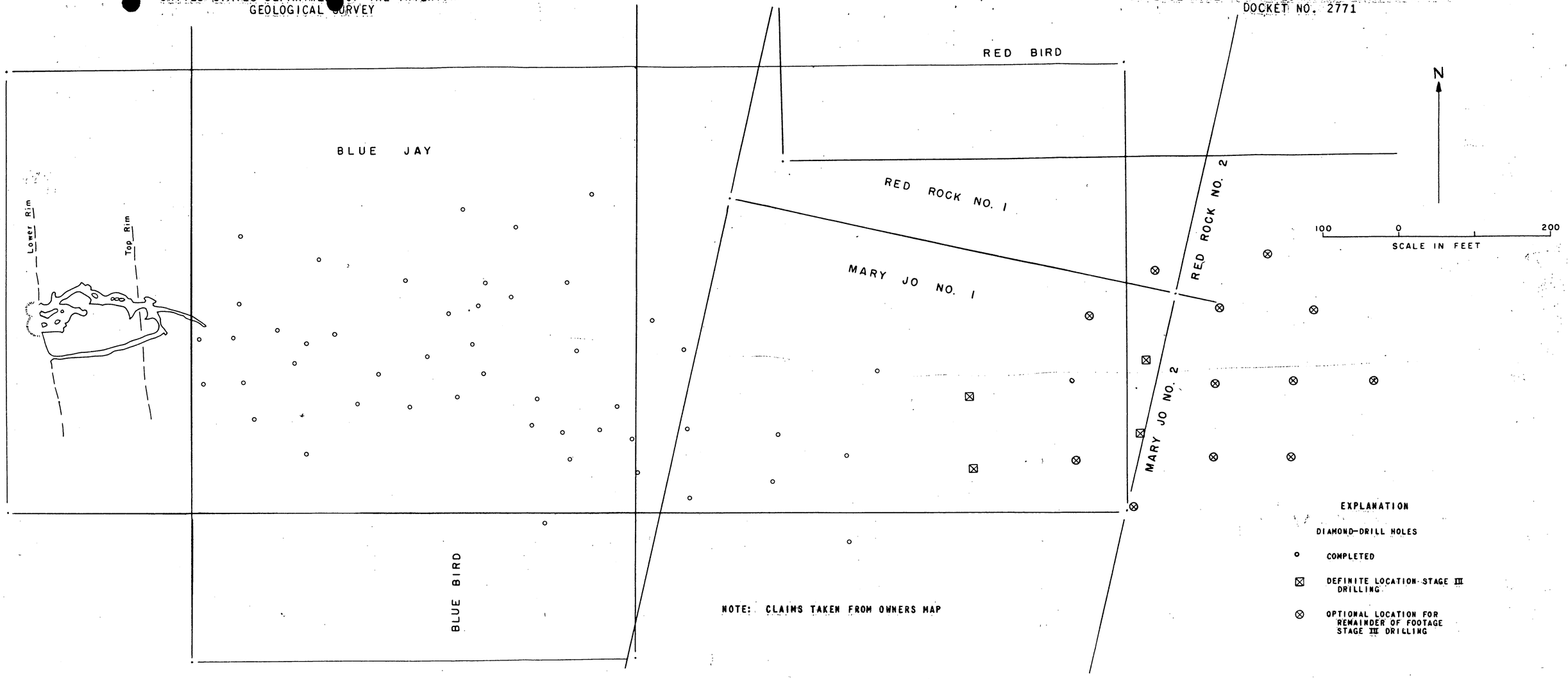
G. W. Weir,
Geologist

GWW/mlr

Enclosure

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO. 2771



MAP SHOWING HOLES DRILLED IN STAGE I, STAGE II AND PART OF STAGE III AND PROPOSED DRILL HOLE LOCATIONS FOR REMAINDER OF STAGE III
BLUE JAY CLAIMS, GRAMLICH MINERALS INC., SAN JUAN COUNTY, UTAH

GAMMA-RAY LOG INTERPRETATION Blue Jay - Gramlich Group
San Juan County, Utah -- DMEA

Hole No.	Depth Drilled	Depth Cased	Depth Logged From* To	Anomaly Detected From* To	Anomaly Thickness	Counts per minute	CPM Corrected for Casing	CPM Corrected for G-M Tube	Grade $\%_eU_3O_8$	Remarks
1	120.0	0.0-	3.3-119.1	14.2 - 20.7	6.5	240			<0.005	
				23.0 - 24.0	1.0	300			<0.010	
				24.2 - 25.6	1.4	200			<0.005	
				37.6 - 39.1	1.5	200			<0.005	
				72.3 - 73.5	1.2	200			<0.005	
				85.6 - 86.4	0.8	200			<0.005	
2	117.7	0.0	3.8-117.1	5.4 - 6.1	0.7	200			<0.005	
				44.0 - 44.5	0.5	200			<0.010	
				80.2 - 80.5	0.3	240			<0.010	
				81.6 - 82.2	0.6	220			<0.010	
				90.8 - 91.8	1.0	200			<0.005	
3	120.0	0.0	5.1-117.5	Barren						
4	189.7	0.0	1.6-186.3	52.1 - 52.8	0.7	200			<0.005	
				70.7 - 72.7	2.0	200			<0.005	
				136.3 - 137.1	0.8	200			<0.005	
				148.0 - 148.8	0.8	240			<0.010	
				149.7 - 150.1	0.4	200			<0.010	
				164.2 - 165.0	0.8	200			<0.005	
				165.6 - 167.2	1.6	200			<0.005	
				167.2 - 168.1	0.9	400			<0.010	
5	191.3	0.0	3.7-187.0	Barren						
6	197.4	0.0	2.0-194.6	Barren						
7	194.7	0.0	5.4-169.8	84.8 - 85.5	0.7	2200			0.084	
8	133.8	0.0	6.4-133.0	Barren						
9	156.2	0.0	6.9-155.3	Barren						
10	202.5	0.0	5.2-197.6	193.4 - 194.3	0.9	30,500			1.1	
				194.3 - 196.4	2.1	1200			0.023	
				196.4 - 197.6	1.2	2200			0.059	

*From top to bottom depths

[illegible]

[illegible]

[illegible]
[illegible]
P. O. Box [illegible]
Grand Junction, Colorado

[illegible]

Mr. W. M. Traver, Executive Officer
AEC Field Team, Region III
284 New Customhouse Bldg.,
Denver 2, Colorado

Dear Mr. Traver:

Please [illegible]
2043.5 feet of drilling [illegible]
contract. The drill [illegible]
[illegible]. The core [illegible]
C. L. Dodson and W. [illegible]
by contractor [illegible]

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

April 21, 1955

Memorandum

To: Miss Curtin, Statistics and Control Division

From: Hazel Berry, Operating Committee

Subject: Amendments to Contracts

Attached are the following docket copies of amendments to contracts which have been reviewed and approved by the Commodity Divisions, Contract Administration and Audit Division, and the Legal Division. The official dockets are also attached.

Gramlich Exploration Co., DMEA-2771, Idm-E577, Amendment No. 5.

Mid-Continent Uranium Corp., DMEA-3360, Idm-E723, Amendment No. 4.

San Juan Uranium Corp., DMEA-3390, Idm-E706, Amendment No. 1

Attachments-3

April 8, 1955

Memorandum

To: Hazel Berry, Operating Committee

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

Subject: Amendment to contract

Mr. Ching has reviewed and approved Amendment No. 5, dated April 5, 1955, to Contract Idm-E577, Docket DMEA-2771 (Uranium) Gramlich Exploration Company.

/s/ Grace L. Ault

Grace L. Ault

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

224 New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
APR - 7 1955

April 5, 1955

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, San Juan County, Utah

Enclosed are the original and two copies of Amendment No. 5 to Contract Idm-E577 which has been executed to extend the period for completion of the project work from March 1, 1955 to on or before June 30, 1955. Also enclosed are three copies of the operator's letter requesting the extension.

Copies of the amendment have been given to the operator, the Finance Office, Region III, and a copy has been retained for our files.

W. M. Traver

Enclosures

RECEIVED
APR 20 1955
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

March 8, 1955

Re: Docket DMEA 2771
Contract Idm-E577

Dear Mr. Traver:

In reference to your letter of March 8, 1955, it is estimated that an additional four months will be required to complete the exploration work under Contract Idm-E577, therefore this constitutes my request that the period for completion of the project work be extended an additional four months.

Very truly yours,

GRAMLICH EXPLORATION COMPANY

J. W. Gramlich Sr.

J. W. Gramlich, Sr.

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

DEPARTMENT OF THE
Defense Minerals Adminis.
RECEIVED
MAR 10 1955

224 New Customhouse
Denver 2, Colorado

March 2, 1955

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

Re: Royalty payments - DMEA Docket-2771
(Uranium) Contract Idm-E 577,
Gramlich Exploration Company,
San Juan County, Utah

Dear Mr. Gramlich:

We hereby acknowledge receipt of settlement sheets and partial royalty payment in the amount of $19.14 for Liquidation No. 6994 which was shipped to the Colorado Plateau Uranium Ore Project.

Correct royalty on this shipment should be 5.0 percent of $455.92 or $22.80 leaving a balance due of $3.66. Royalty is also due at 5.0 percent of the A.E.C. Production Bonus on this shipment. This amounts to 5.0 percent of $277.43 or $13.87.

Please send your check in the total amount of $17.53 to the Executive Officer, DMEA Region III, Room 224 New Customhouse, Denver 2, Colorado. All checks should be made payable to the Defense Minerals Exploration Administration.

We are enclosing a copy of our previous letter to you dated January 28, 1955 for which we have not received an answer. Please forward your copies of the settlement sheets referred to in this letter to us for photostating. Your copies will then be returned to you.

Yours very truly,

W. M. TRAVER

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

Enclosure

cc: Royalty File E577
Sec. to Op. Comm. (2) ✓
J. F. Shaw
T. A. Christensen
R. D. Berkenkotter
Chron

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

224 New Customhouse
Denver 2, Colorado

January 28, 1955

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Royalty Payment - Gramlich Exploration Company (Uranium), Docket DMEA 2771, Contract Idm-E577 - Utah

Enclosed is check No. 700 from J. W. Gramlich in the amount of $333.84 in payment of royalty due from Gramlich Exploration Company.

It is suggested that this check be deposited in the Suspense Account pending receipt of settlement sheets from the operator.

W. M. TRAVER

W. M. Traver

Enclosure

RDB:ld

Copy to: Royalty File E577
Sec. Opr. Comm. (2)

J. F. Shaw
Chron

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

224 New Customhouse
Denver 2, Colorado

January 28, 1955

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:

We hereby acknowledge receipt of your letter dated January 25, 1955, transmitting your check No. 700 in the amount of $333.84 and breakdown statement of royalties due.

Four copies of all settlement sheets are required for our use and for the use of the Washington office. If you will send your copies to us we will photostat a sufficient number of copies for our use and then return the originals to you. On future shipments, please inform the mills to furnish the required four copies of settlement sheets to this office. It is customary to have the mill deduct royalty due the U. S. Government and to transmit it direct to this office, but if you wish to continue to pay royalties by your personal check this arrangement will be satisfactory, except that future checks should be made payable to the Defense Minerals Exploration Administration instead of the Treasurer of the United States.

Yours very truly,

W. M. TRAVER

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

RDB;ld

Copy to: Royalty File E577
J. F. Shaw
T. A. Christensen
R. D. Berkenkotter
Sec. Opr. Comm. (2)
Chron

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

RECEIVED

224 New Customhouse
Denver 2, Colorado

January 21, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2771 (Uranium), Contract Idm-E577, Gramlich Exploration Co., San Juan County, Utah

Enclosed for your records are three copies of the Field Team's approval of a portion of the work to be performed under Stage III of the subject contract. Also enclosed are four sets of data relative to the work authorization.

W. M. Traver

Enclosures

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

224 New Customhouse
Denver 2, Colorado

January 12, 1955

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

Re: Docket DMEA 2771 (Uranium)
Contract Idm-E577

Dear Mr. Gramlich:

Consistent with the stipulations in Contract Idm-E577 relative to the authorization of work under Stage III, and confirming DMEA Field Team, Region IV approval by telephone of January 5, 1955, you are authorized to perform the drilling of 10 drill holes under Stage III of the contract at the location shown on the map, Figure 1, entitled "Map of Preliminary Results of Holes Drilled in Stages I and II and Proposed Drill Hole Locations for Stage III, Blue Jay Claim, Gramlich Minerals, Inc. Group of Claims, Brown's Hole Area, San Juan County, Utah" which is attached hereto and made a part of this confirming work approval.

The approval of additional holes to be drilled under Stage III of the contract will be contingent on the results and conditions encountered in drilling the first 10 holes outlined above.

Upon completion of the 10 holes approved hereby, it will be necessary for you to request in writing approval of any additional holes, such request to contain a map showing the additional holes requested in relation to the prior drilling, and furnish an analysis of the results of the prior drilling.

Nothing in this work authority shall be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Very truly yours,

W. H. King

W. H. King

E. N. Harshman

E. N. Harshman

DMEA Field Team, Region IV

JWT:jp
cc Chairman, Op.Comm. 3)
Harshman) w/encl
Williams)
Wilson)
Christensen
Subject
Amdt.
Chron
Townsend

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET 2771

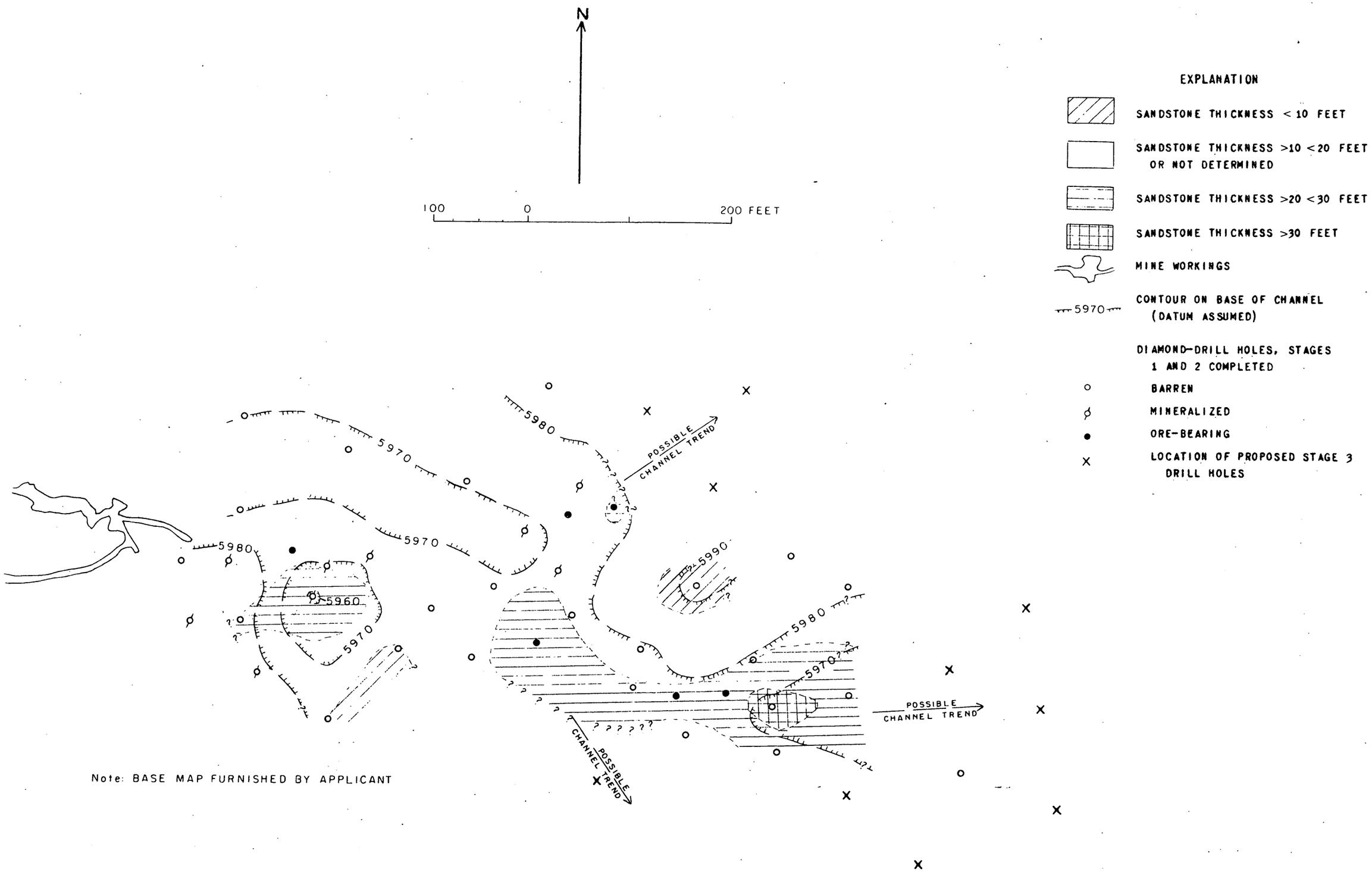


Figure 1. MAP SHOWING PRELIMINARY RESULTS OF HOLES DRILLED IN STAGES 1 AND 2, AND PROPOSED DRILL HOLE LOCATIONS FOR STAGE 3
BLUE JAY CLAIM, GRAMLICH MINERALS, INC. GROUP OF CLAIMS, BROWNS HOLE AREA, SAN JUAN COUNTY, UTAH

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 East First South St.
Salt Lake City 1, Utah

C
O
P
Y

January 11, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

From: Stephen R. Wilson

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

The subject project was inspected by M. M. Gilkey December 16, 1954. As of the inspection date, diamond drilling permitted under Stage II was complete. The operator was awaiting recommendations concerning Stage III as of the inspection date.

This office is in accord with diamond drilling recommendations for Stage III submitted by the Geological Survey, Grand Junction, Colorado.

/s/ Stephen R. Wilson

Stephen R. Wilson

Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

January 10, 1955

Memorandum

To: Field Team, Region IV

From: E. N. Harshman

Subject: DMEA Docket 2771 (uranium) Gramlick Minerals Inc., Browns Hole area, San Juan County, Utah; Contract Idm-E 577

Enclosed are 10 copies of a memorandum report by Gordon W. Weir, U. S. Geological Survey, covering work completed in stages 1 and 2 of the above subject contract, and recommending approval of work under stage 3.

As shown on Figure 1, accompanying the memorandum report, ore was discovered by a number of holes drilled in stages 1 and 2. Weir's recommendation that additional exploration be authorized to explore for ore in possible channel extensions appears justified.

Verbal permission for proceeding with exploration under stage 3 was authorized by the Field team on January 5, 1954. Confirmation by letter to the operator is in order.

E. N. Harshman

E. N. Harshman
Member, Field Team

Enclosures 10

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
COLORADO PLATEAU DISTRICT
GRAND JUNCTION, COLORADO

January 6, 1955

DEPARTMENT OF THE INTERIOR
DMEA
RECEIVED
JAN 6 1955

Memorandum

To: E. N. Harshman, DMEA Field Team, Region IV

From: W. P. Williams

Subject: DMEA 2771, Gramlich Minerals, Inc. Contract Idm-E 577

Attached hereto is a memo report by Gordon W. Weir, covering exploration work performed under the subject contract. The operator has requested permission to commence stage 3 of the contract and Weir concludes that since results obtained in stages 1 and 2 were favorable, that permission be granted by the Field Team to allow the operator to perform stage 3 under the contract. I concur with Weir's recommendations.

On January 5, 1955, I was given permission by the DMEA Field Team to give verbal permission to the operator to commence stage 3 drilling under the contract. Contract Idm-E 577 calls for written permission from the DMEA Field Team. Written permission should, therefore, be granted the operator.

WPWilliams

W. P. Williams,
Geologist

WPW/mlr

Enclosures

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
COLORADO PLATEAU DISTRICT
GRAND JUNCTION, COLORADO
P. O. BOX 360

December 31, 1954

Memorandum

To: E. N. Harshman, DMEA Field Team, Region IV

From: G. W. Weir Through: W. P. Williams

Subject: DMEA 2771 (Uranium). Gramlich group of claims, Browns Hole area, San Juan County, Utah

Drilling of stages 1 and 2 at the Gramlich group of claims has been completed. The preliminary geologic results of this work are presented in figure 1. These results are judged favorable and I, therefore, recommend that the operator be authorized to proceed at once with stage 3 drilling.

Stage 3 work is described in the amended contract as "Diamond drill a maximum of 3,580 feet of holes on the Blue Jay or adjacent claims on a grid pattern of 100 feet with a minimum of 50-feet spacing from any hole drilled under stage 1 or stage 2". The recommended locations of the first 10 holes of stage 3 drilling are shown on figure 2. These holes are located so as to give information concerning possible extensions of the channel system with which the uranium ore appears to be associated. On the basis of information furnished by the first 10 holes of stage 3, subsequent holes up to the maximum allowed footage should be located so as to continue to extend known channel trends. The locations of the remaining holes of stage 3 work are to be subject to the prior approval of the Government and will depend largely on the results of the first 10 holes and conditions encountered as drilling progresses.

Gordon W. Weir

GWW/mlr

November 9, 1954

Memorandum

To: Hazel Berry, Operating Committee

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

Subject: Amendment to contract

Mr. Ching has reviewed and approved Amendment No. 4, dated October 25, 1954, to Contract Idm-E577, Docket No. DMEA-2771, Gramlich Exploration Co.

/s/ Grace L. Ault

Grace L. Ault

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 8 - 1954

224 New Customhouse
Denver 2, Colorado

November 3, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

In reference to your letter of November 1, 1954, we are enclosing the original and two copies of Amendment No. 4 to Contract Idm-E577 and memorandum of transmittal thereof dated October 25, 1954, all of which have been signed by the Executive Officer, DMEA Field Team, Region IV.

W. H. King

Enclosures

RECEIVED
DEC 2 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Add Selfridge Hattendorf

NOV 1 - 1954

re: Docket No. DMSA-2771 (uranium)
Contract No. Idm-3577
Gramlich Exploration Company
San Juan County, Utah

Mr. W. H. King
Executive Officer
DMSA Field Team, Region IV
Bureau of Mines
224 New Customhouse Building
Denver 2, Colorado

Dear Mr. King:

This will acknowledge your memorandum dated October 25, 1954, in which you transmitted the original and two copies of Amendment No. 4 to Contract Idm-3577, Docket No. DMSA-2771 (uranium), Gramlich Exploration Company, San Juan County, Utah.

Neither the memorandum or copies of the Amendment were signed and they are returned herewith for signature.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

J. H. Hedges (JHB)
Member, Bureau of Mines

E. L. Newcomb (JHB)
Member, Geological Survey

REAdams/la/10-28-54

Copy to: Operating Committee
Adm. Reading File
Mail and Files
Mr. Adams

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 27 1954

224 New Customhouse
Denver 2, Colorado

October 25, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

Enclosed are the original and two copies of Amendment No. 4 to Contract Idm-E577 which has been executed to extend the period for completion of the project work from October 1, 1954 to March 1, 1955. Also enclosed are three copies of the operator's letter requesting the amendment.

Copies of the amendment have been given to the operator, the Finance Office, Region IV, and a copy has been retained for our files.

W. H. King

W. H. King

Enclosures

Moab, Utah,
October 1, 1954.

Mr. W. H. King,
Executive Officer, DMEA,
Field Team, Region IV,
224 New Customhouse,
Denver 2, Colorado.

Re: Docket DMEA 2771 (Uranium)
Contract IDM-E577

Dear Mr. King:

Reference is respectfully made to your letter of September 28, in the above-entitled matter:

I must confess that I had overlooked the fact that the date stipulated for the completion of the work under this project was upon us, and I hasten to make application for an extension of time within which to finish this job.

Inasmuch as we have encountered various obstacles which have retarded the progress of our drilling it has been physically impossible to complete this undertaking by the date specified, although I do feel that we have made a pretty good showing for the time we have been able to carry on actual drilling operations.

Inasmuch as winter is apparently near at hand and so many things can happen to slow up drilling operations, it would be very much appreciated if we could have a six months' extension of time, or until March 31, 1955, within which to complete this project. However, I assure you that we will push for completion at the earliest possible date.

Thanking you for the favorable consideration I trust you will give this application and for all past assistance, we are

Yours very truly,

Gramlich Exploration Co.,

By J. W. Gramlich Sr.

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

224 New Customhouse
Denver 2, Colorado

August 26, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

Enclosed for your records are three copies of DMEA Field Team, Region IV, authorization for the performance of certain work under Contract Idm-E577. Also enclosed are three sets of data relevant to the work authorization.

W. H. King

W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

August 24, 1954

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

Re: Docket DMEA 2771 (Uranium)
Contract Idm-E577

Dear Mr. Gramlich:

Reference is made to Amendment No. 1 to Contract Idm-E577 which amended EXHIBIT "A" attached to Exploration Project Contract Form MF-200(A) (February 1952), further referring to sub-item, Stage 2, of said Amendment No. 1.

Consistent with the stipulations pertaining to the authorization of work under said Stage 2 and confirming DMEA Field Team, Region IV, approval by telephone of August 17, 1954, you are authorized to perform not to exceed a maximum of 2650 feet of drilling described under said Stage 2 at locations shown on the map titled "Map Showing Holes Drilled in Stage 2 and Proposed Drill Hole Locations for Stage 2, Blue Jay Claims, Gramlich Minerals, Inc., San Juan County, Utah" which is attached hereto and made a part of this work approval.

In the event insufficient footage remains within the maximum allowable to enable completion of a hole to its objective, the hole will not be started.

Nothing in this work authority shall be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Very truly yours,

W H King
W. H. King

A. H. Koschmann
A. H. Koschmann

DMEA Field Team, Region IV

JWT:jp
Enclosure
cc Subject
Amendment
Chron
AHKoschmann w/encls
SRWilson w/encls
ABrokaw w/encls & copy of Amdt 1
TAChristensen
Chairman, Oper. Comm.
JWTownsend

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
COLORADO PLATEAU DISTRICT
P. O. BOX 360
GRAND JUNCTION, COLORADO

August 18, 1954

Memorandum

To: A. H. Koschmann, DMEA Field Team, Region IV E.W.H. for A.H.K.

From: W. P. Williams

Subject: DMEA 2771, Gramlich Minerals, Inc., Uranium, San Juan County, Utah

I am sending you herewith eleven copies each of 1) a memorandum to the DMEA Field Team, Region IV, from Gordon W. Weir, USGS, recommending that Stage II of the subject contract be approved, and 2) a letter to me from Gordon Weir, giving some of the details of Stage I drilling and reasons for approving Stage II drilling under the subject contract.

On August 17, 1954, verbal consent was given to me by the Field Team, Region IV, allowing the operator to proceed with Stage II of the contract. This verbal consent was relayed by me to the operator. Since the amended exhibit "A" of the subject contract stipulates that written permission must be given the operator by the Field Team, I assume that such written permission will be forthcoming.

We are also enclosing herewith nine extra copies of the map accompanying Gordon Weir's memorandum. Please note that the proposed locations of drill holes to be drilled under Stage II are located 50 feet from any other existing drill hole.

We are also sending copies of the memorandums and maps to Steve Wilson in Salt Lake City, in accordance with your instructions.

