DMEA Form 9
(Rev. 5/57)

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E No. 873

DMEA NO. 3732

Application (Denied
(Withdrawn
(After disposition, delete items not applicable)

Contract (Terminated - not Certified
(Cancelled
(Terminated - Certified
(Royalty Agreement

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

Folder No. 1:

Left Side

Royalty Audits 1/
Certification of Discovery
✓ Cost Audits 2/
✓ Termination Notice or Agreement
Recision Notice
Assignment of Contract
✓ Contract Amendments
✓ Contract with all exhibits and annexes
Owner's Consent to Lien
✓ Subordination Agreement
✓ Application and attachments
Envelope for maps

Right Side

✓ Project summary
✓ Work completed analysis
All other material filed in chronological order including the following reports if checked:

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

Additional Folders:

Left Side

Folder No.____:
Analysis of Semi-Annual Inspection Reports
Interim Summary Reports by DMEA Engineers

Right Side

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

Folder No.____: Maps (Use pocket folder or envelope.)

Folder No.____: Settlement Sheets

Folder No.____: Drill Logs

Folder No.____: Royalty material

1/ Or reports of royalty review
2/ Or cost reports of review

16592

DEC 26 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Klondike Uranium
114 Atlas Building
Salt Lake City, Utah

pertaining to Exploration Project Contract No. Idm-E873, Docket No. DMEA-3732, including Amendment No. 1, and Termination Agreement dated October 12, 1956, for the months of November, 1955 to December, 1955, inclusive, covering a project for the exploration of uranium on property known as Klondike Claims located in Grand County, 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, DMEA Field Team, and a determination of the reasonableness and propriety of the costs.

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

> All of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit 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		$3,687.50
Exceptions:		
By DMEA Finance Officer	$0.00	
Herewith	0.00	0.00
Total Accepted Cost		$3,687.50

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Two thousand, seven hundred sixty-five and 63/100ths Dollars

** $2,765.63 **

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.

December 17, 1956

T. H. Breding, Auditor

Final Audit Report

Docke[illegible] Copy

Rybin
Sawyer
"Appd. Col. Off."
Murphy
Ellis
Talbot
Selfridge
Schroeder
Mitchell

TERMINATION AGREEMENT

It is agreed this 12th day of October, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Klondike Uranium, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E873, Docket No. DMEA-3732, dated September 15, 1955, as amended, hereinafter called the "Contract," that:

1. Effective January 1, 1956, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute to allowable costs incurred prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government provided for in the Contract with respect to a certification of discovery or development and a percentage royalty and liens for its payment, records, audits, and recovery of any overpayment, are preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By E. M. Hawkinson
Acting Executive Officer
DMEA Field Team, Region III

KLONDIKE URANIUM, INC.

By Frank L. Seymour
Title Vice President

Surname copy

700

Murphy
Ellis

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

August 22, 1956

Memorandum

To: The Administrator

From: Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-3732 (Uranium)
Contract No. Idm-E873
Klondike Uranium, Inc.
Klondike, et al., Claims
Grand County, Utah

JUSTIFICATION FOR PROPOSED TERMINATION AGREEMENT

Date of Contract: September 15, 1955.
Amendment No. 1: March 1, 1956, extends completion date from March 1, 1956, to July 1, 1956

The contract authorized the driving of drifts, crosscuts, and drilling long holes to explore the basal member of the Chinle formation on the Klondike claim and the Beggar claim by means of crosscuts, drifts, and long-hole drilling.

The Operator completed the drift work and long-hole drilling authorized under Stage I for the Klondike claim. On April 19, 1956, the Field Team in a letter to the Operator denied its request for Stage II on the Klondike claim as the drifting did not disclose significant uranium mineralization. The Operator did not start the work authorized to explore the Beggar claims.

In a letter, dated July 26, 1956, to Mr. Traver, Karl F. Buell, secretary of Klondike Uranium, Inc., advised that the corporation's plan to reorganize did not materialize and requested that the remaining work under the contract (exploration on the Beggar claim) be held in recess or abeyance until such time as the corporation could proceed.

In a memorandum, dated August 7, 1956, to the Executive Officer, the Grand Junction office stated in part: "On both geologic grounds and the unsatisfactory financial condition of the company, it is recommended that Contract Idm-E875 be terminated immediately with no certification of discovery."

Mr. Traver's memorandum, dated August 9, 1956, to the Operating Committee concurs in the Grand Junction recommendation.

The Rare and Miscellaneous Metals Division agrees with the conclusions of the Field Team and concurs in the recommendation to terminate the subject contract without certification.

Ernest Wm. Ellis

Ernest Wm. Ellis

FMMurphy/gla
8-22-56
cc to: Docket
Operating Committee
Admr.'s Reading File (original)
Code 700
Mr. Murphy

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MAR 7 5 1956

EXPLORATION PROJECT CONTRACT
KLONDIKE URANIUM, INC.
DOCKET NO. DMEA 3732
CONTRACT NO. IDM-E873

AMENDMENT NO. 1

It is agreed this 1st day of March, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Klondike Uranium, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E873, Docket No. DMEA 3732, dated September 15, 1955, hereinafter called the "Contract," that:

> The time fixed, under "Article 3" of Exploration Project Contract form MF-200A (Revised June 1954), for completion of the work is extended from "March 1, 1956" to "July 1, 1956."

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 fixed unit cost of any item of work.

Executed in sextuplet the day and year first above written.

KLONDIKE URANIUM, INC.

By Duke B. Woods
Duke B. Wood, President

UNITED STATES OF AMERICA

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

SEAL

Docket copy

RECEIVED

OCT 1 0 1955

MF-200A
(Revised June 1954)

Docket No. DMEA - 3732

Commodity Uranium

Contract No. Idm-E 873

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this SEP 1 5 1955 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Klondike Uranium, Inc., a Utah corporation,

whose mailing address is 114 Atlas Building
Salt Lake City 1, Utah,

hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and 3 maps, Figures 1, 2, and 4.

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Utah, County of Grand, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the[4] owner of[5] the entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a[6] see Annex I,[7] recorded in Book ....., Page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: 2½% royalty on any ore sold, payable to Duke B. Woods

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Subordination Agreement of Duke B. Woods.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

16—70618-1

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of uranium. The work to be performed is described in Exhibit "A." The Operator on or before November 1, 1955, shall commence the work, and on or before March 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work, except as otherwise provided in Exhibit "A" with respect to stages of work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $ 15,132.05 The Government will contribute 72 percent of the fixed unit costs as work is performed, in a total sum not in excess of $ 10,349.00 : *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) 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.

(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, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude 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 (1½) 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 (½) 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 (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

KLONDIKE URANIUM, INC.

(Operator)

By Duke B. Woods

Pres

THE UNITED STATES OF AMERICA

By Administrator, Defense Minerals Exploration Administration

"Appd. Sol. Off."

I, Karl F. Reed, certify that I am the secretary of the corporation named as Operator herein; that Duke B. Woods 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.

KLONDIKE URANIUM, INC.
110 Atlas Bldg.
Salt Lake City, Utah

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
KLONDIKE URANIUM, INC.
DOCKET NO. DMEA-3732

Annex I

The land referred to in Article 2 of the contract form consists of sixteen unpatented lode mining claims which are recorded in the office of the County Recorder, Grand County, Utah, as follows:

Claim	Book	Page
Beggar	9 K	306
Beggar No. 2	9 K	307
Beggar No. 3	9 K	307
Red Rock	9 K	309
Mountain View	9 K	310
Klondike	9 K	304
Klondike No. 1	13	289
Klondike No. 3	13	291
Klondike No. 6	13	294
Klondike No. 7	13	295
Klondike No. 8	13	296
Klondike No. 9	13	297
Conglomerate	9 J	587
Black Tree	9 J	587
Island King	9 J	587
Gap No. 1	9 J	152

These claims are in Secs. 11, 12, 13, 14, 23, and 24, T. 25 S., R. 20 E., and in Sec. 19, T. 20 S., R. 21 E., S.L.B. and M., Grand County, Utah. The locations of the claims are shown on the attached claim map, Figure I.

MF-201
Revised March 24, 1955

RECEIVED
OCT 19 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Klondike Uranium, Inc.
Docket No. DMEA- 3732
Contract No. Idm-E
Contract Date

SUBORDINATION AGREEMENT

To the United States of America:

Referring to that certain land in the County of Grand, State of Utah, described as follows:1/

16 unpatented lode mining claims: Bogger, Bogger Nos. 2 and 3, Red Rock, Mountain View, Klondike, Klondike Nos. 1, 3, 6, 7, 8, and 9, Conglomerate Black Tree, Island King, Gap No. 1, recorded in Book K, pages 306, 307, 307, 309, 310 and 304; Book 13, pages 289, 291, 294, 295, 296, 297; Book 9 J, pages 587, 152, all respectively,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Subordinates whatever right, claim, lien or encumbrance the undersigned may have in or against the land to whatever interests, equities, and rights the Government may acquire under the contract (a) with respect to purchased property in or upon the land to the cost of which it has contributed, including the right to dismantle, sever, and remove it from the land; and (b) with respect to a percentage royalty on production from the land and a lien to secure the payment thereof; and

2. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Subordination Agreement; and (b) to give advance notice of this Subordination Agreement to any transferee of the right, claim, lien, or encumbrance hereby subordinated; and

3. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Subordination Agreement shall extend and apply thereto.

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.

(OVER)

Dated this 6th day of September, 1959.

Duke B. Woods [Seal]
Duke B. Woods

[Seal]

[Seal]

I, Karl J. Rice, certify that I am the Secretary, (Secretary, etc.) of the corporation named herein; that Duke B. Woods who signed this agreement was then President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

KLONDIKE URANIUM, INC.
114 Atlas Bldg.
Salt Lake City, Utah

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
KLONDIKE URANIUM, INC.
DOCKET NO. DMRA-3732

EXHIBIT "A"

Description of the Work

The object of this project is to explore the basal member of the Chinle formation by means of drifting, crosscutting, and long-hole drilling.

The work shall be performed in two successive stages. The Operator shall perform all the work under Stage I, and shall perform so much of the work under Stage II as is approved in advance in writing by the Government.

The approximate locations and extents of the drifts and crosscuts described below under each stage are outlined on the attached maps entitled "Figure 2 - Sketch Map Showing Proposed Exploration on the Klondike Claim . . .," and "Figure 4 - Sketch Map Showing Proposed Exploration on Beggar Claim . . ."

Stage I

A. Klondike claim.

1. From a point approximately 100 feet in from the portal of the H. B. Hunt drift, drive a drift in a southwest direction a distance of 125 feet.

2. Approximately 50 feet in from the starting point of the drift, driven under item 1, three holes, each 25 feet in depth, shall be percussion-drilled upward in a fan pattern to test the rock above the drift. The center hole shall be vertical, and the other two holes shall be 45° to 60° upward from horizontal. At each succeeding 25-foot interval as the drift progresses, three test holes shall be drilled using the same drill pattern described above.

3. Not more than 25 samples shall be taken and chemically analyzed for their U_3O_8 and V_2O_5 content.

B. Baggar claim.

1. From a point of maximum mineralization along the rim (approximately 125 feet west from the east side line of the Baggar claim), drive a drift a distance of 100 feet on a bearing of about S. 40° W. At the end of this drift drive a crosscut 50 feet in length into each side wall at right angles to the drift.

2. At points spaced 25 feet apart in the drift and crosscuts described in item 1, one test hole shall be percussion-drilled upward to a depth of 25 feet.

3. Not more than 20 samples shall be taken and chemically analyzed for their U_3O_8 and V_2O_5 content.

Stage II

A. Klondike claim.

1. Advance the drift driven on this claim under Stage I an additional 60 feet in the same southwest direction.

2. Percussion drill three vertical test holes at spaced intervals in the drift advanced under item A.1 of this stage, and also drill one hole from the face of the drift, slightly up from horizontal and in the same direction as the drift. Each hole shall be 25 feet in depth. Not in excess of 10 samples shall be taken and chemically analyzed for their U_3O_8 and V_2O_5 content.

B. Baggar claim.

1. Advance the drift driven on this claim under Stage I an additional 100 feet on the same approximate S. 40° W. bearing. At the end of this drift, drive a crosscut 50 feet in length into each side wall at right angles to the drift.

2. At points spaced 25 feet apart in the drift and crosscuts driven under item B.1 of this stage, one hole shall be percussion-drilled upward to a depth of 25 feet. Not in excess of 20 samples shall be taken and chemically analyzed for their U_3O_8 and V_2O_5 content.

General Provisions

1. All drifts and crosscuts shall be driven on the contact horizon of the basal member of the Chinle and the underlying purple-white bed which is believed to be the basal marker of the ore-bearing Chinle basal unit. The drifts and crosscuts shall be driven so as to keep the Chinle-purple-white bed contact in the upper half of the face of the opening, except in places where the Chinle may scour down to the Moenkopi formation in which case the marker horizon shall be the Chinle-Moenkopi contact. It is estimated that the drifts on the Klondike and Beggar claims will have to be driven on a minus 6 to 12 degree grade in order to follow the Chinle-purple-white bed contact.

2. All drifts and crosscuts shall be a minimum size of 5 feet by 7 feet in cross section in clear of timber. 1/

3. Material from each round broken in the drifts and crosscuts, a channel sample of each new face, and all cuttings from the long percussion-drilled holes, shall be tested radiometrically. Material, cuttings, and samples showing higher than normal radioactivity shall be split for sample purposes. One half of each sample shall be properly identified and stored for Government use, and the other half shall be chemically analyzed for its U_3O_8 and V_2O_5 content.

4. A supervisor shall be employed full time to direct the work under this contract.

5. The location, direction, and extent of all work are subject to the approval of the Government.

Fixed Unit Costs

Klondike claim

Stage I

125 feet drift @ $29.50/ft.	$ 3,687.50
300 feet percussion drill hole @ $1.00/ft.	300.00
Use of radiometric-testing instrument, 2 months @ $100.00/mo.	200.00

1/ All workings shall be timbered as necessary.

25 chemical analyses @ $5.00 each sample	$ 125.00	$ 4,312.50
Stage II		
60 feet drift @ $29.50/ft.	1,770.00	
100 feet percussion drill hole @ $1.00/ft.	100.00	
Use of radiometric-testing instrument, 1 month @ $100.00/month	100.00	
10 chemical analyses @ $5.00 each sample	50.00	2,020.00
Bagwar claim		
Stage I		
100 feet drift @ $29.50/ft.	2,950.00	
100 feet of crosscut @ $29.50/ft.	2,950.00	
200 feet percussion drill hole @ $1.00/ft.	200.00	
Use of radiometric-testing instrument, 2 months @ $100.00/month	200.00	
20 chemical analyses @ $5.00 each sample	100.00	6,400.00
Stage II		
100 feet drift @ $29.50/ft.	2,950.00	
100 feet of crosscut @ $29.50/ft.	2,950.00	
200 feet percussion drill hole @ $1.00/ft.	200.00	
Use of radiometric-testing instrument, 2 months @ $100.00/month	200.00	

20 chemical analyses @ $5.00 each sample	$ 100.00	$ 6,400.00
Estimated Total Cost of Project (rounded)		$19,132.00
Government Participation @ 75%		$14,349.00

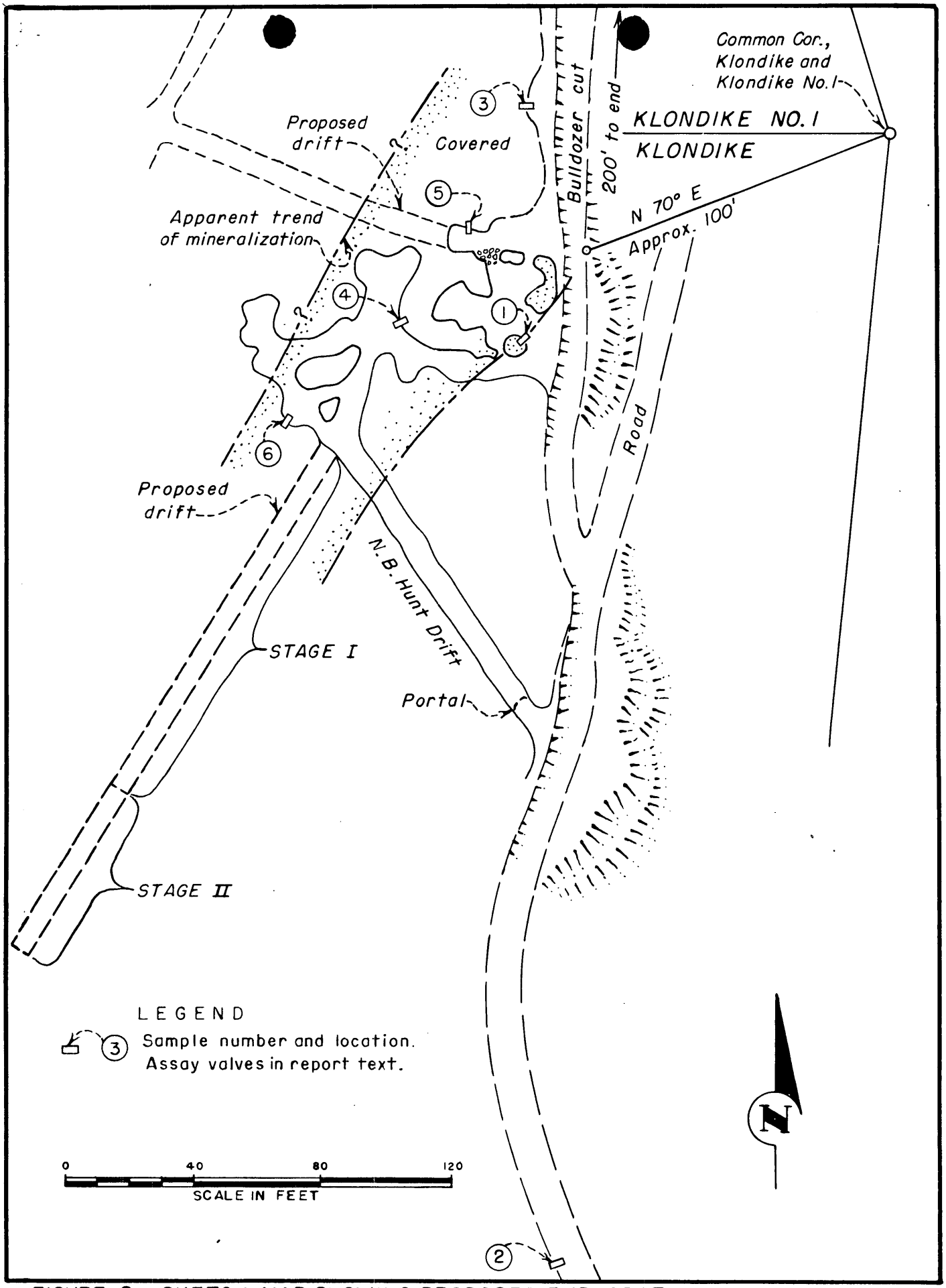


FIGURE 2 - SKETCH MAP SHOWING PROPOSED EXPLORATION ON THE KLONDIKE CLAIM, KLONDIKE URANIUM, INC., GRAND COUNTY, UTAH. DMEA 3732

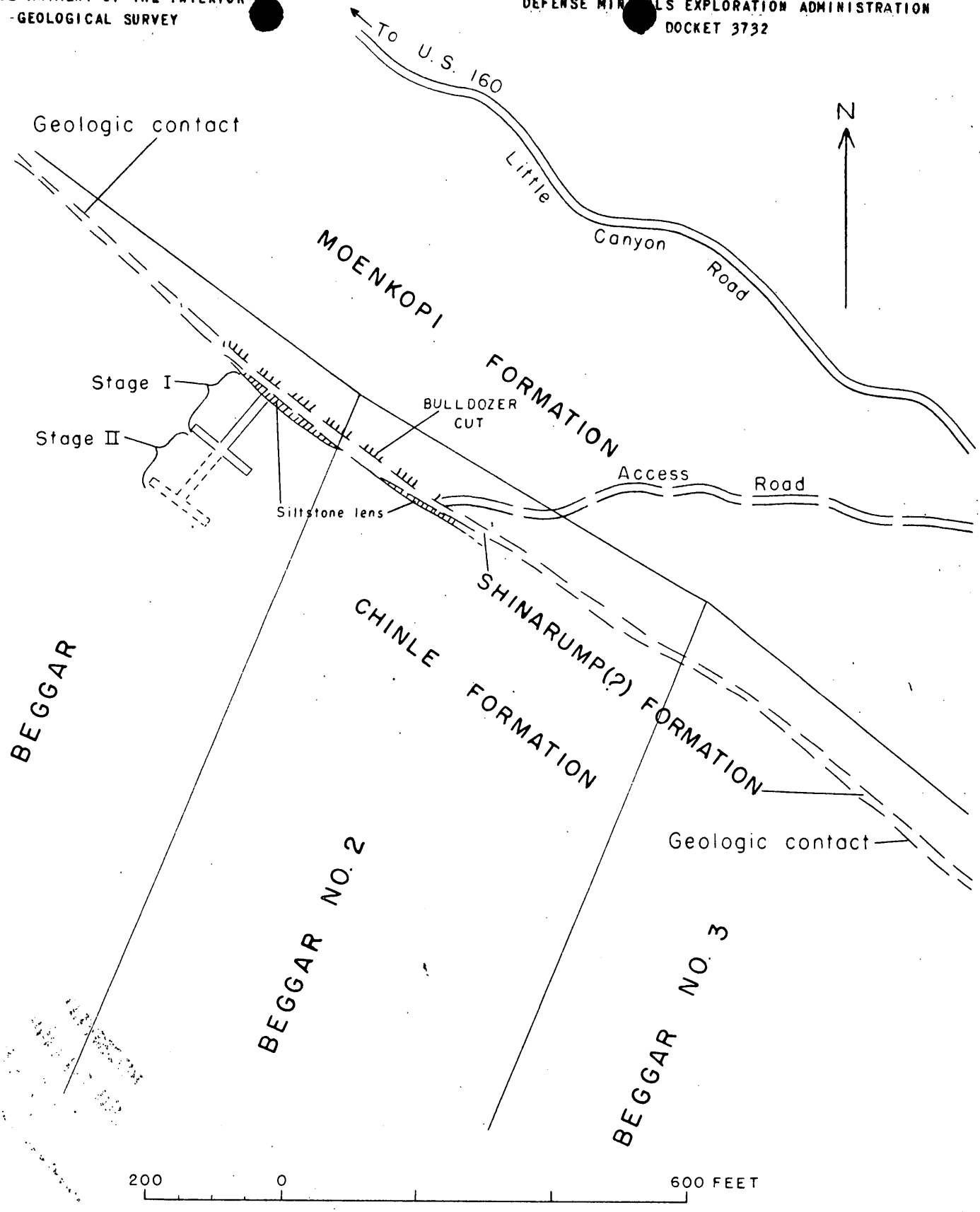


Figure 4. SKETCH MAP SHOWING PROPOSED EXPLORATION ON BEGGAR CLAIM
KLONDIKE URANIUM, INC., GRAND COUNTY, UTAH

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

224 New Customhouse
Denver 2, Colorado

March 15, 1955

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA assistance (Uranium), Klondike Uranium, Incorporated, Little Canyon Area, Grand County, Utah

Enclosed is the original and two copies of the subject application for exploration assistance in the amount of $54,380.00.