W P Williams

W. P. Williams
Geologist

WPW/mlr

Enclosures

cc: S. R. Wilson

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

August 16, 1954

Memorandum

To: DMEA field team, Region 4

From: G. W. Weir, U. S. Geological Survey /s/ G. W. Weir

Subject: DMEA 2771 (Uranium), Gramlich group, Brown's Hole area, San Juan County, Utah

On the basis of results of Stage I work at the Gramlich Group, it appears advisable to proceed at once with Stage 2 drilling. The approximate position of Stage 2 holes is shown on the accompanying map. Holes nos. 1 through 13 should be drilled first. If these do not cut any ore, the remaining footage would be allotted to a later stage of drilling.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

Monticello, Utah
August 16, 1954

Mr. Bill Williams
U. S. Geological Survey
Box 360
Grand Junction, Colorado

Dear Bill:

Stage I of the Gramlich Claim, DMEA 2771, was completed Wednesday, August 11. Nineteen holes accounting for an aggregate of 2655 feet were drilled. Two holes, nos. 10 and 12, contained material believed to be of ore grade and thickness. Five holes, nos. 3, 4, 5, 14, and 15, showed traces of mineralized rock (vanadium). The logs of all holes of Stage I drilling will be sent to Grand Junction by the end of the month. Mineralized rock is found at three horizons, one near the surface (hole no. 4), at about 35 feet, and at about 125 feet. The lower horizon appears to be that of the Blue Jay mine and is the one probably offering the greatest possibilities. All holes, however, should be cored their entire depth.

The enclosed map is one supplied by Mr. Gramlich. Holes nos. 17, 18, and 19 are not shown; they are barren and not essential to plans for Stage 2; they lie east of holes nos. 14 and 15. The approximate location of holes 1 through 21 of Stage 2 is shown. Holes 1 through 13 should be drilled first and if these do not cut ore, the remaining footage in my opinion would be better allotted to Stage 3. I trust that the map plus the accompanying memo will satisfy DMEA requirements. Please have the map redrafted and the original returned to me.

I told Mr. Gramlich that you would try to get Stage 2 work authorized immediately by telephone to Denver, and would if possible contact him by telephone through Mr. Howard Balsey, Moab, Utah. Hope you can.

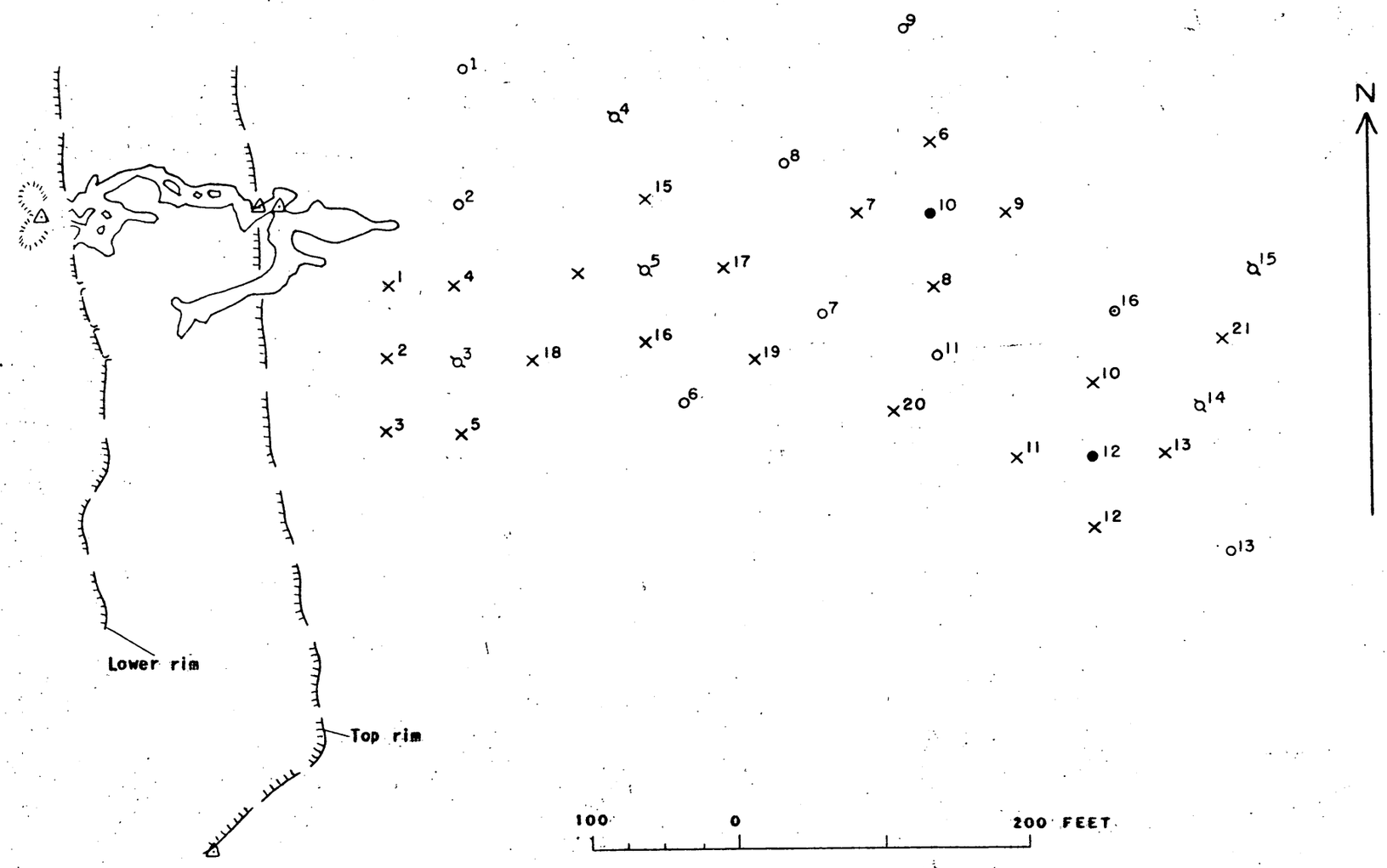
Regards,

/s/ Gordon
Gordon W. Weir

P. S. Please send three copies of the map to Steve Wilson. Mr. Gilkey, USBM, was present when I conferred with Gramlich, and approved the general plan of Stage 2 work.

U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET 2771



EXPLANATION

MINE WORKINGS, UNDERGROUND

ADIT

CONTROL POINT

DIAMOND-DRILL HOLE COMPLETED ON STAGE 1

BARREN

WEAKLY MINERALIZED

ORE-BEARING

APPROXIMATE LOCATION OF STAGE 2 DRILL-HOLE (HOLES NOS. 1 THRU 13 ARE TO BE COMPLETED BEFORE HOLES 14 THRU 21)

NOTE: BASE FROM MAP BY SAN JUAN ENGINEERING CO.

MAP SHOWING HOLES DRILLED IN STAGE 1 AND PROPOSED DRILL HOLE LOCATIONS FOR STAGE 2.
BLE JAY CLAIMS, GRAMLICH MINERALS, INC., SAN JUAN COUNTY, UTAH

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

224 New Customhouse
Denver 2, Colorado

August 12, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

Enclosed are the Government, Division, and Docket copies of Amendment No. 3 to Contract Idm-E577 which was prepared in Washington and signed by the Administrator, DMEA, for the Government, all copies of which were forwarded to this office by your letter of July 29, 1954 for signature by the operator. Also enclosed are the original and two copies of three sets of Form MF-203 Owner's Consent to Lien which have been signed by the respective owners as requested in your letter of July 29.

Copies of the Amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files. A copy of the Owner's Consent to lien has been given to the Fiscal Officer, Region IV, and a copy retained for our files.

W. H. King

W. H. King

Enclosures

Surname 700

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

Ching
Ellis
Hyman
Selfridge

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

JUL 26 1954

Re: Docket No. DMEA-2771 (Uranium)
Contract No. Idm-1577
Granlich Exploration Company
Brown's Hole Area
San Juan County, Utah

Dear Mr. King:

Enclosed are the original and five copies of a proposed Amendment No. 3 to the captioned contract, executed by the Administrator.

Before having the amendment signed by the Operator it will be necessary to attach new Owners' Consents to Lien on the form revised July 1, 1954. In this case the lien should cover a period of eleven years from the date of the contract instead of ten. Note enclosed sample.

Please make the usual distribution of copies of the amendment after their execution by the Operator.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (24B)

Enclosures

APPROVED:

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

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

MChing/am
7-21-54
cc to: Admin. Reading File
Operating Committee
Docket
Messrs. H. D. Keiser, Rm. 3641
A. P. Butler, Jr., Rm. 3212, GSA
J. O. Hosted, Rm. 3210, GSA
Mr. Ching
Code 700

R. Ch.

DMEA
File Copy
Surname

Rubin (OXH)
JLHofflund

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

July 16, 1954

Memorandum

To: The Administrator, DMEA
Through: Mr. E. W. Ellis

From: Acting Assistant Solicitor, Defense Minerals

Subject: Oramlich Exploration Company, Docket No.DMEA-2771 (Uranium), Contract Idm-E577

Attached is Amendment No. 3 to the above-captioned contract in satisfactory legal form for execution, subject to the attachment of Owners' Consents to Lien on the form revised July 1, 1954.

A justification of the Amendment, for the file, is also attached.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments 7
HCRubin:lm

Copies to: Solicitor Docket
DMEA Docket
Mr. Ellis (2)
Mr. Hofflund
Mr. Rubin
Chron.
Mr. Chambers
Finance Office
Field Team

R.C.A.

Surname
Docket copy

Ching
Ellis
Rubin
Selfridge

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

TELETYPE

DMEA - Department of the Interior
14X1401(01) Revolving Fund Defense Production Act, Interior, (Allocated Working Fund to the Office of the Secy.)

INTERIOR

JUL 12 1954

SOLICITOR

JUL 14 1954

W. H. KING, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION IV
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REURTT JULY 6 AND MEMORANDUM JUNE 14 GRAMLICH EXPLORATION COMPANY DOCKET 2771 WE PROPOSE AMEND CONTRACT SO ROYALTY PAYMENTS NOT REQUIRED ON PRODUCTION PRIOR APRIL 12, DATE OF AMENDMENT NO. 1 BUT IN EVENT OF CERTIFICATION ROYALTY PERIOD SHALL BE 11 YEARS FROM CONTRACT DATE. AMENDMENT WILL BE DRAWN IN WASHINGTON.

George C. Selfridge

GEORGE C. SELFRIDGE, CHAIRMAN
OPERATING COMMITTEE

MChing/FEJohnson/gla
7/7/54
7/12/54
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. A.P.Butler, Rm. 3212, GSA
J.O.Hosted, Rm. 3210, GSA
H.D.Keiser, Rm. 3641
Mr. Rubin, Rm. 6042
Mr. Ching, Rm. 4640
Code 700
Confirmation to Region IV

SENT
JUL 14 1954
Clerical Service Section

R.C.S.

Surname 700

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

Ching
Ellis

July 12, 1954

Memorandum

To: Acting Assistant Solicitor, DMEA

From: Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division

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

INTERIOR DEPT.
JUL 12 1954
SOLICITOR

Please disregard our memorandum of July 7, 1954, on above subject and prepare Amendment No. 3 to exempt payment of royalties on production prior to April 12, 1954, the date of Amendment No. 1. In the event of a certification the royalty period shall be 11 years from August 6, 1953, the date of the contract.

Ernest Wm. Ellis

MChing/am
cc to: Docket File
Code 700 contract file
Mr. Ching
Blue Chron

Surname
Docket copy

700

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

Ching
Ellis

July 7, 1954

N/S. in R.P.

Memorandum

To: Acting Assistant Solicitor, DMEA

From: Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division

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

INTERIOR DEPT.
JUL 7 - 1954
SOLICITOR

Please prepare Amendment No. 3 to exempt payment of royalties on production prior to June 1, 1954, the starting date for operations. In the event of a certification the royalty period shall be 10 years from June 1, 1954, not 10 years from the date of the contract.

Ernest Wm. Ellis

Ernest Wm. Ellis

MChing/gla
cc to: Docket file
Code 700 contract file
Mr. Ching
Blue chron

Mr. George Selfridge
7-6-54
3:58 P.M.

JUL 7 - 1954

BUR MINES DN 235 7-6-54 12-47 PM

GEORGE C SELFRIDGE

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

W H KING

Memo, Bob.

JUL 7 8 11 AM '54

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

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

224 New Customhouse
Denver 2, Colorado

June 14, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

Enclosed are the original and three copies of a memorandum from H. K. Thurber, Jr., Mining Engineer, U. S. Bureau of Mines, dated June 7, 1954, and transmittal thereof from the Chief, Minerals Development Branch, Mining Division, Region IV, of June 9, 1954, relative to the payment of royalties on ore produced from ground described under article 2 of the contract after the date of the contract but prior to the commencement of any work under the terms of the contract.

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.

W. H. King

Enclosures

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

Mining Division
Date Rec'd
JUN 11 1954
BUREAU OF MINES
Denver, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 17 1954

June 9, 1954

Memorandum

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

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

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

Attached are 4 copies of a memorandum prepared by H. K. Thurber concerning the subject contract. A chronological list of correspondence dating from the effective date of the contract is presented to illustrate the delay in starting work under the contract.

The operator believes that no royalty should be paid on ores shipped from the property before actual start of contract work, even though the effective date of the contract is August 6, 1953, and ores have been shipped since that date. It was suggested by J. W. Townsend during a conversation May 24, 1954, that a chronological history of the negotiations be listed, and a ruling obtained concerning royalty payments under this contract.

Stephen R. Wilson
Stephen R. Wilson

Enclosures

S. R. Wilson June 7, 1954

H. K. Thurber, Jr.

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

A review of correspondence relative to the subject contract reveals an abnormally long period between the signing of the contract and the eventual start of drilling. The delay is believed due, in a large part, to delay in processing an amendment request presented by the operator to change the plan of work. A chronological list of correspondence relating to the delay in processing the amendment request follows:

August 6, 1953 - Effective date of the contract. Work was to have started November 6, 1953, September 10 and 11, 1953. The operator visited Geological Survey and Bureau of Mines offices to voice dissatisfaction with the plan of work. A joint examination was made on September 17, 1954, in company of the operator, to determine the most logical plan of exploratory drilling and to so advise the operator to aid him in preparation of an amendment request.

September 30, 1953 - Memorandum report by Gordon Weir on the above-mentioned examination, together with a covering letter by R. P. Fischer, transmitted to Field Team, Region IV.

November 30, 1953 - A revised letter of transmittal was sent to W. M. King by R. P. Fischer.

December 14, 1953 - A letter from Field Team, Region IV, to R. P. Fischer reveals that the operator had received a copy of the proposed amendment for discussion with Fischer concerning certain requirements of the actual drilling.

January 26, 1954 - Memorandum from Field Team, Region IV, to the chairman of the Operating Committee, stating, in reply to request for copy of proposed amendment, that proposals not in a state that could be presented.

February 9, 1954 - In a letter to the operator, Mr. King requested his acceptance or refusal of terms of proposed amendment so that the actual drafting could be completed.

March 16, 1954 - Teletype and letter from the Operating Committee to W. M. King transmitting 6 copies of the amendment for signature.

March 22, 1954 - A memorandum from the Field Team to S. R. Wilson requesting that copies of completed amendments be signed.

April 6, 1954. The signed copies of Amendment 1 were sent to the Field Team, Region IV.

April 8, 1954 - A letter from the operator to W. H. King discussed the question of royalty repayment on ores produced from those groups of claims upon which the revised plan of work does not specify holes be drilled. Further, the operator inquired whether or not production from the Blue Jay and Pine Tree claims, if from ore bodies not discovered or delimited by DMEA work, was liable to royalty repayment.

April 13, 1954 - Letter from W. H. King to operator stating that, under terms of the contract, royalty was due on all production from ground described in Article 2 of the contract.

May 17, 1954 - A letter from W. H. King to the operator transmitting copies of an amendment for signature to extend the starting date under Amendment No. 1 to June 1, 1954.

The foregoing chronological list of actions pertinent to the eventual writing of Amendment No. 1 shows that a period of approximately 10 months elapsed between the effective date of the contract and the date work was to have begun under the amendment. During this interval, the operator has mined a moderate tonnage of relatively high-grade uranium ore. It appears to be inequitable to require the operator to pay royalty on these ores, since he was not operating under the contract during this period, and since much of the delay in processes leading to the formulating of Amendment No. 1 was attributable to the Government.

It is suggested that a ruling be requested to determine definitely whether or not the operator must pay royalty on the ores mined under these unusual circumstances.

H. K. Thurber, Jr.

H. K. Thurber, Jr.

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

May 24, 1954

Memorandum

To: Hazel Berry, Operating Committee

From: Grace L. Ault

Subject: Amendment to contract

Mr. Ching has reviewed and approved Amendment No. 2, dated May 21, 1954, to Contract No. Idm-E577, Docket No. DMEA-2771, Gramlich Exploration Company (Uranium).

/s/ Grace L. Ault

Grace L. Ault

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

224 New Customhouse
Denver 2, Colorado

May 21, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

Enclosed are the original and two copies of Amendment No. 2 to Contract Idm-E577 which has been executed to extend the period for start of work under the terms of the contract from May 1, 1954 to June 1, 1954. Also enclosed are three sets of data relevant to the amendment.

Copies of the amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King

Enclosures

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

May 11, 1954

Memorandum

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

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

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

Attached are six copies of a letter received from the subject operator requesting an extension of time to begin operations under the contract. An explanatory memorandum prepared by H. K. Thurber, the inspecting engineer, is also attached. It is recommended that the operator's request be granted.

Stephen R. Wilson
Stephen R. Wilson

Enclosure

S. R. Wilson

May 10, 1954

M. K. Thurber, Jr.

Docket No. DMEA 2771 (Uranium), Contract Idm-E577, Gramlich Exploration Co., San Juan County, Utah. Operator's request for deferment of start of project

Discussion with the operator concerning his inability to start project work reveals that the company-owned drill intended to be used in the proposed work is not equipped to recover core. The operator has ordered the necessary adaptors and related equipment, but has not received the material as yet. Delivery is anticipated within the next two weeks and drilling will be started as soon as the necessary parts are installed. The machine is at present being used at Cisco, Utah.

It is not believed that a delay of one month in starting the proposed drilling will affect the efficiency of the project work. In view of this, it is recommended that the operator be allowed to start work under the subject contract on or before June 1, 1954, as requested in his letter of May 4, 1954.

M. K. Thurber, Jr.

M. K. Thurber, Jr.

Nephi, Utah,
May 4, 1954.

U. S. Department of the Interior,
Bureau of Mines,
Attention: Mr. Steve Wilson,
1300 S. First South St.,
Salt Lake City, Utah.

Re: DMBA - 2771
No. Idm - E 577

Dear Mr. Wilson:

We had planned on commencing drilling by May 1 on the above-designated project but we are still awaiting delivery of some additional parts and equipment necessary in converting our Failing drill to diamond-core work. We now anticipate being able to start operations in the immediate future; however, in order to be safe, we respectfully ask for deferment until June 1 to start drilling instead of May 1, as per our contract.

Thanking you kindly for this and previous cooperation, we are

Very truly yours,

Gramlich Exploration Co.,

By J. L. Gramlich Sr.

Surname
Docket copies

700

Ching
Ellis

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

April 14, 1954

Memorandum

To: Hazel Berry, Operating Committee

From: Grace L. Ault
Rare & Miscellaneous Metals Division

Subject: Amendment No. 1, dated April 12, 1954
Gramlich Exploration Company
Contract Idm-E577, Docket No. DMEA-2771

We have received the executed Division copy of the above amendment, which was prepared in Washington and transmitted to the Executive Officer, Region IV, by the Operating Committee on March 16, 1954, to be signed by the Operator and dated in the Field. At that time we retained three copies each of the three Owners' Consents to Lien and three sets of data relevant to the amendment to be attached to the Government, Docket and Division copies.

Accordingly, we have attached one set of these documents to the Division copy of the amendment, and are forwarding herewith two sets of MF-203's and relevant data to be attached to the Government and Docket copies.

/s/ Grace L. Ault

Grace L. Ault

Attachments

GLAult/a
cc to: Docket file
Mr. Ching
Division contract file

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

224 New Customhouse
Denver 2, Colorado

April 12, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

Enclosed are the Government, Division and Docket copies of Amendment No. 1 to Contract Idm-E577 which was prepared in Washington and forwarded for execution by the operator and the Executive Officer, DMEA Field Team, Region IV, for the Government, by letter from the Chairman of the Operating Committee, dated March 16, 1954. Three sets of Owner's Consent to Lien forms and maps Figures 2 and 3 for attachment to the Washington office copies of the amendment were retained by the Chairman of the Operating Committee. Three sets of data relevant to the amendment were forwarded to you by our memorandum of February 26, 1954.

Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King

Enclosures

Surname
Docket copy

700

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

Ching
Ellis
Chamberlain
Selfridge
Johnson
Utterbeck

MAR 16 1954

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2171 (Uranium)
Contract No. Idm-4577
Gramlich Exploration Company
Brown's Hole Area
San Juan County, Utah

Dear Mr. King:

Receipt is acknowledged of your memorandum of February 26, 1954, to the Administrator, with the enclosed copy of a proposed Amendment No. 1 to the captioned contract and three sets of data relevant to the amendment.

The Chief Counsel has redrawn the proposed amendment and we are enclosing the original and five copies for your and the Operator's signatures. Please attach maps designated as Figure 2 and Figure 3 to the copies marked Field Team, Operator, and Finance Office prior to execution. We are retaining the three sets of maps designated as Figure 2 and Figure 3, forwarded with your memorandum, for attachment to the other three copies of the executed amendment, when received from you.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Enclosures 15

APPROVED:

J. H. Hedges
Member, Bureau of Mines (JHB)

D. M. Larrabee
Member, Geological Survey (JHB)

MChing/gla
3-8-54
cc to: Adm. Reading File
Operating Committee
Docket
Messrs. H.D.Keiser, Rm. 3641
A.P.Butler, Jr., Rm. 3212, GSA
M.Ching
Code 700
DMEA Field Team, Region IV

P. S. We have also retained three copies of the three Owners' Consents to Lien, and enclose the other copies for distribution by you.

R. C. 3-16-54

Surname
Docket copy

700

Ching
Ellis
Selfridge
H. Johnson
Mottendorf

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

MAR 16 1954

T E L E T Y P E

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

RETillis/gla 3-12-54

DMEA - Department of the Interior

Ltr 3923.9 Working Fund - DMEA

W. H. KING, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION IV
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REFERENCE FEBRUARY 26 AND MARCH 5 GRAMLICH EXPLORATION COMPANY DOCKET DMEA-2771, SIX COPIES ASSIGNMENT NO. 1 AS REFERRED IN WASHINGTON, IN MAIL TODAY. YOU MAY RELEASE ASSIGNMENT OF CONTRACT TO OPERATOR.

George C. Selfridge
GEORGE C. SELFRIDGE, CHAIRMAN,
OPERATING COMMITTEE

cc to : Adm. Reading File
Operating Committee
Docket
Messrs. H.D.Keiser, Rm. 3641
A.P.Butler, Jr. Rm. 3212, GSA
Mr. Ching
Code700
Confirmation to Region IV, DMEA FieldTeam

SENT
MAR 16 1954
Clerical Service Section

R.C.S. 3-16-54

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

224 New Customhouse
Denver 2, Colorado

March 5, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

Reference is made to your letter of February 18, 1954, with which you forwarded, along with other material, the original and five copies of Form MF-203 Owner's Consent to Lien executed by Howard W. Balsley for a correction in the description in the property.

In conjunction therewith we are enclosing the original and five copies of Form MF-203 Owner's Consent to Lien which has been corrected by Balsley. The Sunnyville claim has been changed to Sunnyside, and one listing of the Blue Bird claim has been changed to Big Chief claim, which will necessitate a change in Annex II in the claims listed for Howard Balsley, lessor.

Also enclosed are the original and three copies of two letters from J. W. Gramlich, dated March 1 and March 2, 1954, which explain the situation relative to the changes on the enclosed Form MF-203.

After you have reviewed the corrected Form MF-203 please teletype advice as to whether or not all matters have been cleared to your satisfaction and we may now release the assignment of the contract to the operator.

The operator in his letter of March 2 requests that approval of the proposed amendment, forwarded to you by our memorandum of February 26, 1954 for preliminary review prior to release to the field, be expedited as much as possible.

W. H. King

W. H. King

Enclosures

Mining Division
Date Rec'd
MAR 2 - 1954
BUREAU
Denver

Moab, Utah
March 2, 1954

Mr. W. H. King
Executive Officer, DMEA
Field Team, Region IV,
Department of the Interior
224 Customhouse
Denver 2, Colorado

Re: Docket DMEA 2771 (Uranium)
Contract Idm-E577

Dear Mr. King:

In addition to the enclosed letter countersigned by H. W. Balsley, I thought that it might be advisable to explain this matter further.

All of the claims involved in this Contract are owned by Howard W. Balsley, S. V. Gramlich, and Irene S. Gramlich. We, therefore, feel that since all of these parties have signed the Owners Consent to Lien, that the exact location of the Red Bird and Blue Bird Claims are not of too much importance and the rights of the Government cannot be affected.

I can assure you definitely that there is no actual conflict between these parties on any of the claims, and the claims of these parties constitute a solid block, so there is no gaps in between them.

I have purchased a complete diamond drilling equipment. The weather and roads are perfect, so won't you please get this ammendment okeyed at the earliest possible moment so we can get something accomplished real soon.

Yours very truly,

J. W. Gramlich Jr.

J. W. Gramlich

ts

Mining Division
Date Rec'd
MAR 4 - 1954
BUREAU OF MINES
Denver Colorado

Moab, Utah,
March 1, 1954.

Mr. W. H. King,
Executive Officer, DMEA,
Field Team, Region IV,
Department of the Interior,
224 Customhouse,
Denver 2, Colorado.

Re: Docket DMEA 2771 (Uranium)
Contract Idm-E577

Dear Mr. King:

Reference is made to your letter of February 24, together with the inclosures, having to do with the above-entitled matter:

Please be advised that someone was in error in listing the "Sunnyville" claim. This should have been the "Sunnyside". The name has been changed in each instance on the Forms MF-203 which are returned to you herewith.

Also, there should have been but one Blue Bird claim listed. Instead of the Blue Bird claim recorded in Book R, Page 419, of the records of San Juan County, this should have been the "Big Chief", recorded in Book R., Page 420, of San Juan County. This change has also been made on each of the forms.

The Red Bird Claim is located easterly from, and in the immediate vicinity of the Blue Jay Claim. As you state, the Red Bird is not shown on Figure 2. This claim has not been surveyed by a licensed surveyor, but I assure you that there will be no conflict over this claim as between Mr. Balsley and the other locators in that area, as evidenced by his counter-signature hereon.

Trusting that we have complied with your requirements in this matter, I am

Yours very truly,

J. W. Gramlich Sr.

J. W. Gramlich

Countersigned by

J. W. Balsley

Surname
Docket copy

700

Ching
Sales
Butler
Hoffmann

N.S. in R.R.

TELETYPE

MChing/gla 3-1-54

DMEA - Department of the Interior

[redacted]

DXXD13.370 Working Fund, DMEA

W. H. KING, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION IV
P.O. BOX CUSTOMHOUSE
DENVER 2, COLORADO

REGRET FEBRUARY 26 DOCKET 2771 GRANLICH EXPLORATION COMPANY AS OWNER'S CONSENT TO LEASE RECITES THAT ASSIGNEE OF EXPLORATION CONTRACT IS TO OPERATE PROJECT ON THOSE LEASED CLAIMS NAMED IN OWNER'S CONSENT TO LEASE, FURTHER CONSENT OF LESSORS TO ASSIGNMENT OF LEASE NOT REQUIRED.

C. O. Mittendorf

C. O. MITTENDORF, ADMINISTRATOR

cc to: Adm. Reading File
Docket
Messrs. HDKeiser, Rm. 3641
APButler, Jr. Rm. 3212, GSA
MChing
Code 700
Confirmation to Region IV, DMEA

SENT
MAR 2 1954
Clerical Service Section

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 1 - 1954

224 New Customhouse
Denver 2, Colorado

February 26, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

In compliance with the request contained in your teletype of February 25, 1954 we are enclosing, for your review prior to release to the Field, one copy of the proposed Amendment No. 1 to Exhibit "A" of the contract to modify the work description. Also enclosed are three sets of data relevant to the amendment.

The maps, Figures 2 and 3, referred to in the proposed amendment, are attached to the data relevant to the amendment.

W. H. King

W. H. King

Enclosures

Proposed Amendment
Drawn by W. H. King

No. 1

AMENDMENT TO CONTRACT No. IDM-E577

Contract (Docket No. DMA 2771), dated August 6, 1953, ~~between the United States of America and Granlich Exploration Company (formerly Granlich Minerals, Inc.)~~ is hereby amended as follows, effective as of Aug 6, 1953 ~~the date of said contract~~:

1. ~~Referring to~~ "Article 3. ~~Exploration project~~" of ~~Exploration Project~~ the Contract Form ~~E-200(a) (February 1952), following the words "The Operator"~~ delete "within 90 days from the date of this contract" and in lieu thereof substitute "prior to May 1, 1954"; and ~~following the words "and shall bring the project to completion"~~ delete ~~"within a period of~~ 6 months ~~from the date of this contract~~" and in lieu thereof substitute "prior to October 1, 1954".

2. Delete ~~Referring to~~ EXHIBIT "A", ~~attached to Exploration Project Contract Form E-200(a) (February 1952), void said EXHIBIT "A"~~ in its entirety, including the map (Figure 2) ~~referred to therein and~~ attached thereto, and in lieu thereof substitute the following:

EXHIBIT "A"

Description of the Work

The object of this project is to explore for uranium ore by means of not to exceed 8,880 feet of AX (minimum size) diamond drill inclination, direction holes. The drilling will be performed in four stages. The location, and extent of work under stages 2, 3, and 4 will depend on the results of the work performed under Stage 1 and will require the written approval of the DMA Field Team, Region IV, prior to the commencing of any work under stages 2, 3, and 4.

The ~~tentative~~ tentative location of the first five holes and the ~~possible~~ location of the sixth hole to be drilled under Stage 1 are shown on the map titled "Figure 2 - Granlich Minerals, Inc. Lease, Brown's Hole Area, San Juan County, Utah" dated June 12, 1953. The general location of the work under all four stages is shown on the map titled "Figure 3 - Claim Map of Granlich Minerals, Inc., Lease, Showing Areas Recommended for Drilling Under Proposed Amendment to Contract." The above cited maps, Figure 2 and Figure 3, are attached hereto and made a part of this amendment.

shall be Drilled Caterpillar tracta-dozer, or its equivalent not in excess of 45 hours to prepare necessary roads and drill sites

The work to be performed under the four separate stages is further described as follows:

Questions, initials, and cyphers

Stage 1

Diamond drill a maximum of 2650 feet of holes on a grid pattern of 100 foot spacing, back of the rim on the Blue Jay Claim. The first five holes to be drilled are shown on Figure 2, ~~attached~~. The locations of successive holes are subject to the prior approval of the Government, which will depend on the results of the first five holes and conditions encountered as the drilling progresses.

Stage 2

Diamond drill a maximum of 2650 feet of holes on the Blue Jay claim on offsets of 50 feet from mineralized and favorable holes drilled under Stage 1. ~~The locations of holes to be drilled under Stage 2 will depend on the results of the drilling under Stage 1 and will require prior written approval of the Bulk Representative.~~ Government

Stage 3

Diamond drill a maximum of 3530 feet of holes on the Blue Jay or adjacent claims on a grid pattern of 100 feet with a minimum of 50 feet spacing from any hole drilled under Stage 1 or Stage 2. ~~The locations of holes to be drilled under Stage 3 will depend on the results of the drilling under Stage 1 and Stage 2, will require prior written Approval of the Bulk Representative after~~ appraisal of the ~~drilling under the prior stages.~~ and

If the Government considers that the results of drilling under Stages 1 and 2 are favorable, and drilling under Stage 3 is authorised, any unexpended footage remaining under Stages 1 and 2 may be used for drilling under Stage 3, and work under Stage 4 will not be authorised.

Stage 4

In the event that the Government considers the results of drilling under Stage 1 or Stage 2 ~~are~~ unsatisfactory and Stage 2 or Stage 3 work is not authorized in whole or part, the drilling footage and funds unexpended thereunder will be transferred to drilling under Stage 4 on the Pine Tree and Sunny Side claims. Prior to authorization of any drilling under Stage 4 the operator will furnish the Government with an adequate map or maps showing the Pine Tree and Sunny Side claims, said map or maps to incorporate all known workings and jackhammer holes to indicate the trend of the mineralization back of the rim on those claims. ~~The locations of holes and extent of drilling under Stage 4 is subject to the prior written approval of the Bulk Representative before any work under Stage 4 is commenced.~~ Government

Specifications relevant to diamond drilling

All holes will be cored their entire length and will be bottomed in the first red mudstone below the ore-bearing sandstone strata. All cores will be boxed and marked with hole reference and depth and properly stored for examination by the ~~U.S.~~ Government representatives. If cores are split for analysis purposes, one-half shall be retained for the use of the Government.

At the completion of the work authorized under each stage and before work under the successive stage will be authorized, the operator will furnish the Government with an adequate map showing the locations, hole numbers and collar elevations of all holes drilled under the particular stage, accompanied by logs of the holes drilled, certified by the operator as being correct, ~~to the best of his knowledge.~~

Agreed Unit Costs

Stage 1

Bulldozing - 45 hours at $10.00 per hour 1/	$ 450.00	
Diamond drilling - 2650 feet at $3.89 per ft.	10,308.50	
Sample analysis - 33 samples at $3.00 ea. 2/	99.00	
Total Stage 1		$10,857.50
Government's participation Stage 1 at 90% -		$ 9,771.75

Stage 2

Diamond drilling - 2650 feet at $3.89 per ft.	10,308.50	
Sample analysis - 33 samples at $3.00 ea. 2/	99.00	
Total Stage 2		10,407.50
Government's participation Stage 2 at 90% -		$ 9,366.75

Stage 3

Diamond drilling - 3580 feet at $3.89 per ft.	$13,926.20	
Sample analysis - 36 samples at $3.00 ea. 2/	108.00	
Total Stage 3		$14,034.20
Government's participation Stage 3 at 90% -		$12,630.78

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 Sunny Side claims contingent on prior written approval by the DMEA Field Team, Region IV.

Total Estimated Cost of the Project (rounded to) $35,~~299.26~~ 300.-

Government Participation at 90% (rounded to) $31,~~769.13~~ 770.-

---

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

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

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Agreed

GRAULICH EXPLORATION COMPANY

By _____
John W. Graulich Jr., President

UNITED STATES OF AMERICA

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

(Seal)

C. O. Mittendorf
2-26-54
5:36 P.M. (unattended service)

Defense Minerals Administration
RECEIVED
MAR 1 - 1954

DN 235 BUREAU MINES 2-26-54 3-4XX 3-36 PM

C O MITTENDORF

REFERENCE YOUR TELETYPE FEBRUARY 25,1954, DOCKET 2771, CONTRACT IDM-E577, GRAMLICH EXPLORATION COMPANY. RE CONSENT OF LESSORS TO ASSIGNMENT, RECITATION TYPED IN UPPER PORTION OF NEW CONSENT TO LIEN APPEARS TO ACKNWXXX ACKNOWLEDGE AND CONCUR IN ASSIGNMENT. IS ADDITIONAL CONSENT NECESSARY/Q/ HAVE REQUESTED CLARIFICATION ON OTHER MATTERS.

W H KING

Denver, Colo.

MAR 1 8 23 AM '54

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

Surname
DOCKET COPY
MChing 2-25-54

DMEA - Department of the Interior

TELETYPE

[redacted]

14X3923.970 Working Fund, DMEA

W. H. KING, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION IV
[redacted] NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

Re: Gramlich Exploration Company
Assigneeeof Gramlich Minerals, Inc.
Docket No. DMEA-2771 (Uranium)
Contract No. Idm-E577

REURLET FEBRUARY 19 DOCKET 2771 GRAMLICH EXPLORATION COMPANY PLEASE FORWARD PROPOSED AMENDMENT WITH JUSTIFICATION THEREFOR TO WASHINGTON FOR REVIEW BEFORE RELEASE TO FIELD. RE ASSIGNMENT OF BOND AND LEASE FROM GRAMLICH MINERALS INC. TO GRAMLICH EXPLORATION COMPANY WE FURTHER REQUIRE COPIES OF WRITTEN CONSENT OF THREE LESSORS TO ASSIGNMENT. CLARIFICATION OF QUESTIONS RAISED IN SECOND PARAGRAPH OUR LETTER FEBRUARY 18 REQUIRED BEFORE PROJECT CAN PROCEED.

Ching
Ellis
Austin
Hufford

C. O. Mitterdorf (fw)

C. O. MITTERDORF, ADMINISTRATOR

cc to: Adm. Reading File
Docket
Messrs. HDKeiser, Rm. 3641
APButler, Jr. Rm. 3212 GSA
Code 700
Mr. Ching
Confirmation to Region IV

SENT
FEB 25 1954
Clerical Service Section

R.C.S. 2-26-54

Mr. George Selfridge
2-24-54
3:33 p.m.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 25 1954

DN 235 BUREAU MINES 2-24-54 1-30 PM

GEORGE C SELFRIDGE

RE THIRD PARAGRAPH OF YOUR LETTER DATED FEBRUARY 18,1954, DOCKET 2771, CONTRACT IDM-E577. IS ASSIGNMENT OF BOND AND LEASE FORWARDED BY OUR MEMORANDUM OF FEBRUARY 19 SATISFACTORY-/Q/

W H KING

Denver, Colo.

02 PM '54
BUREAU OF MINES
MAIL ROOM
WASHINGTON D.C.

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

RECEIVED
23 1954

224 New Customhouse
Denver 2, Colorado

February 19, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

Confirming our teletype to you of this date we are enclosing the original and five copies of an Assignment of Bond and Lease from the Gramlich Minerals, Inc. to Gramlich Exploration Company. Also enclosed for your information is a copy of a letter from J. W. Gramlich, Sr., dated February 16, 1954, forwarding the Assignment of Bond and Lease to this office. Mr. Gramlich also indicates in his letter of February 16 that the proposed amendment to Exhibit "A", referred to in previous correspondence, is acceptable to him.

If for any reason you desire to review this amendment before it is released to the Field please teletype your desires in the matter.

W H King
W. H. King

Enclosures

COPY

February 16, 1954

U. S. Department of the Interior
Defense Minerals Exploration Admin.
224 New Customhouse
Denver 2, Colorado

Attention: W. H. King

Re: Docket No. DMEA-2771 (Uranium), Contract No. Idm-E577

Dear Mr. King:

This will acknowledge receipt of your letter of February 9, 1954, in which you request that I accept the proposed amendment to the above Contract; and this is to advise you that I agree to the proposed amendment as suggested by Mr. R. P. Fischer.

For your information, the Gramlich Exploration Company is a trade name and is owned exclusively by the undersigned, J. W. Gramlich, Sr.

I am also enclosing six copies of the Assignment from Gramlich Minerals, Inc. as requested in your letter of January 19th. I failed to note that part of the letter where this transfer is furnished.

If there is any further information that I can furnish, please advise me.

Yours very truly,

GRAMLICH EXPIORATION COMPANY

By /s/ J. W. Gramlich, Sr.

CH:JWG:ts

Encl. 6

RECEIVED
23 1954

ASSIGNMENT OF BOND AND LEASE

THIS ASSIGNMENT made and entered into this 10th day of August, 1953, between GRAMLICH MINERALS, INC., a Colorado corporation, assignor, and GRAMLICH EXPLORATION COMPANY of Moab, Utah, assignee, WITNESSETH:

WHEREAS the assignor entered into a bond and lease, dated August 15, 1951, with Samuel V. Gramlich for a bond and lease on the following described unpatented mining claims duly recorded in San Juan County, Utah, to wit:

Golden West and Golden West Nos. 1 to 11 inclusive.
Canary and Canary Nos. 1 to 10 inclusive.
San Juan Nos. 1 to 6 inclusive.

AND WHEREAS on the same date assignor entered into a bond and lease with Irene S. Gramlich for the following described unpatented mining claims located in San Juan County, Utah, to wit:

Red Rocks Nos. 1 to 11 inclusive
Mary Jo Nos. 1 to 11 inclusive
Blue Goose Nos. 1 and 2

AND WHEREAS the assignor heretofore entered into a mining lease with Howard Balsley of Moab, Utah, involving the following described unpatented mining claims, to wit:

Sunset
Red Bird
Blue Bird
Blue Jay
Pine Tree
Blue Bird
Sunnyside

AND WHEREAS the stockholders of Gramlich Minerals, Inc., the assignor herein,has had a legal meeting duly called and held and authorized the sale and assignment of the aforesaid bond and lease with Samuel V. Gramlich and Irene S. Gramlich, and the said lease with Howard Balsley to Gramlich Exploration

Company, the assignee herein.

NOW THEREFORE in consideration of One Dollar and other valuable considerations, receipt whereof is hereby acknowledged, the assignor does hereby sell, assign, transfer, and set over to the assignee all its right, title, and interest in and to the above mentioned two bonds and leases and the said mining lease, and in further consideration for such assignment the said assignee does hereby assume and agree to carry out all of the terms and conditions and covenants thereof and agrees to indemnify, protect and save assignor harmless from all further liabilities and obligations under said instruments or any of them.

In witness whereof the assignor and the assignee have executed this Assignment the day and year first above written.

GRAMLICH MINERALS, INC.

By J. W. Gramlich Sr.
President - (assignor)

ATTEST:

John W. Gramlich Jr.
Secretary

GRAMLICH EXPLORATION COMPANY

By J. W. Gramlich Sr.
(assignee)

Mr. C. O. Mittendorf
Feb. 19, 1954
4:10 p.m.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 23 1954

BUR MINES DN 235 2-19-54 2-13 PM

C O MITTENDORF

RE DOCKET 2771 CONTRACT IDM-E577, GRAMLICH MINERALS, INC., MATERIAL FORWARDED BY OUR MEMO FEBRUARY 9,1954. HAVE TODAY RECEIVED ASSIGNMENT OF BOND AND LEASE FROM GRAMLICH MINEALS, INC., TO GRAMLICH EXPLORATION COMPANY. WILL FORWARD ORIGINAL AND FIVE COPIES TO YOU TODAY.

W H KING

Denver, Colo.

FEB 18 1954

Docket
Surname

Ching
J Lkeouse
Putney
Selfridge
F Johnson

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
2th New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2771 (Uranium)
Contract No. Km-2577
Grandich Exploration Company
Assignee of Grandich Minerals, Inc.
Brown's Hole Area
San Juan County, Utah

Dear Mr. King:

Enclosed are three copies of a combination form of assignment, assignee's acceptance, and Government's consent, executed by the Government.

Also enclosed are the original and five copies of Form MF-203, Owner's Consent to Lien, executed by Howard M. Balsley, for a correction in the description of the property, i.e., the Balsley lease and Annex II of the contract describe a "Sunnyside" claim, whereas a "Sunnyville" claim is recited in the Owner's Consent to Lien form. Further, in connection with the Balsley lease, it was pointed out in our letter of January 15, that there are two Blue Bird claims listed in Annex II of the contract and only one shown on the map labeled Figure 2. It should also be noted that the "Red Bird" claim is not shown on Figure 2.

Our letter of January 15, recited that copies of the instrument or instruments by which the interests in the leases are transferred from Grandich Minerals, Inc., to the Grandich Exploration Company are desired. This matter was not referred to in your letter of February 9, nor in Mr. Grandich's letter to you of February 4.

The enclosed assignment form should not be delivered to the Operator until the matters questioned in this letter have been clarified, or a proper contract amendment executed, if necessary.

R.C.G.
2-18-54

All copies of the other two sets of Form MF-203 transmitted to us with your letter of February 9, are being retained in this office until the corrected MF-203 forms executed by Dalgley are returned by you, at which time, three copies of each will be sent you for the usual distribution.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Enclosures

APPROVED:

J. H. Hedges
~~Member, Bureau of Mines~~ (JHB)

Philip W. Guild
~~Member, Geological Survey~~ (JHB)

MCHING/foc
2-17-54
cc to: Docket
Code 700
FT. Reg. IV
Operating Comm.
Admr. Reading File
H.D. Keiser, Rm. 3641
A. P. Butler, R. 3212, GSA

COPY

February 16, 1954

U. S. Department of the Interior
Defense Minerals Exploration Admin.
224 New Customhouse
Denver 2, Colorado

Attention: W. H. King

Re: Docket No. DMEA-2771
(Uranium), Contract
No. Idm-E577

Dear Mr. King:

This will acknowledge receipt of your letter of February 9, 1954 in which you request that I accept the proposed amendment to the above Contract; and this is to advise you that I agree to the proposed amendment as suggested by Mr. R. P. Fischer.

For your information, the Gramlich Exploration Company is a trade name and is owned exclusively by the undersigned, J. W. Gramlich, Sr.

I am also enclosing six copies of the Assignment from Gramlich Minerals, Inc. as requested in your letter of January 19th . I failed to note that part of the letter where this transfer be furnished.

If there is any further information that I can furnish, please advise me.

Yours very truly,

GRAMLICH EXPLORATION COMPANY

By /s/ J. W. Gramlich, Sr.

CH:JWG:ts

Encl. 6

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
Denver Federal Center
Denver 2, Colorado

December 4, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2771, Gramlich Minerals, Inc., Brown's Hole, San Juan County, Utah, Amendment to Contract Idm-E577

Enclosed are 11 copies of a memorandum report by G. W. Weir of the U. S. Geological Survey covering the application for amendment to Contract Idm-E577.

A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (11)

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. BOX 360
GRAND JUNCTION, COLORADO

September 29, 1953

Memorandum

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

From: R. P. Fischer
Colorado Plateau District Office

Subject: Amendment to contract Idm-E 577, Docket 2771, Gramlich Minerals, Inc., Brown's Hole, San Juan County, Utah

Transmitted herewith are eleven copies of a memorandum by G. W. Weir regarding the application for amendment to contract Idm-E 577, Docket 2771, Gramlich Minerals, Inc., Brown's Hole, San Juan County, Utah. This memorandum is prepared after a joint field examination with H. K. Thurber, USBM; J. W. Gramlich, applicant; A. L. Brokaw, USGS, and myself.

On the basis of the presently available information and Weir's analysis of the size and distribution of uranium deposits in the area of the applicant's claims, it appears that the area offers little chance of yielding much ore, perhaps not enough to be commensurate with the cost of the exploration contracted for. Nevertheless, it was assumed by the examining team that since a contract had been prepared and signed by both the Government and the applicant, it would be necessary to plan a program that would utilize the total footage and cost already contracted for. Weir proposes a plan of exploration that appears to offer the best possible use of the footage contracted for, and I concur with his plan.

R. P. Fischer

R. P. Fischer
Acting District Supervisor

Enclosures (11)

RPF/mlr

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 360
Grand Junction, Colorado

September 30, 1953

MEMORANDUM

To: Defense Minerals Exploration Administration, Field Team, Region IV

From: G. W. Weir, examining geologist, Geological Survey

Subject: Geological report on application for amendment to Contract, Docket No. DMEA 2771 (Uranium), Gramlich Minerals Inc., Brown's Hole Properties, San Juan County, Utah

INTRODUCTION AND SUMMARY

Mr. J. W. Gramlich acting for Gramlich Minerals, Inc., lessees of the Brown's Hole properties, DMEA 2705, San Juan County, Utah, has requested an amendment to their contract that involves a change in location, spacing, and pattern of diamond drill holes.

Messrs. H. K. Thurber, Bureau of Mines, and C. J. Tillman and B. F. Sorensen, Geological Survey, have previously submitted a report based on an examination by them in January 1953. Their report discusses the general geology of the Brown's Hole properties and recommends an exploration program of diamond drilling on a grid pattern of 500 foot centers (Thurber, H. K., and others, 1953, fig. 2).

The Brown's Hole properties were examined in connection with the proposed amendment on September 17, 1953, by H. K. Thurber, Bureau of Mines, J. W. Gramlich acting for Gramlich Minerals, Inc.,

the lessees, and by G. W. Weir, R. P. Fischer, and A. L. Brokaw, Geological Survey. This report briefly reviews the geology of the ore deposits with emphasis on the exploration possibilities of the Blue Jay and neighboring claims and the Pine Tree and Sunset claims. For the general geology of the area of the Brown's Hole claims, the reader is referred to the more detailed report by Thurber and others (1953).

The contract signed by Gramlich Minerals, Inc., involves bulldozing, sampling, and 8,880 feet of diamond drilling. Total agreed unit cost of the project is $35,300; Government participation at 90 percent is $31,770.

The amendment requested by the lessees and recommended by the field team involves changing the location, pattern, and spacing of the diamond drilling program, which is to be done in four stages, so as to concentrate the initial stages of drilling in the lens or channel-fill in which the Blue Jay mine is located. If the initial stages of drilling are unsuccessful, it is recommended that the remaining footage be allotted to drilling on the Pine Tree and Sunnyside claims. The recommended program is described in this report.

GEOLOGY AND ORE DEPOSITS

General.--The ore deposits of the Brown's Hole area are in the first and second and third sandstone beds below the top of the Salt Wash member of the Morrison formation. The Salt Wash member consists of thick-bedded sandstone and thin-bedded mudstone and is estimated to be about 350 feet thick in the Brown's Hole area. The overlying Brushy Basin member consists mainly of thin-bedded mudstone and sandstone and is estimated to be about 400 feet thick.

The Brown's Hole area has a long history of sporadic production of uranium-vanadium ore dating back to the early 1910's. However, past production and tonnage and grade of reserves have not been sufficient to encourage extensive development and exploration, partly because drilling depths generally exceed 100 feet. Total production of the Brown's Hole area is estimated to be on the order of 2,000 tons of medium-grade ore. Since the U. S. Atomic Energy Commission began buying uranium-vanadium ore in 1948, the production of the Brown's Hole area has totaled about 400 tons of carnotite-type ore averaging about 0.40% U_3O_8 and 1.45% V_2O_5.

The deposits are generally similar in habit to other carnotite-type deposits in the Salt Wash member of the Morrison formation on the Colorado Plateau. The Brown's Hole area differs from some carnotite-producing areas in Colorado in that the deposits are not found in one major ore-bearing sandstone bed, but occur in three and possibly four sandstone beds in the Salt Wash member. Areas of mineralized ground as indicated by existing mine workings are relatively small and probably average less than 500 feet in diameter. Ore bodies within the deposits probably generally do not exceed 100 feet in their longest dimension.

Blue Jay deposit.--The Blue Jay deposit (figs. 2 and 3) is in the third sandstone bed in the Salt Wash member below the Salt Wash-Brushy Basin contact. The deposit is in a lens in the ore-bearing sandstone which thickens from less than 10 feet to about 25 feet at the mine. At the outcrop, the thicker part of the lens is about 200 feet wide and the deposit is slightly less than 200 feet wide and does not extend beyond the thicker part of the

lens. Grayish green claystone at the base of the sandstone, which has proved a reliable guide to favorable sandstone elsewhere on the Colorado Plateau, thickens beneath the deposit and does not extend far beyond its edge. The length of the lens and the length of the deposit are not known, but experience with other lenses in the Salt Wash member elsewhere on the Plateau suggests that such small lenses are generally discontinuous. It is expected that the deposit will not exceed the limit of the lens. The trend of the lens and of the ore deposit are approximately east, but the trend of the ore bodies within the deposit appear to be south of east. Exposures in the mine workings suggest that most of the ore bodies do not exceed 50 feet in diameter and are from 1 to 4 feet thick.

Production from the Blue Jay claim from January 1948 through June 1953 has totaled 290.21 tons of ore with an average grade of 0.43% U_3O_8 and 1.38% V_2O_5. The mine is currently producing. Although the average ore in the Blue Jay deposit is medium grade, high-grade ore bodies consisting of fossil trees richly replaced by carnotite or uraninite have been mined. The possibility of finding high-grade ore bodies in the Blue Jay deposits by exploration partly offsets the probability that the deposit is not extensive.

Pine Tree deposits.--The Pine Tree (fig. 3) 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 deposit in the first sandstone, according to Union Mines Development Corp. map (Wardwell, 1946, fig. 10), is near the pinch-out 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.

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 more than 100 feet. No deposits have been found on the fault and the increased depth required for drilling the downthrown (eastern) side of the fault has discouraged wildcat exploration.

Production from the Pine Tree claim from January 1948 through June 1953 has totaled 61.65 tons of ore with an average grade of 0.22% U_3O_8 and 2.05% V_2O_5. Most of this production probably came from the deposit in the second sandstone. There are no indications of high-grade material occurring in this deposit. The mine has been inactive since 1951.

Sunnyside deposit.--The Sunnyside (fig. 3) deposit occurs in the first and second sandstone beds below the top of the Salt Wash member. The larger deposits are found in the first sandstone

bed, which is about 25 feet thick at the mine. The width 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 is about 200 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.

Recent development work has 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.

PROPOSED EXPLORATION

The contract signed by Gramlich Minerals, Inc. involves bulldozing, sampling, and 8,880 feet of diamond drilling. Total agreed unit cost of the project is $35,300; Government participation at 90 percent of the total cost is $31,770.

On the basis of the field examination and discussion with Mr. J. W. Gramlich, acting for the applicants, Gramlich Minerals, Inc., the following program is recommended. This program is essentially that proposed by the applicants except that the work is divided into four stages. The fourth stage will be begun only if the first or second stages discover little or no mineralized

ground and ore. This modification is agreeable to the applicants.

Stage 1.--Diamond drilling on the Blue Jay claim on grid pattern of 100 foot spacing back of rim on Blue Jay claim. The average depth of drill holes of stage 1 is estimated to be about 125 feet. The total footage allotted for stage 1 is 2,650 feet which will probably allow about 21 holes to be drilled. The 100-foot grid pattern should be about 200 feet wide and should be planned to follow the trend of the thicker part of the sandstone lens, which is believed favorable to ore. Only the initial five holes, and the possible location of the sixth hole, are shown on figure 2. Other holes should be planned to follow the trend of the thicker part of the sandstone lens. Because there is the possibility that ore may occur in any sandstone in the Salt Wash member, all holes should be cored their entire length. Holes should be bottomed in the first red mudstone below the ore-bearing sandstone of the Blue Jay deposit.

The primary purpose of this first stage is to determine areas and trends of favorable ground. Guides to favorable ground that may be shown by drill cores include thickness of the ore-bearing sandstone (about 20 feet or more), presence of grayish green claystone at the base of the ore-bearing sandstone, and presence of carbonaceous material. The applicants should be required to furnish at the end of each stage of drilling an adequate map showing the location and collar elevations of all holes drilled and adequate logs of all the cores. All cores should be carefully marked and stored for examination by the

DMEA team. Work of stage 2 should not be begun until stage 1 work is completed so that the project can be re-evaluated in the light of additional geologic information obtained and so that recommendations can be made as to advisability of beginning stage 2 work.

Stage 2.--Diamond drilling on the Blue Jay claims on offsets of 50 feet from mineralized and favorable holes of stage 1. The mechanics of the drilling program of stage 2 should be the same as in stage 1. The average depth of drill holes of stage 2 is estimated to be about 125 feet. The total footage allotted for stage 2 is 2,650 feet which will probably allow about 21 holes to be drilled. The purpose of this stage of drilling is to find ore in the areas of mineralized and favorable ground outlined by stage 1 drilling. If little or no mineralized or favorable ground is found in stage 1 drilling, stage 2 and stage 3 drilling should not be begun. If stage 2 drilling is approved by the field team, this stage should be completed before stage 3 drilling is begun, so that the project may be re-evaluated in the light of additional geologic information obtained and so that recommendations as to the advisability of stage 3 drilling can be made.

Stage 3.--Diamond drilling on the Blue Jay or adjacent claims on a grid pattern of 100 feet spacing with offset of 50 feet on mineralized holes. The mechanics of the drilling program should be the same as stage 1 and stage 2. The average depth of stage 3 drill holes is estimated to be about 200 feet. The total footage allotted for stage 3 is 3,580 feet, which will probably allow about 16 holes to be drilled. The purpose of stage 3 is to find

an extension eastward of the favorable and mineralized ground discovered in stage 1 and stage 2 and to find ore bodies by offsetting mineralized holes of stage 3. If results of drilling in stage 1 or stage 2 is unsatisfactory, stage 3 drilling should not be begun, and footage allotted for stage 3 drilling should be transferred to stage 4.