A copy of the application is being retained in this office.

W. M. Traver

Enclosures

W. M. Traver

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DMEA
Date Rec'd.
FEB 23 1955
BUREAU OF MINES
Denver, Colorado

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. 3732
Metal or Mineral Uranium
Date Received 3-21-55
Estimated Cost $54,380
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: Klondike Uranium, Inc. 114 Atlas Building, Salt Lake City 1, Utah
A corporation, incorporated under the laws of the State of 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. See attached Sheet.

(*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 See attached sheet.

(*b*) State any mine name by which the property is known. See attached sheet.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Owner. See attached sheet.

(*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. Not applicable.

(*e*) If you own the land, describe any liens or encumbrances on it See attached sheet.

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. See 3a on attached sheet.

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. See attached sheet.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. See attached sheet.

(*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. See attached sheet.

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

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power. See attached sheet.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you will explore Uranium

(*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. See attached Sheet.

(*c*) The work will start within 60 days and be completed within 16 months from the date of an exploration project contract.

(*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. See attached sheet.

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.).

(*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.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*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.

(*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.

(*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.

(*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.

(*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. The use of the short form contract is requested. See attached sheet.

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)? Yes.

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

☐ Money ☒ Use of equipment owned by you ☒ Other

Explain in detail on acompanying paper.

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 Feb. 19, 1955, 195__

Klondike Uranium Inc.
(Applicant)

By Clarke B. Woods 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

DMEA-3732

DMEA
Date Rec'd
FEB 23 1955
BUREAU OF MINES
Denver, Colorado

Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City, Utah

W. H. King, Executive Officer
D.M.E.A., Region III
Bureau of Mines
224 New Customhouse,
Denver 2, Colorado.

Dear Sir:

Attached is an application for a DMEA loan for assistance in exploration of the Klondike Uranium, Inc. property, Little Canyon area, Grand County, Utah.

An application for an exploration loan on some claims in the same area was made in 1952 under the name of Duke B. Woods but probably due to the approval of the loan on the Thornburg property in the same district the former application was denied. It is believed that recent work on the claims and favorable results obtained by the exploration on the Thornburg property warrent the resubmission of an application and the reconsideration by the Government of the application.

It will be noted that the application is made in the name of the Klondike Uranium, Inc. This corporation has the services of men trained in the fields of geology and mining as well as accounting and law thus will be well able to carry out the requirements of a DMEA contract in a thorough and workmanlike manner.

The early attention to this application by the DMEA will be appreciated. Any correspondence should be addressed to Klondike Uranium, Inc., 114 Atlas Building, Salt Lake City, Utah.

Very truly yours,

Duke B. Woods

Duke B. Woods.

DMEA application
Klondike Uranium, Inc.
114 Atlas Building.
Salt Lake City 1, Utah

1 (c) Officers:

Duke B. Woods, President and Director
P.O. Box 351 Moab, Utah

Frank L. Seymour, Vice President and Director
317 Main Street, Grand Junction, Colo.

Karl F. Buell, Secretary, Treasurer and Director
114 Atlas Building, Salt Lake City 1, Utah

3 (a) The claims upon which the applicant wishes to explore are the following, all located in parts of Sec. 13, 14, 18, 19, 23 and 24, T 25 S, R21 E, SLB&M, Grand County, Utah:

R 20 E

	Book	Page
Beggar	9K	306
Beggar No. 2	9K	307
Beggar No. 3	9K	308
Red Rock	9K	309
Mountain View	9K	310
Klondike	9K	304
Klondike No. 1	9K	303
Klondike No. 3	9K	305
Klondike No. 6	9N	394
Klondike No. 7	10	403
Klondike No. 8	12	41A
Klondike No. 9	12	45
Conglomerate	9J	587
Black Tree	9J	587
Island Mesa	9J	587
Cap No. 1	9J	152

The above listed claims were held by right of location by Duke B. Woods and were purchased from him as noted below.

The filing data shown is for location notices amended pursuant to Public Law 585 which allows the location of mining claims on pre-existing Federal oil and gas leases and refers to records of the County Recorder, Grand County, Utah.

3 (b) The applicant, Klondike Uranium, Inc., purchased Mr. Woods' entire interest, as sole owner, upon formation of the corporation.

3 (d) Not applicable

3 (e) There are no liens or encumbrances against the claims held by the corporation with the exception of a 2.5 per cent royalty to Mr. Woods on the gross receipts from the sale of any ores from the claims.

3 (f) See 3(a) for applicable filing date.

4 (a) The major workings on the claims upon which exploration work is proposed are on the Klondike Claim and consist of approximately 400 linear feet of drifts and stopes, the plan of which is shown on Figure 2 of the attached geologic report by Dr. Don A. Hansen which is made part of this application. These workings and a short adit on Klondike No. 3 claim constitute all of the workings on the group of claims. These openings were driven by Mr. Woods or by lessees.

Bulldozer rim stripping has been done on a few of the claims in the group by a former lessee and by Klondike Uranium, Inc., during December, 1954. The former work did not result in significant discovery of ore due in part to the shallow depth to which the cuts were made. The latter work by the applicant resulted in the discovery of an outcrop of an ore body approximately 185 feet long and an average of approximately 2 feet thick. Further work is planned in the area of this outcrop to delimit the extent of the apparent channel.

The mine workings are all open and may be examined and sampled at any time. The areas of stripping may be driven to in a passenger car if weather conditions are normal.

4 (b) Past production from the stopes and drifts on the Klondike claim has totalled approximately $7,000. gross value of ore containing an average of approximately 0.30 per cent U_3O_8.

4 (c) The geologic features of the Little Canyon area and the ore deposits on the claims are described in the report by Dr. Don A. Hansen mentioned in a foregoing paragraph. This report is made part of the application and need not be returned.

The applicant wishes to explore to determine the possible extension of mineralization from known outcrops and to attempt to find other mineralized areas on the claims.

4 (d) The area of proposed exploration is easily accessible in all weather except during heavy rain. The workings on the Klondike claim are 2.3 miles via dirt road from U. S. Highway 160 and 7.8 miles from the newly activated Atomic Energy Commission sampling plant and buying station near Moab, Utah.

The area of the claims is approximately 10 miles from Moab, Utah, the nearest supply center and 25 miles from Crescent Junction, a loading point on the Denver and Rio Grande Railroad and the junction of U. S. Highway 160 and U. S. Highway 6 and 50.

4 (e) Manpower, equipment and supplies sufficient for the proposed exploration are available at Moab, Utah. Although no electric power will be required for the proposed exploration, the recently completed power line owned by Utah Power and Light Company passes within 3/8 of a mile of the group of claims. Water for mine use must be hauled from springs on the property or from the Moab area.

5 (a) The applicant wishes to explore for uranium.

5 (b) The proposed exploration on the claims named in a foregoing paragraph will consist of underground drifting, underground diamond drilling and surface rim stripping. The proposed work is outlined below.

I. Rim stripping

On Beggar, Beggar No. 2, Beggar No. 3, Red Rock and Mt. View claims. Estimated length 2,500 feet
Shown on Figure 1 of attached geologic report

On Klondike, Klondike No. 1, Klondike No. 3, Klondike No. 5, Klondike No. 6, Klondike No. 7, No. 8, No. 9, Island Mesa, Conglomerate, Black Tree, Gap No. 1 claims. Estimated length 6,500 feet, shown on Figure 1 of attached geologic report.

Total rim stripping	9,000 feet
Access road to stripping sites	2,000 "
Total roads and rim stripping, linear feet	11,000 feet

II. Underground drifting

On Beggar and Beggar No. 2 claims, down dip from rim exposures found by rim stripping done by the applicant. 400 linear feet of drifting and cross cutting on each claim in a pattern similar to that shown on annotated map, "Map of Rim Stripping Progress, Beggar Group", attached. The total of 800 feet of drifting and cross cutting will show if the mineralization discovered on the outcrops continues down dip and will aid in determining the pattern of deposition to guide further exploration.

On Klondike and Klondike No. 1 claims, drifting is proposed from existing workings along the strike of the bed into unexplored area and down dip into unexplored area. A total of 700 feet of drifting and cross-cutting in this area should show a pattern of mineralization to be followed by the applicant in further work. Part of this proposed drifting is shown on Figure 2 of the attached geologic report.

III. Underground diamond core drilling

From observation of the occurrence of the ore found on the property by the work already done by Mr. Woods and by Klondike Uranium, Inc., it appears that a marked similarity exists between the Little Canyon deposits and the deposits on the Seven Mile property operated by the Thornburg Uranium Mines, Inc., and the Hunt Oil Company. The ore in the latter deposits occurs at various levels in the lower part of the Triassic Chinle formation and remnants of the Triassic Shinarump and a significant increase in ore reserves in the Thornburg mine was found by drilling vertical up and down holes from the exploratory drifts driven under a DMEA Contract. It is therefore proposed to drill 25 foot to 40 foot diamond core drill holes up and down from drifts proposed by the applicant as outlined in foregoing paragraphs. Diamond core drilling with underground equipment, though more expensive than percussion long hole drilling, will produce definitive results.

Discussion with Thornburg employees indicates that the obtaining of sludge samples with the percussion drill was difficult, since no equipment was available for that purpose.
It is proposed to drill up and down holes from stations at 50 feet intervals in the drifts and crosscuts. A total of 32 holes would be drilled from the drifts on the Beggar and Beggar No. 2 claims and a total of 28 holes on the Klondike and Klondike No. 1 claims. The average depth of the holes is estimated to be approximately 25 feet, thus a total footage of approximately 1,500 feet would be drilled from both workings. Cores would be obtained and properly stored for examination and analysis.

5 (c) 60 days and 16 months

5 (d) Mr. Duke B. Woods will supervise the actual work on any proposed exploration program. His experience in the mining of and exploration for uranium ore has been varied and has extended over a long period of years. He has mined in the Morrison formation before the present upsurge of interest in uranium and has done exploratory work in the Shinarump since 1941 when he was associated with Babble and Murphy as original locators in the Little Canyon and Seven Mile districts. He is familiar with the operation and maintenance of most type of underground and surface exploration equipment used in the uranium field.

The Klondike Uranium, Inc., has associated with it persons trained in geology, mining, engineering, accounting and law and are able to call upon any of these persons for assistance at any time. The applicant therefore feels that he is qualified to do the work outlined in a proper and economical manner.

6. Estimate of costs.

The applicant believes that the work proposed can be done under the DMEA Short Form Contract and has calculated costs to conform with this contract form. Discussion with other operators in the area who have worked or are now working under DMEA Contracts has assisted in arriving at estimated costs under different categories of work.

I. Surface rim stripping and access road building on claims listed in Section 5(b) 11,000 feet total length, 60 days working time required. at 8 hrs. per day, 480 hours operating time at $12.00 per hour	$ 5,760.00
II. Drifting and crosscutting, Beggar and Beggar No. 2 claims. Approximately 800 linear feet at $30.00 per foot over all cost	24,000.00
Drifting and crosscutting Klondike and Klonkike No, 1 claims, 700 feet at $28.00 per foot over all cost	19,690.00

(Note: The cost difference of $2.00 per foot is occasioned by the cost of hoisting in the Beggar workings due to the 8o to 12o dip of the strata in this area.)

III. Underground diamond core drilling. 1,500 feet at estimated $3,00 per foot over all cost	$ 4,500.00
IV. Sample analysis	
130 analysis of core drill hole samples and surface and underground channel samples at $4.00 each	520.00
Total estimated costs for exploratory work proposed	$54,380.00

7 (a) Yes

7 (b) The cost of the exploration work will be borne by the corporation until reimbursed by the Government for its share of the expenses.

GEOLOGICAL REPORT ON THE
DUKE WOODS PROPERTY
LOCATED IN THE LITTLE CANYON AREA
GRAND COUNTY, UTAH

By

Dr. Don A. Hansen

Geologist

November 1, 1954

GEOLOGICAL REPORT ON THE DUKE WOODS PROPERTY

LOCATED IN THE LITTLE CANYON AREA GRAND ~~CANYON~~ COUNTY, UTAH

INTRODUCTION

At the request of the organizers of the Klondike Uranium Corporation, an examination was made of a group of 43 claims in Little Canyon, Grand County, Utah, held by Duke Woods of Moab, Utah. The examination was made on September 25 and 26, 1954, to determine the possibility of conducting a successful mining operation and exploration program on the claims.

During the examination, the underground workings on the Klondike claim and mineralized outcrops on the Mountain View and Beggar number 2 claims were examined. Samples were taken in the mine workings and on the mineralized exposures of the surface outcrops. The underground workings were mapped and geologic conditions on other areas of the claims were observed.

This report presents the results of the examinations, the conclusions and recommendations for exploration work on certain of the claims.

LOCATION AND ACCESSIBILITY

The group of claims under discussion lies in parts of Sections 11, 12, 13, 14, 23 and 24 of Township 25 South, Range 20 East, Salt Lake Base and Meridian, in Little Canyon area, Seven Mile District, Grand County, Utah. The existing workings on the Klondike claim lie 2.3 miles via. dirt road from U. S. Highway No. 160, the Crescent Junction to Moab Highway, and approximately 7.8 miles from the site of the nearly completed Atomic Energy Commission sampling plant and ore buying station north of Moab.

The claims are approximately 10 miles from Moab, Utah, the closest supply center, and 25 miles from Crescent Junction, a loading point on the Denver & Rio Grande Railroad and the Junction of U. S. Highway 160 and U. S. Highway 6 and 50.

HISTORY AND OWNERSHIP

Various claims of the group of 43 claims under discussion were located between 1948 and 1952 by Mr. Woods and other persons or groups who assigned their interests to Mr. Woods. Because part of the area of the claims in Sections 13 and 24 is covered by currently valid pre-existing Federal oil and gas and potash leases, the location notices of the claims affected were amended in December, 1953 under the provisions of the Public Law 250 which established the validity of claims in conflict with oil and gas leases.

Upon the advice of counsel, Mr. Woods has relocated the claims lying on the areas of the above mentioned Federal leases pursuant to the requirements of the recently passed Public Law 585 which, in effect, allows multiple use of public domain for oil exploration and mining.

The groups of claims under discussion are the following:
The Klondike Nos. 1 to 20, inclusive; the Moab Nos. 1 to 11 and No. 45; Red Rock; Mountain View; Beggar, Beggar No. 2, Beggar No. 3; Gap, Gap No. 2, Gap No. 3; Conglomerate, Black Tree and Island Mesa claims. The latter three claims, it should be noted, were located by Paul Ziak in 1950, but are presently controlled by Mr. Woods under an agreement with Mr. Ziak. *1 The filing data on the above claims is attached to this report as Appendix 1 and the relationship of the groups is shown on Figure 1, attached.

PRODUCTION AND EXISTING DEVELOPMENT

Production from the workings on the Klondike claim is reported to have totaled approximately $7,000 gross value. This production has come from stopes and drifts within the mineralized zone indicated on Figure 2 attached. The grade is reported to have averaged approximately 0.30 per cent U_3O_8. The shipments were made to the Colorado Plateau Uranium Ore Project, Ore Purchasing Depot at Monticello, Utah. No production has come from any other area on the claims.

As indicated on Figure 2, approximately 400 feet of underground workings have been driven on the Klondike claim. All work except the drift driven by the N. B. Hunt Company, so indicated on the map, was done by Mr. Woods or lessees. An adit was begun on the Klondike No. 3 claim by the N. B. Hunt Company, but was driven less than 50 feet before the termination of their lease. Sampling and observation of the workings on the Klondike claim indicate that minable ore remains in these workings.

Rim stripping totalling approximately 1,200 feet has been done on the Klondike group of claims on outcrops of the ore horizon. The results of this work, however, are not definitive.

In addition to the underground work and rim stripping, roads have been built to allow access to most of the claims under discussion. A road must be built to the Beggar group of claims before exploration can be done there. This is discussed in a later paragraph.

GEOLOGY AND ORE DEPOSITS

The lowest stratigraphic unit in the area of Little Canyon is the Permian Cutler-Rico formation, a series of red to purple colored massive sandstones and sandy mudstones which erode into distinctive columnar

shapes. Of the total Cutler-Rico thickness of approximately 1,000 feet, only the upper 600 or 700 feet is exposed in this area. This formation forms the base of the cliff on the west side of Court House Wash which lies east of the claims under discussion.

Overlying the Cutler-Rico formation is the Triassic Moenkopi formation, a series of regularly bedded chocolate brown mudstones and fine grained sandstones with some buff colored beds of sandstone whose color is masked by wash from the darker beds. The Moenkopi formation is estimated to be approximately 200 feet thick in the Little Canyon area.

Unconformably overlying the Moenkopi formation are the conglomerate, coarse sandstone and gray mudstone lenses of the Triassic Shinarump formation, which, in this area, does not attain a thickness of more than about 15 feet. The Shinarump formation is believed to be the ore horizon in Little Canyon but the possibility exists that the mineralization on the Klondike claim discussed below may be in the lower beds of the overlying Chinle formation. Available maps show that the Shinarump, as a mapable unit, is absent in the areas north of the Beggar group of claims. This is indicated on the attached areal geologic map, Figure 1.

Overlying the Shinarump formation is the Triassic Chinle formation, a uniformly bedded series of red mudstones and coarse sandstone beds usually gray or brown in color aggregating approximately 200 feet in thickness. The Chinle formation typically forms talus slopes which sometimes masks the character of the beds. The bottom contact is graduational into the underlying Shinarump formation. In some other areas the Chinle formation is mineralized in association with carbonaceous material. The Seven Mile Mine owned by the Thornburg Uranium Mining

Company Inc., approximately four miles north of the area under consideration, is in the lower beds of the Chinle formation.

Conformably overlying the Triassic Chinle formation is the Jurassic Wingate formation, a massive salmon colored sandstone probably of aeolian origin which is approximately 300 feet thick in this area. The Wingate forms a vertical cliff over its entire thickness, a unique characteristic exhibited in most of the areas where this sedimentary unit outcrops.

The youngest sedimentary unit exposed on the group of claims under discussion is the Jurassic Kayenta formation, a series of red and buff colored sandstone beds with interbedded red shales and mudstones. The Kayenta is 250 to 300 feet thick where it is exposed in other nearby areas but only part of the total thickness remains in the area shown on Figure 1.

The sediments in the area of Little Canyon are on the west limb of the Moab anticline and dip gently to the west at a maximum angle of about 8° to 10°. As a result of this dip, the Shinarump formation exposed high on the walls of Little Canyon near its head disappears under the overlying sediments down the canyon from the Klondike workings. This is shown on Figure 1.

A major structural feature near the claims is the Moab Fault, which has been mapped for approximately 30 miles along its strike. It has been traced from north of the Thornburg property to a point approximately 13 miles south of Moab. In the area of the claims, the fault has a displacement of approximately 1,800 feet and strikes North 20° to 30° West. The high wall forming the west side of Courthouse Wash is the eroded fault scarp.

The uranium ore observed in the Klondike workings occurs, for the most part, in association with carbonaceous material in the form of fossil trees and trash carbon and as an impregnation in the coarse iron stained sandstones which occur in lenticular beds interfingering with lenses of gray mudstone and conglomerate. A green fluorescent mineral (metazeunerite) may be seen in fractures in the gray mudstone. This may constitute a secondary deposition from the unidentified black uranium mineral associated with the carbonaceous material, but where sampled, the green mineral is sufficiently concentrated to constitute minable ore.

The mineralized zone as outlined by sampling and observation with a geiger counter in the workings on the Klondike claim is approximately 60 feet wide and 130 feet long and the ore is apparently continuing down dip from the southern-most limits of the workings in the area of Sample 6 as shown on Figure 2. The production reported in an earlier paragraph came from these workings within the limits of the mineralized zone. The drift driven by the N. B. Hunt Company was, for the most part, above the ore. Sample 6, a 1.7 foot chip sample, was cut below the floor of the drift in a sump.

The interfingering character of the conglomerate, coarse sandstone and mudstones are believed to be indicative of channel deposition, a condition favorable for ore deposition in the Shinarump. Furthering the belief that the area represents a channel deposit is the existence of a well-defined lens of coarse to medium grained sandstone observable on the surface immediately above the ore. This lens reaches its maximum thickness above the main workings and apparently thins to a feather edge to the north and to the south of the mine area. However, insufficient work

has been done to determine the course of the supposed channel.

The location of samples taken during the examination is indicated on Figure 2. Although they are too few and too irregulary spaced to allow the estimation of an ore reserve, the samples indicate the thickness and the tenor of the ore in the workings. The samples and their assay values are tabulated below.

Sample Number	Length of cut, feet	Radiometric U_3O_8 per cent	Chemical U_3O_8 per cent
1	1,5	0.35	0.267
2	grab	0.02	0.033
3	Composite of 3 1.5' cuts	0.15	0.245
4	2.5	0.08	0.160
5	2.0	0.31	0.335
6	1.7	-	0.122

The weighted average of the assay values from the above table is 0.21 per cent U_3O_8 and the average length of cut is 1,8 feet. The price per ton of ore of this grade is $31.65 before haulage allowance. It is probable that ore of this thickness and grade can be extracted at a profit if selective mining is done.

On the Beggar No. 2 claim, a conglomerate lens approximately 200 feet long is exposed in intermittently through the talus cover. This lens is an average of 3 feet thick; some radiometric evidence of mineralization was observed over most of the exposures of the lens but the greatest activity is found at the south end of the lens where it thins to approximately 1½ feet. A selected sample from the mudstone below the

conglomerate produced an assay value of 0.176 per cent U_3O_8 and a high grade specimen contained 5.16 percent U_3O_8. This mineralized zone is insufficiently exposed to properly evaluate the extent or grade of ore in the area, but there is the possibility that it may represent an ore reserve of significant size. In a U. S. Geological Survey report on the area of the Thornburg property Warren Finch reports that in two cases ore concentration occurs near the edge of similar conglomerate lenses. (U.S.G.S. Circ. 336, 1954). Mr. Finch considers this relationship to be a significant guide to ore in the Seven Mile district.

Uranium mineralization also occurs on the Mountain View claim where a selected sample containing 0.252 per cent U_3O_8 was taken. The occurrence there was similar to the mineralization on the Beggar No. 2 claim.

CONCLUSIONS AND RECOMMENDATIONS

Sampling and radiometric observation in the Klondike workings indicates the existence of uranium ore of an average value of 0.21 per cent U_3O_8 and an average thickness of 1.8 feet over an area approximately 60 by 130 feet and probably continuing beyond the limits of the workings. Other mineralized areas exhibiting favorable geologic conditions exist on Beggar No. 2 claim, the Mountain View claim and other claims where the Shinarump ore horizon is exposed. In view of the above, it may be concluded that limited production of uranium ore may be expected from the existing workings on the Klondike claim after some preparation for mining is made. It is further concluded that a good possibility exists that additional ore may be discovered and developed by surface and underground exploration work on the claims. It is, therefore, recommended that a program of rim stripping and drifting be undertaken by your company on

several of the claims under discussion.

It is specifically recommended that approximately 3,200 linear feet of rim stripping by bulldozer be done on the Red Rock, Mountain View, Beggar No. 1, No. 2, and No. 3 claims; and 1,800 feet of rim stripping on the Klondike No. 1, the Klondike No. 2 and Klondike No. 3 claims; and 1,000 feet of rim stripping on the Island King, the Black Tree and Conglomerate claims where indicated by geologic study. The recommended stripping in these areas totals 6,000 feet and the estimated cost is $5,000. An access road to the stripping site on the Beggar group must be built. Conditions indicate that this will cost approximately $1,500.00.

It is recommended that 100 linear feet of underground drifting and cross-cutting be done on the Klondike claim from the existing workings to determine the extent and, if possible, the configuration and the apparent channel and the limits of the mineralization in this area. The equipping of the mine, rehabilitation of existing workings and the cost of the exploratory drifting is estimated to total $4,000.00.

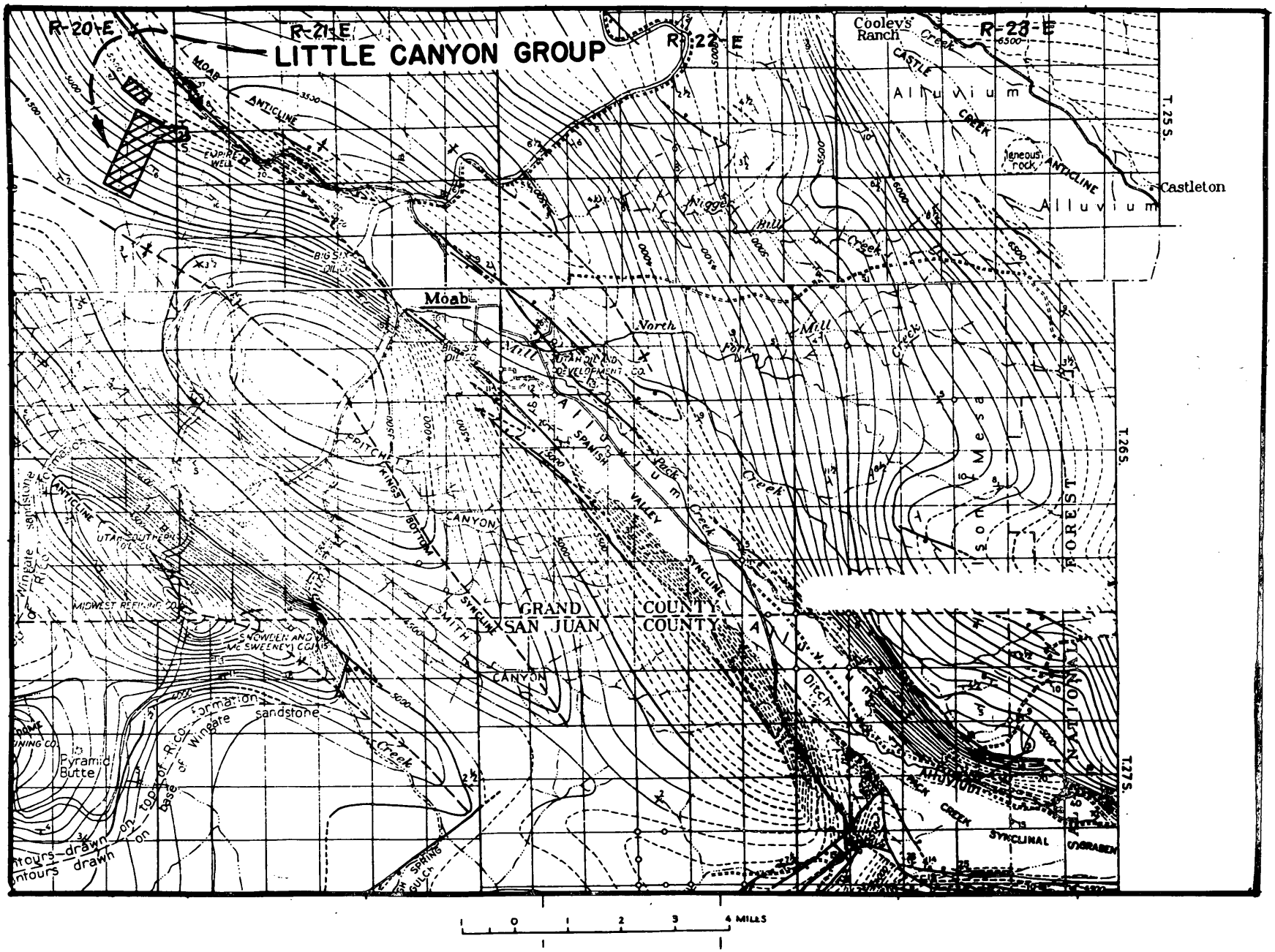
In addition to the above exploratory work, it is recommended that $3,500.00 be allotted to supervision, assaying, office expense and contingencies.

A summary of the recommended expenditures follows:

Rim stripping	$5,000.00
Access roads	1,500.00
Underground exploration, Klondike claim	4,000.00
Supervision, assaying, etc.	3,500.00
Total expenditures for recommended exploratory program	$14,000.00

It is believed that the recommended exploration program outlined above will result in the discovery of significant additional ore reserves on the claims in question.

*1. These claims have been purchased by Klondike Uranium, Inc. since the original date of this report.



LOCATION MAP, KLONDIKE URANIUM, INC. PROPERTIES

GRAND AND SAN JUAN COUNTIES, UTAH

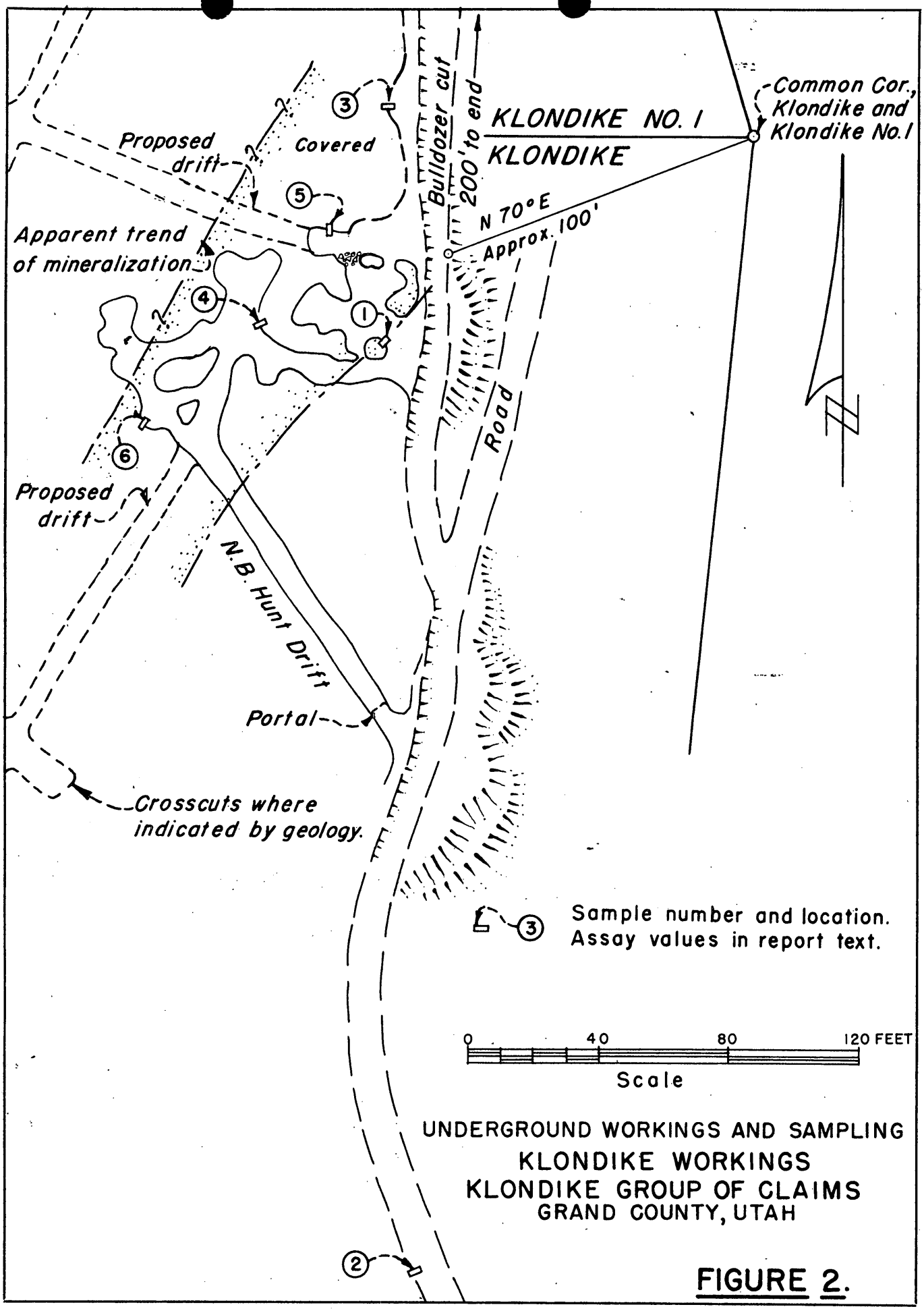
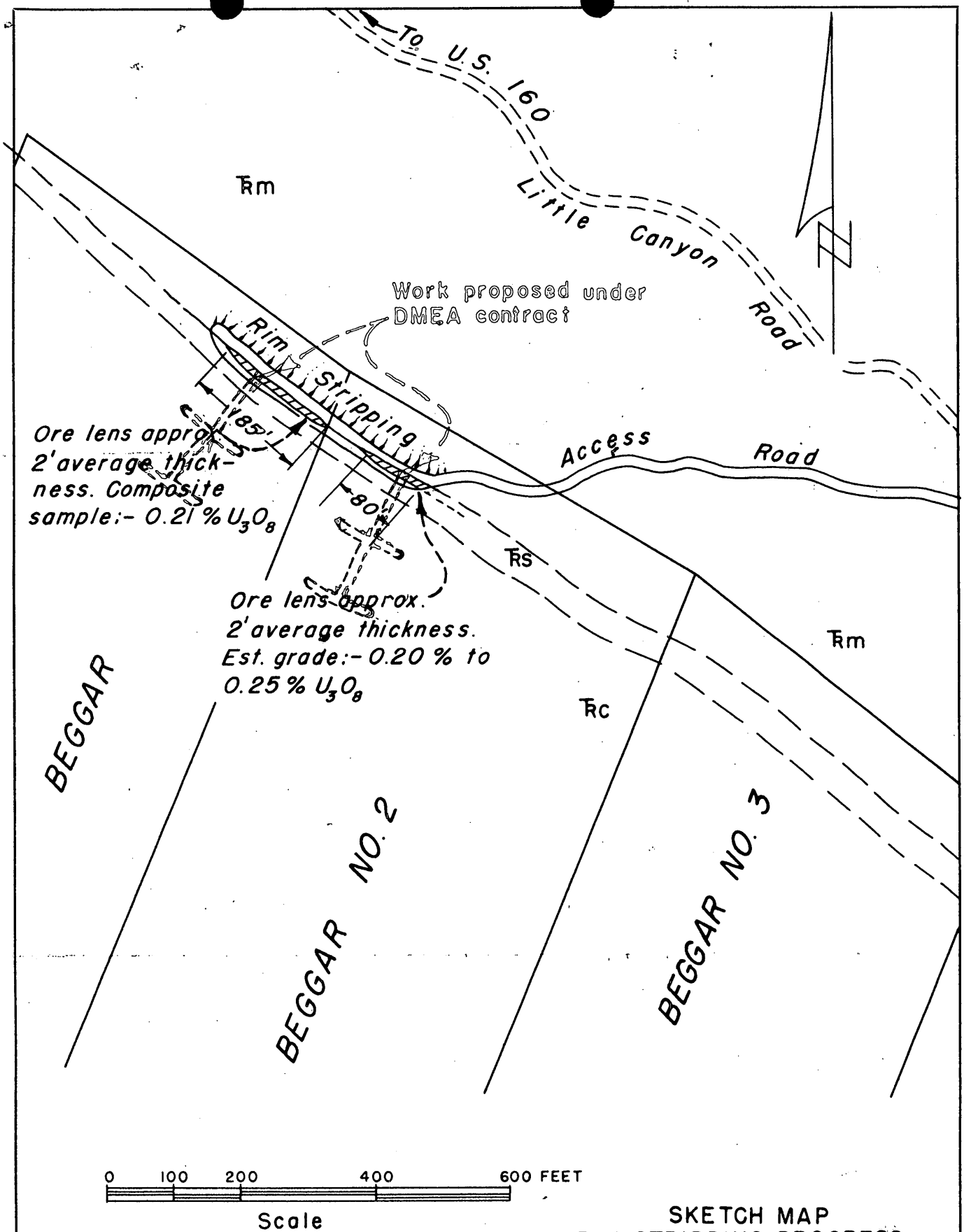

Common Cor., Klondike and Klondike No.1
KLONDIKE NO. 1
KLONDIKE
200' to end
Bulldozer cut
N 70° E
Approx. 100'
Proposed drift
Covered
Apparent trend of mineralization
Road
Proposed drift
N.B. Hunt Drift
Portal
Crosscuts where indicated by geology.
Sample number and location. Assay values in report text.
0
40
80
120 FEET
Scale
UNDERGROUND WORKINGS AND SAMPLING
KLONDIKE WORKINGS
KLONDIKE GROUP OF CLAIMS
GRAND COUNTY, UTAH

FIGURE 2.



SKETCH MAP
RIM STRIPPING PROGRESS
BEGGAR GROUP
KLONDIKE URANIUM, INC.
GRAND COUNTY, UTAH

DOCKET COPY

Supplement

to

PROJECT SUMMARY REPORT

By: F. M. Murphy October 14, 1957

Docket No.: DMEA-3732 (Uranium)
Contract No. Idm-E873

Operator: Klondike Uranium, Inc.

Property: Klondike, et al., claims
Grand County, Utah

The contract was terminated by mutual agreement on October 12, 1956. (See Project Summary Report, dated June 28, 1957, in the file.)

Since the termination of the contract, the Field Team, in a series of letters, beginning October 12, 1956, requested the Operator to submit its final report on the project. The last request, dated July 15, 1957, by W. H. King, Executive Officer, DMEA Field Team, Region III, has not been answered.

The Field Team was unaware that operations were going to be suspended; therefore, it reimbursed the Operator for the full Government's share of the costs for the month of December, 1956, the last month of operations.

The Operator submitted satisfactory monthly progress reports during the time the project was active.

In view of the unsuccessful attempts to obtain the Operator's final report, it has been decided administratively that DMEA would consider the subject docket as closed; also, that no closing letter will be forwarded to the Operator.

F M Murphy

F. M. Murphy

Monthly reports of operations were satisfactory. No more information could be expected by this final report. Claim for cost of report could be approved by operator's claim for payment for reimbursement would be allowed but not considered as paid for

Docket

Murphy
Ellis

PROJECT SUMMARY REPORT

By: F. M. Murphy Date: June 28, 1957

1. Docket No.: DMEA-3732 (Uranium)

Contract No.; IDM-E 873

Operator: Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City 1, Utah

Operator's Property Rights:

Owner of 16 unpatented lode mining claims, Beggar (3), Klondike (7), Red Rock, Mountain View, Conglomerate, Black Tree, Island King, and Gap. No. 1, situated in secs. 11, 12, 13, 14, 23, and 24, T. 25 S., R. 20 E., and in sec. 19, T. 20 S., R. 21 E., S.L.B.M., Grand County, Utah.

Duke B. Woods, President of Klondike Uranium, Inc., signed a Subordination Agreement, dated September 6, 1955, covering a 2½% overriding royalty he had retained on production from the claims.

2. Contract dated September 15, 1955

Amendment No. 1 - completion date extended from March 1 to July 1, 1956.
Termination by agreement - October 12, 1956.

Final Field Team Report received June 17, 1957.

Operator's Final Report: Operator advised the report would be submitted by April 10, 1957. However, since the report was not received the Field Team in a letter, dated June 14, 1957, again requested the Operator to submit its report.

Work Authorized - Two stages:

Drifting & crosscutting, 585 ft. @ $29.50/ft.	$17,257.50
Precussion drilling, 800 ft. @ $1/ft.	800.00
Rental radiometric equipment, 7 mths. @ $100/mth.	700.00
Chemical analyses, U_3O_8, V_2O_5, 75 samples @$5/ea.	375.00
Total Estimated Cost of Project (rounded) ..	$19,132.00
Government Participation @ 75%	$14,349.00

Work Completed:

Drifting & crosscutting, 125 ft. @ $29.50/ft.	$3,687.50

3. Audit Report of Review: December 17, 1956

Total cost as billed by Contractor.... $3,687.50

Exceptions ..... None

Total Accepted Cost $3,687.50

Government Participation @ 75% $2,765.63

4. Certification - not recommended.

5. Excerpts from Field Team Report:

The object of the project was to explore the basal member of the Chinle formation occurring in channel structures on the subject claims.

Uranium-bearing pods are common in channel sandstones and lime-pebble conglomerates in the lower 20 feet of the Chinle formation. Ore bodies, one of 2,000 tons, were discovered on the Thornburg Shinarump group (DMEA-3060), about 4 miles northwest of the Klondike group. Therefore, it was believed that a significant discovery might be made on the Applicant's Klondike and Beggar claims.

Work under the project started on November 1, 1955 and the 125 feet of Stage I drifting on the Klondike claim was completed in December. Trouble with a machine for drilling the long holes delayed their completion until March 1956. In the meantime the Operator had completed 130 feet of cross-cutting to the west at its own expense and then ran out of money. Stage II on the Klondike claim was denied and the Operator was not financially able to start Stage I work on the Beggar claim. No claim was made by the Operator for chemical analyses of 25 samples or long-hole drilling on the Klondike claim although 300 feet of drilling was completed.

One of the 12 long holes penetrated 1 foot of 0.10% U_3O_8 about 12 feet above the back of the drift. The crosscut driven by Operator at its own expense also found an inferred 100 tons of 0.10% uranium ore.

The Field Team concludes that the exploration work performed resulted in the discovery or development of only a very insignificant quantity of submarginal grade ore; and therefore, under the circumstances, does not recommend that the project be certified.

The DMEA drift was driven on a S 35° W bearing, whereas the channel trends S 65° W in that vicinity. This error was due in part to faulty judgment (by the field examiners) in projecting the apparent trend of the channel from previous workings, and in part to inadequate geologic supervision by the Operator.