Stage 4.--Diamond drilling on the Pine Tree and Sunnyside claims on a grid pattern with 100 foot spacing and offsets with 25 to 50 foot spacing from mineralized holes. If the results of stage 1 or stage 2 drilling should be unsatisfactory, the remaining footage should be allotted to the Pine Tree and Sunnyside claims. The purpose of this stage of drilling is to find favorable and mineralized ground and to find mineable ore bodies by offsetting mineralized holes. The mechanics of drilling of stage 4 should be in most respects similar to that of stage 1. On the Pine Tree claim the initial drill holes should be placed around the deposit back of the rim so as to determine the trend of favorable ground. Guides to favorable ground are the same as those mentioned for stage 1 drilling. Holes on the Pine Tree claim should be cored their entire length and should be bottomed in the first red mudstone below the sandstone containing the main workings of the Pine Tree deposit. However, before stage 4 work is begun on the Pine Tree claims, the applicants should submit a map showing the location of workings, previous jackhammer holes with an indication of their results, and elevations of the drilling ground behind the Pine Tree mine.

On the Sunnyside claim the initial drill holes should be placed around the deposit behind the rim so as to determine the trend of favorable ground. Holes on the Sunnyside claim should be cored their entire length and should be bottomed in the first red mudstone below the sandstone containing the main Sunnyside mine workings. Before stage 4 work is begun on the Sunnyside claim, the applicant should submit a map showing the location of the workings, the position of the ore-bearing sandstone beds and the elevation of the ground behind the Sunnyside claim. The presence of a colluvial layer of quartzite blocks on the ground behind the Sunnyside claim may possibly hamper drilling of this ground. The amount of footage allotted for stage 4 drilling depends on the results of stage 1 and/or stage 2 drilling; if these find ore deposits, all remaining footage will be allotted to stage 3 drilling and stage 4 drilling will not be performed.

SUMMARY AND CONCLUSIONS

Uranium-bearing rock occurs in three and possibly four sandstone beds on the Gramlich Minerals, Inc., lease in the Brown's Hole area, San Juan County, Utah. Total production of the Brown's Hole area including several mines not on the Gramlich Minerals, Inc. lease is estimated to be on the order of 2,000 tons of medium grade ore. It is recommended that applicants proposal for an amendment which involves changing the location, spacing and pattern of drill holes be approved. The drilling is to be done in four stages.

Initial stages will be concentrated on the Blue Jay claim. If results of the initial stages reveal no ore or mineralized ground it is recommended that the remaining footage be allotted to exploration of the Pine Tree and Sunnyside claims.

REFERENCES CITED

Thurber, H. K., Jr.; Tillman, C. G.; and Sorensen, B. F.; 1953, DMEA Docket 2771, Engineering and geologic report, Gramlich Minerals, Inc., Brown's Hole property, San Juan County, Utah: unpublished report, U. S. Geological Survey files.

Wardwell, H. R., 1946, Report on Moab district, Green River Desert area: unpublished report, Union Mines Development Corp., (in U. S. Geological Survey files, Grand Junction, Colo.)

U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICA[redacted]VEY

DEFENSE [redacted]NERALS EXPLORATION ADMINISTRATION
DOCKET 2771

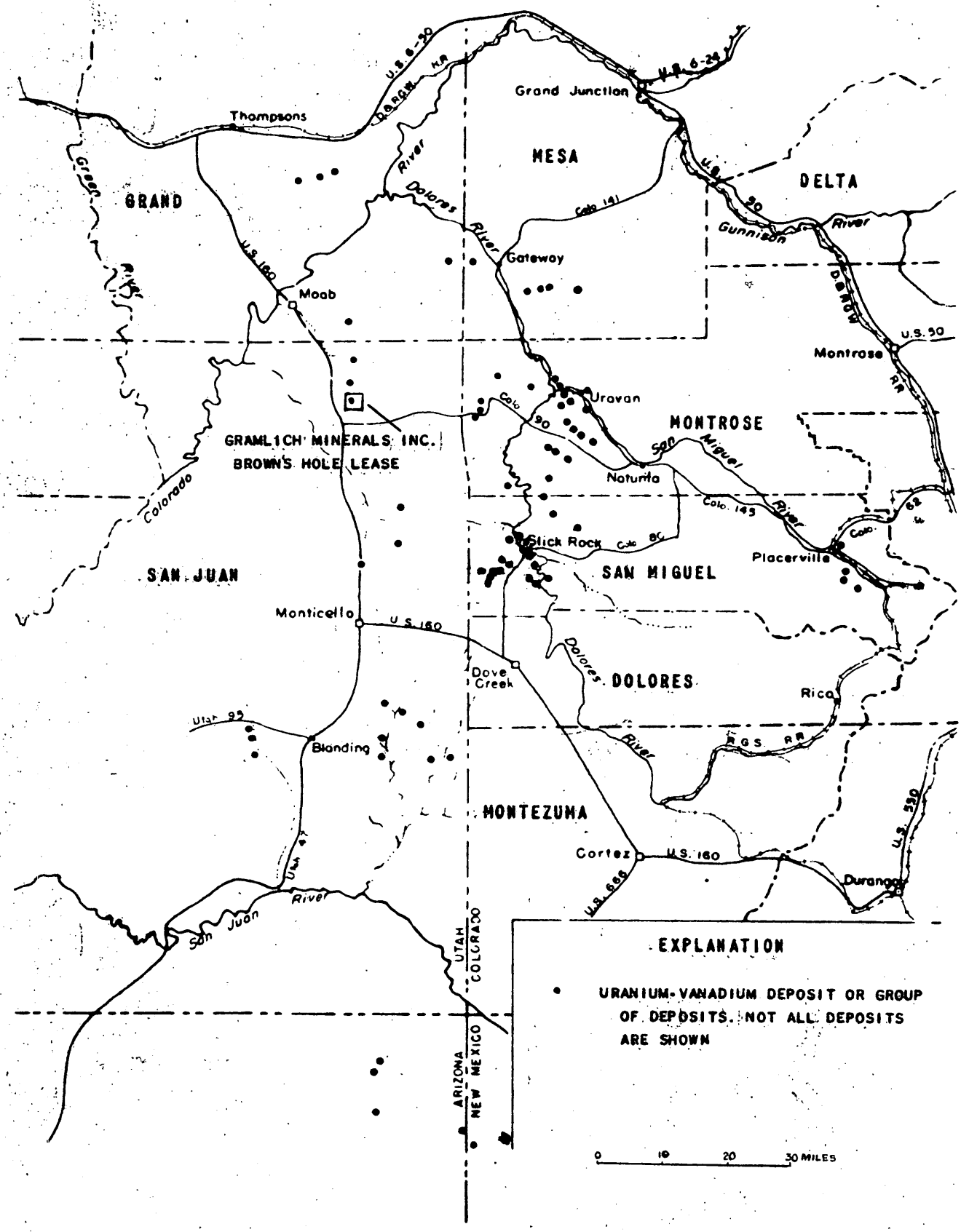


Figure 1. INDEX MAP SHOWING APPROXIMATE LOCATION OF THE GRAMLICH MINERALS INC. LEASE, BROWN'S HOLE LEASE, SAN JUAN COUNTY UTAH

DOCKET FILE

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 12 1954

224 New Customhouse
Denver 2, Colorado

February 9, 1954.

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

Enclosed are the original and five copies of an assignment from Gramlich Minerals, Inc. to Gramlich Exploration Company prepared in Washington and forwarded by the Chairman of the Operating Committee under date of January 15, 1954 for execution by the parties involved in the assignment.

Also enclosed are the original and five copies each of three Forms MF-203, Owner's Consent to Lien.

In addition to the foregoing we are enclosing one copy of a letter from J. W. Gramlich, Sr., dated February 4, 1954, forwarding the instruments to this office and copy of a letter from this office acknowledging receipt of the material and referring to the proposed amendment to Exhibit "A" to the contract.

W. H. King

W. H. King

Enclosures

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

RECEIVED
FEB 12 1954

224 New Customhouse
Denver 2, Colorado

February 9, 1954.

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

Re: Docket No. DMEA-2771 (Uranium),
Contract No. Idm-E577

Dear Mr. Gramlich:

Receipt is acknowledged of your letter of February 4, 1954 whereby you returned the original and five copies of an assignment of the DMEA contract from Gramlich Minerals, Inc. to the Gramlich Exploration Company, and also enclosed the original and five copies each of three Forms MF-203, Owner's Consent to Lien.

In the last sentence of your letter of February 4, 1954 you imply that you are awaiting final word as to when you may start work. In reference thereto, when you were in this office on December 11, 1953 you were given a copy of the proposed amendment to Exhibit "A" on which you were to consult with Mr. R. P. Fischer of the U. S. Geological Survey and advise us as to the acceptability of the proposed amendment as written. Since we have heard nothing further from you no action has been taken toward amending Exhibit "A" attached to the contract to effect a change in the description of the work.

If you are desirous of commencing work within the near future, please return the rough draft of the proposed amendment with your comments thereon without further delay.

A copy of the proposed amendment was forwarded to Mr. Fischer and we have received his comments. Therefore, any further action will be deferred pending receipt of advice from you.

Very truly yours,

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

JWT:cwm

cc: Contract
Administrator, DMEA
WMTraver
AHKoschmann (2)
RPFischer
Chron.
JWTownsend (2)

C
O
P
Y

Moab, Utah
February 4, 1954.

Defense Min. Adm.
Attention: Mr. W. H. King
224 New Customhouse
Denver 2, Colo.

Dear Mr. King:

Enclosed herewith instruments re. DMEA-2771 - Contract Idm-E577, duly signed.

The weather here is beautiful and looks now like we can be ready to commence drilling in very near future.

Thanking you kindly and awaiting final word as to when we may start

I am, Sincerely yours,

J. W. Gramlich, Sr.

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

224 New Customhouse
Denver 2, Colorado

January 26, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
RECEIVED
FEB - 1 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

Reference is made to your letter of January 20, 1954, wherein you request a copy of a proposed amendment and necessary justification therefor, relative to the revision of Exhibit "A" attached to the subject contract.

Matters pertaining to the proposed amendment have not advanced to the stage where it is possible to supply you with a copy of the proposed amendment.

The operator has deferred sending in final data concerning the proposed amendment pending resolving of matters relative to the assignment of the contract to the Gramlich Exploration Company.

W H King
W. H. King

FILE COPY
SURNAME:

700

Selfridge

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

JAN 20 1954

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2771 (Uranium)
Contract No. Idm-8577
Gramlich Minerals, Inc.
Brown's Hole Area
San Juan County, Utah

Dear Mr. King:

This refers to your memorandum of December 28, 1953, appertaining to the captioned project. It is noted that you state no work has been performed under the contract, and an amendment is in process to revise Exhibit "A" attached to the contract. We would appreciate receiving a copy of the proposed amendment and the necessary justification therefor.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

APPROVED:

J. H. Hedges
Member, Bureau of Mines (JHB)

T. P. Thayer
Member, Geological Survey (JHB)

EWEllis/GCSelfridge/gla/esf
1-20-54
cc to: Admr. Reading File
Operating Committee
Docket
Messrs: HDKeiser, Rm. 3641
APButler, Jr., Rm. 3212, GSA
Ellis
Selfridge

R.C.B.
1-20-54

700

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

Surname
DOCKET COPY
Ellis

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2771 (Uranium)
Contract No. Idm-M577
Gramlich Minerals, Inc.
Brown's Hole Area
San Juan County, Utah

Dear Mr. King:

This refers to your memorandum of December 28, 1953, appertaining to the captioned project. It is noted that you state no work has been performed under the contract and an amendment is in process to revise Exhibit "A" attached to the contract. When you have drawn up such proposed amendment, kindly refer it to Washington for approval and also submit a justification therefor.

Sincerely yours,

Chairman, Operating Committee

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

EWEllis/gla
1-20-54
cc to: Adm.Reading File
Operating Committee
Docket
Messrs. HDKeiser, Rm. 3641
APButler, Jr. Rm.3212, GSA
Ellis

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

224 New Customhouse
Denver 2, Colorado

January 19, 1954.

Memorandum

To: S. R. Wilson

From: Executive Officer, DMEA Field Team, Region IV

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

In reviewing the land involved in the subject contract, it is noted, with respect to the Balsley lease, two claims are identified as "Blue Bird".

Claim	Recorded in Book	Page
Blue Bird	R	419
Blue Bird	R-1	466

Only one Blue Bird claim is shown on Figure 2 of the report and contract.

Will you please clarify this item and verify the recording data.

W. H. King

HMC:cwm

cc: Contract
Chairman of the Oper. Comm.
AHKoschmann
Chron.
JWTownsend

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

224 New Customhouse
Denver 2, Colorado

January 19, 1954.

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

Re: Docket No. DMEA-2771 (Uranium)
Contract No. Idm-E577

Dear Mr. Gramlich:

Enclosed are six copies of a combination form of Assignment, Assignee's Acceptance, and Government's Consent. The Gramlich Exploration Company has not been identified as an entity; that is, whether it is a partnership, corporation, or other business group. Therefore, you will note that blank spaces have been left in the assignment form for insertion of the appropriate information, including the business address, concerning the Assignee.

We also need a copy of the instrument or instruments by which the interests in the leases are transferred from the presently named Operator to the Assignee.

Also enclosed are three sets of new Owner's Consent to Lien forms, the execution of which by the lessors is required as a condition to consenting to the assignment.

When you return all of the above mentioned data to this office we will forward it to the Washington Office for their consent to assignment.

Very truly yours,

W H King

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

Enclosures

HMC:cwm

cc: Contract
Chairman of the Oper. Comm.
SRWilson
AHKoschmann
Chron.
JWTownsend

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

224 New Customhouse
Denver 2, Colorado

January 19, 1954.

Memorandum

To: Chairman of the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

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

This is in response to your letter of January 15, 1954 on the subject docket.

Enclosed is a signed copy of a lease and agreement dated October 1, 1952 between H. W. Balsley and J. W. Gramlich for and in behalf of Gramlich Minerals, Inc.

Also enclosed is copy of a memorandum to S. R. Wilson and copy of a letter to J. W. Gramlich, Sr.

with cy to Code 700

W. H. King

W. H. King

Enclosures

BROWNS' HOLE PROPERTY

URANIUM AND VANADIUM MINERAL LEASE

THIS INDENTURE OF LEASE AND AGREEMENT, made and entered into, in duplicate, this 1st day of October, A. D. 1952, by and between H. W. Balsley, of Moab, Grand County, Utah, hereinafter called the Lessor, and J. W. Gramlich, for and in behalf of Gramlich Minerals, Incorporated, of Moab, Grand County, Utah, hereinafter called the Lessee,

WITNESSETH: That the Lessor, in consideration of royalties paid and covenants to be observed by the Lessee, as hereinafter set forth, does hereby grant and lease to the Lessee the exclusive right and privilege to mine and dispose of all uranium and vanadium minerals in the following-described mining claims, situated in what is commonly known as Brown's Hole, county of San Juan, State of Utah. The names of said claims and the book and pages in which the location certificates thereof are recorded in the office of the county recorder of said San Juan County, Utah, are as follows:

Name of Claim	Recorded in Book	On Page
Blue Jay	R	416
Pine Tree	R	417
~~Blue Bird~~ Big Chief	R	~~419~~ 420
Sunnyside	R	419
Sunset	R	
Red Bird	R-1	467
Blue Bird	R-1	466

containing a total of 140 acres, more or less, together with the right to use and occupy so much of the surface of said land as may be required for all purposes reasonably incident to mining and removal of uranium and vanadium minerals produced in commercial quantities from the said land.

ARTICLE I

TO HAVE AND TO HOLD unto said lessee for the term of ten years from the date hereof, unless sooner forfeited or terminated through the violation of any covenant herein required to be performed by Lessee,

In consideration of such demise, Lessee covenants and agrees with Lessor, as follows, to-wit:

FIRST: To commence exploratory, development or actual mining operations upon one or more of the above-described claims within 180 days from the day and year first above mentioned, and to continue such operations with due diligence throughout the continuance of this Lease, with a view to producing commercial ore from as many of the said claims, within the shortest reasonable time, possible and as long thereafter as profitable ore may be produced therefrom during the said ten-year term of this Lease.

SECOND: To pay to the Lessor or cause to be paid to Lessor a royalty of fifteen percent (15%) of the gross proceeds from the sale of ores mined and marketed from the said mining claims, including in such percentages any so-called bonus or other payments paid by the Atomic Energy Commission on account of the production and sale of such ores, but less the development and haulage allowances made by the Atomic Commission.

THIRD: That upon the shipment of any ore under this lease, the Lessee will

instruct the licensed buyer thereof to deduct from the settlement therefor the amount due the Lessor and to remit any such amounts directly to the Lessor, together with a copy of the settlement for the period during which such ore was delivered.

FOURTH: To furnish Lessor, from time to time, as compiled and prepared, copies of all maps, reports and other data resulting from the examination and investigation of the above-described mining claims.

FIFTH: To at all times during the life of this Lease perpetuate and protect the main line tunnels in ingress and egress to and from said lands and the air courses necessary for proper ventilation, by means of proper pillars and timbering as may be in keeping with good mining practice and will meet the requirements of the State Mine Inspector, whether upon this leased land or extending through adjacent lands owned or operated by the Lessee, and upon abandonment or termination of this lease, from any cause, to substantially fence, fill in, cover or close all surface openings or workings if requested so to do by the said Lessee.

SIXTH: To not assign this Lease or any interest therein, nor sublet any portion of the leased premises, or any of the rights and privileges herein granted, without the written consent of the Lessor being first had and obtained.

ARTICLE II

It is expressly understood and agreed that this lease is granted subject in all respects to and under the conditions of the laws of the State of Utah and the Federal Statutes regarding the operation of mineral mines, Employer's Workman's Compensation Insurance, Social Security and Unemployment Insurance and such existing Rules and Regulations or Rules and Regulations hereafter adopted and approved by the State of Utah.

ARTICLE III

It is further expressly understood and agreed that this Lease covers only the mining and marketing of uranium and vanadium minerals, but that should other minerals be discovered such fact shall be promptly reported to the Lessor.

ARTICLE IV

Upon cancellation of this Lease for any cause hereunder, the Lessee shall be entitled to remove from the lease holdings only his personal and movable property and that improvements attached to the land, such as buildings, timbering or other construction or construction material in place, shall remain undisturbed upon the ground and the property surrendered in good usable condition.

ARTICLE V

It is mutually understood and agreed that the suspension of operations upon the grounds leased as aforesaid by the Lessee for a longer period than ninety days without the written consent of the Lessor being first had and obtained shall be a cause for forfeiture, and that upon the violation of this provision or any other terms of this Lease, the Lessor may, at his option, after thirty days' notice by registered mail, cancel this Lease. After the expiration of the said thirty days and the cancellation of the said Lease, no other notice of such cancellation need be given the Lessee.

ARTICLE VI

It is mutually understood and agreed that the Lessee may terminate this lease at any time upon giving one month's notice in writing to the Lessor, and upon the payment of all rents and royalties and other sums due and payable to the Lessor, and upon complying with the terms of this Lease with respect to the preservation of the workings in such order and condition as to permit of the continued operation of the premises and the preservation of the mine.

ARTICLE VII

It is understood and agreed by and between the parties hereto that the Lessor or his agent or representative shall have the right at all times to go into and upon the leased lands and premises, during the term of said lease to inspect the work done and the progress thereof on said lands and the products obtained therefrom, and to post any notices on the said land that he may deem fit and proper; and also shall permit any authorized representative of the Lessor to examine all books and records pertaining to operations and under this lease, and to make copies of and extracts from the same, if desired.

ARTICLE VIII

The said Lessee hereby stipulates and agrees that for each annual assessment period during the continuance of this lease, he will cause to be done at least $100.00 worth of labor and/or improvements upon or for each of the above-named claims, and that he will cooperate with the Lessor in the filing for record of the Affidavit of Labor each year.

ARTICLE IX

It is mutually understood and agreed by and between both parties hereto that all of the terms, covenants, conditions and obligations in this lease contained shall be binding upon the heirs, executors, administrators and assigns of each of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names the day and year first above written.

Witness to the signatures of the Lessor and Lessee.

Lessor

Lessee

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR 140
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

JAN 15 1954

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

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

Dear Mr. King:

This responds to your memorandum dated December 28, 1953, to the Administrator recommending that the Government consent to the assignment of the subject contract to Gramlich Exploration Co., and prepare the necessary papers.

We have prepared the enclosed combination form of assignment, assignee's acceptance, and Government's consent. We have also prepared the enclosed three new Owner's Consent-to-Lien forms, the execution of which by the lessors is required as a condition to consenting to the assignment. As there are a few other matters involved, which will be discussed below, and which we should like to review, the Consent to Assignment has not been executed in advance.

In reviewing the file, we find no copy of the Balsley lease. We should also like to have copies of the instrument or instruments by which the interests in the leases are transferred from the presently named Operator to the Assignee.

The Gramlich Exploration Co. has not been identified as an entity; that is, whether it is a partnership, corporation, or other business group. Therefore, you will note that blank spaces have been left in the assignment form for insertion of appropriate information, including the business address, concerning the Assignee.

R.S.G.
1-15-54

Finally, in reviewing the land involved in the contract, we note that, with respect to the Balsley lease, two claims are identified as "Blue Bird." Please clarify this item and verify the recording data.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosures

Approved:

J. H. Hedges
Member, Bureau of Mines

T. P. Thayer
Member, Geological Survey

HCRubin/ema 1-13-54
cc: Adm. R. File
Mails & Files
Op. Comm.
Mr. Thayer
Mr. Hedges
E. W. Ellis
J. L. Hofflund
H. C. Rubin
Chron.
Pending

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

RECEIVED
JAN 4 1954

224 New Customhouse
Denver 2, Colorado

December 28, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

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

Enclosed are the original and three copies of a letter from J. W. Gramlich, Sr., dated December 19, 1953, wherein he requests that Contract Idm-E577, Gramlich Minerals, Inc., be transferred to the Gramlich Exploration Company. Inasmuch as the approval of an assignment and release of a DMEA contract is not within the authority delegated to this office we are forwarding the matter for your consideration and appropriate action.

No work has been performed under the contract and an amendment is in process to revise Exhibit "A" attached to the contract to change the description and specifications of the work to be performed.

We recommend that the necessary release and assignment be prepared and forwarded for execution by the operator.

W H King
W. H. King

Enclosures

Mining Division
Date Rec'd
DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
DEC 23 1953
BUREAU OF MINES
Denver, Colorado

December 19, 1953

Mining Division
Date Rec'd
DEC 23 1953
BUREAU OF MINES
Denver, Colorado

U. S. Bureau of Mines
D. M. E. A. Division
New Customhouse
Denver, Colorado

Attention: Mr. King

Dear Mr. King:

All operations in the Brown Hole Area, formerly operated by Gramlich Minerals, Inc. have been transferred to the Gramlich Exploration Co.

It is hereby requested that the amended contract for the D. M. E. A. loan be issued in the name of Gramlich Exploration Co.

The operations to be financed by the D. M. E. A. loan will remain under my personal supervision.

Very truly yours,

J. W. Gramlich Sr.

J. W. Gramlich, Sr.

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

DOCKET COPY

NOV 3 1953

Dr. John D. Crockett, Sr., President
Crockett Minerals, Inc.,
Moab, Utah

Re: Docket No. [illegible]-3771 (Uranium)
Contract No. [illegible]-597
Dennis Hole Properties
San Juan County, Utah

Dear Dr. Crockett:

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

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

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

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

Sincerely yours,

C. A. Mattendorf

Administrator

50811

E.Murphy/db
10-30-53
cc to: Docket File
Region IV (2)
Division Contract File

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT - 9 1953

224 New Customhouse
Denver 2, Colorado

October 5, 1953

REGISTERED

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2771 (Uranium), Contract IDM-E577, Gramlich Minerals, Inc., San Juan County, Utah

Enclosed are the original and two copies of Contract IDM-E577. Copies of this contract have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King
W. H. King

Enclosures

8/11/53 gla

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

224 New Customhouse
Denver 2, Colorado

August 7, 1953

Memorandum

To: C. O. Mittendorf
DMEA Administrator

From: Executive Officer, DMEA Field Team, Region IV

Subject: Gramlich Minerals Inc., Docket 2771

Mr. Gramlich of the Gramlich Minerals Inc. was in the Denver office today inquiring about the status of his contract.

We informed him that the contract was being prepared in the Washington office, and that it would be expedited.

John F. Shaw
For W. H. King

MDH

FILE COPY
SURNAME:

Docket.
Murphy
Ellis
Chapman
Selfridge
Hodges

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

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

AUG 6 1953

Re: Docket No. DMEA-2771 (Uranium)
Grunlich Minerals, Inc.,
Brown's Hole Area
San Juan County, Utah

Dear Mr. King:

Enclosed are the original and five copies of the captioned contract signed by the Government, with attachments.

If the terms and conditions of this contract meet with the approval of your office and the Applicant, insert in Article 3 of each copy of the contract the period of time within which the Operator will be required to begin this work. We are enclosing the 6 copies, each, of "Owner's Consents to Lien" signed by the 3 lessors, which were forwarded to us by your office. In Article 2 on these forms will you please have the amount of Government's contribution changed from $27,026.10 to $31,770.00, or have new MF-203 (Revised July 1, 1953) forms signed by the owners. These completed MF-203 forms should then be attached to each copy of the contract prior to its execution. When the original and all copies of the proposed contract have been signed by the Applicant, will you kindly distribute them according to the usual practice.

If any part of this proposed contract does not meet with the approval of the Applicant, the original and all copies are to be returned to this office with the proposed changes for consideration.

The Applicant requested exploration aid in the amount of $30,000.00 to diamond drill the subject property. The Field Team recommended a drilling program costing a total of $29,675.00, to drill 7500 feet of diamond drill holes (the same number of feet requested by the Applicant). The 600' grid spacing of the drill holes, recommended by the Field Team, was considered to be excessive by the commodity members, and a smaller grid pattern proposal was suggested to the Field Team. The new proposal, which has been agreed to by the Field Team and the Applicant, stipulates the drilling of 8880 feet of diamond drill holes at a total estimated cost of $35,300.00.

Sincerely yours,

George C. Selfridge
Esf

Chairman, Operating Committee

Cee
8-6-53

Enclosures

APPROVED:

J. E. Hodges Esf
Member, Bureau of Mines

A. R. Kinkel, Jr. Esf
Member, Geological Survey

R.C.G.
8-6-53

Messrs: H.D. Keiser, Rm. 3641
A.P. Butler, Rm. 3206, GSA
Ellis
Murphy

FMMurphy/db
7-31-53
cc to: Adm. Reading File
Operating Committee
Docket

FILE COPY
SURNAME:

140

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

N.S. in R.R.

July 27, 1953

AEKane
Hofflund

Memorandum

To: The Administrator

Through: E. W. Ellis

From: Chief Counsel

Subject: Gramlich Minerals, Inc. - Docket No. 2771

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the attachment of the new form of Owners' Consents to Lien signed by the three different lessors.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachments

AEKane/ema
cc: Mails & Files
A.E.Kane
J.L.Hofflund
Chron.

7/21/53 gla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 20 1953

224 New Customhouse
Denver 2, Colorado

July 17, 1953

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-2771 (Uranium), Gramlich Minerals, Inc., San Juan County, Utah

Reference is made to your letter of July 7, 1953 concerning the subject docket.

Consideration has been given your counter proposal of closer spacing of the holes than was originally recommended in the final report.

We accept your modifications. Please prepare the contract accordingly.