James Paone, USBM, and N. E. Nelson, USGS, in memoranda, dated June 24, and 25, 1957, respectively, concur in the Field Team's recommendaton that the project should not be certified. The writer also concurs in this recommendation.

F. M. Murphy

F. M. Murphy

☒ Audited

☐ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of June 26, 1957
Incl. Voucher for Dec. 1955

☐ Actual Cost

☒ Agreed Unit Costs

Name Klondike Uranium, Inc.

Docket No. 3732

State Grand County, Utah

Commodity Uranium

Idm-E No. 873

OPERATION	AUTHORIZED Units	AUTHORIZED Cost $	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	585'	17,257.50	125	3687.50	3687.50
Raising					
Shafts					
Winzes					
Drilling (Specify) Precussion	800'	800.00	—	—	—
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Radiometric equipment		700.00		—	—
Chemical analyses		375.00		—	—
Totals		$19,132.50		$3,687.50	3,687.50

Prepared by J. M. Murphy

71626

A Form 7
12-56)

OFFICIAL FILE COPY

Date	Surname	Code
		800
		130

OCT 17 1957

October 15, 1957

Memorandum

To: Chairman, Operating Committee

From: Jay L. Chambers, Director
Contract Administration and Audit Division

Subject: Docket No. DMEA-3732 (Uranium)
Klondike Uranium, Inc.
Klondike, et al., Claims
Grand County, Utah
Contract No. Idm-E873

I suggest the following information be sent to the Operator of this project:

We have tried a number of times to get a final report of your project. We will not be able to release the subordination agreement on your land until we receive your final report.

Attachment

JLChambers/wb
October 15, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/14	Murphy	700
"	Ellis	700
10-15	Chamber	800
10/16	GLS	130
	Brown	110
"	Stutteville	109
10/17	C	220
		700

OCT 17 1957

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-3732 (Uranium)
Contract No. Idm-E873
Klondike Uranium, Inc.
Klondike, et al., Claims
Grand County, Utah

Dear Mr. Harshman:

This is in response to your memorandum, dated October 3, 1957, relating to the Operator's final report on the subject contract.

A review of the docket indicates that the Field Team has made sufficient effort to obtain a final project report from the Operator. Since the Field Team has been unsuccessful in this respect to date, we are considering the docket as closed. However, a closing letter will not be sent to the Operator.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (24B)

APPROVED:

Frank D. Lamb (24B)
Member, Bureau of Mines

Thor H. Kiilsgaard (24B)
Member, Geological Survey

FMMurphy/gla
(10-8-57) 10-14-57
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, Rm. 5224
Mr. Murphy

8623

George: Mr. Dufrie

I don't believe we should state the decision to issue a certificate depends upon their report. This goes too far. I have summarized the letter but wish to call attention to it as a matter of policy.

Jay

Show memo receiving facts & reports for closing file. Send memo closing to Mr. [illegible]

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/8	Murphy	700
10/9	Knouse	700
10-9	Chambers	800
		110
		100
		220
		700

Mr. Karl F. Buell, Secretary
Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City 1, Utah

Re: Docket No. DMEA-3732 (Uranium)
Contract No. Idm-E873
Klondike Uranium, Inc.
Klondike, et al., Claims
Grand County, Utah

Dear Mr. Buell:

Reference is made to the Region III DMEA Executive Officers' series of letters, beginning October 12, 1956, in which Klondike Uranium, Inc., was requested to submit its final engineering and geologic report as provided in Article 6(c) of the subject contract.

The Government's decision to issue a certification of discovery or development for the subject project is pending receipt of the Operator's final report. In the meantime, the Government retains a lien on the above-referenced claims according to the terms of the contract.

We wish to wind up the account under this contract; therefore, please advise if you will or will not submit the report, and the date we may expect to receive it, if it is to be submitted.

Sincerely yours,

Administrator

FMMurphy/FLKnouse/gla
10-8-57
cc to: Admr.'s Reading File
THKiilsgaard, Rm. 5224
FMMurphy, Code 700
DMEA Field Team, Region III (2)

8623

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

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 7 1957

DATE	INITIALS	CODE
10/7	C	220
"	Murphy	700

October 3, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 3732 (Uranium), Contract No. Idm-E873, Klondike Uranium, Inc. (Klondike, Beggar, et al. claims), Grand County, Utah

As your files will indicate, this office has made numerous attempts to obtain a final report from the Operator, which to date have been unsuccessful.

Unfortunately, reimbursement to the Operator, in processing its accounting report for the month of December, 1956, prior to our knowledge that operations were going to be suspended, in effect constitutes payment in full to the Operator.

The memorandum from the DMEA Field Team, Region III, dated June 14, 1957, was captioned "Final Report." However, closing our records on the account has been deferred pending receipt of the Operator's final report.

We will appreciate advice from you as to whether we should close our files on this project or hold them open and make further attempts to obtain the Operator's final report.

E. N. Harshman

E. N. Harshman

224 New Customhouse
Denver 2, Colorado

July 15, 1957

7/17 P.K. 220
7/18 800
" FMM 700

CERTIFIED MAIL

Mr. Frank L. Seymour, Vice President
Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City 1, Utah

Re: Docket No. DMEA 3732 (Uranium)
Contract No. Idm-E873
Klondike Uranium, Inc.
(Klondike, Beggar et al. claims)
Grand County, Utah

Dear Mr. Seymour:

By referring to our letter to you of June 14, 1957, we again call your attention to the requirement of your rendering a final engineering and geologic report pertaining to work completed under Contract No. Idm-E873, as provided for in Article 6(c) of the Contract.

We are desirous of closing our files on this account at an early date. Therefore, we will appreciate your prompt attention to the matter of rendering the required final report.

Very truly yours,

Original signed by
W. H. KING

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

JWT:prl

cc: Chmn. Op. Comm. - 2
Harshman
DMEA/DFC
DMEA/Gr.Jct.
Hasler
Townsend
Corres. file
Chron.

IN REPLY REFER TO:

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 26 1957

DATE	INITIALS	CODE
6 26	C	220
"	FMM	700
	AULT	

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

June 25, 1957
Re: DMEA 3732 Idm-E873
Klondike Uranium, Inc.
Klondike, Beggar, etc. Claims
Grand County, Utah
Uranium

~~Memorandum~~

To: ~~E. W. Ellis,~~ Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team Final Report

The contract, awarded September 15, 1955, approved the expenditure of $19,152 on drifting and long hole drilling. On completion of 125 feet of drifting, the contract was terminated, $3,687.50 having been spent.

Mineralization was encountered in one drill hole drilled by the operator. One foot of about 0.10% U_3O_8 material was found. The examiners recommend that a certification be made, but the Field Team does not concur. I agree with the Field Team opinion, that no certificate of discovery be imposed.

N. E. Nelson

N. E. Nelson

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DMEA
RECEIVED JUN 25 1957

DATE	INITIALS	CODE
6 25	C	220
6 25	FMM	700

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

Date June 24, 1957

DMEA Docket No. 3732
DMEA Contract No. Idm-E873
Commodity Uranium
Name of applicant Klondike Uranium, Inc.
Name of property Klondike, Beggar et al claims
Location of property Grand County, Utah
Estimated cost of project $3,687.50

To: Ernest William Ellis, DMEA Member
Uranium Commidity Committee
James Paone, Bureau of Mines Member
Uranium Commodity Committee

Subject: Review of **Field Team Report**
(a) Geologic, Field Team Report, etc.)

1. Date of subject document: 6/14/57 2. Date received by reviewer: 6/20/57

3. Has reports on this property been to reviewer: Yes [ ] No [ ]

4. Have reports on nearby properties been to reviewer: Yes [ ] No [ ]

5. Information available on mill production: Yes [ ] No [ ]

6. Other pertinent factors known to reviewer: Yes [ ] No [ ]

7. Explain items marked yes above:

8. Factors meeting special consideration:
a. Location [ ]
b. Ownership [ ]
c. Evidence of mineralization [ ]
d. Geology [ ]
e. Proposed exploration method [ ]
f. Alternate exploration method [ ]
g. Costs [ ]
h. _____ [ ]

9. Action advised:
a. Obtain information from applicant [ ]
b. Refer to Field Team [ ]
c. Denial [ ]
d. Agree with Field Team [x]
i. Consult with Mr. _____ at _____ AEC office.
e. Disagree with Field Team [ ]
f. Support alternate plan [ ]
g. Request another examination [ ]
h. Approval [ ]

10. Remarks: (Use back of page if necessary) **Certification not recommended**

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

ORIGINAL FILE COPY
DMEA
RECEIVED JUN 17 1957

DATE	INITIALS	CODE
6-17	C	220
"	JG	160
		130
6-24	C	220
7/3	Com	100
6/24	FMM	700

June 14, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 3732 (Uranium), Contract No. Idm-E873, Klondike Uranium, Inc. (Klondike, Beggar et al. claims), Grand County, Utah - FINAL REPORT

F.T. FINAL REP.

Enclosed are the original and three copies of a joint final engineering and geologic report, dated February 14, 1957, by F. M. Byers, Jr., Geologist, Geological Survey, and Carl Belser, Mining Engineer, Bureau of Mines, pertaining to operations under the subject contract; and transmittal thereof by joint memorandum dated February 18, 1957, from John F. Shaw and E. N. Harshman.

Numerous requests have been unsuccessful in obtaining the final report from the Operator, as provided for under Article 6(c) of the Contract.

The Contract was terminated before completion of all the work provided for, by a Termination Agreement, dated October 12, 1956, which was made effective January 1, 1956.

The exploration work completed consisted of 125 feet of drifting, at a total accepted cost of $3,687.50, toward which the Government contributed 75%, or an amount of $2,765.63. The total accepted cost was confirmed by a Report of Review of reported project costs by the Contract Administration and Audit Division, DMEA, dated December 17, 1956.

Reimbursement to the Operator in processing form MF-104, "Operator's Monthly Report and Voucher," for the month of December, 1955, constitutes final payment. The reimbursement was made before it was known that a subsequent accounting report would not be submitted by the Operator. The Operator performed additional work and services that were provided for under the Contract, consisting of 300 feet of percussion drilling, two months' use of radiometric logging equipment, and analysis of 25 samples, for which claim for reimbursement was not submitted.

Reviewed by
DMEA OPERATING COMMITTEE
6-21-57
(date)

The exploration work performed resulted in the discovery or development of only a very insignificant quantity of submarginal grade uranium ore. Therefore, under the circumstances, Certification of the project as a discovery or development under the provisions of the Contract is not recommended.

W H King

W. H. King

E. N. Harshman

E. N. Harshman

Enclosures

IN REPLY REFER TO:

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

DMEA
DEPARTMENT OF THE INTERIOR
FEB 18 1957
REGION III
DENVER, COLORADO

February 18, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 17 1957

DATE	INITIALS	CODE
		1302
		220

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw
E. N. Harshman

Subject: Docket DMEA 3732 (Uranium), Contract Idm-E 873, Klondike Uranium, Inc. (Klondike, Beggar, and other claims), Grand County, Utah

Enclosed are the original and nine copies of a Joint Final Engineering and Geologic report on subject project by F. M. Byers, Jr., and Carl Belser.

Klondike Uranium, Inc., applied for DMEA assistance in exploring for uranium on subject property in February 1955. The application was accompanied by a proposed prospecting program estimated to cost $54,380. After making a field examination, in April 1955, the examiners suggested a different plan of exploration, to consist of drifting and long-hole drilling, to cost an estimated $19,132, and in which the Government was to participate to the extent of 75 percent, or $14,349. A working contract was signed September 15, 1955, to provide for work on the Klondike group and also on the Beggar group.

Work commenced on the Klondike claim group on November 1, 1955, but nothing was ever done on the Beggar group.

Reviewed by
DMEA OPERATING COMMITTEE
6-21-57
(date)

By December, 125 feet of drifting had been done for which the operator claimed reimbursement allowed under the contract. In addition 300 feet of long-hole drilling and 130 feet of crosscutting was done for which no claim was made.

The company was inadequately financed and no further work was done. The contract was terminated as of January 1, 1956, in an agreement dated October 12, 1956.

No ore was found in the lateral work, but an ore showing 1 foot thick, that assayed about 0.10 percent U_3O_8 was encountered in a drill hole.

The total cost claimed for the 125 feet of drifting was $3,687.50 of which $2,765.63 was the Government's share. Cost-wise, about 20 percent of the exploration plan had been carried out.

It is recommended in the report that no additional Government aid be granted and that a Certification of Discovery be issued. We concur with the recommendation regarding further Government aid, but in view of the very limited and low grade inferred ore reserves we question the propriety of issuing a Certificate of Discovery.

John F. Shaw
Supervising Mining Engineer

E. N. Harshman
Member, Field Team

Enclosures (10)

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

130 ~~2/8~~
220

DMEA 3732

Contract Idm-E 873

Klondike Uranium, Inc.

Klondike et al. claims, Seven Mile area

Grand County, Utah

Uranium

Joint Final Engineering and Geological Report

by

F. M. Byers, Jr., Geologist
Geological Survey

Carl Belser, Mining Engineer
Bureau of Mines

February 14, 1957

Reviewed by
DMEA OPERATING COMMITTEE
6-21-57
(date)

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DMEA 3732

Contract Idm-E 873

KLONDIKE URANIUM, INC.
KLONDIKE ET AL. CLAIMS, SEVEN MILE AREA
GRAND COUNTY, UTAH

INTRODUCTION AND SUMMARY

Klondike Uranium, Inc., 114 Atlas Building, Salt Lake City, Utah, applied for DMEA assistance under Docket 3732 to explore for uranium on its Klondike and Beggar claim groups, Seven Mile district, Grand County, Utah. Contract Idm-E 873 dated September 15, 1955, provided for a total of 410 feet of drifting in two stages on the Klondike and Beggar claims and three holes, 25 feet in length, fanned upward from stations cut at 25-foot intervals along the DMEA drift. Total cost of the proposed project was $19,132 with Government participation 75 percent or $14,349.

Only part of Stage I was ever completed, owing to financial insolvency of the company. This consisted of 125 feet of drift, for which payment was claimed, and 300 feet of long-hole drilling, for which no payment was claimed. The drift was driven off the course of the channel. The contract was terminated on October 12, 1956.

RECOMMENDATIONS

Although the mineralized rock discovered on the Klondike is of submarginal grade and not likely to be mined and shipped under present price schedules, it is probably advisable to certify a discovery in order to protect the Government's interest. Because the mine openings are accessible, it is possible that some future operator might develop and produce a few hundred tons of ore from the present mine workings. No further aid by DMEA is recommended.

LOCATION AND ACCESSIBILITY

The Klondike and Beggar claim groups are in the Seven Mile area in secs. 11, 12, 13, 14, 23, and 24, T. 25 S., R. 20 E., and in sec. 19, T. 20 S., R. 21 E., S.L.B. and M., Grand County, Utah (fig. 1). The claims are in Little Canyon, about 1.0 mile west of U. S. Highway 160, at a point 10 miles northwest of Moab, Utah. Access is provided by 1.5 miles of dirt road that is passable for jeeps and trucks.

PRODUCTION

Production from the Klondike workings, according to AEC records, to November 1956, was 218 tons, averaging 0.13 percent U_3O_8. Klondike Uranium, Inc., also shipped 46 tons of mineralized

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
NOVEMBER 1956 DOCKET 3732
CONTRACT 1dm E-873

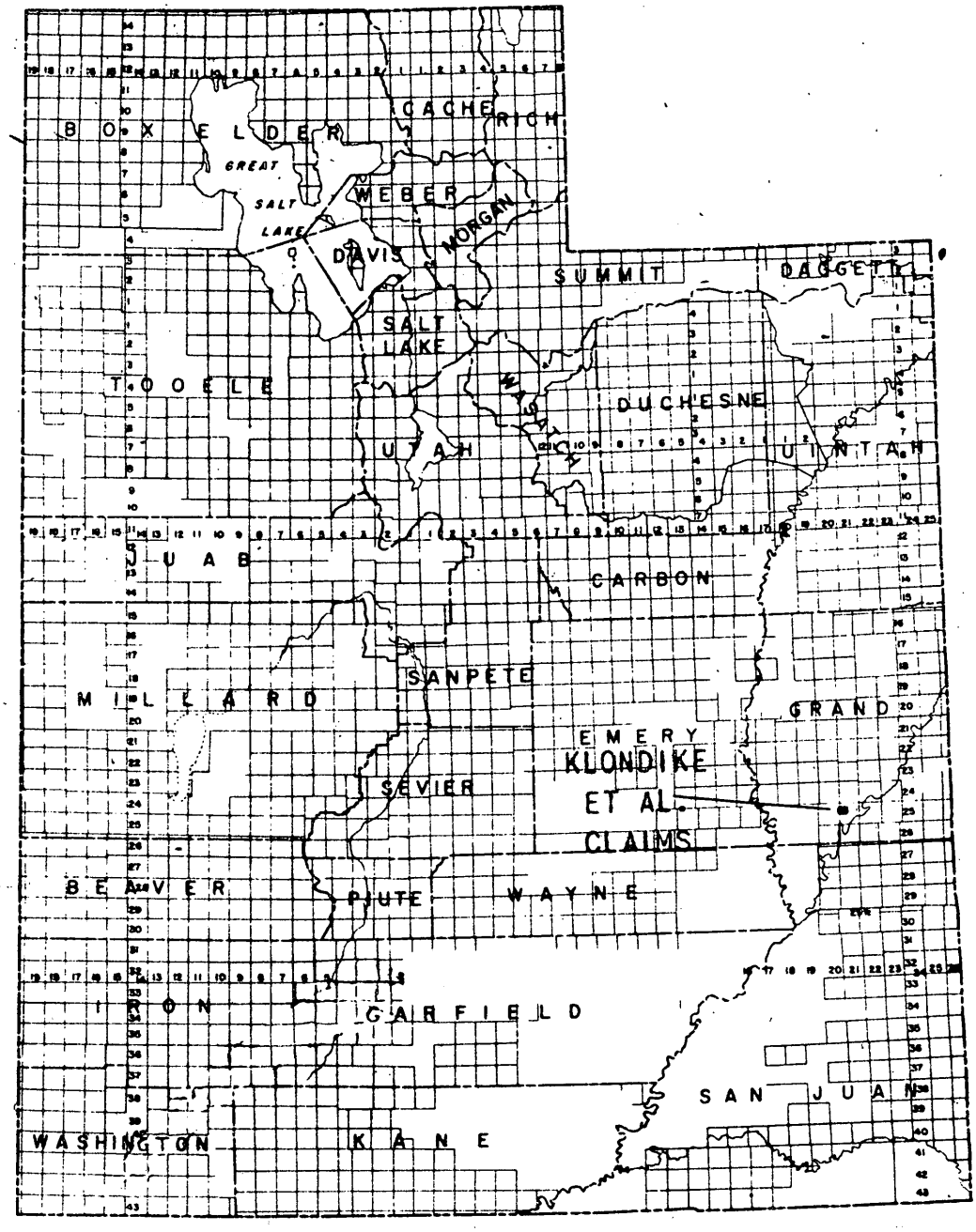

Figure 1. INDEX MAP OF UTAH SHOWING LOCATION OF KLONDIKE ET AL. CLAIMS, KLONDIKE URANIUM, INC., GRAND COUNTY, UTAH

rock containing less than 0.10 percent U_3O_8, for which no payment was made. Thus, the grade of the ore and rock shipped from the Klondike workings has been of marginal to submarginal grade.

OWNERSHIP AND EXTENT

The property consists of the following 16 unpatented claims located in Grand County, Utah, as filed in the office of the County Recorder of Grand County, Utah:

Claim	Book	Page	Registration No.	Locator	Date
Beggar	9K	306	208,615	Duke B. Woods	8/14/51
Beggar No. 2	9K	307	208,616	" " "	"
Beggar No. 3	9K	307	208,617	" " "	"
Red Rock	9K	309	208,618	" " "	"
Mountain View	9K	310	208,620	" " "	"
Klondike	9K	304	208,614	" " "	"
Klondike No. 1	13	289	214,454	Otto Murphy	11/9/53
Klondike No. 3	13	291	214,456	" "	"
Klondike No. 6	13	294	214,458	" "	"
Klondike No. 7	13	295	214,460	" "	"
Klondike No. 8	13	296	214,461	" "	"
Klondike No. 9	13	297	214,462	" "	11/12/53
Conglomerate	9J	587	207,341	Paul Ziak	3/31/51
Black Tree	9J	587	207,342	" "	"
Island King	9J	587	207,343	" "	"
Cap No. 1	9J	152	204,182	Robert C. Burr	3/31/48

Otto Murphy, Paul Ziak, and Robert C. Burr assigned their claims to Duke R. Woods, who in turn assigned the claims to Klondike Uranium, Inc.

GEOLOGY

The rocks cropping out in the vicinity of the Klondike claims include the Cutler formation of Permian age and the Moenkopi, Shinarump (?), Chinle, and Wingate formations of Triassic age (fig. 2). They lie on the southwest flank of the Moab anticline and strike N. 55° W. and dip 10° southwest. Uranium deposits known in this area, to date, are confined to the Chinle formation.

The Cutler formation is several hundred feet thick and is composed of pale reddish-brown to orange-arkosic sandstone. Overlying the Cutler formation is the 300-foot-thick Moenkopi formation composed of chocolate-brown thin-bedded shale and siltstone. Unconformably overlying the Moenkopi formation is a thin unit, discontinuous in places, which was once thought to be the possible equivalent of the Shinarump conglomerate. This unit is as much as 30 feet thick and is predominantly a poorly sorted sandstone with medium to coarse subangular to subrounded quartz grains in a fine-grained sand, silt, or clay matrix. The color of this unit ranges from bleached white to intense shades of red and purple. The coloring does not follow stratification and in gross aspects presents a unique mottled appearance. Because of the mottled coloring this unit is referred to by some Survey geologists as the "purple-white bed." However, in this report and in the final report on Chatu Mining Company (DMEA 3613; Contract Idm-E 860) this unit is called the Shinarump-like sandstone.