W. H. King

W. H. King

7/16/53 gla

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

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

DATE: July 10, 1953

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

SUBJECT: Further consideration of DMEA Docket 2771 (uranium) Gramlich Minerals Inc., applicant, Browns hole property, San Juan Co.

Questions concerning the suitability of the plan of exploration proposed in the Field Team Report disusssing the property were raised in a previous memorandum to you dated May 13. R.P. Fischer, Acting District Supervisor for Geological Survey work in the Colorado Plateau District, who has had many years experience in directing geologic and exploration work of the Survey in this general area commented on those questions in a memorandum of June 17, 1953 to W H. King, Chief, Field Team Region IV. Mr. Murphy, of your office and I have discussed Mr. Fischer's comments and our own ideas concerning a suitable plan of exploration.

As a result of such discussion I recommend that the application be returned to the Field Team for reconsideration of the ideas expressed by Messrs. Fischer, Murphy, and me. Moreover, I believe that the examining members of the Field Team would find it helpful to consult with Mr. Fischer and with E. R. Gordon, U. S. Atomic Energy Commission, to obtain the benefit of any AEC information pertinent to the application, and arrive at a plan of exploration that appears reasonable to those who have the greatest familiarity with and knowledge of deposits of this type.

Arthur P. Butler, Jr.

Copy to E. Wm. Ellis (2)

FILE COPY
SURNAME:

Hocker.
Murphy
Ellis
Seymour.
Butler

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

JUL 7 1953

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
221 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-2771 (Uranium)
Grenlich Minerals, Inc.
San Juan County, Utah

Dear Mr. King:

Reference is made to your memorandum of June 19, 1953, and to the enclosed memorandum from Mr. R. P. Fischer, concerning the above captioned application.

Mr. Fischer and Mr. Butler in their review of the method outlined by the Field Team to explore the subject property, both state that the chances of finding ore with drill holes spaced 500 to 600 feet apart are not favorable. They therefore suggest closer spacing of the holes.

As a counter proposal to the one you submitted, we are enclosing a rough sketch showing a grid pattern for drilling the two areas shown in the Field Team's report. The principal drill lines in this sketch are spaced 300 feet apart and the holes on the lines are at 400 foot intervals.

In Area A, the holes 1 to 10 (colored red) are to be drilled first. Then if the Field Team agrees, drill the holes marked in blue (on the sketch), or set up a new grid pattern based on the results obtained from the first ten holes. In Area B, drill the holes marked 1 to 9 (colored red) and then proceed in the same manner as outlined for drilling Area A.

The enclosed sketch is merely to show the proposed spacing for drilling the subject areas, the actual location of the lines and drill holes being dependent on local conditions will naturally be decided upon by the Field Team.

You will note that each hole (colored red) explores an area of 120,000 square feet, and that the holes (colored blue), spaced at 200 feet intervals on lines 150 feet apart, each explore an area of 30,000 square feet. We believe the spacing of the above holes should be our maxima and minima in exploring this property by diamond drilling, and any offset holes drilled to determine the limits of ore found in the exploration project holes should be considered development drilling.

R.C.S.
7-7-53

The depth of the holes averaging 220 feet in Area A and 320 feet in Area B preclude the possibility of wagon drilling by which method the drill holes could be spaced closer and the drilling costs for the subject areas could still be maintained at a reasonable figure.

In exploring the subject property, consideration should also be given to the possibility of drilling horizontal or slightly inclined diamond drill holes from sites near known ore bodies.

Will you kindly review the above counter proposals and then send us your recommendation either for the original proposal as submitted by the Field Team or a new proposal based on the above suggestions.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

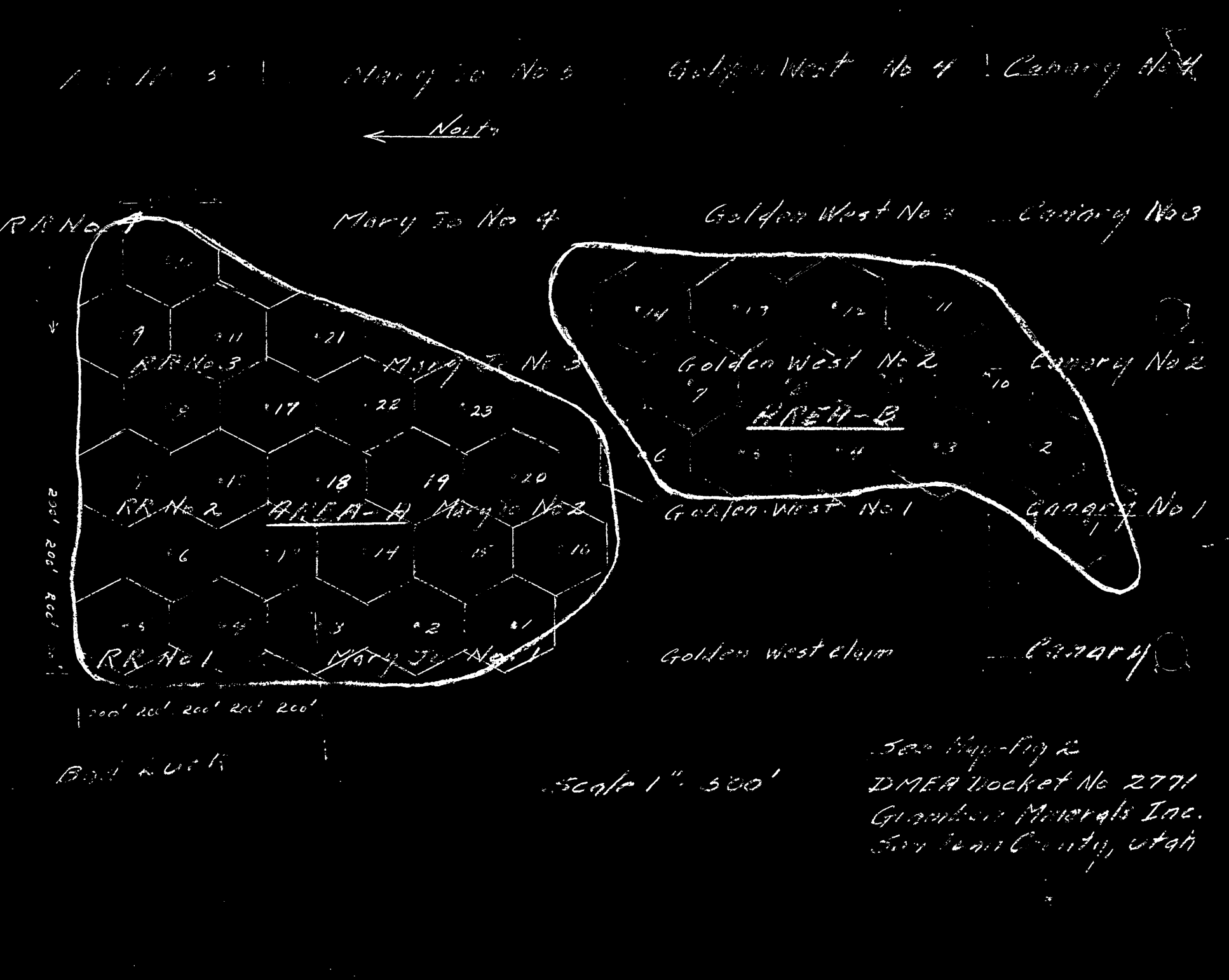
J. H. Hedges

Member, Bureau of Mines (GCS)

A. R. Kinkel, Jr.

Member, Geological Survey (GCS)

FMMurphy/db
7-6-53
cc to: Adm. Reading File
Operating Committee
Docket
Messrs: H.D.Keiser, Rm. 3641
A.P.Butler, Rm. 3206, CSA
Ellis
Murphy
DMEA Field Team, Region IV (2)


Mary Jo No 5
Golden West No 4
Canary No 4
North
RR No 4
Mary Jo No 4
Golden West No 3
Canary No 3
RR No 3
Mary Jo No 3
Golden West No 2
Canary No 2
AREA-B
RR No 2
AREA-A
Mary Jo No 2
Golden West No 1
Canary No 1
RR No 1
Mary Jo No 1
Golden West claim
Canary
200' 200' 200' 200' 200'
Bad Luck
Scale 1" = 500'
See Map-Fig 2
DMEA Docket No 2771
Grandview Minerals Inc.
San Juan County, Utah

7/6/53 gla

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 6 1953

224 New Customhouse
Denver 2, Colorado

June 29, 1953

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2771, Gramlich Minerals, Inc.

Enclosed are six copies of three sets of Owner's Consent to Lien signed by the respective owners of the claims involved in Docket No. DMEA 2771.

Also enclosed is a copy of a letter from J. W. Gramlich, Sr., and a copy of our reply.

W. H. King
W. H. King

Enclosure

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

224 New Customhouse
Denver 2, Colorado

June 29, 1953

Mr. J. W. Gramlich, Sr.
President
Gramlich Minerals, Inc.
Moab, Utah

Dear Mr. Gramlich:

This will acknowledge receipt of your letter dated June 23, 1953 to which were attached signed copies of Owner's Consent to Lien, Form MF-205.

The Owner's Consent to Lien forms have been sent to the Washington office for inclusion in the contract.

We would not recommend that you spend any money on the project until you receive a signed copy of the contract. We can not reimburse you for expenses incurred prior to the effective date of the contract.

Very truly yours,

W. H. King

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

JFS:fwo

cc Chairman, OperComm.
SRWilson
Shaw
Chron
Subject

C O P Y

Moab, Utah
June 23, 1953

DEPARTMENT OF THE INTERIOR
BUREAU MINES ADMINISTRATION
RECEIVED
JUN 26 1953

Mr. W. H. King,
Executive Officer, DMEA
Field Team, Region IV,
U. S. Bureau of Mines,
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 2771

Dear Mr. King:

Acknowledging receipt of your letter of June 16, with which you kindly inclosed for execution three sets of six copies each of Owner's Consent to Lien Form MF-203.

Each set of the above mentioned copies have been signed by the respective owner and all of them are handed to you herewith for your further consideration.

Anything you may be in position to do to expedite the consummation of this loan will be greatly appreciated, especially in view of the fact that a lot of wonderful weather for development work is getting away.

Will you kindly advise me whether or not this loan, when made, will provide for the payments to be forthcoming on the basis of footage drilled during each period and, if so, would you consider it advisable, and would it be agreeable with you folks, for us to go ahead and procure a diamond drill of our own to carry out this drilling program?

Thanking you in advance, I am

Yours very truly,

(Signed) J. W. Gramlich, Sr.

President, Gramlich Minerals, Inc.

and Gramlich Exploration Co.

3 Sets of inclosures

6/26/53 gla

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

224 New Customhouse
Denver 2, Colorado

June 19, 1953

Memorandum

To: Chairman, Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2771, Gramlich Minerals, Inc., San Juan County, Utah (Uranium)

Reference is made to your letter of May 26, to which are attached memoranda from Mr. Butler of the Geological Survey and Mr. Keiser of the Bureau of Mines.

We have received a copy of a letter dated June 8, 1953, from C. G. Tillman and addressed to Mr. Butler in reply to these memoranda.

We are enclosing a memorandum dated June 17, 1953, from R. P. Fischer, regarding Mr. Butler's comments on this application.

W. H. King

W. H. King

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 360
Grand Junction, Colorado

June 17th, 1953

Memorandum

To: W. H. King

From: R. P. Fischer RPF

Subject: DMEA 2771, Gramlich Minerals, Inc., San Juan Co., Utah

Reference is made to your memorandum of June 10, and to attached copies of other memoranda. You request my comments regarding the project plan proposed by the field team report.

In my opinion, A. P. Butler's comments and questions re the proposed plan are pertinent and ~~on these~~ are that I would raise--namely, the exploration target and its size and character.

I am only vaguely familiar with the general area, having seen one or two deposits there about 10 years ago, and we have no other file information on the area.

Although the size and distribution of the known deposits is not given in either the text nor the map of the field team report, it must be assumed that the deposits are small (probably less than 100 feet across) and widely scattered along the outcrop. Thus the chance of hitting deposits with stage 1 drill holes (spaced about 400 to 600 feet apart) is slim.

Perhaps it was the intention of the field team that the target for stage 1 drilling would be geologically favorable ground, as is the target of the first phase of the exploration work being done by the USGS for the AEC. If so, there is no information in the report to indicate the ~~interia~~ criteria that may be useful in appraising ground, and there is no specific plan for applying this approach.

The picture to me in Grand Junction is about the same as it was to Butler in Washington. Neither of us can say that the proposed plan won't find ore, but the chances of discovering minable ore bodies are so small that I would recommend turning it down. Like Butler, I would be far more favorably inclined to a plan of

drilling within 100 or 200 feet of the known deposits, to find extensions of them or possibly nearby deposits, but even for a plan of this kind I would desire more information than available to me now.

I recommend that the project be denied or returned to the field team, either for further supporting information or for a modification of the proposed plan.

R. P. Fischer
Acting District Supervisor

RPF/kws

encl.

cc: W. H. King (2)
A. H. Koschmann
A. P. Butler

6/26/53 gla

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

224 New Customhouse
Denver 2, Colorado

June 16, 1953

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-2771, Gramlich Minerals, Inc., Brown's Hole Area, San Juan County, Utah (Uranium)

Owner's Consent to Lien Forms MF-203 have been sent to J. W. Gramlich as requested in your letter dated June 11, 1953.

W. H. King

W. H. King

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

Docket
Murphy
Ellis
Selfridge

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
22h New Customhouse Bldg.,
Denver 2, Colorado

JUN 1 1 1953

Re: Docket No. DMEA-2771 (Uranium)
Grenlich Minerals, Inc.,
Brown's Hole Area
San Juan County, Utah

Dear Mr. King:

Reference is made to your letter dated May 27, 1953, on the captioned application.

The amount of Government participation will be using the total estimated cost cited in your report of April 30, 1953. Your estimate of the cost of core bases seems high, nevertheless, you may use your estimate plus the additions mentioned in your letter of May 27, 1953, as the amount of the Government's contribution in the Owner's Consent to Lease form.

The subject application for Defense Minerals Exploration Administration aid requested by Grenlich Minerals, Inc. may continue under that name. However, if a transfer is made, as you mention, to J. W. Grenlich and Sons, we will then need copies of the Assignment of Lease.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

GCS
MDS
6-11-53

APPROVED:

J. H. Hedges
Member, Bureau of Mines (GCS)

A. R. Kinkel, Jr.
Member, Geological Survey (GCS)

EWEllis/jh
6/8/53
cc to: Adm. Reading File
Operating Committee
Docket
Messrs: A. P. Buhler, Jr., Rm. 3206, GSA
A. D. Keiser, Rm. 3641
Ellis
Murphy
DMEA Field Team, Region IV (2)

6/11/53 - DB.

Re IMEA Docket No 2771

Moab, Utah
June 4, 1953.

U.S. Dept of Interior IMEA.
attention: Mr C.O. Mittendorf
Washington 25, D.C.

JUN 8 1953

Dear Mr. Mittendorf:

Since applying for above loan about 8 months ago. we find it will be necessary to transfer all leases involved to:- Gramlich Exploration Co. therefore would it be possible for you to issue loan under this name instead of. Gramlich Minerals Inc.?

Ownership, personnell, finances & general conditions will be same as under original application. However should you need anything further to make change I will be glad to co-operate with you in any way possible.

Did Denver office finally get all necessary data to you? if not please let me know in detail & I shall get rite on it.

We are very very anxious to get this property drilled & in production — having just sold our two main producing groups of claims.

From now on our total efforts will be centered in Brown's Hole.

Please advise when you expect to execute contract? We are ready to go. Thank you"

Gramlich Exploration Co
(formerly Gramlich Minerals Inc)
By J.W. Gramlich Sr.

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

224 New Customhouse
Denver 2, Colorado

May 27, 1953

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 2771, Gramlich Minerals, Inc., Brown's Hole Property (Uranium)

Reference is made to the letter dated May 14, 1953, from the Chairman of the Operating Committee.

We are enclosing a copy of a bond and lease agreement between Samuel V. Gramlich and Gramlich Minerals, Inc., a photostat of a bond and lease agreement between Irene S. Gramlich and Gramlich Minerals, Inc., and a letter from J.A. Hughes, Attorney, certifying that the first nine pages of the copy of the agreement between Samuel V. Gramlich and Gramlich Minerals, Inc. are an exact copy of the original agreement as signed. We have not requested the applicant to submit an Owner's Consent to Lien because we do not know what the amount of Government participation will be in the completed contract. If you give us this information we will complete Owner's Consent to Lien forms and send them to the applicant.

The estimated cost of operating the truck will be $3.00 per day for 63 days, or $189.00. The workmen's compensation, employees liability insurance and payroll taxes should be estimated at 11% of the payroll of $1500.00, which is $165.00.

We have recently received a letter from the applicant in which he states as follows: "We are anticipating transfer of the Brown's Hole property from Gramlich Minerals, Inc. to J.W. Gramlich and Sons and wish to ask you if the DMEA loan can be transferred (as above) after granting or would it be necessary to file for a change now? Please advise. (Same management and personnel)." Inasmuch as the contract is being prepared in the Washington office we would appreciate it if you would handle this matter with Mr. Gramlich.

W.H. King

W.H. King

Lock lease on 7 claims from Howard Balsley, Moab, Utah.

Project is 10 claims
- Sunset
- Badluck
- Grassroot
- Blue Jay
- Pine Tree
- Bluebird
- Sunnyside.

= 140 acres

CHARLES J. MOYNIHAN
~~EDWARD M. SHERMAN~~
JOHN A. HUGHES
HOWARD S. BJELLAND

MOYNIHAN-HUGHES-~~SHERMAN~~ BJELLAND
ATTORNEYS AT LAW
MONTROSE, COLORADO

DEPT. OF THE INTERIOR
BUR. OF LAND MGMT.

May 22, 1953

1953 MAY 26 AM 9 30

RECEIVED
LAND & SURVEY OFFICE
DENVER, COLORADO

Bureau of Land Management
224 New Custom House
Denver 2, Colorado

Re: Docket No. 2771, Brown's Hole
Gramlich Minerals, Inc.

Gentlemen:

We enclose herewith a copy of the agreement between Samuel V. Gramlich and Gramlich Minerals, Inc. We have photostated the last page showing the signature and we do hereby certify that the first nine pages are an exact copy of the original agreement as signed.

We are also enclosing a photostatic copy of the bond and lease agreement between Irene S. Gramlich and Gramlich Minerals, Inc.

It is our understanding that Mr. Gramlich is selling all of the property standing in the name of Gramlich Minerals, Inc. except the claims covered by the bond and lease agreements enclosed. The Gramlich Minerals, Inc. will also be sold to the purchasers and Mr. Gramlich contemplates forming a partnership for the operation of these claims.

Very truly yours,

Moynihan-Hughes-Bjelland

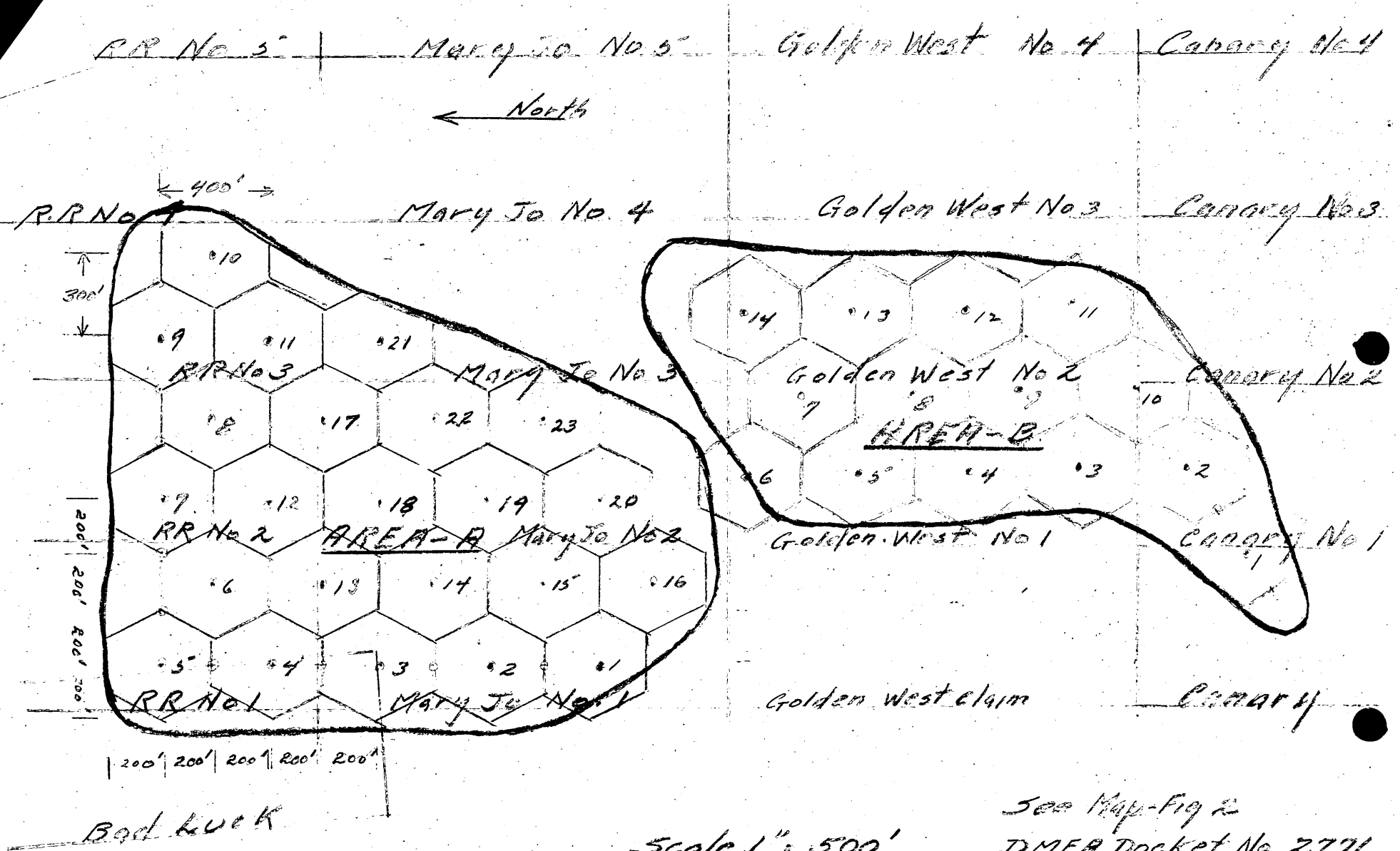
By J. A. Hughes

JAH:JH
Ecn.

Mining Division
Date Rec'd.

MAY 26 1953

BUREAU OF MINES
Denver, Colorado



Scale 1" = 500'

See Map-Fig 2
DMEA Docket No. 2771
Grombach Minerals Inc.
San Juan County, Utah.

DEPT. OF THE INTERIOR
BUR. OF LAND MGMT.

BOND AND LEASE.

THIS AGREEMENT OF BOND AND LEASE made and entered into at Montrose, Colorado this 15th day of August, A. D. 1951, by and between SAMUEL V. GRAMLICH, Party of the First Part, Lessor, of Naturita, Montrose County, Colorado and GRAMLICH MINERALS, INC., a Corporation of Montrose, Colorado, Party of the Second Part, Lessee,

WITNESSETH:

That the Lessor, for and in consideration of the payments, rents, royalties, covenants and agreements hereinafter expressed, to be paid, kept and performed by the Lessee, has this day leased, let and demised, and by these presents does lease, let and demise unto Lessee the following described mining properties and premises situate in BROWN'S HOLE (unorganized) Mining District, San Juan County, State of Utah, to wit:-

Golden West, location certificate of which is recorded in Book R-3, Page 283 of the County Clerk and Recorder's records, San Juan County, State of Utah;
Golden West I, location certificate of which is recorded in Book R-2, Page 602 of the County Clerk and Recorder's Records San Juan County, State of Utah;
Golden West II, location certificate of which is recorded in Book R-2, Page 603, of the County Clerk and Recorder's Records San Juan County, State of Utah,
Golden West III, location certificate of which is recorded in Book R-2, Page 603 of the County Clerk and Recorder's records San Juan County, State of Utah,
Golden West IV, location certificate of which is recorded in Book R-3, Page 604 of the County Clerk and Recorder's records San Juan County, State of Utah,
Golden West V, location certificate of which is recorded in Book R-2, Page 604 of the County Clerk and Recorder's Records, San Juan County, State of Utah,
Golden West VI, location certificate of which is recorded in Book R-3, Page 604 of the County Clerk and Recorder's records, San Juan County, State of Utah,
Golden West VII, location certificate of which is recorded in Book R-2, Page 605 of the County Clerk and Recorder's Records, San Juan County, State of Utah,
Golden West VIII, location certificate of which is recorded in Book R-3, Page 605 of the County Clerk and Recorder's Records San Juan County, State of Utah,
Golden West IX, location certificate of which is recorded in Book R-3, Page 609 of the County Clerk and Recorder's records, San Juan County, State of Utah,

Golden West X, location certificate of which is recorded in Book R 3, Page 606 of the County Clerk and Recorder's records of San Juan County, State of Utah;

Golden West XI, location certificate of which is recorded in Book R-3 Page 606 of the County Clerk and Recorder's records of San Juan County, State of Utah.

Canary , location certificate of which is recorded inBook R-3, Page 283, County Clerk and Recorder's records, of San Juan County, State of Utah;

Canary 1, location certificate of which is recorded in Book R-3, Page 606, County Clerk and Recorder's records, of San Juan County, State of Utah;

Canary 11, location certificate of which is recorded in Book R-3, Page 607, County Clerk and Recorder's records, of San Juan County, State of Utah,

Canary 111, location certificate of which is recorded in Book R-3, Page 607, County Clerk and Recorder's records, of San Juan County, State of Utah,

Canary 1V, location certificate of which is recorded in Book R-3, Page 607, County Clerk and Recorder's records, of San Juan County, State of Utah,

Canary V, location certificate of which is recorded inBook R-3, Page 608, County Clerk and Recorder's records of San Juan County, State of Utah,

Canary Vl, location certificate of which is recorded in Book R-3, Page 608, County Clerk and Recorder's records, of San Juan County, State of Utah.

Canary Vll, location certificate of which is recorded in Book R-3, Page 608, County Clerk and Recorder's records, of San Juan County, State of Utah,

Canary Vlll, location certificate of which is recorded in Book R-3, Page 609, County Clerk and Recorder's records, of San Juan County, State of Utah,

Canary 1X, location certificate of which is recorded in Book R-3, Page 609, County Clerk and Recorder's records, of San Juan County, State of Utah,

Canary X , location certificate of which is recorded in Book R-2, Page 609, County Clerk and Recorder's records, of San Juan County, State of Utah.

San Juan 1, location certificate of which is recorded in Book R-3, Page 610, County Clerk and Recorder's records of San Juan County, State of Utah,

San Juan 11, location certificate of which is recorded in Book R-3, Page 610, County Clerk and Recorder's records, of San Juan County, State of Utah,

San Juan 111, location certificate of which is recorded in Book R-3, Page 610, County Clerk and Recorder's records, of San Juan County, Stateof Utah,

San Juan 1V, location certificate of which is recorded in Book R-3, Page 281, County Clerk and Recorder's records, of San Juan County, State of Utah,

San Juan V, location certificate of which is recorded in Book R-3, Page 283, County Clerk and Recorder's records, of San Juan County, State of Utah,

San Juan Vl, location certificate of which is recorded in Book R-3, Page 284, County Clerk and Recorder's records, of San Juan County, State of Utah.

TO HAVE AND TO HOLD the above-described premises for the purpose of mining from the 1st day of April, A. D. 1951, to and including the 1st day of April A. D. 1960, unless sooner forfeited or terminated through violation of any of the covenants or conditions herein contained, with no power to assign this lease or any part thereof, or to sublet the whole or any part thereof, or said leased premises without the written consent of the lessor first had and obtained.