The Shinarump-like sandstone lies on an unconformable Moenkopi surface of very low relief and is scoured in turn by the basal units of the overlying Chinle formation. Green and blue secondary copper minerals occur in sparse amounts in the Shinarump-like sandstone in the Seven Mile area. No significant deposits are known to date in these Shinarump-like sandstones in the Seven Mile area.

Overlying the Shinarump-like sandstone unconformably is the Chinle formation, which is 250 to 300 feet thick. In the Seven Mile area the Chinle can be divided into an upper unit that is dominantly reddish-brown shale and fine-grained sandstone and a lower unit that consists of thin, lenticular beds of green to pale-red ripple-laminated fine-grained sandstone, siltstone, and lime-pebble conglomerate. The basal Chinle units scour into the underlying Shinarump-like sandstone, and relief on this contact may be as much as 30 feet in a horizontal distance of 100 feet. The Chinle sediments filling these sharp scours or "channels" are thought to be the more favorable host rocks for uranium ores in the Seven Mile area.

Overlying the Chinle formation is the 300-foot-thick Wingate sandstone. This formation is composed of pale-orange, fine-grained, well-sorted sandstone and weathers into a sheer cliff rising above the steep Chinle slopes.

The dominant structure in the Seven Mile area is the northwesterly-trending Moab anticline and the Moab fault, a normal fault roughly

paralleling the axis of the anticline. The fault is about 1 mile northeast of the Klondike claim group. It has a displacement of approximately 2,000 feet, the northeast side being downthrown.

ORE DEPOSITS

Uranium occurs associated with carbonaceous material in light gray-green sandstone, siltstone, and lime-pebble conglomerate lenses that are found in the lower 20 feet of the Chinle formation. Many small occurrences are known along the Chinle outcrop between the Klondike mine and the Shinarump Nos. 1 and 3 mines that are in Corral Canyon 5 miles to the northwest. The principal controls of the deposits seem to be primary sedimentary and lithologic features. Composition of the host rock is probably the most important factor. In order to have a good deposit, it is necessary to have: (1) a thicker sandstone lens or other permeable unit (often found filling paleostream scours or "channels") to provide a ready passageway for the ore-bearing solutions; (2) interfingering of the permeable unit with shales or other less permeable units so as to form a lithologic trap; and (3) carbonaceous material to provide the chemical environment or catalytic agent helpful in precipitating the ore minerals. In the Seven Mile area uranium ore has been found in siltstone, lime-pebble conglomerate, and limy mudstone interbedded with thin-bedded carbonaceous sandstone.

On the Klondike and Klondike No. 1 claims (fig. 3), uranium occurs with carbonaceous material in a light-gray, fine-grained sandstone and ripple-laminated siltstone lens that occupies a shallow scour or channel cut into the surface of the Shinarump-like sandstone. This lens has a width of about 50 feet and reaches a maximum thickness of about 5 feet. The trend of the channel was originally thought to be between S. 30° W. and S. 80° W., but the DMEA drift, which was driven off course, and the subsequent company crosscut have shown that the channel trend is S. 65° W. (fig. 3).

The DMEA drift was driven off course at a bearing of S. 35° W. for nearly its entire distance of 125 feet. Only barren Chinle mudstone and siltstone were penetrated except near the DMEA starting point where channel sandstones are exposed.

Twelve underground drill holes, as required by the contract, were completed. One of them - the vertical hole at Station 1 - penetrated 1 foot of 0.10 eU_3O_8, 12 feet above its collar; the others were barren.

At a point 60 feet from the start of the DMEA Stage I drift, a crosscut was driven 100 feet N. 48° W. at company expense, in order to crosscut back to the channel. About 2 feet of channel sandstone was crossed from about 40 feet to 95 feet northwest of the starting point. The channel is poorly defined, its edges being marked by

gradational contacts between sandstone and mudstone-siltstone. No cut bank or scour can be observed, and the crosscut is entirely within the Chinle formation. Weak mineralization was detected with a Geiger counter from 60 to 80 feet in (NW) from the start of the company crosscut. The thickness of this mineralized zone is about 1 foot. The average grade might be as much as 0.08 percent eU_3O_8 with a few "hot spots" that may assay as high as 0.25 eU_3O_8. A few tons of this mineralized sandstone have been mined from a small drift, driven N. 60° E. 25 feet toward the Hunt workings, from a point about 70 feet in (NW) from the start of the company crosscut (fig. 3).

On the Beggar and Beggar No. 2 claims, uranium occurs with carbonaceous material in lime-pebble conglomerate and light greenish-gray ripple-laminated siltstone in two small, shallow channels. The channel on the Beggar No. 2 claim is underlain by about 8 feet of the Shinarump-like sandstone and is filled with 1 to 2 feet of green shale and lime-pebble conglomerate and 8 to 10 feet of ripple-laminated siltstone which pinches out or grades into green and red shale within 50 feet or so to either side of the center of the channel. Only a very small amount of weakly mineralized rock is present at the outcrop and the siltstone contains very little carbonaceous material. The channel trend is difficult to determine but was thought to be between 30° and 70° SW. The contract was terminated before any DMEA Stage I work was done on the Beggar group.

ORE RESERVES

On the basis of present exposures, and after driving the DMEA Stage I drift and the company crosscut back to the channel, possibly 100 tons of ore containing 0.10 percent U_3O_8 might be inferred. The thickness of this ore might range from 1 to 3 feet and it would have to be selectively mined. It is probably not ore by general definition, for it could not be mined profitably.

THE PROJECT

Geologic justification

Uranium-bearing ore pods are common in channel sandstones and lime-pebble conglomerates in the lower 20 feet of the Chinle formation. The largest ore body on the Thornburg Shinarump group (DMEA 3060), about 4 miles northwest of the Klondike group, originally contained about 2,000 tons and averaged about 0.35 percent U_3O_8. Therefore, it was believed by the DMEA examining team that a significant discovery might be made on the Klondike group. An approval report recommending a contract was therefore transmitted to the Executive Officer, Field Team III, on June 6, 1956.

Original program and modifications

The original program recommended was to be carried out in two stages. The first stage comprised 125 feet of drifting and 300 feet of long-hole drilling on the Klondike claim, and 100 feet of drifting, 100 feet of crosscutting and 200 feet of long-hole drilling on the Beggar claim. Stage II comprised 60 feet of drifting and 100 feet of long-hole drilling on the Klondike claim and 100 feet of drifting, 100 feet of crosscutting, and 200 feet of long-hole drilling on the Beggar claim. The total estimated cost was $19,132.

The contract was signed on September 15, 1955. Work started on the Klondike claim on November 1, 1955, and drifting began on November 9, 1955, and was completed for a distance of 125 feet in December 1955. Trouble with a machine for drilling the long holes delayed their completion until March. In the meantime the operator had completed 130 feet of crosscutting to the west at his own expense and then ran out of money. Stage II, on the Klondike claim, was denied and the operator was not financially able to start Stage I work on the Beggar claim. The time for completion of contract was extended on March 1, 1956, from March 1, 1956, to July 1, 1956. No claim was made for the long-hole drilling. On October 12, 1956, a termination agreement was made. Its effective date was January 1, 1956.

Description of the work completed

A total of 125 feet of drifting on the Klondike claim was completed according to Stage I of the contract. Also 300 feet of long-hole drilling was completed, but payment was not claimed by the operator. Ore was not penetrated in these holes.

SUMMARY OF FACTUAL DATA

The contract provided for a maximum of 385 feet of drifting, 200 feet of crosscutting, 800 feet of long-hole drilling, and the assaying of 75 samples at the following stipulated costs:

Klondike claim

Stage I

125 feet of drifting at $29.50/ft.	$ 3,687.50	
300 feet long-hole drilling at $1/ft.	300.00	
Radiometric instrument 2 months at $100/mo.	200.00	
25 chemical analyses at $5 each	125.00	
		$ 4,312.50

Stage II

60 feet of drift at $29.50 per ft.	$ 1,770.00
100 feet long-hole drilling at $1/ft.	100.00
Radiometric instrument 1 month at $100/mo.	100.00

10 chemical analyses at $5 each	50.00	
		$ 2,020.00

Beggar claim

Stage I

100 feet of drift at $29.50/ft.	$ 2,950.00	
100 feet of crosscut at $29.50/ft.	2,950.00	
200 feet long-hole drilling at $1/ft.	200.00	
Radiometric instrument 2 months at $100/mo.	200.00	
20 chemical analyses at $5 each	100.00	
		$ 6,400.00

Stage II

100 feet of drift at $29.50/ft.	$ 2,950.00	
100 feet of crosscut at $29.50/ft.	2,950.00	
200 feet long-hole drilling at $1/ft.	200.00	
Radiometric instrument, 2 months at $100/mo.	200.00	
20 chemical analyses at $5 each	100.00	
		$ 6,400.00

Estimated total cost of project	$19,132.00
Government participation at 75 percent	$14,349.00

Actual costs

The operator made claim for only 125 feet of drifting.

The actual cost of 125 feet of drifting at $29.50 a foot was $3,687.50. Government participation (75 percent) was $2,765.63.

CONCLUSIONS

The DMEA Stage I work on the Klondike claim consisted of 125 feet of drift that was driven S. 35° W. off the course of the channel, which trends S. 65° W. in that vicinity. This error was due in part to faulty judgement in extrapolating the apparent trend of the channel from previous workings, and in part to inadequate geologic supervision by the operator. One out of 12 longholes drilled into the back of the DMEA drift penetrated 1 foot of 0.10 percent U_3O_8, 12 feet above the back. Klondike Uranium, Inc., later drove a crosscut 100 feet northwest and crossed the channel from 40 to 95 feet in from the collar. Chiefly as a result of this work, 100 tons of ore containing 0.10 percent U_3O_8 are inferred.

The Stage I drift on the Beggar group was never started because the company became insolvent.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
NOVEMBER 1956 DOCKET 3732

CONTRACT Idm E-873

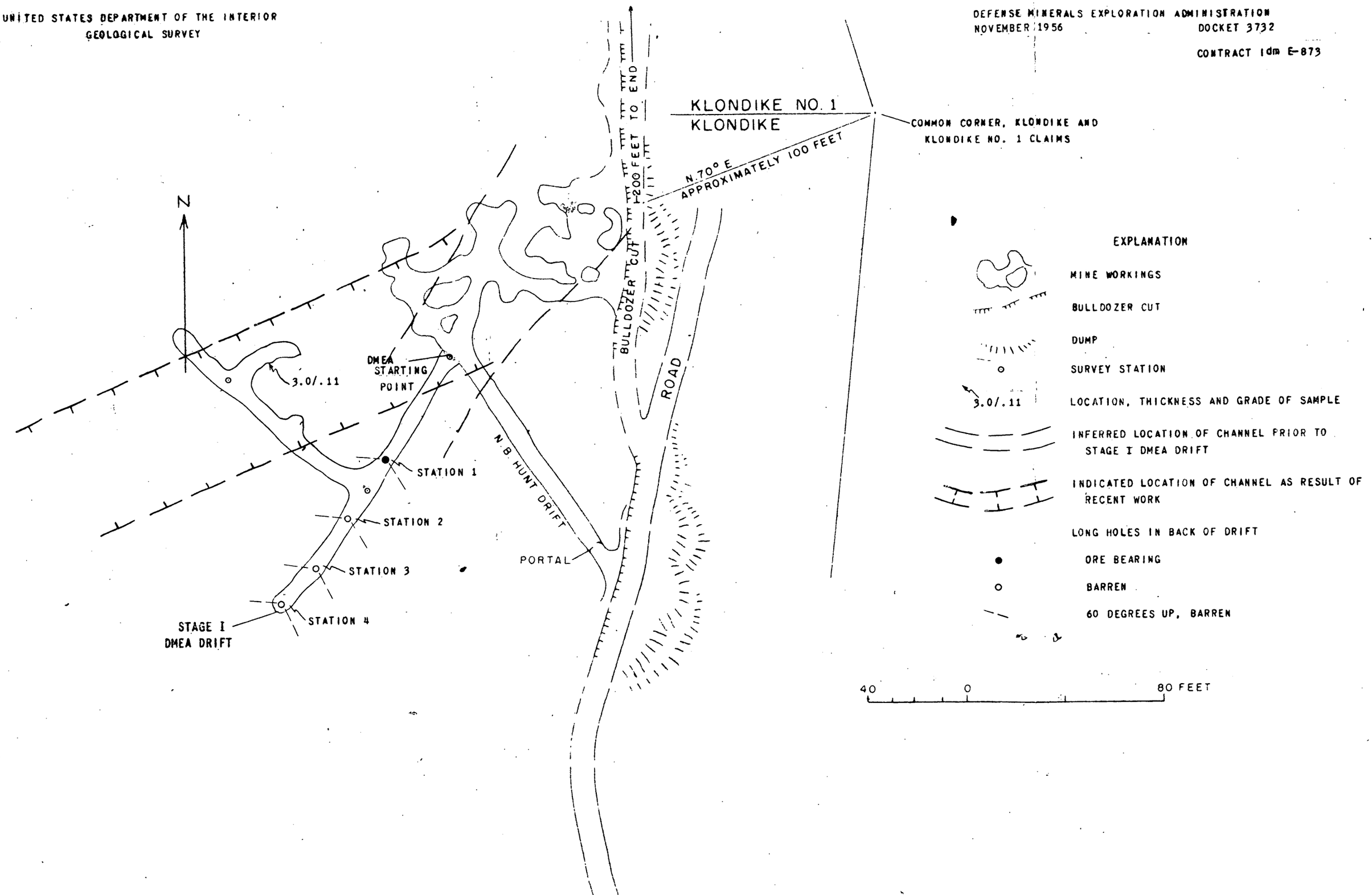

FIGURE 3.--SKETCH MAP SHOWING DMEA STAGE I DRIFT AND OTHER WORKINGS ON THE KLONDIKE CLAIM, KLONDIKE URANIUM, INC., GRAND COUNTY, UTAH.

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 17 1957

DATE	INITIALS	CODE
6/17	DWJ	220
6/18	[illegible]	800
6/19	Murphy	700

224 New Customhouse
Denver 2, Colorado

June 14, 1957

Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City 1, Utah

Re: Docket No. DMEA 3732 (Uranium)
Contract No. Idm-B873
Klondike Uranium, Inc.
(Klondike, Beggar et al. claims)
Grand County, Utah

Gentlemen:

By letter of March 19, 1957, Mr. H. K. Thurber, Jr., Mining Engineer for Klondike Uranium, Inc., advised that it was hoped that the completed engineering and geologic report could be assembled by April 10, 1957 and transmitted to this office immediately thereafter.

As considerable time has elapsed and we have not received the required final engineering and geologic report as provided for in Article 6(c) of the Contract, we will appreciate advice by return mail as to the date on or before which we can expect to receive the report.

Very truly yours,

Original signed by
W. H. KING

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

JWT:prl

cc: Chmn.Op.Comm.-2
Harshman
DMEA/DFC
DMEA/Gr.Jct.
Hasler
Townsend
Corres. file
Chron.

KLONDIKE URANIUM, INC.

114 Atlas Building
Salt Lake City 1, Utah

March 19, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED APR 1 1957

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4/3	[illegible]	800
		225

[illegible] Exploration Administration
[illegible] Courthouse
[illegible], Colorado

Attention: Mr. E. N. Harshman
Acting Executive Officer

Re: [illegible]

Gentlemen:

Reference [illegible] rendering of a [illegible] DMEA contract involved.

The [illegible] transmitted [illegible] Denver [illegible] hand [illegible] hoped [illegible] transmit [illegible]

[illegible]
cc: [illegible]
[illegible]

[illegible]
[illegible]
[illegible]
Salt Lake City, Utah

Chairman, Op. Comm. (2)

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DMEA
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DATE	INITIALS	CODE
3-6	C	220
3/6	[illegible]	809
		225

224 New Customhouse
Denver 2, Colorado

March 4, 1957

Mr. Karl F. Buell, Secretary
Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City 1, Utah

Re: Docket No. DMEA 3732 (Uranium)
Contract No. Idm-E873
Klondike Uranium, Inc.
(Klondike et al. claims)
Grand County, Utah

Dear Mr. Buell:

Reference is made to our letter of October 12, 1956, item 3 of the "TERMINATION AGREEMENT," executed October 12, 1956, and our letter of February 4, 1957, relative to the rendering by your company of a final engineering and geologic report as provided in Article 6(c) of the Contract.

We have not been favored with a reply to either of our letters of October 12, 1956, or February 4, 1957. Unless the matter of your company's rendering the required final report has been satisfactorily resolved by March 22, 1957 it will be necessary that we refer the matter to the Washington Office, DMEA, for such action as is indicated to protect the Government's interest in the matter.

Very truly yours,

E. N. HARSHMAN

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

JWT:prl

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

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

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

February 4, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 7 1957

DATE	INITIALS	CODE
2-8	C	220
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		225

Mr. Karl F. Buell, Secretary
Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City 1, Utah

Re: Docket No. DMEA 3732 (Uranium)
Contract No. Idm-E873
Klondike Uranium, Inc.
(Klondike et al. claims)
Grand County, Utah

Dear Mr. Buell:

Reference is made to our letter to you of October 12, 1956 concerning the requirement for your Company to render a final engineering and geologic report pertaining to the work completed under Contract No. Idm-E873.

Please advise by return mail as to the date on or before which we can expect to receive the required report, in conformance with Article 6(c) of the Contract.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JWT:prl

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

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

RECEIVED
OCT 15 1956

224 New Customhouse
Denver 2, Colorado

October 12, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 3732 (Uranium), Contract No. Idm-E873, Klondike Uranium, Inc. (Klondike et al. claims), Grand County, Utah.

Enclosed are the Government's, Division, and Docket copies of the "TERMINATION AGREEMENT" which was forwarded by your letter of August 24, 1956 for signature by the Operator and this office.

Copies of the "TERMINATION AGREEMENT" have been distributed to the Operator, the Finance Office, Region III, and to other parties concerned.

E. N. Harshman

E. N. Harshman

Enclosures

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

RECEIVED
OCT 1 5 1956

224 New Customhouse
Denver 2, Colorado

October 12, 1956

Mr. Karl F. Buell, Secretary
Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City 1, Utah

Re: Docket No. DMEA 3732 (Uranium)
Contract No. Idm-E873
Klondike Uranium, Inc.
(Klondike et al. claims)
Grand County, Utah

Dear Mr. Buell:

Enclosed is the "Operator's Copy" of the "TERMINATION AGREEMENT" which has been executed to terminate Contract No. Idm-E873 effective January 1, 1956.

Your attention is directed to the provisions of Article 6(c) of the contract form and item 3 of the "TERMINATION AGREEMENT" relative to your rendering a final engineering and geologic report pertaining to work completed under the contract.

We are desirous of closing this account at an early date. Therefore, we will appreciate your prompt attention to the matter of rendering the required final engineering and geologic report.

Very truly yours,

E. N. Harshman

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

Enclosure
JWT:prl

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

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

RECEIVED
OCT - 1 1956

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

September 27, 1956

Mr. Karl F. Buell, Secretary
Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City 1, Utah

Re: Docket No. DMEA 3732 (Uranium)
Contract No. Idm-8873
Klondike Uranium, Inc.
(Klondike et al. Claims)
Grand County, Utah

Dear Mr. Buell:

In your letter of July 26, 1956 you requested authorization for a recess of operations under the contract for an indefinite period, or, if it is not possible to recess the project for an indefinite period, you requested advice as to what procedure should be followed to close the contract in its present status.

In conjunction with the above, by letter of August 31, 1956 we advised you that it is not possible to maintain DMEA contracts in inactive status for an indefinite period of time and enclosed the original and five copies of a "TERMINATION AGREEMENT" for your signature, to effect termination of the contract as of January 1, 1956.

As considerable time has elapsed and you have not returned the signed copies of the "TERMINATION AGREEMENT", we will appreciate prompt attention to the matter and return of the signed copies of the "TERMINATION AGREEMENT by return mail, or advice from you as to why you do not desire to sign it.

Very truly yours,

W. M. TRAVER

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

JWT:prl

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

Surname copy

700

Murphy
Ellis
Talbut
Selfridge
Johnson
Whitenburg

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

58

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

Re: Docket No. DMEA-3732 (Uranium)
Contract No. Idm-5873
Klondike Uranium, Incorporated
Klondike, et al., Claims
Grand County, Utah

Dear Mr. Traver:

This is in response to your memorandum of August 9, 1956, relating to the possible termination of the above-referenced contract.

Enclosed are the original and five copies of a proposed mutual termination agreement prepared for your signature.

If you and the Operator find the agreement in order, please insert the date of execution after you and an authorized representative of the corporation have signed the original and all copies. Thereafter, kindly distribute the copies in the usual manner.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

FRANK D. LAMB (GCS)
Member, Bureau of Mines

N. E. Nelson (GCS)
Member, Geological Survey

FMMurphy/gla
8-22-56
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700
Mr. Murphy

DRAFT
8-14-56
FMMurphy/gla

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Klondike Uranium, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E873, Docket No. DMEA-3732, dated September 15, 1955, as amended, hereinafter called the "Contract," that:

1. Effective April 19, 1956, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated;
2. The Government shall contribute to allowable costs incurred prior to said effective date;
3. Any work or operations prosecuted or costs incurred by the Operator beginning with said effective date, except as otherwise provided in this termination agreement, shall be for the sole account of the Operator without contribution by the Government;
4. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By: _____
Executive Officer
DMEA Field Team Region III

KLONDIKE URANIUM, INC.

By _____

_____

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

RECEIVED
AUG 13 1956

224 New Customhouse
Denver 2, Colorado

August 9, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3732 (Uranium), Contract Idm-E873, Klondike Uranium, Inc. (Klondike and Beggar Group), Grand County, Utah.

Enclosed is the following material relative to operations under the subject contract:

1. The original and three copies of the Operator's letter of July 26, 1956.

2. The original and three copies of a joint memorandum, dated August 7, 1956 from Frank M. Byers, Jr., Geologist, Geological Survey, and M. H. Salsbury, Mining Engineer, Bureau of Mines.

The Operator requests that the project work be suspended for an indefinite period, indicated to be in excess of six months, or, if a recess is not possible, advice is requested as to the procedures that should be followed to close the contract in its present status.

The field examiners, for reasons outlined, recommend that the contract be terminated in its present status without being certified as a discovery or development, in which this office concurs.

If the contract is to be terminated, reimbursement to the Operator in processing form MF-104, Operator's Monthly Report and Voucher, for the month of December, 1955 will constitute final payment under the terms of the contract.

We recommend that a suitable termination by mutual agreement be prepared to effect termination of the contract in its present status.

W. M. Traver

W. M. Traver

Enclosures

KLONDIKE URANIUM, INC.
114 ATLAS BUILDING
SALT LAKE CITY 1, UTAH

RECEIVED
AUG 13 1956
DMEA
Date Rec'd
JUL 27 1956
BUREAU OF MINES
Denver, Colorado

July 26, 1956

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

RE: Docket DMEA-3732 (Uranium)
Contract Idm-E873
Klondike claims, et al.
Grand County, Utah

Dear Mr. Traver:

In response to your letters of May 16, 1956 and July 16, 1956 please be informed that the operations of Klondike Uranium, Inc. under the subject DMEA contract have been suspended since the date of the last MF104 forms. These forms reported the last work accomplished under the contract. As you will note, the drifting and the long hole percussion drilling had been accomplished under stage 1 of the work outlined in the Klondike workings. Stage 2 as outlined in exhibit A to the contract was not approved by the DMEA representatives and therefore was not done.

At the time of the last visit of the DMEA representative office it was believed that resumption of the work under the subject contract could be accomplished before the expiration date of the contract and it was planned to resume work on the Beggar group of claims as outlined in exhibit A to the contract. However, a reorganization of the company planned over some months did not materialize and therefore no work on the property under the DMEA contract or otherwise has been done. As the matter stands it now appears that it will not be possible in the near future.

If such a thing is possible, it would appear desirable to recess or hold in abeyance the remaining work under the DMEA contract until such time as Klondike is able to proceed. It is believed that within the next six month period the future of the Klondike Corporation will be decided and if sufficient finances are made available it would be the desire of the Corporation to continue the exploratory work under the existing contract. Please inform us as to the possibilities of obtaining such a recess in the contract work and how such a request should be made to the DMEA. If such a recess is not possible under existing DMEA regulations, please advise what procedures should be followed to close the contract at this stage of the work.

Very truly yours,

Karl F. Buell

Karl F. Buell, Secretary
Klondike Uranium, Inc.

(20)

MINERALS RESOURCES
IN REPLY REFER TO:
DMEA
RECEIVED
AUG 8 1956
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO
DMEA
Date Rec'd.
AUG 9 1956
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 360
Grand Junction, Colorado

August 7, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: J. William Hasler by EMH
John F. Shaw JFS
E. N. Harshman EMH

From: Frank M. Byers, Jr.,
M. H. Salsbury

RECEIVED
AUG 13 1956

Subject: DMEA docket 3732 (Uranium), contract Idm-E 875,
Klondike Uranium, Inc. (Klondike and Beggar groups),
Grand County, Utah.

Please refer to your memorandum to Shaw and Harshman dated July 27, which concerned the operator's request for extension of the subject contract for an indefinite period.

Appraisals made of the results of DMEA projects in the Seven Mile area, docket DMEA 3060 (contract Idm-E 638), docket DMEA 3613 (contract Idm-E 860) as well as the work done under the subject contract on the Klondike claim, all lead to the conclusion that the chances for discovery of a minable ore body on the Beggar group by completion of remaining DMEA work are poor and certainly less than they were considered to be at the time the subject DMEA project was first examined. Even then the proposed project was a borderline case.

Mr. Ted Mitchell, president of the Klondike Uranium, was contacted in Moab on June 6. He admitted that the company was without funds as of that date to complete stage I of the DMEA contract on the Beggar group. An attempt was being made then to refinance the company.

On both geologic grounds and the unsatisfactory financial condition of the company, it is recommended that contract Idm-E 875 be terminated immediately with no certification of discovery.

Frank M. Byers, Jr.
Frank M. Byers, Jr.,
U. S. Geological Survey 4/6/56

F. M. B.
(for) M. H. Salsbury
U. S. Bureau of Mines

MHS/mlr

RECEIVED
JUL 29 1956

Rm. Rear Courthouse
Denver 2, Colorado

July 27, 1956

Memorandum:

To: R. E. Hardman - w/enclosures
John F. Shea - " "

From: Executive Officer, DMEA Field Team, Region III

Subject: Project DMEA 3732 (Wrendum), Contract 14b-2075, Klondike Uranium, Inc. (Klondike claims et al.), Grand County, Utah.

Enclosed is a copy of the Operator's letter of July 26, 1956, in reply to the letter from this office dated July 16, 1956, relative to resumption of operations.

The Operator requests an indefinite extension of the contract, but indicates that they may be able to resume work within the next six months.

It does not appear desirable to extend this contract for such a considerable period of time. However, please submit a memorandum report of your recommendations in the matter, giving your opinion as to the merits of the property considering the results of the exploration work completed to date.

W. M. TRAVER

W. M. Traver

Enclosures

JWT:pmi

cc: Chairman, Op. Comm. (2) } w/copy of Operator's letter of
Exelor } July 27 and Memorandum from Earl
Garman, file } Exelor dated July 17, 1956.
Treasurer
Owen.

KLONDIKE URANIUM, INC.

114 ATLAS BUILDING

SALT LAKE CITY 1, UTAH

July 26, 1956

DMEA
Date Rec'd
JUL 27 1956
BUREAU OF MINES
Denver, Colorado

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

RE: Docket DMEA-3732 (Uranium)
Contract Idm-E873
Klondike claims, et al.
Grand County, Utah

Dear Mr. Traver:

In response to your letters of May 16, 1956 and July 16, 1956 please be informed that the operations of Klondike Uranium, Inc. under the subject DMEA contract have been suspended since the date of the last MF104 forms. These forms reported the last work accomplished under the contract. As you will note, the drifting and the long hole percussion drilling had been accomplished under stage 1 of the work outlined in the Klondike workings. Stage 2 as outlined in exhibit A to the contract was not approved by the DMEA representatives and therefore was not done.

At the time of the last visit of the DMEA representative office it was believed that resumption of the work under the subject contract could be accomplished before the expiration date of the contract and it was planned to resume work on the Beggar group of claims as outlined in exhibit A to the contract. However, a reorganization of the company planned over some months did not materialize and therefore no work on the property under the DMEA contract or otherwise has been done. As the matter stands it now appears that it will not be possible in the near future.

If such a thing is possible, it would appear desirable to recess or hold in abeyance the remaining work under the DMEA contract until such time as Klondike is able to proceed. It is believed that within the next six month period the future of the Klondike Corporation will be decided and if sufficient finances are made available it would be the desire of the Corporation to continue the exploratory work under the existing contract. Please inform us as to the possibilities of obtaining such a recess in the contract work and how such a request should be made to the DMEA. If such a recess is not possible under existing DMEA regulations, please advise what procedures should be followed to close the contract at this stage of the work.

Very truly yours,

Karl F. Buell

Karl F. Buell, Secretary
Klondike Uranium, Inc.

DMEA
Date Rec'd.

JUL 18 1956

BUREAU OF MINES
Denver, Colorado

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
July 17, 1956

Memorandum

RECEIVED
AUG 21 1956

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: Carl Belser

Subject: DMEA 3732, (Uranium) Contract Idm-5873, Klondike Uranium, Inc., Grand County, Utah

The Klondike property was visited on July 9, 1956. The machinery is at the mine; the miners have not been paid for their work in the early spring; the mine manager has moved his furniture back to Salt Lake City.

Carl Belser
Mining Engineer

CB/mr
Idm-5873
Chron

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

RECEIVED
JUL 18 1956

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

July 16, 1956

Mr. Karl F. Buell, Secretary
Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City 1, Utah

Re: Docket DMEA-3732 (Uranium)
Contract Idm-E873
Klondike claims, et al.
Grand County, Utah

Dear Mr. Buell:

On May 16, 1956, we wrote to you relative to your plans for completion of the work remaining to be performed under the captioned contract. You have not favored this office with a reply to our letter.

The contract expired on July 1, 1956, under the provisions of Amendment No. 1, and to the best of our knowledge you have not completed all of the authorized contract work. Therefore, if we have not received a reply from you by July 27, 1956 regarding your plans for resumption and completion of the contract work, the matter will be referred to the Washington Office of the Defense Minerals Exploration Administration for such action as is indicated relative to your default under the terms of the contract.

Enclosed for your information is a photo copy of our letter to you, dated May 16, 1956.

Yours very truly,

W. M. TRAVER

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

JDC:jy
cc: Corresp. E873
Sec. Op. Comm. (2)
Harshman
Shaw (2)
Hasler
Townsend
Chron.
Enclosure

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

RECEIVED
MAY 21 1956

224 New Customhouse
Denver 2, Colorado

May 16, 1956

Mr. Karl F. Buell, Secretary
Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City 1, Utah

Re: Docket DMEA 3732 (Uranium)
Contract Idm-E873
Klondike Uranium, Inc.
(Klondike and Beggar Claims)
Grand County, Utah

Dear Mr. Buell:

Records in this office indicate that form MF-104, "Operator's Monthly Report and Voucher," for the month of December, 1955, is the last accounting report we have received from you pertaining to work completed under Contract Idm-E873.

Under the provisions of Amendment No. 1, executed the 1st day of March, 1956, the time fixed for completion of the project work was extended from March 1, 1956, to July 1, 1956.

The work has apparently been suspended for several months without an authorized recess of operations. In that respect, an unauthorized suspension of operations which will involve an extension of the period for completion of the project work places you in default under the terms of the Contract.

The second paragraph of Exhibit "A", under the heading, "Description of the Work," stipulates that "The Operator shall perform all the work under Stage I and shall perform so much of the work under Stage II as is approved in advance in writing by the Government."

As there remains a considerable amount of work to be completed under Stage I of the Contract, we will appreciate advice from you by return mail as to your plans relative to resumption and pursuance of the work to enable its completion prior to July 1, 1956.

Very truly yours,

W. M. TRAVER

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

JWT:prl
cc: Chairman, Oper. Comm. (2)
Harshman
Shaw (2)
Hasler
MF-104 File
Townsend
Corres. file
Chron.

w/copy of memorandum from Carl Belser dated May 11, 1956

DMEA
Date Rec'd
MAY 14 1956
BUREAU OF MINES
Denver, Colorado

May 11, 1956

REGION III

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

RECEIVED
MAY 21 1956

From: Carl Belser

Subject: DMEA 3732, (Uranium) Contract Idm-8873 Klondike Uranium Inc., Group of 16 unpatented claims, Grand County, Utah - Progress report for April, 1956

The property was visited on May 2, 1956. All machinery was at the Klondike Adit. No tracks led up the steep road to the Beggar Adit. Later one of the old employees was contacted. His wages, due six weeks before, were still unpaid. He stated that there would be a company election on May 8, probably followed by a change of directors and a resumption of work.

Carl Belser

Carl Belser
Mining Engineer

CB/mw
cc: 6
Idm-8873
Chron

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

RECEIVED
APR 25 1956

224 New Customhouse
Denver 2, Colorado

April 23, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3732 (Uranium), Contract Idm-E873,
Klondike Uranium, Inc. (Klondike and Beggar Claims)
Grand County, Utah

Enclosed are four copies of DMEA Field Team, Region III, denial of the Operator's request for approval of additional work on the Klondike Claim. Also enclosed are four sets of data relative to the matter.

W. M. Traver

W. M. Traver

Enclosures

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

RECEIVED
APR 2 1956

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

April 19, 1956

Mr. Karl F. Buell, Secretary
Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City 1, Utah

Re: Docket DMEA 3732 (Uranium),
Contract Idm-1873,
Klondike Uranium, Inc.,
(Klondike and Dagger Claims),
Grand County, Utah.

Dear Mr. Buell:

Reference is made to your letter of March 14, 1956, wherein you request the Government's approval for Stage II drifting on the Klondike Claim at a location other than that originally outlined in the contract for Stage II work.

Work approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding material of acceptable grade and in quantities that will significantly improve the mineral supply position for the National Defense program.

A careful study of your property and data available to this agency indicates that the probability of disclosing minable reserves of uranium ore as a result of the drifting you propose is not considered sufficiently promising to justify the Government's participation in the costs of the work. Under these circumstances, we regret to advise that your request for the Government's approval of the Stage II work on the Klondike Claim is denied.

Very truly yours,

DMEA Field Team, Region III

W. N. Trever

K. N. Marshman

JWT:prl
cc: Chairman, Op. Comm. (4)
Marshman
Shaw (2)
Hasler
Townsend
Corres. file
Chron.

w/copy of Operator's request and other supporting data.

DMEA
Date Rec'd. APR 3 1956
RECEIVED
APR 23 1956
BUREAU OF MINES
Denver, Colorado

REGION III

Denver Federal Center
Denver 2, Colorado
April 18, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: E. N. Harshman
John F. Shaw

Subject: Docket DMEA 3732 (Uranium) Contract Idm-5873,
Klondike Uranium, Inc. (Klondike et al claims)
Grand County, Utah

Enclosed are the original and 9 copies of a memorandum from F. M. Byers and Carl Palmer, relative to additional work under Contract Idm-5873.

The work performed on the Klondike to date has been very discouraging. The examining team indicates that the channel is poorly defined and the possibility of discovering a significant uranium deposit is remote.

We recommend that the request for additional work on the Klondike be denied.

E. N. Harshman

E. N. Harshman
Member Field Team

John F. Shaw

John F. Shaw
Supervising Mining Engineer

JFS/mw
cc: 9
Idm-5873
Chron

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

RECEIVED
APR 25 1956

P. O. Box 350
Grand Junction, Colorado

April [illegible], 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. H. Harrison
John F. Shaw
J. William Hasler

From: Frank M. Byers
Carl Meiser

Subject: DMEA 3732 (Uranium) Klondike Uranium, Inc.
State II drifting on Klondike claims

The subject property was examined January 20, 1956, by H. H. Salsbury of the Bureau of Mines, and F. M. Byers and H. S. Johnson of the Geological Survey.

At a point [illegible] feet from the start of the DMEA stage I drift a crosscut has been driven 100 feet N. 40° W. at company expense. The channel sandstone, about 2 feet thick, was crossed from about 40 feet to 55 feet northwest of the starting point. The channel is poorly defined; the edges of the channel are gradational contacts between sandstone and mudstone-siltstone. No cut bank or scour can be observed, and the crosscut is entirely within the Chinle formation. The best trend on the Klondike channel that can be obtained from exposures in outcrop and present workings is S. 65° E. (fig. 1).

Weak mineralization was detected with Geiger counter from [illegible] to 60 feet in (B) from the start of the company crosscut. The thickness of this mineralized zone is about one foot. The average grade might be as much as .08 percent eU_3O_8 with a few hot spots that may assay as high as 0.25 eU_3O_8 as checked with Geiger counter. A few tons of this mineralized sandstone have been mined out of a small drift, driven 25 feet N. 60° E., toward the Hunt workings from a point about 70 feet in (B) from the start of the company crosscut (fig. 1).

The long-hole drilling required by the contract has been completed with negative results, excepting the vertical hole at station 1. This hole penetrated one foot of 0.10 eU_3O_8 at 12 feet above the collar.

Production from the Klondike workings to date includes 215 tons, averaging 0.13 percent of U_3O_8, according to AEC records. Klondike Uranium, Inc., also shipped 45 tons of mineralized rock containing less than 0.10 percent of U_3O_8, for which no payment was made. Thus, the grade of the ore and rock shipped from the Klondike workings has been marginal to submarginal. The exploration work of Klondike Uranium, Inc., on the Klondike and Klondike No. 1 claims to date has been essentially negative, except for occasional pods of ore-grade material.

RECOMMENDATIONS

In the opinion of the DMEA examining geologist, the recent DMEA underground work at the Thornburg (DMEA 3000), Chatu (3013), and Klondike mines (DMEA 3732) has been discouraging with respect to discovery of a significant ore reserve in the vicinity of the pits or mine workings. It is questionable on geologic grounds, whether any further drifting or crosscutting is justified with DMEA assistance on the Klondike and Klondike No. 1 claims. The possibility of finding a uranium deposit larger than those discovered to date is believed remote near the present workings. On geologic grounds alone, the operator's request for stage II drifting probably should be denied, but the present situation might be regarded as a border-line case.

Inasmuch as the Operator has shown good faith in crosscutting back to the channel after bypassing it under DMEA stage I, the following recommendation for an amended stage II program is made for consideration by Field Team, Region III: It is proposed that the best mineralized portion in the small channel now exposed in the recent company crosscut be explored by drifting 60 feet S. 65° W. from a point (fig. 1) 70 to 75 feet N. 43° W. from the spad in the DMEA stage I tunnel (fig. 1). This will require an amendment to the contract. The three vertical percussion drill holes at intervals along the proposed stage II drift and the one hole slightly up from horizontal in the face of the stage II drift are recommended as provided in the present contract. A firm bearing for the drift is believed to be necessary because the channel is rather vague and difficult to follow. It is believed, however, that the trend of the channel is now sufficiently well known so that a firm bearing of S. 65° W. can be stipulated in the amendment to the contract. At any rate, the operator would not get far out of the channel in the relatively short distance of 60 feet, in the event that the channel turned sharply from S. 65° W.

Although the results of the stage I work have been largely negative owing chiefly to misunderstandings concerning the trend of the channel, it is recommended that the above stage II drift be approved.

Frank M. Byers
Frank M. Byers
Geological Survey

Carl Beiser
Carl Beiser
U. S. Bureau of Mines

FMB/alr

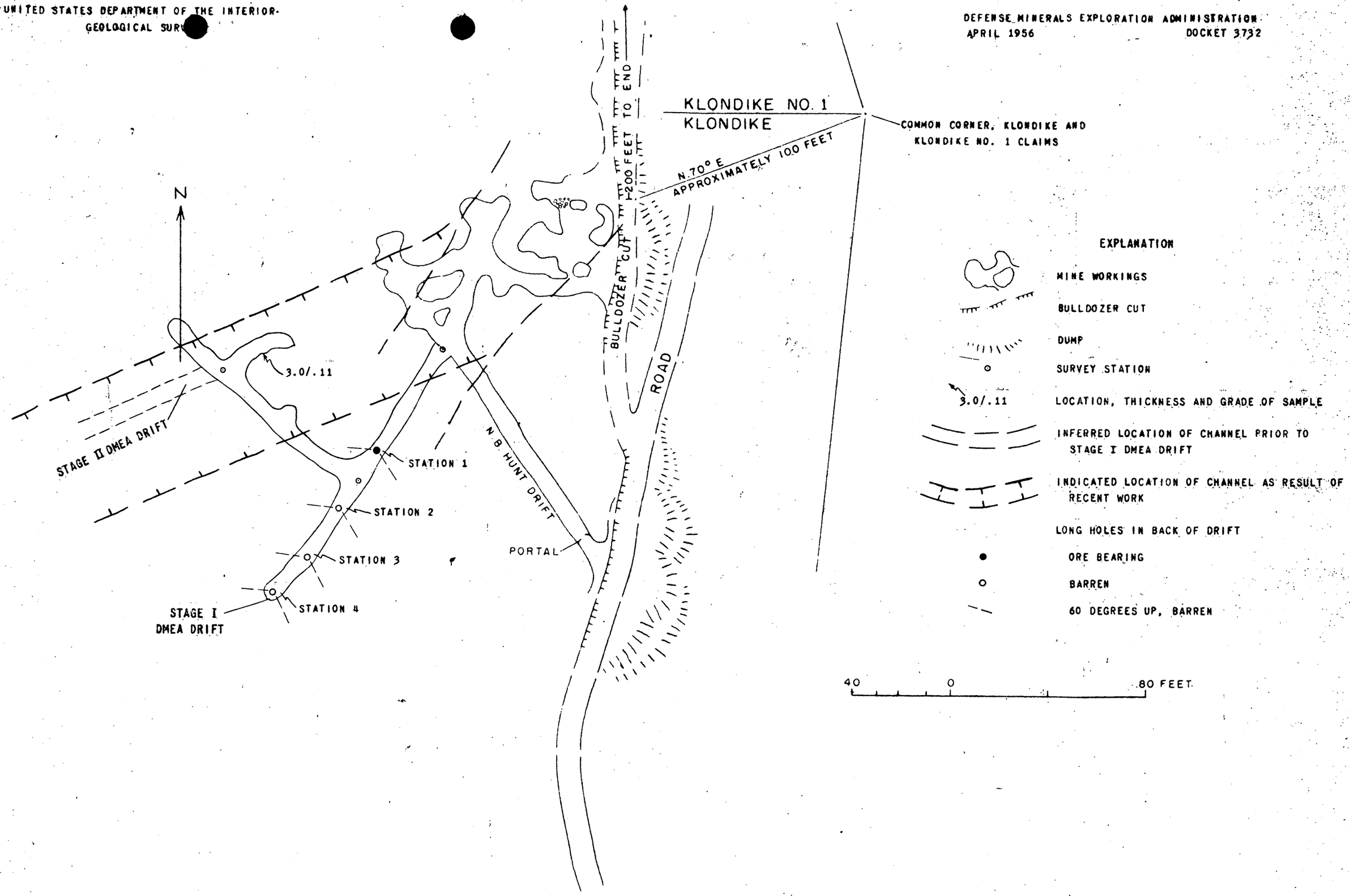


FIGURE 1. SKETCH MAP SHOWING PROPOSED STAGE II DRIFT ON THE KLONDIKE CLAIM, KLONDIKE URANIUM, INC., GRAND COUNTY, UTAH.