THE LESSEE, in consideration of the premises, has covenanted, contracted and agreed, and by these presents does covenant, contract and agree to and with the Lessor, her executors, administrators and assigns as follows, to wit:

1. To enter upon said leased premises and to work the same in mine fashion in manner necessary to good and economical mining, so as to take out the greatest amount of ore possible, with due regard to the development and preservation of said mines or mining properties, as workable mining property, and to the special covenants herein contained.

2. To allow the Lessor or her agent from time to tiem to enter upon and descend into all parts of said leased premises for the purpose of inspection, surveys or taking samples therefrom, and to render to said parties proper assistance in making such surveys or examinations.

3. The Lessor reserves the property and right of property as hereinafter limited and specified, in and to a royalty in all ores extracted from said premises during the period of this lease, and the Lessee covenants and agrees to pay and allow the Lessor as royalty upon all ores mindd, shipped or sold from said leased premises in any manner during the life of this lease as follows, to-wit:

15% of the smelter or processing returns on all ores mined and smelted or processed from the above-described premises, in particular including the uranium and vanadium content of all ores mined by Lessee.

IT IS FURTHER UNDERSTOOD AND AGREED that Lessor is to apply 2/3 of the 15% royalty as received from Lessee, on the purchase price of the above-described mining claims which Lessee has conditionally agreed to purchase from Lessor, for the total sum of Twenty-five thousand Dolla ($25,000).

IT IS FURTHER AGREED that the remaining 50% royalty shall be retained by Lessor and not credited on the next-hereinabove described purchase price, but shall be retained by Lessor as an overriding royalty so long as Lessee, its administrators or assigns , shall mine the above-described premises.

When Lessee shall have paid the full purchase price of said claims, to-wit, the sum of Twenty-five Thousand Dollars ($25,000), from the 10% royalty payments hereinabove described , plus additional monthly payments to be made by Lessee as hereinafter set forth, the Lessor shall, after said mining claims have been paid for in full, in accordance with the provisions of this agreement, be paid a 5% overriding royalty as long as ores and minerals are mined from the above described claims by Lessee. However, IT IS UNDERSTOOD AND AGREED that when the full purchase price shall have been paid by Lessee to Lessor, the 10% royalty payments hereinabove referred to shall cease and the Lessee shall no longer be liable for the payment hereinabove referred to, and shall, after said purchase price shall have been paid in full, be liable to Lessor only for said 5% royalty hereinabove referred to.

All settlements to be made upon the smelter, mill or sampler net assay values, deducting therefrom only development and hauling allowances made by the Atomic Energy Commission.

The Lessee shall, and hereby does, assume all responsibility in case of accident to Lessee or any of the employees of Lessee in or about said property.

All taxes assessed against the said demised premises for ores mined and shipped under this lease shall be paid by Lessee.

All bills and expenses incurred by Lessee, or those in privity with said Lessee, shall be promptly paid by Lessee, and by such prompt payment said Lessee shall prevent the filing of any and all liens of miners, mechanics or materialmen, against said demised premises, and if by reason of the failure of Lessee to pay such bills or expenses, any lien

of liens shall be filed against said premises, the Lessor may forthwith pay off and discharge the same and the Lessee holds itself bound to pay to Lessor all sums so advanced or paid by him to clear the said premises from liens which may be filed as aforesaid, and Lessor may also, at his election, declare a forfeiture of this lease.

The Lessee may, if it seems to it necessary, mortgage developed ore (provided, however that the written consent of the Lessor shall be first had and obtained) in order to finance operations which will mine such developed ore.

Lessee further covenants and agrees that no person not in privity with the partiss hereto, shall be allowed to hold possession of said premises or any part thereof under any pretext whatever.

Further that the Lessee shall deliver to Lessor quiet and peaceable possession of said demised premises in good order and condition, with all drifts, tunnels and other passages thoroughly drained and cleared of loose rocks and rubbish and said premises ready for immediate continued working, without demand or further notice, on the 1st day of April, A. D. 1960, at noon, or any time previous thereto, upon demand for forfeiture, and it is mutually understood that all machinery and tools which may be placed upon said premises by Lessee may be removed therefrom within ten (10) days after the termination of this lease, provided, however, that no such tools or machinery shall be so removed while the Lessee may in any manner be indebted to the Lessor under any obligations incurred under this lease.

Upon the violation of any covenant or agreement herein contained, this lease shall at the option of the Lessor expire and terminate and said premises, with the appurtenances and all other buildings and improvements, shall become forfeited to the Lessor, and the Lessor or his agent may thereupon, after demand in writing for possession, enter upon said premises with or without process of law, or, at the option of the Lessor, the Lessee and all persons found occupying said premises, or any part thereof, may be proceeded against as guilty of unlawful detainer.

Time is of the essence of this Agreement and each and every clause of this indenture, and all covenants and conditions contained herein, expressed or implied, shall extend to and be binding upon the successors, heirs, executors, administrators and lawful assigns of all parties hereto.

WITNESS our hands and seals this 15th day of August A. D. 1951.

KNOW ALL MEN BY THESE PRESENTS that SAMUEL V. GRAMLICH, Party of the First Part, herein described as the Lessor in the foregoing Lease, is held and firmly bound unto GRAMLICH MINERALS, INC., a Corporation, Party of the Second Part herein, and described as Lessee in the foregoing Lease, in the penal sum of Twenty-five Thousand Dollars ($ 25,000), for the payment of which, well and truly to be made, I hereby bind myself, my heirs, administrators, executors and assigns, firmly, by these presents

WITNESS MY HAND AND SEAL this 15th day of August 1951.

BUT THE CONDITION of the foregoing obligation is such that

WHEREAS, the above-bounden Party of the First Part, Lessor, has on this date agreed to sell to Party of the Second Part, Lessee, the following described mining property, to wit:

NAME OF CLAIM	RECORDED IN BOOK NO.	PAGE NO.	COUNTY CLERK & RECORDER OF:
Golden West	R-3	283	San Juan County, Utah.
" " 1,	" 2	602	" " " "
" " 11,	" "	603	" " " "
" " 111,	" "	"	" " " "
" " 1V,	" 3	604	" " " "
" " V,	" 2	"	" " " "
" " V1,	" 3	"	" " " "
" " V11,	" 2	605	" " " "
" " V111,	" 3	"	" " " "
" " IX,	" 3	609	" " " "
" " X,	" "	606	" " " "
" " X1,	" "	"	" " " "
Canary	R-3,	283	" " " "
Canary 1,	R-3	606	" " " "
Canary 11,	" "	607	" " " "
Canary 11 1,	" "	"	" " " "
Canary 1V,	" "	"	" " " "
Canary V	" "	608	" " " "
Canary V1,	" "	"	" " " "
Canary V11,	" "	"	" " " "
Canary V111,	" "	609	" " " "
Canary 1X	" "	"	" " " "
Canary X,	" 2	"	" " " "

NAME OF CLAIM	RECORDED IN BOOK NO.	PAGE NO.	COUNTY CLERK & RECORDER OF:
San Juan 1,	R-3	610	San Juan County, Utah,
" " 11,	" "	"	" " " "
" " 111,	" "	"	" " " "
" " IV,	" "	281	" " " "
" " V,	" "	283	" " " "
" " Vl,	" "	284,	" " " "

all of the aforesaid claims being situate in BROWN'S HOLE (unorganized) Mining District, San Juan County, State of Utah and said claims being the same property embraced in the foregoing Lease which is simultaneously executed herewith upon the following terms:

NOW, if the said Party of the Second Part, Lessee shall well and truly make the aforesaid payments within the time above limited, Party of the First Part, Lessor, shall forthwith convey said property to the Party of the Second Part, Lessee, by good and sufficient mining deed and will also furnish an abstract of title to said premises, certified by a competent abstractor, showing good and valid title to said premises in Party of the First Part, Lessor, free and clear of all liens and incumbrances at the time of said conveyance. It is hereby agreed that any and all rights of any Party which may have been in existence prior to March 1, 1951, upon any of the territory covered by the above-named and described claims, shall never be contested in any way by Party of the Second Part, his heirs or assigns.

2. As one of the considerations which has induced First Party, Lessor, to enter into the within contract, Second Party, Lessee, at the time of the signing of this Agreement, pays to First Party, Lessor, the sum of One Thousand Two hundred Fifty Dollars ($ 1,250), and Second Party, Lessee, further agrees to pay to First Party, Lessor, the sum of Two Hundred fifty Dollars ($ 250.00), each and every month hereafter until Second Party, Lessee begins to produce uranium and vanadium ores from the above claims, or any of them, such payments so to be made by Second Party, Lessee, to First Party, Lessor, to be applied on the purchase price of the above-described claims, along with the royalty payments to be made by Lessee to Lessor as herein more specifically set forth.

signing of this agreement pays to First Party, Lessor, the sum of One thousand Two Hundred Fifty DOLLARS ($1,250.00) and Second Party, Lessee, further agreesto pay to First Party, Lessor, beginning April 15th, 1952 the sum of Two Hundres Fifty Dollars ($250.00) each and every month hereafter until Second Party, Lessee, begins to produce uranium and vanadium ore from the above claims, or any of them such payments so to be made by Second Party, Lessee, to First Party, Lessor, to be applied on the purchase price of the above-described claims, along with the royalty payments to be made by Lessee to Lessor as herein more specifically set forth.

3. Second party, Lessee, further covenants and guarantees to First Party, Lessor, thatthe royalty payments in this contract referred to, and more specifically set forth herein, to be made by Second Party Lessee, to First Party, Lessor, shall not be less than Two Hundred Fifty Dollars ($250.00) per month, payable on the 15th day of each and every month during the life of this lease.

4. Nothing in this Agreement shall prevent Second Party, Lessee, however, from making full payments of the purchase price hrein provided to be made by Second Party, Lessee, to First Party, Lessor, at any time Second Party, Lessee, desires to pay the entire amount remaining due on said purchase price under the BOND AND LEASE

5. Second Party, Lessee, covenants and agrees to perform all assessment work required by the present Federal Statutes or the Statutes of the Stateof Utah, or as said Statutes may hereafter be amended with relation to the amount of assessment work required of the Locator of mining claims, and to file the necessary affidavits and notices to keep the above described mining claims in good legal standing at all times; to leave the mine workings in good order and condition and in case Second Party's Lessee's, withdrawal from the above-desdribed mining claims at any time, to furhish Party of the First Part, Lessor, with monthly statements of all ore produced from said claims at the time the royalty payments hereinabove provided for are made.

On the other hand, if Second Party, Lessee, has not violated any of the covenants and agreements herein contained, IT IS AGREED when Second Party, Lessee, gives notice to First Party that it will discontinue the operation of said mining claims under this Agreement, Second Party, Lessee, shall not be liable for any of the payments that might under the terms of this Agreement be due and payable after the date of such discontinuation by Second Party, Lessee.

The further condition of this Bond is that if by reason of the violation of any of the covenants or conditions contained in the foregoing lease, said lease shll be forfeited under the terms thereof, then the forfeiture of said lease shall likewise operate to terminate this Bond to release the Party of the First Part, Lessor, from any further obligation hereunder.

First Party, Lessor, and Second Party, Lessee, herewith mutually designate CHARLES J. MOYNIHAN, Attorney at Law of Montrose, Colorado, as Escrow Holder herein, who acknowledges receipt of mining deeds covering the above-described mining claims, wherein First Party, Lessor, is Grantor and Second Party, Lessee, is Grantee, which deeds have been duly signed and acknowledged by First Party, Lessor, and have been received by Third Party, Escrow Holder, to be held by said Third Party until Second Party, Lessee, has completed the payments to be made to First Party, Lessor, as herein more particularly provided, after which last-described event Third Party, Esdrow Holder, agrees to deliver said deeds to Second Party, Lessee, after which next-hereinabpve described occurrence, and when Lessee, Seckmd Party, has approved the title to the mining claims hereinabove described, Third Party, Escrow Holder, agrees to deliver the aforesaid deeds to Second Party, Lessee.

IT IS FURTHER AGREED that if the Third Party, Escrow Holder, is unable to act as Escrow Holder, then JOHN A. HUGHES, Attorney at Law of Montrose, Colorado, is hereby designated to act as successor Escrow Holder to perform the duties as are in this contract set forth and described to be performed by said Escrow Holder.

Now, if the Party of the First Party shall well and faithfully perform the covenants and conditions herein, then this Bond obligation to be null and void; otherwise to remain in full force and effect, according to the terms hereof.

IT IS MUTUALLY AGREED between the Parties hereto, and this bond is executed by Party of the First Part and received by Party of the Second Part, with the understanding that should a portion of the purchase price be paid and default should thereafter be made by Party of the Second Part by reason whereof the Party of the First Part shall be relieved from any further liability to carry out the terms of the foregoing obligation, then all moneys which have been paid prior to the said default shall be forfeited to the Party of the First Part as liquidated damages.

IN WITNESS WHEREOF the Parties hereto have hereunto set their hands and seals the day and date first above written.

Samuel V. Gramlich (SEAL)
PARTY OF THE FIRST PART and Lessor under Lease.

ATTEST:

GRAMLICH MINERALS, INC., a Corporation

Philip Fred Gramlich
Secretary

By V. Gramlich Pres.
PARTY OF THE SECOND PART, and Lessee under Lease.

E. Bryan
PARTY OF THE THIRD PART, and Lien Holder, under Lease.

FILE COPY
SURNAME:

Docket
Murphy
Ellis
Selfridge
Kinkel
Hedges

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

MAY 26 1953

[illegible]
Executive Officer
[illegible] Field Team, Region IV
[illegible] Customhouse Bldg.,
Denver 2, Colorado

Re: Docket No. [illegible] (Uranium)
[illegible] Lake [illegible],
Brown's Hole Area
Sweetwater County, Wyo.

Dear Mr. Ring:

Enclosed are copies of memoranda from Mr. Butler of the Geological Survey, dated May 13th, and Mr. Heiser, dated May 18, 1953, of the Bureau of Mines, members of the Uranium Committee, containing comments and recommendations concerning the exploration program, as outlined by the Field Team, for the Brown's Hole area.

[illegible] by Mr. Butler, before we further consider the subject application.

In the interim, we are [illegible] the lease [illegible] to the owner's request to [illegible] the Brown's Hole property.

Sincerely yours,

George C. Selfridge (GCS)
[illegible], Uranium Committee

Enc.

J. H. Hedges (JHH)
[illegible], Bureau of Mines

A. R. Kinkel, Jr. (ARK)
[illegible], Geological Survey

Mrs. 5-26-53

Murphy/db
5-21-53

cc to: Adm. Reading File
Operating Committee
Docket
Messers. [illegible] Heiser, Rm. 3641
A. [illegible] Butler, Jr. Rm. 3206 GSA
Ellis
Murphy
DMA Field Team, Region IV

5/20/53 gla

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

May 18, 1953

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 19 1953

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

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

Subject: Final Report, DMEA Docket 2771, Gramlich Minerals, Inc., San Juan County, Utah

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

I concur with the views expressed by Mr. Butler in his memorandum on the report, and suggest that the field team be requested to furnish the information indicated by Mr. Butler

H. D. Keiser

H. D. Keiser

FILE COPY
SURNAME:

Bechtel
Murphy
Ellis
Martin
H. Johnson
Whittenberg

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

MAY 1 4 1953

Mr. L. I. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Project [illegible]-3 71 (Franklin)
Troelich Metals, Inc.
Brown's Hole Property
Sweetwater County, Utah

Dear Mr. King:

We have reviewed the Field Team report on the captioned application, but still lack the loan agreement and owner's consent to Lien on the Brown's Hole property. Please refer to Mr. George [illegible]'s letter of December 2, 1952 on this subject.

In the Field Team report no figure was given for the cost of operation of the truck mentioned, workmen's compensation, employee's liability insurance and payroll taxes. Will these items be paid by the operator alone or should they be included in the cost of the project?

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

8.N.
5-14-53
(NB)

MFMcMurphy:

J. H. Hedges

Director, Bureau of Mines (NB)

T. P. Thayer

Director, Geological Survey (NB)

MFMurphy/ccf 5/13/53

cc to: Adm. Reading Files
Oper. Committee
Docket
Messrs. McKeiser, Room 3641
AHButler, Jr., Room 3206
Ellis
Murphy

DMEA Field Team, Region IV

5/20/53 gla

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

Defense Minerals Administration
RECEIVED
MAY 19 1953

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

DATE: May 13, 1953

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

SUBJECT: Field Team Report, DMEA Docket 2771 (uranium) Gramlich Minerals Inc., applicant, Browns' Hole Property, Red Rocks, Mary Jo, Golden West, and Canary claim groups, Secs. 24-26, and 33-35, T. 28S., R. 23E., San Juan Co., Utah.

I have reviewed the Field Team report pertaining to the property identified in the subject above and discussed it with H. D. Keiser, Bureau of Mines member of the Commodity Committee.

Exploration proposal

The Field Team examined the property and determined in consultation with members of the staffs of the Geological Survey and Atomic Energy Commission, Grand Junction, Colo., that neither organization had drilled the property. The Field Team recommends exploration of the upper part of the Salt Wash member of the Morrison formation, which is the host for uranium ore bodies in the area, by diamond drilling in two stages. In the first stage 19 holes totalling 5,180 feet of drilling would be drilled. Holes are to be spaced 500 feet apart on a mainly rectangular grid starting an unspecified distance back of the outcrop or from known ore bodies. The objectives of this stage would be to search for new ore bodies and to obtain information on the geologic favorability for ore. In stage 2, an additional 2,320 feet would be drilled in holes at sites determined on the basis of information gained in the first stage of drilling.

Comment

These claims have produced some ore as shown by the incomplete record that the Field Team was able to obtain, and the conclusion of the team that other small ore bodies may be found by further exploration appears sound. No estimate of the size of known ore bodies is made in the report nor is the pattern of distribution of the ore bodies indicated in the report or on the map. Both features would be useful in appraising the suitability of the suggested plan of exploration. Although the proposed plan may be an entirely logical way to proceed, why was the advisability of drilling a more closely spaced pattern of holes near known ore bodies not considered? Or, if considered, why was it

discarded in favor of more widespread exploration? In the long run the proposed plan may provide the basis for a better overall appraisal of the claim groups, but closely spaced holes near known ore bodies might find extensions of known ~~new~~ ore bodies, or new ore bodies that could be mined sooner and more easily than ore found at points more remote from the outcrop, and drilling near known ore might also develop information useful in planning exploration in less well known ground.

Perhaps the examining members of the field team reviewed these problems with geologists of the Survey and AEC in Grand Junction who have considerable experience in this type of exploration, and the suggested plan is the result of the consensus of such review. The report, however, does not indicate this.

Recommendation

As the Field Team report does not set forth the geologic factors considered in arriving at the suggested plan of exploration sufficiently clearly to permit judgement of its suitability, or alternatively as it does not indicate that the plan appears reasonable to the local geologists familiar with exploration of similar deposits, although the plan may be the logical one for this property, the basis for estimating the appropriateness of the plan is inadequate although it may be entirely suitable. I suggest that the questions raised in the preceding paragraph be called to the attention of the Field Team.

Arthur P. Butler, Jr.

Arthur P. Butler, Jr.

Copy to: E.Wm. Ellis (2)

5/4/53 gla

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

224 New Customhouse
Denver 2, Colorado

April 30, 1953.

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
MAY 4 1953

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Field Team, Region IV

Subject: Final Report, DMEA Docket 2771 (Uranium), Gramlich Minerals, Inc., San Juan County, Utah.

Enclosed are the original and three copies of the report pertaining to the above application.

It is recommended that exploration assistance in the amount of $29,675.00, Government participation $26,707.50, be granted to the applicant for exploratory diamond drilling on the Brown's Hole property.

Nine extra copies of Figure 2 of the final report are also included which you may wish to use in Exhibit A of the contract.

W. H. King
W. H. King

Ogden Tweto
Ogden Tweto
For A. H. Koschmann

Enclosures

Reviewed by
DMEA Oper. Com.
5-8-53

ON-SITE EXAM. REPORT

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

April 30, 1953.

Memorandum

To: Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Final Report, DMEA Docket 2771 (Uranium), Gramlich Minerals, Inc., San Juan County, Utah.

Enclosed are eleven copies of a joint engineering and geologic report on the subject docket.

The applicant requested exploration aid in the amount of $30,000.00 to diamond drill his leased claims in the Brown's Hole area.

The field examiners concur in the belief that a diamond drilling exploration program on this property will disclose additional small ore bodies and they recommend that aid in the amount of $29,675.00, Government participation $26,707.50, be granted.

We concur in this recommendation.

W. H. King
W. H. King

Enclosures

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

April 23, 1953

Memorandum

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

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

Subject: DMEA-2771, Gremlich Minerals, Inc., San Juan County, Utah. Your memorandum of March 13, 1953

Transmitted herewith are the original and 10 copies of a joint engineering and geologic report prepared by personnel from this office and from the office of the Geological Survey. The report has been changed to conform with suggestions contained in your memorandum of above date.

It was believed advisable to obtain more accurate data concerning the anticipated thickness of sediments overlying the Salt Wash member of the Morrison formation, the ore bed. Members of the Geological Survey, therefore, mapped the area topographically and it was determined that the ore-bearing bed in the eastern part of the area proposed for drilling is too deep for drilling under the present program. Holes in this area, to penetrate the Salt Wash member, would in some cases be as much as 500 feet deep. An alternate plan, to drill in the western part of the area, has been proposed by the examining team. The holes shown on figure 2, in areas A and B will average less than 300 feet in depth. The work is proposed in two stages, the second stage depending upon results of the first. Locations of holes under Stage 2 will be agreed upon by discussions between DMEA personnel and the contractor, after completion of Stage 1.

We have considered the possibility of churn drilling through the Brushy Basin member of the Morrison formation to reach the top of the ore horizon. However, while it is agreed that churn drilling in the Brushy Basin will undoubtedly cost less per unit than diamond drilling, the probable necessity for dealing with two separate subcontractors for the two types of drilling, together with the greater unit cost resulting from the reduced footage for the two types of drilling, rule out this method of drilling.

Diamond drilling from the bottom of wagon drill holes may be a feasible method on the proposed project. The advisability of

drilling in the Brushy Basin member is dependent upon the character of the rock to be drilled. If shale and clay seams containing appreciable moisture are encountered, the sludge collects behind the bit, and makes withdrawal of the bit from the hole difficult. The majority of the Brushy Basin member is shale, and shale lenses are present in the Salt Wash member.

An alternative to the combination drilling is to permit the operator to drill to the known ore horizon with a solid or "plug" bit, thus obtaining no core for that section of the hole. This type of drilling should result in a lower cost than that using a coring bit.

The Survey members of the examining team discussed the application with Lowell Hilpert and Warren Finch of the Grand Junction office, Geological Survey. Ernest Gordon of the AEC was also consulted concerning the Gramlich property. The above discussions disclosed that no previous drilling has been done on the property, although a drilling program was at one time proposed on the property as part of a general exploratory plan for the Brown's Hole area.

Figure 2 has been revised to illustrate the alternate diamond drilling proposals. Note 2 has been deleted in accordance with your request. Nine extra prints of figure 2 have been mailed under separate cover.

The original brochure and other data are included with the attached copies of the report. I concur with the recommendations of the examining team.

Three copies each of forms 6-803 and 6-993 are included with the attached information.

Stephen R. Wilson

Stephen R. Wilson

Enclosures

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

By H. K. Thurber, Jr., C. G. Tillman, and B. F. Sorensen

Gramlich Minerals, Inc., has requested an exploratory loan under DMEA docket 2771 to conduct a diamond drilling program on uranium property in the Brown's Hole area, San Juan County, Utah. The property under consideration is held by lease agreements.

Personnel from the Bureau of Mines and Geological Survey examined the property during January 1953. This report appraises the feasibility of the requested loan.

Uranium mineralization in the Brown's Hole area is found in the Salt Wash member of the Morrison formation. Uranium minerals occur in association with sandstone and mudstone lenses and with trees and other organic material. The usual occurrence shows impregnation of the sandstone or mudstone, or the "carbon trash."

A minor tonnage of ore remains in the workings in one area. No significant reserve may be estimated from existing data.

Past production from the Brown's Hole area and favorable geologic conditions indicate that a diamond drilling exploratory program on the Gramlich property will disclose additional small ore bodies. It is recommended that a loan of $29,675 be granted to the applicant to conduct exploration as outlined in this report.

GRAMLICH MINERALS, INC.
BROWN'S HOLE PROPERTY
SAN JUAN COUNTY, UTAH
DMEA-2771
Uranium

Engineering and Geologic Report

By H. K. Thurber, Jr.
Mining engineer
Bureau of Mines

and

C. G. Tillman and
B. F. Sorensen
Geologists
Geological Survey

GRAMLICH MINERALS, INC.
BROWN'S HOLE PROPERTY
SAN JUAN COUNTY, UTAH

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ILLUSTRATIONS

Fig. 1 Location map, Gramlich Minerals, Inc., Brown's Hole, San Juan County, Utah

Fig. 2 Claims, geology and proposed drilling

INTRODUCTION

Gramlich Minerals, Inc., of Moab, Utah, has applied for a DMEA loan of $30,000 to conduct exploratory diamond drilling on uranium property in the Brown's Hole area of San Juan County, Utah. A total of 59 claims in the area are held under lease.

An examination of the area of proposed drilling was made January 13, 1953, in company with J. W. Gramlich, the applicant, and C. J. Tillman and B. F. Sorensen, geologists, Geological Survey. Underground workings, from which production is reported, as well as the surface, were examined.

This report presents the results of the examination and appraises the engineering and geologic factors involved in the proposed exploration.

LOCATION AND PHYSICAL FEATURES

The group of claims upon which the applicant proposes the exploratory diamond drilling, is located in an area known as Brown's Hole, and specifically in Secs. 26, 27, 28, 33, 34, and 35, T. 28 S., R. 23 E., and Secs. 2 and 3, T. 29 S., R. 23 E., S.L.B. & M. This location is approximately 20 air miles S. 25° E. of Moab, Utah, and approximately 2 miles east of U. S. Highway 160 (Fig. 1).

Access to the property is by dirt road from a point on U. S. Highway 160 approximately 22 miles south of Moab. This junction

is approximately 30 miles north of Monticello, the location of an Atomic Energy Commission contract uranium mill. The dirt road is passable in all weather.

The area of proposed drilling covers, in part, a relatively flat, sagebrush-covered mesa, and, in part, pinon and cedar-covered hillsides which are moderately steep, but accessible to diamond drill equipment operating on prepared drill sites. The terrain indicates that the holes, as proposed, will be started in the clay beds of the Brushy Basin member of the upper Jurassic Morrison formation, which may present difficulty in wet weather. Fortunately, the property is in a relatively arid area, thus this factor will not delay operations extensively.

HISTORY AND PRODUCTION

A group of claims owned by H. W. Balsley and leased to Gramlich Minerals, Inc., was located prior to 1934. All production from the property has been mined from these claims. Incomplete records presented by the applicant, pertaining to production from 1934 to 1944, show the following: High-grade log material--5 tons of ores assaying 20 percent U_3O_8 shipped to Vitro Chemical Co. Low-grade ores--1,500 tons averaging from .30 percent to 1.00 percent U_3O_8 and 1.00 percent to 5.00 percent V_2O_5, shipped to United States Vanadium Corp. and the Vanadium Corp. of America. Approximately 200 tons of ores averaging 1.5 percent U_3O_8 and 4.0 to 7.0 percent V_2O_5 was shipped to Vitro Chemical Co. during this period.

During the summer of 1952, the following ores were shipped from the claim group by lessees:

Wet pounds	Percent U_3O_8	Percent V_2O_5
14,505	0.24	0.94
29,133	0.58	1.77
44,190	0.15	0.95
18,173	0.19	1.12
108,223	0.26	1.17
12,681	0.26	1.27

These shipments represent approximately 114 tons of ores with a weighted average of 0.25 percent U_3O_8 and 1.19 percent V_2O_5, to which the lessees added approximately 1,000 pounds of high-grade, sorted by hand to assay 20- to 30-percent U_3O_8.

Other shipments, of which no records are available, are estimated by a reputable consulting engineer to total approximately 2,500 tons of medium-grade uranium ores.

The totals of the above shipments of record are 1,814 tons of low-grade ores with a weighted average of 0.72 percent U_3O_8. This represents approximately 26,000 pounds of U_3O_8 produced from the low-grade shipments, in addition to approximately 2,000 pounds of U_3O_8 contained in the recorded high-grade shipments.

OWNERSHIP AND EXTENT

The applicant proposes to drill on a group of 59 claims held under three separate lease agreements with three owners. The claims included in each of these three leases are listed with the recording data, as follows:

1. Lease between Irene S. Gramlich, lessor, and Gramlich Minerals, Inc., lessee:

Claim	Recorded in Book	Page
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

2. Lease between Samuel V. Gramlich, lessor, and Gramlich Minerals, Inc., lessee:

Claim	Recorded in Book	Page
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 V	R-3	283
San Juan VI	R-3	284

3. Lease between H. W. Balsley, lessor, and J. W. Gramlich for Gramlich Minerals, Inc., lessee:

Claim	Recorded in Book	Page
Blue Jay	R	416
Pine Tree	R	417
Blue Bird	R	419
Sunnyside	R	419
Sunset	R	
? Red Bird	R-1	467
Blue Bird	R-1	466

? grass roots Bad Luck

All claims are shown on the claim map attached (Fig. 2).

Inquiry at the Salt Lake City office of the Bureau of Land Management shows that there are no conflicting Federal oil and gas leases covering the area involved in the loan application.

GEOLOGY

The claims listed in the application lie on the west side of a hill that is capped by the Lower Cretaceous Dakota (?) sandstone. This sandstone is underlain by the Brushy Basin member of the Upper Jurassic Morrison formation. Underlying this member and forming the lower slopes of the hill is the lower, or Salt Wash member of the Morrison formation. The Salt Wash member in turn is underlain by the Upper Jurassic Summerville formation.

The Brushy Basin member of the Morrison formation consists of red, green, brown and grey beds of mudstone and siltstone with some interbedded units of sandstone and limestone. The Salt Wash member consists of brown sandstone and conglomeratic sandstone with minor interbedded mudstone and siltstone. The beds dip a few degrees to the northeast and have been cut by the northwest-striking Big Indian fault which has upthrown the block on the southwest side of the fault an undetermined distance.

ORE DEPOSITS

Uranium mineralization in the Brown's Hole area is found in the Salt Wash member of the Morrison formation. The uranium minerals are

associated with sandstone and mudstone lenses and also with trees and other organic material or "trash carbon."

Little ore remains in any of the mine workings. Remnants of ore bodies previously mined reveal the typical lenticular and discontinuous character of the bedded carnotite deposits. No large ore bodies have been encountered in mining. Ore-bearing lenses discernible at the time of examination vary from 4 to 6 inches in thickness. The applicant reports that ore lenses mined were 3 to 4 feet thick in some occurrences.

ORE RESERVES

At the time of examination, a small mining operation was being conducted on the Blue Jay workings by sublessees. A minor tonnage of ore is present here. Insufficient data are available to estimate a reliable reserve in the area of proposed drilling. However, it appears reasonable to infer an ore tonnage equal to that already mined from the Brown's Hole workings.

PRESENT STATUS

The Gramlich Minerals, Inc., is not operating on the property involved in the application, nor do they have any equipment on the ground. The leasing operation mentioned in the foregoing paragraph can be concluded before any work under a DMEA contract is begun, or the claims upon which the mining is being done can be excluded from the area involved in the contract.

PROJECT PROPOSALS AND COSTS

The applicant, in his original application, proposes a program of diamond drilling on the Canary, Golden West, and Mary Jo groups of claims to explore an area covered by the Brushy Basin member of the Morrison formation. These claims extend eastward from the Pine Tree workings, as indicated on figure 2. This work is estimated by the applicant to cost $30,000 and consists of a minimum of 7,500 linear feet of diamond drill holes, the total number of holes being dependent upon the average depth of hole required to penetrate the Salt Wash member. The examining team recommends that 7,500 feet be drilled in two stages and in areas different from those proposed by the applicant. The revised plan is outlined in the following paragraphs.

Geologic field work by the geologist members of the examining team shows that the total thickness of strata to be drilled in the easternmost areas of the applicant's proposal will require holes too deep to be practical from an exploratory standpoint. A large percentage of the footage in the proposed easternmost holes will be in the barren Brushy Basin member. In view of this, the examining team proposes a revised drilling pattern wherein the holes are nearer the "rim" which roughly marks the top of the Salt Wash member and extends in a northerly direction from the Pine Tree workings across the westernmost rows of claims in the Canary, Golden West, Mary Jo, and Red Rocks groups of claims. Holes will fall on the Pine Tree, Blue Jay, Bad Luck, Grass Root and Sunset claims, which overlap in whole or in part the former groups.

To allow flexibility in determining drill hole locations to logically explore the area, the examining team suggests that the proposed work be divided into two stages, outlined as follows:

Stage 1 - Diamond drilling in areas illustrated on Figure 2, "Claim map, geology and proposed drilling, Gramlich Minerals, Inc. lease, Brown's Hole area, San Juan County, Utah." For simplification of calculations the holes are divided into two groups as shown. The 9 holes in Group A average 220 feet deep, or a total of 1,980 feet of drilling in the area covered by this group. The ten holes in Group B average 320 feet deep for a total of 3,200 feet of drilling in the area covered by this group. The total footage in this stage is 5,180 feet.

Stage 2 - The remainder of the 7,500 feet total proposed drilling is 2,320 feet which, it is recommended, should be drilled after the completion of Stage 1 and be contingent upon the findings of Stage 1. The holes in Stage 2 should be located on sites determined by the DMEA representative upon the basis of geologic knowledge gained from the completed drilling.

The applicant stated at the time of the examination that the proposed drilling will be contracted by an independent drilling contractor. The cost of $3.50 per foot, estimated in the application as the independent contract cost, is proper for the Colorado Plateau area for drilling of this type. In addition to the actual drilling costs, expenditures must be made for roads, drill site preparation, super-

vision, core boxes, and engineering. The following is an estimate of total project costs, based on 7,500 linear feet of AX diamond drill hole and a period of 3 months for completion:

Independent diamond drilling contract ——— 7,500 feet at $3.50 per foot	$26,250
Road building and drill site preparation ——— Estimated to require approximately 40 bulldozer hours at $10 per hour. Caterpillar D-6 tractor-dozer or equivalent	400
Transportation of tractor-dozer to and from site ———	50
Superintendent to supervise location of drill holes,— preparation of drill sites, core storage, and maintenance of records, $300 per month	900
Truck driver at $1.50 per hour, ——— estimated $200 per month	600
Core boxes. Estimated 60 required at $5.25 each ——— plus transportation to site.	350
Engineering, surveying, map and report preparation —— Estimated fee for private engineer, 5 days per month at $50 per day, 3-month term.	750
Sampling and analysis ———	250
Depreciation on ½-ton pickup truck ——— (Value $1,500) for 3 months @ $25.00/mth.	75
Total project cost ———	$29,625

Over-all cost per foot, $\frac{\$29,625}{7,500} = \$3.95$

PRODUCTION PLAN

The applicant advances no plan of production, assuming ore is found in the proposed exploration. The decision to drift or sink will depend upon the location and size of the ore body, and depth

from the surface, as well as the topography of the area and relation to existing workings. These factors can best be studied during or after completion of the project.

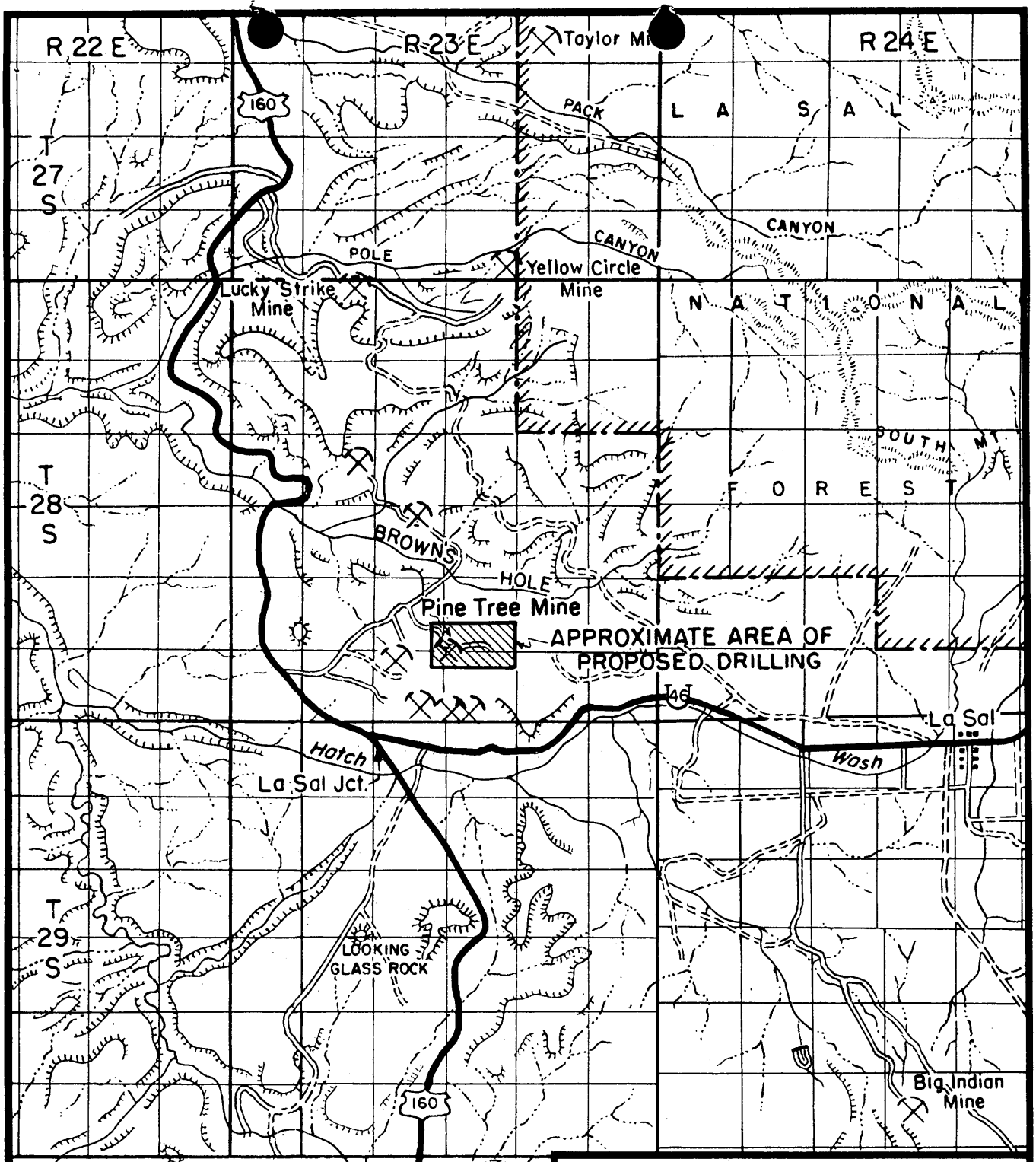
PROPOSED FINANCING

The applicant asserts in the application for a DMEA loan his willingness to pay all costs incidental to the project and to submit the proper forms for reimbursement under DMEA regulations. The applicant is operating other uranium properties at present, and is believed financially able to carry out contract agreements properly.

CONCLUSIONS AND RECOMMENDATIONS

Consideration of past production, tabulated in a foregoing section, together with favorable geologic conditions, leads to the conclusion that the alternate drilling program proposed by the examining team is logical in plan and has good possibilities of discovering additional small ore bodies in the area of proposed drilling.

It is recommended that a loan of $29,675 be granted to the Gramlich Minerals, Inc., for exploratory diamond drilling on the Brown's Hole property. The applicant has expressed his desire, if approval is granted, to conclude a short-form contract with the Government for the proposed work. In view of the relatively simple program proposed, it is recommended that this form of contract be drawn.



NOTE

DATA TRACED FROM U. S. GRAZING SERVICE, UTAH REGION MAP.

0 1 2 3 4

SCALE OF MILES

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Fig. 1 DMEA Docket No. 2771

Location Map

GRAMLICH MINERALS INC. LEASE

BROWN'S HOLE AREA

SAN JUAN COUNTY, UTAH

ENGINEER: *H. K. Thurber*	DATE: MAR. , 1953
TRACED: FEB., 1953; A.P.T.S.	1900 - 194 - E
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700
FILE COPY
SURNAME:

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

MAR 31 1953

Hon. Eugene D. Millikin
Hon. Ed C. Johnson
United States Senate
Committee on Finance
Washington 25, D. C.

Re: Docket No. DMA-2771 (Uranium)
Gramlich Minerals, Inc.
Brown's Hole Property,
San Juan County, Utah

My dear Senators Millikin and Johnson:

This is in reply to your inquiry dated March 2[illegible], 1953, concerning the application with this Agency by the subject company for Government exploration aid.

We referred this application to the Executive Officer, Region IV, DMRA Field Team, 22[illegible] New Customhouse Building, Denver 2, Colorado, on December 2, 1952, for a field examination. The property examination was made on January 1[illegible], 1953, and the engineering report is being prepared. It will be forwarded to this office for processing when it is completed.

We wish to assure you that the processing of this application by this office will proceed as soon as the report is received.

Sincerely yours,

C. O. Mittendorf

Administrator

FLKnouse/gla
3-30-53
cc to: Hon. Eugene D. Millikin
Rm. 315, Senate Office Building

Hon. Ed. M. Johnson
Rm. 463, Senate Office Building

Adm. Reading File
Docket
Messrs. HDKeiser, R-1347
APButler, R-3206 GSA
Ellis
Knouse
DMRA Field Team, Region IV (2)

3/31/53

3/26/53 gla

EUGENE D. MILLIKIN, COLO., CHAIRMA
HUGH BUTLER, NEBR.
EDWARD MARTIN, PA.
JOHN J. WILLIAMS, DEL.
RALPH E. FLANDERS, VT.
GEORGE W. MALONE, NEV.
FRANK CARLSON, KANS.
WALLACE F. BENNETT, UTAH
WALTER F. GEORGE, GA.
HARRY FLOOD BYRD, VA.
EDWIN C. JOHNSON, COLO.
CLYDE R. HOEY, N. C.
ROBERT S. KERR, OKLA.
J. ALLEN FREAR, JR., DEL.
RUSSELL B. LONG, LA.

United States Senate

COMMITTEE ON FINANCE

March 24, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 26 1953

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

Dear Mr. Mittendorf:

Mr. W. J. Gramlich, Sr., President, Gramlich Minerals, Inc., Moab, Utah, has written to us in regard to their application for DMEA assistance. We will appreciate a report which we may forward to them.

Very sincerely yours,

Ed C. Johnson, U.S.S. ~~361~~ 463

Eugene D. Millikin, U.S.S. Ren. 315

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

224 New Customhouse
Denver 2, Colorado

December 23, 1952

Mr. J W. Gramlich, Sr., President
Gramlich Minerals Inc.
Moab, Utah

Re: Docket DMEA 2771 (Uranium)

Dear Mr. Gramlich:

Enclosed is a letter addressed to you and sent to us by mistake from the Acting Administrator.

Will you please return to this office all of the correspondence erroneously sent to you from Washington, as it is imperative that we have these letters.

This correspondence consists of Mr. Sefridge's letter to Mr. King, Mr. Keiser's letter to Mr. Ellis, and Mr. Butler's letter to Mr. Ellis. One copy of this correspondence was forwarded to us by Mr. Ebbley, but we need the other copies for our use in processing your application.

Very truly yours,

W. H. King

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

HMC:es

cc: Mittendorf
Wilson
Docket
Chron.
Koschmann (2)

Defense Minerals Administration
DEC 30 1952

FILE COPY
SURNAME:
700

F. L. Knouse
Kimbrell
Selfridge

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

DEC 2 1952

Mr. J. W. Gramlich, Sr., President
Gramlich Minerals, Inc.
Moab, Utah

Re: Docket No. DMEA-2771 (Uranium)
Brown's Hole Property

Dear Mr. Gramlich:

The application for assistance in exploring your property in Emery County, Utah, under the above captioned docket number, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration. Your application has been referred for a field examination to the Executive Officer of Region IV at the following address:

Mr. W. H. King
Executive Officer, Region IV
DMEA Field Team
224 New Customhouse Building
Denver 2, Colorado

The Regional Office will contact you at the earliest opportunity in regard to your project.

Sincerely yours,

(signed) FRANK E. JOHNSON

ACTING Administrator

12-2-52

FLKnouse/jem
11/28/52
cc to: Adm. Reading File
Docket
Messrs. Ellis
Knouse
Field Team, Region IV (2)

FILE COPY
SURNAME:
70

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

DEC 2 1952

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

Re: Docket No. [illegible]-2771 (Uranium)
Urarlich Minerals, Inc.
Brown's Hole Property

Dear Mr. King:

The captioned application is referred to your office for a field examination.

Copies of memoranda from Mr. Arthur P. Butler, Jr., dated November 21, 1952 and from Mr. H. D. Keiser dated November 14, 1952, outlining important questions to be considered by the examining engineers are enclosed.

If your office recommends the program submitted by the Applicant, or an alternate program approved by the applicant detailed costs and maps or sketches showing the proposed work in relation to the geology, sample data, and mining claim lines as justification for the work as is outlined in Form DF-103, should accompany the report.

The description and cost of equipment units required to do the work (classified as units to be purchased or rented) and fair market value and description of units to be furnished by the Operator should also accompany the report. If all or any part of a recommended program is to be done by a contractor it should be so indicated and a detailed breakdown of the cost for the part to be contracted supplied. Also, if any part of the work is to be done on a unit cost basis a detailed breakdown of the cost should be furnished. If an exploration program is recommended we will require from the applicant a list of the mining claims or property on which the work is to be done and any adjoining claims or property controlled by the applicant, where the claims or property are recorded, book number, page and entry date.

In item 3 (d) of the application it is stated, "Lease agreements are attached to this application" which is not the case. Please obtain copies of the lease and forward it to this office.

In your memorandum dated November 7, 1952, it is noted only three (3) copies of the application were transmitted to this office we therefore assume you retained one copy for your files.

Sincerely yours,

George C. Selfridge (JHB)

ACTING Chairman, Operating Committee
FLKnouse/jem
11/28/52
cc to: Adm. Reading File
Docket
Messrs. HKeiser 1347
APButler-3206 GSA
Ellis Knouse
Opr. Committee
Field Team, Region IV

Enclosures

Director
J. H. Hedges (JHB)
Member, Bureau of Mines

A. R. Kinkel, Jr. (JHB)
Member, Geological Survey

J.H.
12-2-52

STANDARD FORM NO. 64

11/26/52 gla

Office Memorandum • UNITED STATES GOVERNMENT

TO : E. Wm. Ellis, DMEA Member, Uranium Commodity Committee **DATE:** November 21, 1952

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

SUBJECT: Application DMEA Docket 2771, (uranium), Gramlich Minerals Inc., applicant, Browns' Hole Property, Gramlich claim group and eight other claims, secs. 27, 28, 33, and 34, T. 28S., R. 23E., San Juan Co. Utah.

Comment

The applicant proposes to explore by about 7500 feet of diamond drilling several claims as more fully identified in the application referred to in the subject above. It is not possible to verify from available data in the Washington files of the Geological Survey the record of production mentioned by the applicant, but the Atomic Energy Commission has examined some of the claims (Hopkins and Pursley 1951, AEC Preliminary Reconnaissance Report GJEB:R-65, and Droullard and Blair, 1952, AEC, Preliminary Reconnaissance Report GJEB:R-170) and recommended small amounts of drilling under AEC auspices. The Survey has no information as to whether or not any drilling has been done. Assuming the correctness of the production figures given by the applicant and in view of the AEC's appraisal the property is worthy of some further exploration.

Information furnished by the applicant is inadequate for evaluating the relation of the proposed exploration to known ore-bodies and their possible extensions or the proposed amount of drilling, though the proposed plan appears reasonable.

Recommendations

As the property appears to be worthy of some exploration, it is recommended that the application be referred to the Field Team for field examination, if necessary, and determination of the appropriate arrangement and amount of drilling. The examining members of the field team should consult with Geologic staffs of the Grand Junction, Colo. offices of the Atomic Energy Commission and Geological Survey to obtain the benefit of their information and suggestions and to ascertain what plans, if any, either group may have for drilling in the area. Information and maps also may be available that would make actual examination unnecessary.

Arthur P. Butler, Jr.

Arthur P. Butler, Jr.

cc: E. Wm. Ellis

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
NOV 26 1952

11/17/52

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

November 14, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 14 1952

Memorandum

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

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

Subject: DMEA Docket No. 2971, Gramlich Minerals, Inc., Moab, Utah.

I have reviewed the application included in the subject docket and discussed it with Mr. Joseph O. Hosted, representative of the U. S. Atomic Energy Commission.

It is recommended that the application be referred to the field team for investigation and report, and that the field team be requested to discuss the application with Mr. Lowell Hilpert, Geological Survey, and Mr. Ernest Gordon, Atomic Energy Commission, Grand Junction, Colorado.

Please note that the subject application, as received by me, did not bear a DMEA number, and was not accompanied by the map referred to by the applicant in the third paragraph of item 5 b.

H. D. Keiser

Attachment

November 10, 1952

Mr. J. W. Gramlich, Sr., President
Gramlich Minerals, Inc.
Moab, Utah

Subject:
Re:

My dear Mr. Gramlich:

The receipt of your application dated November 3, 1952 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2771 and referred to the Rare & Miscellaneous Metals Division.

Kindly refer to DMEA-2771 in any future correspondence relating to your application.

Sincerely yours,

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

25451

November 10, 1952

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned Docket Number to an application recently received from Region IV.

DMEA-2771 - Gramlich Minerals, Inc.

R. E. ADAMS

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

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET 2771

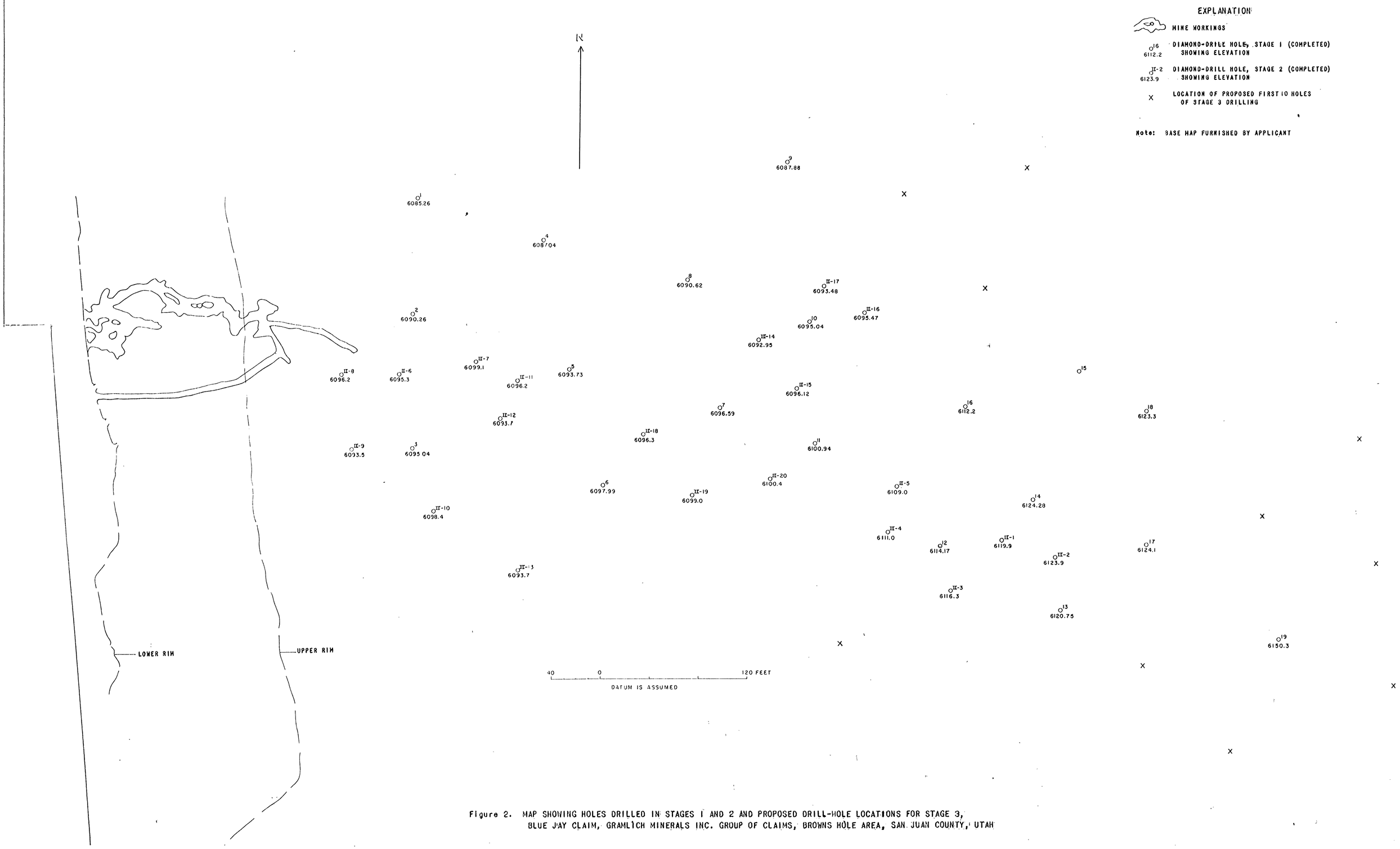


Figure 2. MAP SHOWING HOLES DRILLED IN STAGES 1 AND 2 AND PROPOSED DRILL-HOLE LOCATIONS FOR STAGE 3, BLUE JAY CLAIM, GRAMLICH MINERALS INC. GROUP OF CLAIMS, BROWNS HOLE AREA, SAN JUAN COUNTY, UTAH