DMEA
Date Rec'd.

MAR 26 1956

BUREAU OF MINES
Denver, Colorado

March 14, 1956

RECEIVED
APR 9 1956

Mr. Wm. M. Traver
Executive Officer, DMEA
Region III
224 New Customshouse
Denver 2, Colorado

Re: Docket DMEA 3732
Contract IDM-E873
Klondike Uranium, Inc.
Grand County, Utah
(Uranium)

Dear Mr. Traver:

The exploratory work under the subject contract has been completed in the area of the Klondike workings under Stage 1 as outlined in the description of work. The work consisted of 125 linear feet of drifting and the drilling of 4 sets of 3 holes each in the back of the drift driven under the contract. The location of the drift and the location of the drill holes is indicated on the attached map.

The drill holes in the back of the drift were drilled in a fan pattern from points as near as practicable to 50 feet, 75 feet, 100 feet and 125 feet from the spad indicating the start of the DMEA work. The depth of the holes as indicated on the geiger counter probe used by the operators in probing the holes are tabulated as follows.

Station 1 (at 50 ft.)	26.0 ft.	25.0 ft.	25.0 ft.
Station 2 (at 75 ft.)	26.0 ft.	26.0 ft.	26.0 ft.
Station 3 (at 100 ft)	25.5 ft.	22.0 ft.	26.0 ft.
Station 4 (at 125 ft)	24.5 ft.	26.0 ft.	25.0 ft.

These depths were measured by Mr. Benny Kisler and were checked by the company engineer. The markings on the probe were also checked on the surface using a steel tape.

Some mineralization estimated to be approximately 0.10% eU_3O_8 and estimated to be approximately one foot was encountered 12 feet from the collar of the hole drilled vertically upward at Station 1. The significance of this mineralization is not immediately apparent and will not be apparent until holes are drilled in the cross-cut run on company account as indicated on the attached map. No significant mineralization was encountered in any of the other holes probed.

The attached map indicates the cross-cut driven on company account to attempt to delimit the channel fill material which is the apparent host rock for the uranium mineralization in the old workings. This cross-cut was driven approximately 103 feet to a point which was believed to be beyond the main channel fill thickness. A drift along the apparent course of the channel was driven to the right or up-dip a distance of approximately 30 feet. This was measured on March 7, 1956.

As noted on the map, some uranium mineralization was encountered in the cross-cut and in the last mentioned drift. The best mineralization was encountered at the point where the drift was begun. A sample taken for assay when the face of the drift had advanced approximately 18 feet contained 0.11% U_3O_8 over a 3 foot face. Unfortunately the mineralization was not consistent enough to be considered minable at this point.

It was suggested by DMEA field representatives that Stage 2 work could be undertaken from a point in the cross-cut driven on company account where the best mineralization was encountered or the most favorable geologic conditions were ascertained to exist. It was suggested that perhaps this second stage of work could be begun from the cross-cut without the necessity of formal amendment to the existing contract. If the remaining 60 feet of work outlined under Stage 2 can be done without requesting a formal amendment it is hereby requested that permission be granted that the work be done. Work will be started from a point determined by the DMEA field representatives. It is understood that this work should be done down-dip or in the general direction of the first stage of work but not on the same course.

If it is found necessary to write a formal amendment to the contract to do this work, a formal amendment is hereby requested to begin the Stage 2 work from a point in the cross-cut driven on company account to be determined by the DMEA field representatives. It is understood in requesting this amendment that it shall in no way in crease the amount of the contract nor increase the government's participation in the contract. If this does not sufficiently constitute a request for amendment please advise this office at your earliest convenience.

A copy of this letter is being sent to the office of Mr. J. William Hassler in Grand Junction, Colorado for his information and possible expediting of this matter.

Very truly yours,

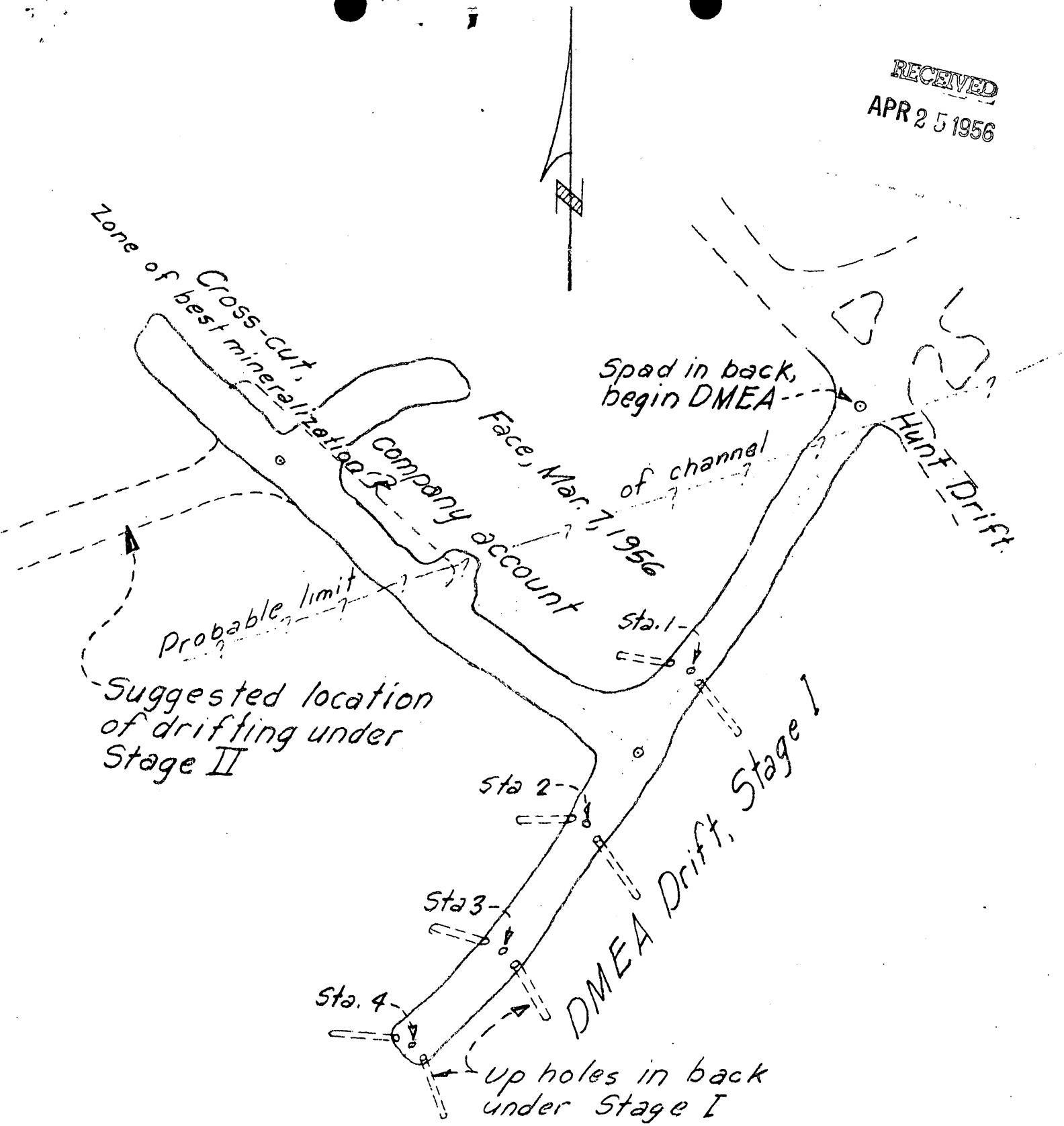
KLONDIKE URANIUM, INC.

Karl F. Buell

Karl F. Buell
Secretary

dl

RECEIVED
APR 25 1956



0 10 20 40 FEET

Scale

BRUNTON & TAPE SURVEY
PROGRESS, CONT. Idm-E873
KLONDIKE URANIUM, INC.
GRAND COUNTY, UTAH
Mar. 7, 1956

IN REPLY REFER TO:

MINERAL DEPOSITS
DMEA
RECEIVED
FEB 15 1956
U.S.
GEOLOGICAL SURVEY
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA
Date Rec'd.
FEB 17 1956
BUREAU OF MINES
Denver, Colorado

P. O. Box 30
Grand Junction, Colorado

February 14, 1956

RECEIVED
APR 2 1956

MEMORANDUM

To: Executive Officer, DMEA Field Team, Region III

Through D. M. Marshman

From: J. William Hasler
M. H. Salsbury

Subject: DMEA docket 3132 (Uranium) contract Ida-E 873, Klondike Uranium, Inc., Klondike, et al claims, Grand County, Utah

The Klondike Uranium, Inc., has been contacted relative to the stage II work on the Klondike claims since my letter to Mr. Carl F. Buell of December 23.

In a telephone conversation with the applicant February 3, they stated they would complete the work under stage I about the 15th of February and would notify this office so that we could make an appraisal of the work to date and assist them in further recommendations for stage II.

J. William Hasler
J. William Hasler,
Geologist, USGS

M. H. Salsbury
M. H. Salsbury,
U. S. Bureau of Mines

JWH/mlr

cc: Orig. w/ 1

COPY

RECEIVED
APR 5 1955

KLONDIKE URANIUM, INC.
114 Atlas Building
Salt Lake City, Utah

December 28, 1955

Mr. William H. Trevor
Executive Officer,
DMEA - Region III
224 Mar Customhouse
Denver, Colorado

Re: Contract DMEA 3752
Contract XUS-0873
Klondike Uranium, Inc.
Grand County, Utah

Dear Mr. Trevor:

The work under the subject contract on the Klondike claims has nearly completed stage one of the work outlined in exhibit A of the contract. It is estimated that this work will be completed by December 31. In order to expedite the commencement of work under stage two, can you arrange an examination of the completed work by a DMEA representative at some convenient time during the week of December 26 to December 30?

A carbon copy of this letter will be sent to Mr. J. William Hanley of the DMEA in Grand Junction, Colorado. It is our understanding that a man from his office will make the examination and approve the second stage of the work. Thank you for your cooperation in this matter.

Very truly yours,

KLONDIKE URANIUM, INC.

/S/ Karl F. Duell

Karl F. Duell, Secretary

cc: J. William Hanley, DMEA
Atomic Energy Commission
Grand Junction, Colorado

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

224 New Customhouse
Denver 2, Colorado

March 28, 1956

Mr. Karl F. Buell, Secretary
Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City 1, Utah

Re: Docket DMEA 3732 (Uranium)
Contract Idm-E873
Klondike Uranium, Inc.
Grand County, Utah

Dear Mr. Buell:

Receipt is acknowledged of your letter of March 14, 1956, wherein you request the Government's approval for drifting on the Klondike Claim under Stage II of the Contract.

The performance of work at the location proposed by you will require an amendment to the Contract. Therefore the matter has been referred to our field examiners for their recommendation.

Prompt attention will be given the matter and you will be advised of the Government's decision as soon as possible.

Very truly yours,

W. M. TRAVER

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

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

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

RECEIVED
MAR 23 1956

224 New Customhouse
Denver 2, Colorado

March 20, 1956

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3732 (Uranium), Contract Idm-E873, Klondike Uranium, Inc. (Klondike et al. claims), Grand County, Utah

Enclosed are two copies of a memorandum from the inspecting engineer dated March 19, 1956 relative to progress under the subject contract for the period February, 1956.

As the drill holes started in February apparently had not been completed as of March 7, 1956, it is doubtful that the operator will submit a separate Monthly Report and Voucher for February, 1956.

W. M. Traver

W. M. Traver

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
Date Rec'd.
MAR 20 1956
BUREAU OF MINES
Denver, Colorado

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
March 19, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

RECEIVED
MAR 23 1956

From: Carl Belser
Through: John F. Shaw
Supervising Mining Engineer

Subject: DMEA 3732, Contract Idm-E873 (Uranium), Klondike Uranium, Inc., Group of 16 unpateneted claims, Grand County, Utah -- Progress report for February 1956.

The underground workings were visited on March 7, 1956. No one was at the mine. A machine mounted on a jackleg was set up at one of the Stage I vertical long-holes. All the other holes had been completed. Two miners were later encountered at the bottom of the hill. They were going over to Seven Mile for water for drilling. Measurements made with a 3/16 inch cable did not check with their hole lengths.

None of the Klondike management had been at the mine during the previous three weeks.

As the long-holes were not complete, it is very doubtful that any claim for work done in February will be made during March.

Carl Belser
Carl Belser
Mining Engineer

cc 6
Idm-E873
Chron.

CB/ch

March 5, 1956

Memorandum

To: Hazel Berry, Operating Committee

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

Subject: Amendment to contract

Mr. Murphy has reviewed and approved Amendment No. 1, dated March 1, 1956, to Contract Idm-E873, Docket DMEA-3732, Klondike Uranium, Inc., which was executed in Region III by the Executive Officer and the Operator.

/s/ Grace L. Ault

Grace L. Ault

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

RECEIVED
MAR - 5 1956

224 New Customhouse
Denver 2, Colorado

March 2, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3732 (Uranium), Contract Idm-E873, Klondike Uranium, Inc., Klondike et al. Claims, Grand County, Utah

Enclosed are the original and two copies of Amendment No. 1 to Contract Idm-E873, which has been executed under authority delegated to this office to extend the period fixed for the completion of the project work from March 1, 1956, to July 1, 1956.

Also enclosed are four copies of the Operator's letter of February 11, 1956, requesting extension of the period for completion of the project work.

Copies of the Amendment have been given to the Operator, the Finance Office, Region III, and distributed to other offices concerned.

W. M. Traver

W. M. Traver

Enclosures

DMEA
Date Rec'd.
FEB 15 1956
BUREAU OF MINES
Denver, Colorado

February 11, 1956

RECEIVED
MAR - 5 1956

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

Re: DMEA Docket #3732 (Uranium) Contract IDM-E 873 Klondike et al Claims Grand County, Utah

Dear Mr. Traver:

Pursuant to the suggestion in your letter of February 8, Klondike Uranium, Inc. believes it advisable to request that an ammendment to our contract be written to extend the completion date for work that is outlined. The work under stage one on the Klondike claim which totaled 125 feet of drifting disclosed that the channel which was being explored had a strike different than that originally anticipated by the company and by the USGS geologists supervising the project. As a result, the drift went in a direction divergent to the channel and as a result it was suggested that a cross cut be driven on company account to re-enter the channel at a point some distance from the face of the drift. This has been done and the channel fill material encountered. Discussions with the DMEA representatives in Grand Junction lead us to believe that the second phase of the work will be allowed by the DMEA after examination and written approval by the DMEA. It is anticipated that this second phase which totals 60 feet of underground drifting, will require approximately one month to complete.

Other work remaining to be done on the contract consists of underground drifting on the Beggar Claims, work which was not undertaken because of the inclement weather on that part of the property. This work aggregates 200 feet of underground drifting and cross cutting. It is anticipated that this work will require approximately 40 days.

In view of the above time estimates and in order to have leeway for unforseen difficulties, it is specifically requested that an ammendment be written to contract IDM-E 873 to allow an additional 4 months for the completion of the work outlined in the contract. We request that the completion date for the work be set to July 1, 1956. We understand that this extention of time will in no way effect the total expenditures to be made under the contract nor will it effect in any way the amount of government participation in the project costs.

If there are any further questions or comments regarding this matter, please address them to our Salt Lake City Office.

Very truly yours,

Karl F. Buell

Karl F. Buell, Secretary
Klondike Uranium, Inc.

KFB/fob

FEB 20 1956

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

RECEIVED
FEB 20 1956

224 New Customhouse
Denver 2, Colorado

February 16, 1956

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3732 (Uranium) Contract Idm-E873, Klondike Uranium, Inc., Grand County, Utah

Enclosed are two copies of the inspecting engineer's memorandum report dated February 14, 1956 which covers exploration by the subject Operator during the month of January 1956. No work was performed under the contract during the period, and therefore no Operator's Monthly Report and Voucher was submitted.

W. M. Traver

W. M. Traver

Enclosures

DMEA
Date Rec'd

FEB 14 1956

BUREAU OF MINES
Denver, Colorado

RECEIVED
FEB 20 1956

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
February 14, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw Sub for
Supervising Mining Engineer

From: Carl Belser

Subject: DMEA 3732, Contract Idm-E873 (Uranium) Klondike Uranium, Inc., Group of 16 unpatented claims, Grand County, Utah. - Progress report for January, 1956

The underground workings were visited on February 8, 1956. The contractor was crosscutting in a westerly direction and had penetrated some small stringers of uranium mineralization. On February 8th, a stoper drill was received but no vertical long holes had been drilled. No work had been done during January on the contract and no payment was claimed.

The contractor was waiting for Stage II work to be approved.

Carl Belser
Mining Engineer

CB/mw
cc: 6
Idm-E873
Chron.

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

RECEIVED
FEB 13 1956

224 New Customhouse
Denver 2, Colorado

February 8, 1956

Mr. Carl F. Buell
Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City, Utah

Re: DMEA Docket No. 3732 (Uranium)
Contract Idm-E873
Klondike et al. claims
Grand County, Utah

Dear Mr. Buell:

March 1, 1956 is the completion date for work to be performed under Contract Idm-E873. Any extension of this date will require an amendment to the contract.

If you anticipate that an extension of time will be necessary, please forward to this office a request for such specific additional time as will be required to complete the work. The original and five copies are required.

Yours very truly,

W. M. TRAVER

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

JDC:jy
cc: Corresp. E873
Sec. Op. Comm. (2)
Harshman
Hasler
Shaw (2)
Townsend
Chron.

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

RECEIVED
JAN 30 1956

224 New Customhouse
Denver 2, Colorado

FINAL DISTRIBUTION
JAN 26 1956
MADE

January 19, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3732 (Uranium) Contract Idm-E873, Klondike Uranium, Inc., Klondike et al claims, Grand County, Utah. Operator's Monthly Progress Report for the period December, 1955

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Reconciliation with amount claimed on Form MF-104

Operator has claimed 55 feet drifting at $29.50/ft. - - $1,622.50
Recommended payment at 75 percent- - - - - - - - - - 1,216.88

Remarks

Date of Report- - - - - - - - - - - - - - - - - January 4, 1956
Date Received in Field Office- - - - - - - - - January 6, 1956
Date Received in Region Office- - - - - - - -January 18, 1956

JDC:jy
cc: MF-104 File E873
Sec. Op. Comm. (2)
Shaw (2)
Chron.
Enclosures

W. M. TRAVER

W. M. Traver

RECEIVED
JAN 30 1956

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
January 17, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: Carl Belser

Subject: DMEA 3732, Contract Idm-E873 (Uranium),
Klondike Uranium, Inc., Group of 16 unpatented claims,
Grand County, Utah - Progress report for December 1955

The underground workings were visited on January 4, 1956. The drift had been driven to completion, a distance of 125 feet. One long-hole was run into the back a distance of 16 feet when the machine broke down. No uranium ore was penetrated in driving the drift.

The cost of drifting 55 feet at $29.50 a foot is $1,622.50.

Payment of 75 percent of the amount claimed, or $1,216.88 is recommended.

Carl Belser
Carl Belser
Mining Engineer

DMEA
Date Rec'd.
JAN 18 1956
BUREAU OF MINES
Denver, Colorado

CB/ch

cc 6
Idm-E873
Chron

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JAN 30 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1955, Docket No. DMEA 3732 Contract No. Idm-E 873
Operator's Name Klondike Uranium Inc. Minerals Uranium
Address 114 Atlas Bldg. - Salt Lake City, Ut
Contract Amount, $ 19,132.00 Government Participation: 75% Amount, $ 14,349.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	$ 1622.50	$ 2065.00	$ 3687.50			
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 1622.50	$ 2065.00	$ 3687.50	1622.50	2065.00	3687.50

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

Date Jan 4 1956 *Payee Klondike Uranium Inc

Per Karl E. Byell — Sec. Treas. J. F. Mitchell Title Supt. of Operations

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

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

$ 1216.58

Signature [illegible]
(Authorized Certifying Officer)

Date 1/24/56 Vou. No. DMA 56-62

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature [illegible] Title Mining Engineer Date 1/11/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date JAN 19 1956

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JAN 30 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1955 Docket No. DMEA 3732 Contract No. Idm-E873
Operator's Name Klondike Uranium Inc Minerals Uranium
Address 114 Atlas Bldg. Salt Lake City, Ut

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	ft	$1622.50	55	$3687.50	125	$29.50	385	$29.50
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$1622.50		$3687.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$1622.50		$3687.50				

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

Date Jan 4, 1956 Operator Klondike Uranium Inc
Karl F. Byell — Sec Treas.
Per J. T. Mitchell Title Supt. of Operation

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

P. O. Box 155
Moab, Utah
January 3, 1956

Mr. John F. Shaw
Supervising Mining Engineer
Building 20
Denver Federal Center
Denver 2, Colorado

RE: Docket No. D.M.E.A. - 3732
Contract No. Idm-5873
Klondike Uranium, Inc.