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET 2771

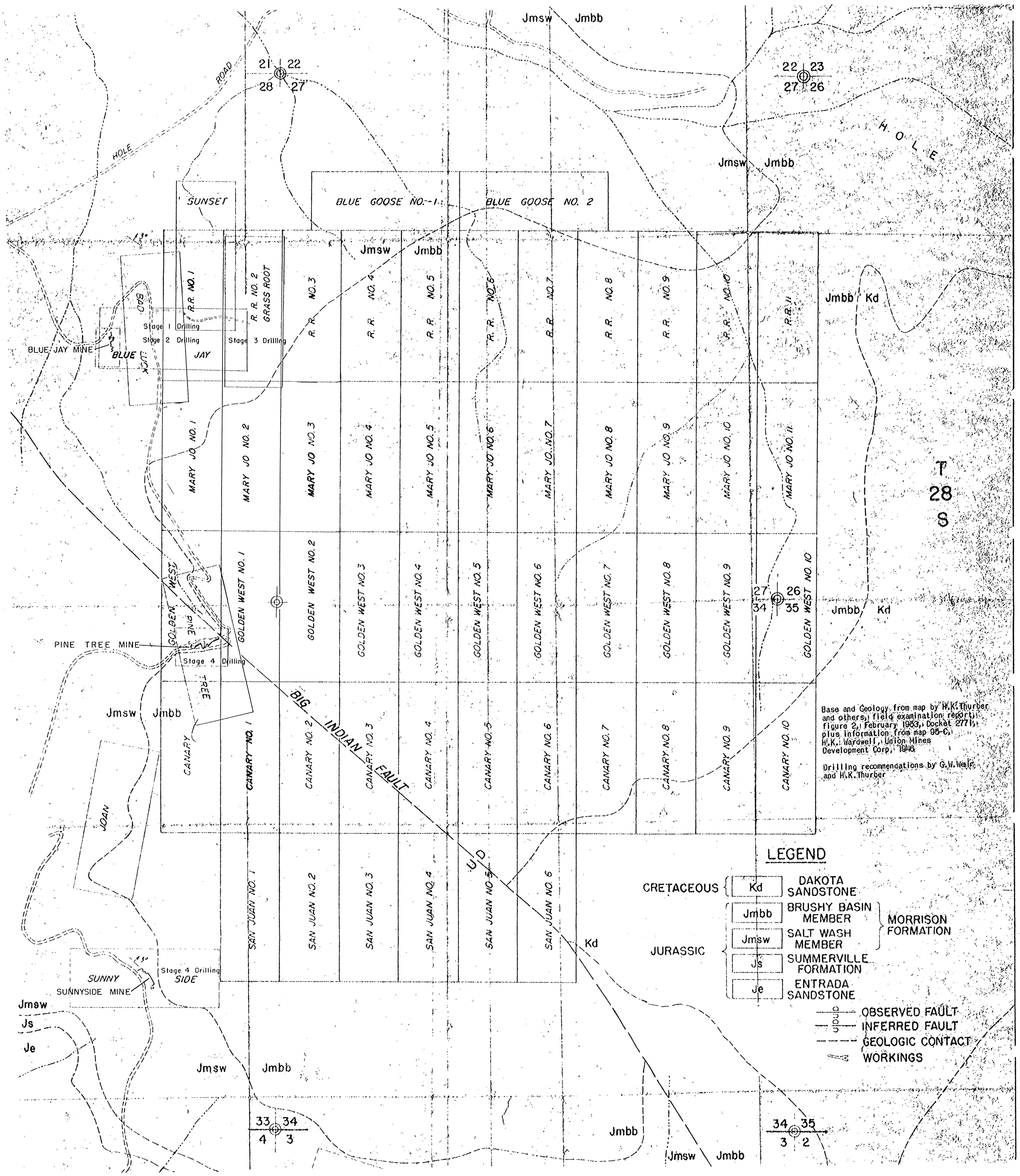
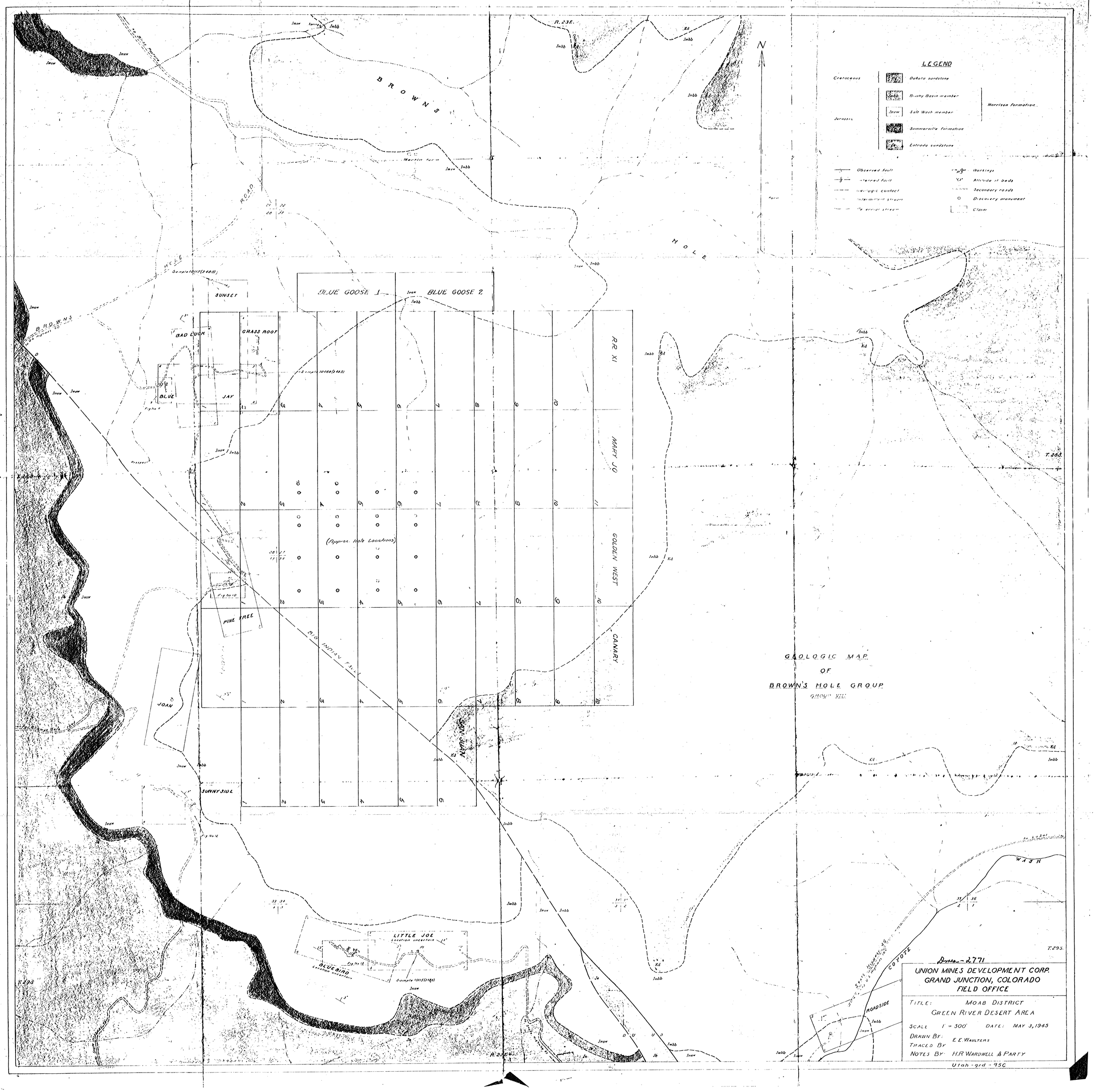
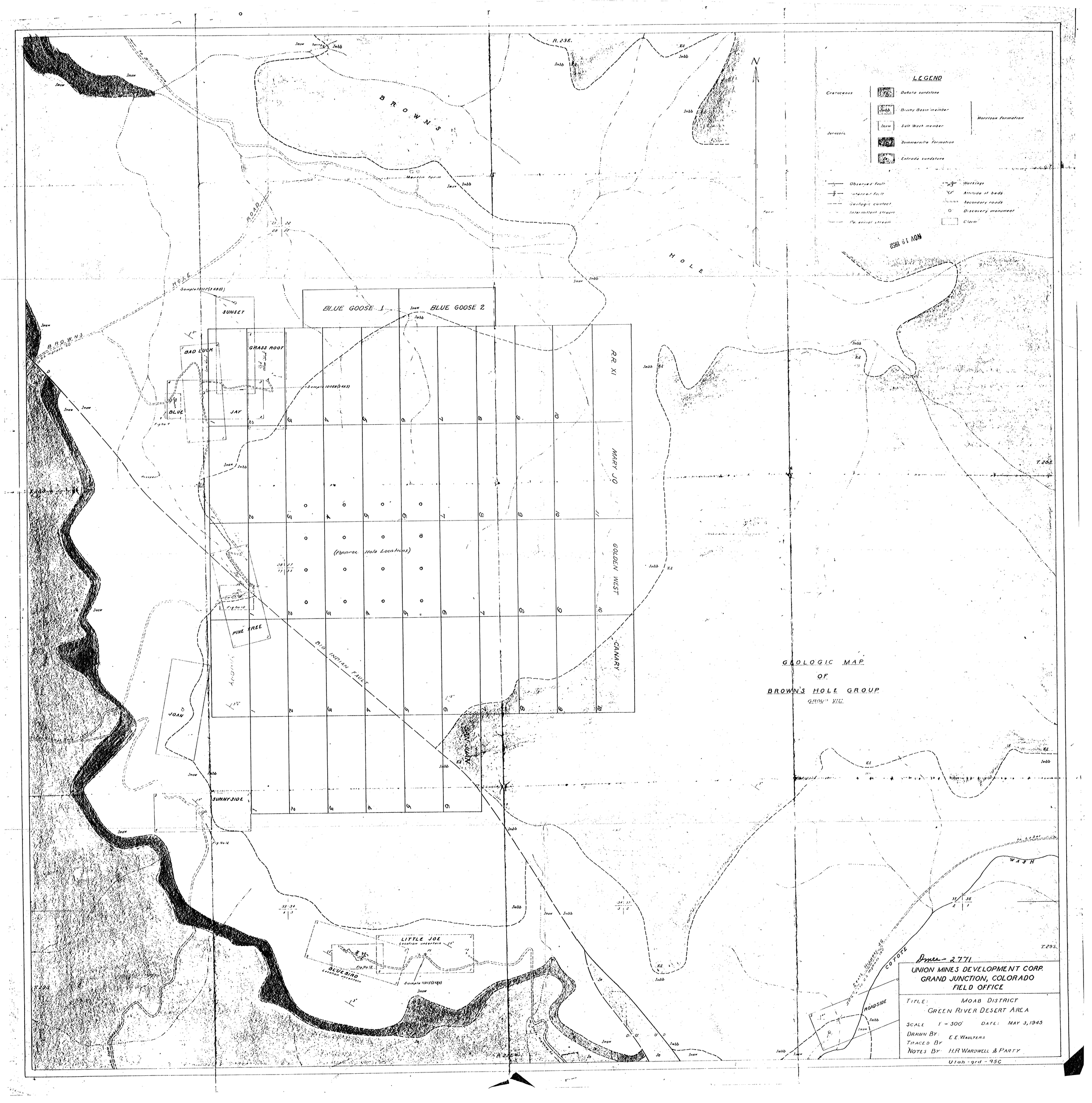


Figure 3. CLAIM MAP OF GRAMLICH MINERALS, INC., LEASE, SHOWING AREAS RECOMMENDED FOR DRILLING UNDER PROPOSED AMENDMENT TO CONTRACT


LEGEND
Cretaceous
Dakota sandstone
Jurassic
Brushy Basin member
Salt Wash member
Morrison Formation
Summerville formation
Entrada sandstone
Observed fault
Inferred fault
Geologic contact
Intermittent stream
Perennial stream
Workings
Attitude of beds
Secondary roads
Discovery monument
Claim
N
R. 23 E.
BROWNS
HOLE
ROAD
BROWNS
BLUE GOOSE 1
BLUE GOOSE 2
SUNSET
BAD LUCK
GRASS ROOT
BLUE
JAY
RR XI
MARY JO
GOLDEN WEST
CANARY
(Approx. Hole Locations)
PINE TREE
BIG INDIAN FAULT
JOAN
SUNNYSIDE
SON JOHN
LITTLE JOE
Location uncertain
BLUEBIRD
Location uncertain
COYOTE
ROADSIDE
WASH
T. 29 S.
T. 28 S.
R. 23 E.
GEOLOGIC MAP
OF
BROWN'S HOLE GROUP
GROUP VII
Dmes-2771
UNION MINES DEVELOPMENT CORP.
GRAND JUNCTION, COLORADO
FIELD OFFICE
TITLE: MOAB DISTRICT
GREEN RIVER DESERT AREA
SCALE 1" = 500' DATE: MAY 3, 1945
DRAWN BY: E.E. WAULTERS
TRACED BY
NOTES BY: H.R. WARDWELL & PARTY
Utah-grd-95C


GEOLOGIC MAP
OF
BROWN'S HOLE GROUP
GROUP VII
LEGEND
Cretaceous
Dakota sandstone
Jurassic
Brushy Basin member
Salt Wash member
Morrison formation
Summerville formation
Entrada sandstone
Observed fault
Interpret fault
Geologic contact
Intermittent stream
Perennial stream
Workings
Attitude of beds
Secondary roads
Discovery monument
Claim
BROWN'S HOLE
BLUE GOOSE 1
BLUE GOOSE 2
SUNSET
BAD LUCK
GRASS ROOT
BLUE JAY
RR XI
MARY JO
GOLDEN WEST
CANARY
PINE TREE
JOAN
SUNNYSIDE
BIG INDIAN FAULT
LITTLE JOE
BLUEBIRD
ROADSIDE
COYOTE WASH
(Approx. Hole Locations)
R. 23E.
T. 28S.
T. 29S.
NOV 19 1952
Dmm-2771
UNION MINES DEVELOPMENT CORP.
GRAND JUNCTION, COLORADO
FIELD OFFICE
TITLE: MOAB DISTRICT
GREEN RIVER DESERT AREA
SCALE 1" = 500'
DATE: MAY 3, 1945
DRAWN BY: E.E. WAULTERS
TRACED BY
NOTES BY: H.R. WARDWELL & PARTY
Utah-grd-95C

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS
EXPLORATION ADMINISTRATION
DOCKET 2771

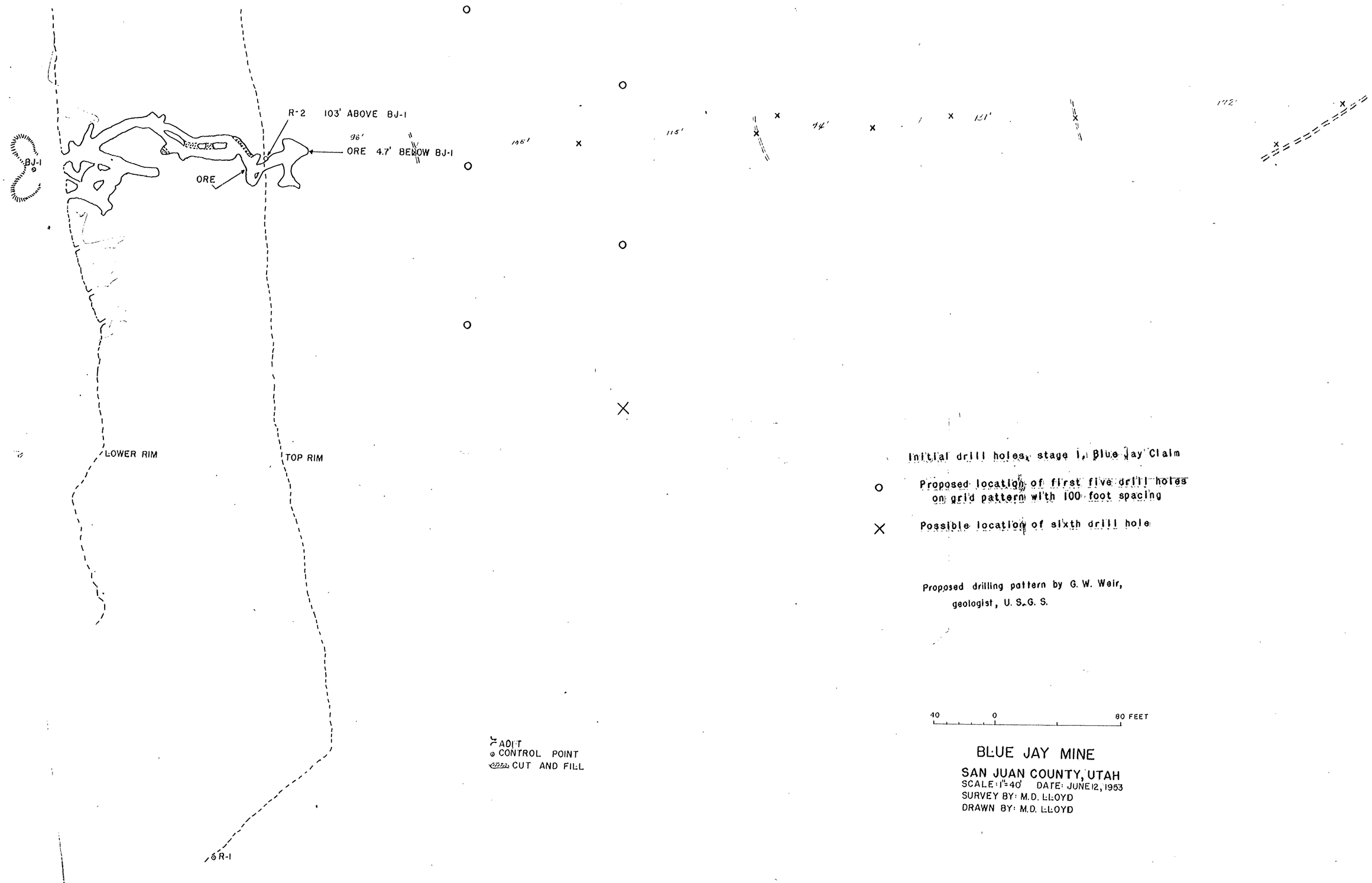
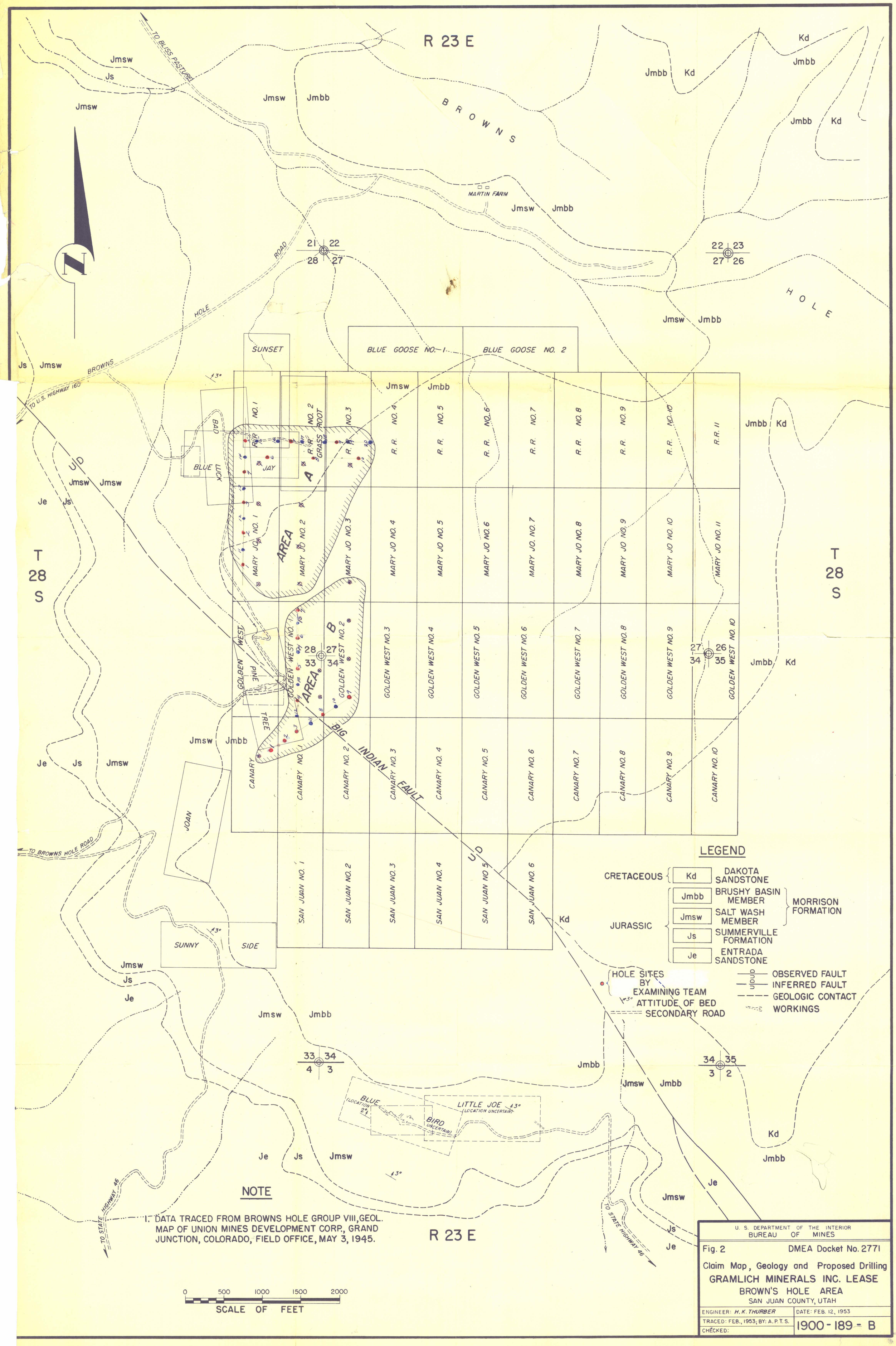


Figure 2. GRAMLICH MINERALS INC. LEASE, BROWN'S HOLE AREA, SAN JUAN COUNTY, UTAH

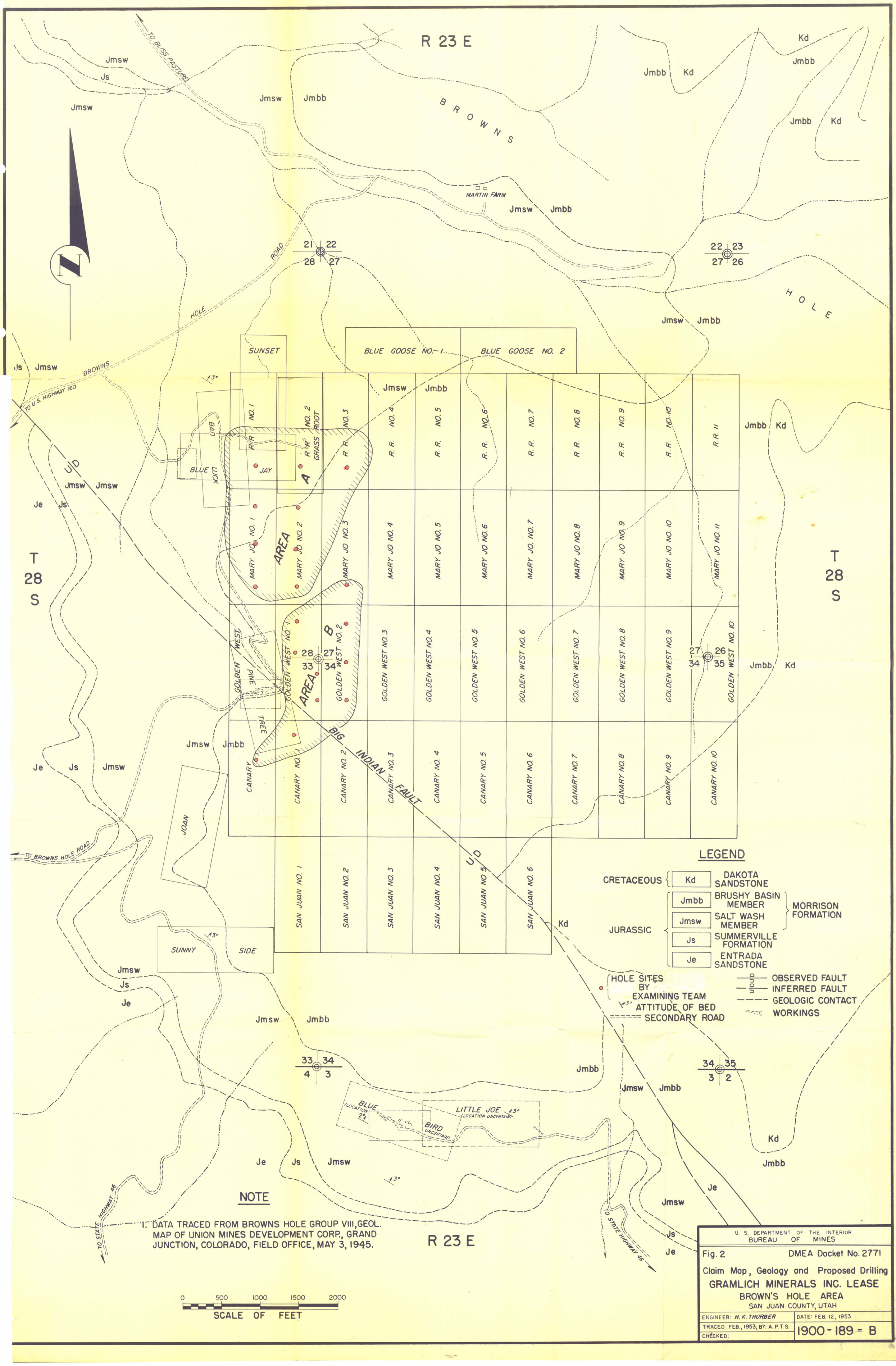


U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Fig. 2 DMEA Docket No. 2771

Claim Map, Geology and Proposed Drilling
GRAMLICH MINERALS INC. LEASE
BROWN'S HOLE AREA
SAN JUAN COUNTY, UTAH

ENGINEER: H. K. THURBER	DATE: FEB. 12, 1953
TRACED: FEB., 1953; BY: A.P.T.S.	1900-189-B
CHECKED:	


R 23 E
TO BLISS PASTURE
BROWNS
HOLE
MARTIN FARM
ROAD
BROWNS HOLE
TO U.S. HIGHWAY 160
SUNSET
BLUE GOOSE NO. 1
BLUE GOOSE NO. 2
BAD LUCK
JAY
GRASS ROOT
GOLDEN WEST
PINE TREE
CANARY
JOAN
SUNNY SIDE
BIG INDIAN FAULT
AREA A
AREA B
R.R. NO. 1
R.R. NO. 2
R.R. NO. 3
R.R. NO. 4
R.R. NO. 5
R.R. NO. 6
R.R. NO. 7
R.R. NO. 8
R.R. NO. 9
R.R. NO. 10
R.R. 11
MARY JO NO. 1
MARY JO NO. 2
MARY JO NO. 3
MARY JO NO. 4
MARY JO NO. 5
MARY JO NO. 6
MARY JO NO. 7
MARY JO NO. 8
MARY JO NO. 9
MARY JO NO. 10
MARY JO NO. 11
GOLDEN WEST NO. 1
GOLDEN WEST NO. 2
GOLDEN WEST NO. 3
GOLDEN WEST NO. 4
GOLDEN WEST NO. 5
GOLDEN WEST NO. 6
GOLDEN WEST NO. 7
GOLDEN WEST NO. 8
GOLDEN WEST NO. 9
GOLDEN WEST NO. 10
CANARY NO. 1
CANARY NO. 2
CANARY NO. 3
CANARY NO. 4
CANARY NO. 5
CANARY NO. 6
CANARY NO. 7
CANARY NO. 8
CANARY NO. 9
CANARY NO. 10
SAN JUAN NO. 1
SAN JUAN NO. 2
SAN JUAN NO. 3
SAN JUAN NO. 4
SAN JUAN NO. 5
SAN JUAN NO. 6
T 28 S
BLUE (LOCATION UNCERTAIN)
BIRD (LOCATION UNCERTAIN)
LITTLE JOE (LOCATION UNCERTAIN)
TO BROWNS HOLE ROAD
TO STATE HIGHWAY 46
Jmsw
Jmbb
Kd
Js
Je
LEGEND
CRETACEOUS
Kd DAKOTA SANDSTONE
JURASSIC
Jmbb BRUSHY BASIN MEMBER
Jmsw SALT WASH MEMBER
MORRISON FORMATION
Js SUMMERVILLE FORMATION
Je ENTRADA SANDSTONE
HOLE SITES BY EXAMINING TEAM
ATTITUDE OF BED
SECONDARY ROAD
OBSERVED FAULT
INFERRED FAULT
GEOLOGIC CONTACT
WORKINGS
NOTE
1. DATA TRACED FROM BROWNS HOLE GROUP VIII, GEOL. MAP OF UNION MINES DEVELOPMENT CORP., GRAND JUNCTION, COLORADO, FIELD OFFICE, MAY 3, 1945.
0 500 1000 1500 2000
SCALE OF FEET
U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Fig. 2
DMEA Docket No. 2771
Claim Map, Geology and Proposed Drilling
GRAMLICH MINERALS INC. LEASE
BROWN'S HOLE AREA
SAN JUAN COUNTY, UTAH
ENGINEER: H. K. THURBER
DATE: FEB. 12, 1953
TRACED: FEB., 1953; BY: A. P. T. S.
CHECKED:
1900-189-B