Dear Mr. Shaw:

Attached are the five required copies of MF-104 and MF-104A forms, along with necessary narrative report. An additional copy of this report is being sent to Mr. Hank Johnson, U.S.G.S., at Grand Junction, Colorado.

The remaining 55 feet of the total distance of 125 feet as outlined in the contract for the Klondike claim has been completed. The underground drilling is in progress.

Very truly yours,

T. F. Mitchell

T. F. Mitchell
Supt. of Operations

TFM:dk
Attach.

NARRATIVE REPORT

DOCKET NO. D.M.E.A.-3732
CONTRACT NO. Idm-8873

KLONDIKE URANIUM, INC.
December - 1955

The first stage of the project work on the Klondike claims, with regard to drifting, has been completed. Drifting under the contract was down-dip on the contact of the gray sandstone and mudstone lenses, and the underlying purple sandy mudstone. The drift was approximately South 31 degrees West for 50 feet and then, upon the suggestion of Mr. Hank Johnson, was turned to a heading of South 40 degrees West for the remaining 75 feet. Seventy feet of this drift was completed in November and the remaining 55 feet in December. There was no evidence of increased mineralization.

The drilling of the required long holes in the back of the drift is in progress.

Mr. Hank Johnson inspected the property on the 28th of December and was of the opinion that it would not be advisable to continue the drifting as outlined in the contract for Stage 11. This was to continue the drift in the same direction for another 60 feet.

As a result of Mr. Johnson's visit, the management of Klondike Uranium has started, and is working on a cross-drift which is approximately 60 feet from the point of beginning of the D.M.E.A. drift. This cross-drift will have a bearing of about North 50 degrees West. All costs of this cross-drift will of course be assumed by Klondike Uranium.

This cross-drift is being run in an effort to secure evidence that would warrant the continuation of Stage 11 on the Klondike claim.

When this work has been sufficiently advanced and the drilling of the required long holes in the back of the D.M.E.A. drift have been completed, Mr. Johnson will be notified.

Very truly yours,

T. F. Mitchell

T. F. Mitchell
Supt. of Operations

12-5-55

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

RECEIVED
DEC - 5 1955

224 New Customhouse
Denver 2, Colorado

December 2, 1955

Mr. Karl F. Buell, Secretary-Treasurer
Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City 1, Utah

Re: Docket No. DMEA-3732
Contract Idm-E873
Klondike et al. claims
Grand County, Utah

Dear Mr. Buell:

This will acknowledge receipt of your monthly report and voucher for November, 1955. We have forwarded this material to Mr. John F. Shaw at the Denver Federal Center.

It will expedite processing of your vouchers for payment if you will in the future send them directly to Mr. Shaw. Please refer to the first paragraph of our certified letter of October 17, 1955 to your company.

Very truly yours,

E. N. Harshman

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

JDC:jy
cc: Sec. Op. Comm. (2)
Harshman
Shaw (2)
Corr. E 873
Chron.

12-27-55 gm

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

December 22, 1955

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Secretary to the Operating Committee, DMEA

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

Subject: DMEA Docket 3732 (Uranium) Contract Idm-E873, Klondike Uranium, Inc., Klondike et al. claims, Grand County, Utah

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data pertaining to work under the subject contract for the period November, 1955.

E. N. Harshman

E. N. Harshman

Enclosures

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

224 New Customhouse
Denver 2, Colorado

December 14, 1955

Memorandum

To: T. A. Christensen

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

Subject: DMEA Docket 3732 (Uranium) Contract Idm-E873, Klondike Uranium, Inc., Klondike et al. claims, Grand County, Utah. Operator's Monthly Progress Report, for the period November, 1955

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore, we recommend that payment be made for 75 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks

Date of Report- - - - - - - - - - - - - - - - Not Dated
Date Received in Field Office- - - - - - - - December 2, 1955
Date Received in Region Office- - - - - - - December 12, 1955

for E. N. Harshman

Enclosures
JL C:jy
cc: MF-104 File E873
Sec. Op. Comm. (2)
Shaw (2)
Chron.

Building 20
Denver Federal Center
Denver 2, Colorado
December 9, 1955

REGION III

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: Carl Belser

Subject: DMEA 3732, Contract Idm-2873 (Uranium), Klondike Uranium, Inc.
Group of 16 unpatented claims, Grand County, Utah.
Progress report for November, 1955.

The underground workings were visited on November 7, 1955. The contract drift had been driven a distance of 81 feet. Uranium mineralization was scant.

Equipment consisted of a Gardner-Denver 105 gasoline-driven compressor, a jack-leg drill, a Gardner-Denver small air-driven slusher hoist, a Wakefield slide loader, and a Wakefield diesel-driven shuttle car.

The cost of drifting 70 feet at $29.50 a foot is $2,065.00. No chemical assays were run during the month and no radiometric-testing instrument use has been claimed.

Payment of 75 percent of the amount claimed, or $1,548.75 is recommended.

Carl Belser
Carl Belser
Mining Engineer

CB/mr

cc: 6
Idm-2873
Chron.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1955 Docket No. DMEA 3732 Contract No. Idm-873
Operator's Name Klondike Uranium, Inc. Minerals Uranium
Address 114 Atlas Bldg., Salt Lake City, Utah
Contract Amount, $ 19,132.00 Government Participation: 75 %; Amount, $ 14,349.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) [redacted] Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	$2065.00	None	$2065.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$2065.00	None	$2065.00	2065.00		2065.00

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

Date _____ *Payee KLONDIKE URANIUM, INC. 114 Atlas Bldg. Salt Lake City, Utah

Per [signature] Title Gen. Mgr.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

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

$ 1548.75

Signature RRC (Authorized Certifying Officer)

Date 12/20/55 Vou. No. DMA 56-52

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMA-E873 in accordance with the terms of the contract.

Signature [illegible] ($548.75) Title Mining Engineer Date 12/9/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Acting Executive Officer Date DEC 14 1955

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 195 5 Docket No. DMEA 3732 Contract No. Idm-873

Operator's Name Klondike Uranium, Inc. Minerals Uranium

Address 114 Atlas Bldg., Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
	ft.	$2065.00	70	$2065.00	70	$29.50	385	$29.50
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2065.00		$2065.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$2065.00		$2065.00				

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

Date _____ Operator KLONDIKE URANIUM, INC. 114 Atlas Bldg. Salt Lake City, Utah

Per K. F. Bruce Title Gen. Mgr.

REMARKS:

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

(Instructions on reverse)

(For Government use only) Carl Belan

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

NARRATIVE REPORT

DOCKET NO. DMEA 3732
CONTRACT NO. Idm-873

KLONDIKE URANIUM, INC.
November 1955

On October 24th, Mr. Salisbury from the Grand Junction, Colorado DMEA office visited the Klondike property and outlined the work to be done under the contract. It was decided to begin work on the Klondike claim due to the inclement weather conditions encountered on the Beggar group of claims. Rehabilitation work was started on the old Klondike workings on November 1, 1955, and drifting under the contract was begun on November 9, 1955.

Drifting under the contract was down-dip on the contact of the gray sandstone and mudstone lenses of the Shinarump and the underlying purple sandy mudstone, presumably on the top of the Moenkopi formation. The drift was driven approximately South 35° West for a total distance of 70 feet during the reporting period. No difficulties were encountered and one round per day was accomplished. Some lenses of limestone conglomerate (?) were encountered which were weakly mineralized. For convenience in mining a well developed slip was carried as the right hand wall of the drift.

The project was visited on November 23rd by Mr. Hank Johnson, geologist, assigned to DMEA work from the Grand Junction office. Mr. Johnson suggested that the drift be turned slightly to the right to a heading of South 40° West. This was done and the last few rounds accomplished during the period were in this direction.

The plan of operation for the next month is to continue the drift as specified under the contract and to drill the required long holes in the back of the drift at approximately 50 feet from the point of beginning.

Summary of work during the reporting period:

Days worked on DMEA:	15 days
Drift advance:	70 feet
Advance per day:	4.66 feet

The attached maps show the direction and distance driven on the Klondike claims during the month.

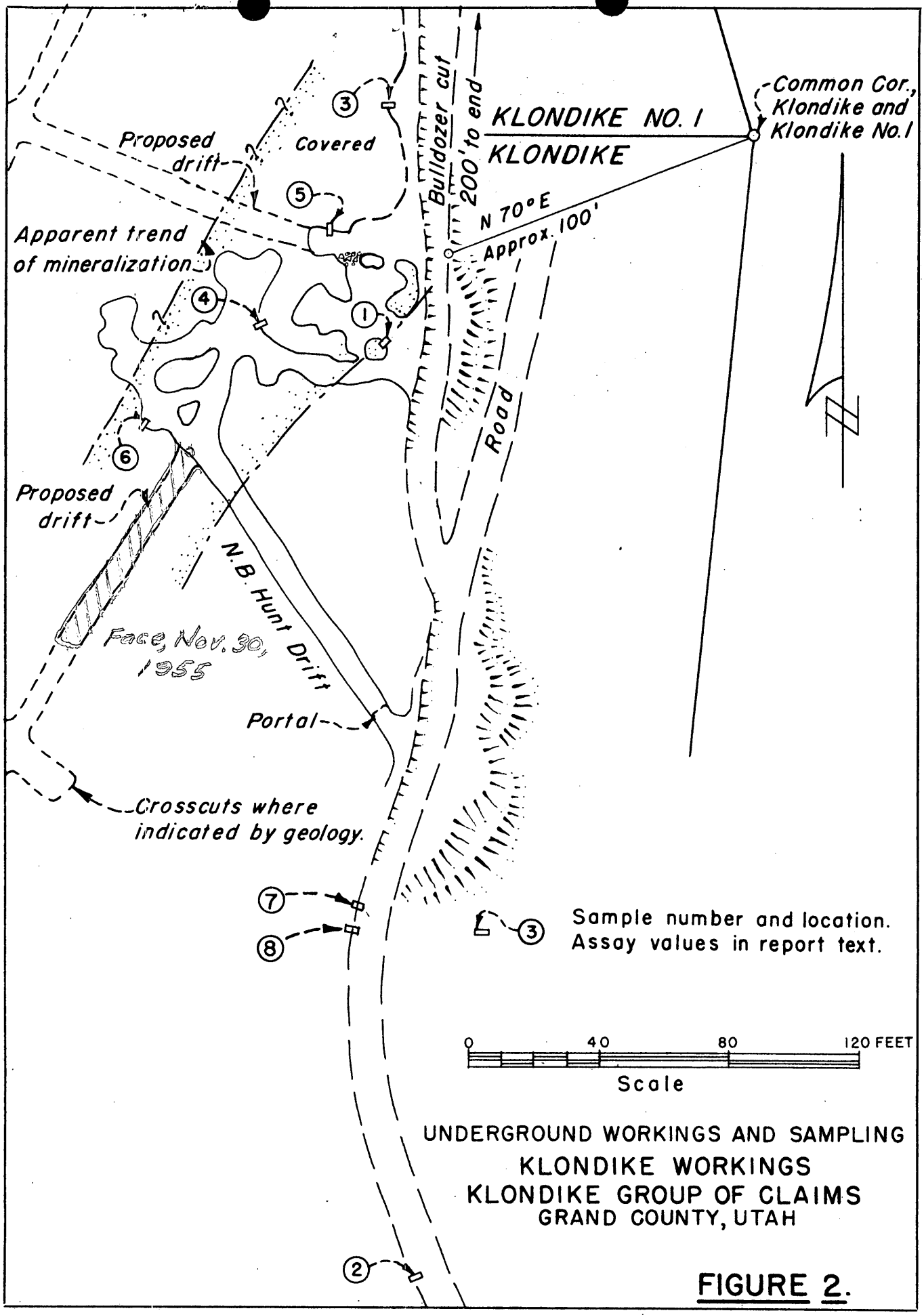

Common Cor., Klondike and Klondike No.1
KLONDIKE NO. 1
KLONDIKE
200' to end
Bulldozer cut
N 70° E
Approx. 100'
Road
Proposed drift
Covered
Apparent trend of mineralization
Proposed drift
N.B. Hunt Drift
Face, Nov. 30, 1955
Portal
Crosscuts where indicated by geology.
Sample number and location. Assay values in report text.
0
40
80
120 FEET
Scale
UNDERGROUND WORKINGS AND SAMPLING
KLONDIKE WORKINGS
KLONDIKE GROUP OF CLAIMS
GRAND COUNTY, UTAH

FIGURE 2.

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

RECEIVED
OCT 1 0 1955

CERTIFIED MAIL

224 New Customhouse
Denver 2, Colorado

October 17, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3732 (Uranium), Contract Idm-E873, Klondike Uranium, Inc. (Klondike et al. claims), Grand County, Utah.

Enclosed are the Government's, Division, and Docket copies of Exploration Project Contract Idm-E873, which was forwarded by your letter of September 15, 1955, for signature by the Operator. The contract has been executed by the Operator and a Subordination Agreement attached, as instructed in your letter of September 15. Copies of the contract have been given to the Operator, Finance Office, Region III, and copy retained for our files.

W. M. Traver

Enclosures

CERTIFIED MAIL

224 New Customhouse
Denver 2, Colorado

October 17, 1955

Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City 1, Utah

Re: Docket DMEA 3732 (Uranium),
Contract Idm-E873

Gentlemen:

Enclosed herewith is your copy of Exploration Project Contract Idm-E873, Docket DMEA 3732. Also enclosed are six copies of Form MF-104, Operator's Monthly Report and Voucher, and six copies of Form MF-104A, Operator's Unit Cost and Progress Report. At the completion of the first calendar month of operation and monthly thereafter, you are required to submit five copies of the completed forms to Mr. John F. Shaw, U. S. Bureau of Mines, Room 137, Building 20, Denver Federal Center, Denver 2, Colorado. The sixth copy of the form is for your records.

Please note that the monthly report requires a narrative report which should be accompanied by maps or sketches. The narrative report must be signed by the operator. The monthly report will not be processed for payment unless accompanied by a narrative report. Additional copies of forms MF-104 and MF-104A will be forwarded to you as required.

For your information and in reply to many questions that have been asked, after forms MF-104 and MF-104A are received an engineer will check progress and approve your accounts, after which it will be sent to the Regional Office, Region III, U. S. Bureau of Mines, 224 New Customhouse, Denver 2, Colorado, for auditing and vouchering. If the report is in order a check will be issued by the Treasury Department for the Government's portion of the costs.

The contract is prepared on short-form MF 200A, which establishes fixed unit costs for the performance of the various categories of work which will be the basis of reimbursement to you as units of work are completed.

Your attention is directed to the provision that Stage II work is contingent upon the results obtained from Stage I and performance of the work under Stage II is subject to the prior written approval of the Government.

When Stage I has been completed, if you desire to perform the work as outlined in the contract for Stage II, you must request the Government's approval prior to the performance of any work under Stage II. You should anticipate a suspension of operations between stages of work to enable the Government geologist and engineer to evaluate the results of the work performed and make their recommendations to this office relative to additional work to be performed.

No oral statement of any person shall be construed to modify or change the terms of this contract. Field representatives of the Government are not authorized to approve any changes in the work program or contract provisions; such approval can only be given by the Washington Office, DMEA, or the DMEA Field Team, Region III.

Regarding the start of the work, please contact M. H. Salsbury, mining engineer, U. S. Bureau of Mines, P. O. Box 360, Grand Junction, Colorado; or he can be reached in person at the A.E.C. Compound in Grand Junction, 'phone No. 3000, extension 287. Mr. Salsbury will meet with your representative to establish starting points of the work and will further explain the contract and reporting procedures if additional information is desired.

It is a regulation that reimbursement for the cost of work accomplished prior to the date of the contract will not be allowed. It is a requirement and imperative that you notify this office in writing the date work actually commences under the contract with a copy of your letter to Mr. Shaw.

Very truly yours,

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

Enclosures
JWT:prl
cc: Chairman, Oper. Comm. (4)
Harshman
Shaw (2)
Hasler
Townsend
Corres. file
Chron.

CERTIFIED MAIL

224 New Customhouse
Denver 2, Colorado

September 29, 1955

Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City, Utah

Re: Docket DMEA 3732 (Uranium),
Proposed Contract Idm-E873,
Klondike Uranium, Inc.
(Klondike et al. claims),
Grand County, Utah

Gentlemen:

Enclosed are the Government's, Division, Docket, Finance Office, and Field Team copies of proposed Short-Form Exploration Project Contract Idm-E873, which was prepared in Washington and signed by the Administrator, pursuant to your application.

If the contract is satisfactory in all respects, all five copies must be signed by an official of the corporation authorized to sign such documents, attested by the Secretary, and the corporate seal affixed.

When all copies of the contract have been properly executed and returned to this office, the "Operator's Copy" will be forwarded to you with instructions relative to work performance and reporting procedures under the contract.

When you return the copies of the contract, please advise the approximate date on or before which work can be started, in order that we may insert it under Article 3 of all the contract forms.

Very truly yours,

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

Enclosures
WMT:prl
cc: Subj.Corres.E873
Harshman
Shaw (2)
Hasler
Secretary of Oper. Comm. (2)
Townsend

Charon.

Surname 700

Murphy
Ellis
Talbut
Selfridge
Jefferson

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

SEP 15 1955

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

Re: Docket No. DMEA-3732 (Uranium)
Klondike Uranium, Incorporated
Klondike et al., claims
Grand County, Utah

Dear Mr. Traver:

Enclosed are the original and five copies of a short-form contract between the Government and Klondike Uranium, Incorporated. Also enclosed are six copies of a Subordination Agreement to be signed by Mr. Duke B. Woods. This agreement should be readily obtainable as Mr. Woods is President of Applicant.

The Administrator has signed this proposed contract subject to the attachment of the above-mentioned agreement.

If you and the Operator find the proposed contract in order, please insert in Article 3 of the contract form the date work shall commence; then have an authorized representative of the corporation sign the original and all copies. Thereafter kindly distribute the copies in the usual manner.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GHB)

Enclosures

APPROVED:

/s/ Robert W. Geehan (GHB)
Member, Bureau of Mines

/s/ N. E. Nelson (GHB)
Member, Geological Survey

FMMurphy:am
9-7-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5222
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Murphy

RCB.

Surname 700
Murphy
Ellis

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

September 9, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

From: F. M. Murphy, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-3732 (Uranium)
Klondike Uranium, Incorporated
Klondike et al., claims
Grand County, Utah
Revision of Contract under "General Provisions,"
Item 3, line 5.

Under "General Provisions," Item 3, line 5., after the words "shall be" the wording should be changed to read:

...split for sample purposes. One-half of each sample shall be properly identified and stored for Government use, the other half shall be chemically analyzed for its U_3O_8 and V_2O_5 content.

The Operating Committee has also recommended that the radiometric testing equipment be put on a monthly rental basis.

FMMurphy

F. M. Murphy

Attachments

FMMurphy:am
cc to: Docket
Code 700
Mr. Murphy

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

SEP - 2 1955

Memorandum

To: The Administrator, DMEA
Attention: Mr. E. W. Ellis

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3732, Klondike Uranium, Inc.

As requested in Mr. Murphy's memorandum of August 22, we have prepared the attached contract, subject to attachment of Subordination Agreement of Duke B. Woods. This agreement should be readily obtainable as Mr. Woods is President of applicant. A Subordination Agreement form has been attached for your use.

Inasmuch as we were furnished with only three copies of Figure I, it will be necessary to attach the additional copies.

for Henry C. Smith
J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

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

August 22, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

From: F. M. Murphy, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-3732 (Uranium)
Klondike Uranium, Inc.
Klondike, et al., claims
Grand County, Utah

Will you kindly prepare a short-form contract in accordance with the attached draft. We are having photostats of map "Figure 1" made, and this office will attach these maps to the prepared contract.

F. M. Murphy

F. M. Murphy

RECEIVED
AUG 23 1955
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

8/22/55
draft

~~Clio Cohen~~
Docket

MF-200A
(Revised June 1954)

Docket No. DMEA 3732

Commodity Uranium

Contract No. Idm-E

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] .....

Klondike Uranium, Inc., a Utah Corporation

whose mailing address is 111 Atlas Building
Salt Lake City 1, Utah
hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and Maps Figure 1, 2, and 4

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Utah, County of Grand, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Owner of [5] entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] see Annex I, [7] recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: 2½% royalty on any ore sold, payable to Duke W. Woods

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: .....

none

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before March 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $19,122.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $14,342.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) 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.

(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, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude 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 (1½) 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 (½) 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 (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

.....
(Operator)

By .....

By .....

.....

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

DRAFT
FMMurphy:am
7-13-55

EXPLORATION PROJECT CONTRACT

KLONDIKE URANIUM INCORPORATED

DOCKET NO. DMEA-3732

ANNEX I

The land referred to in Article 2 of the contract consists of ~~nineteen~~ sixteen unpatented lode mining claims which are recorded in the office of the County Recorder, Grand County, Utah, as follows:

Claim	Book No.	Page No.
Beggar	9 K	306
" No. 2	9 K	307
" No. 3	9 K	307
Red Rock	9 K	309
Mountain View	9 K	310
Klondike	9 K	304
" No. 1	13	289
~~" No. 2~~	~~13~~	~~290~~
" No. 3	13	291
~~" No. 4~~		
~~" No. 5~~		
" No. 6	13	294
" No. 7	13	295
" No. 8	13	296
" No. 9	13	297
Conglomerate	9 J	587
Black Tree	9 J	587
Island King	9 J	587
Cap No. 1	9 J	152

out

The above claims are in secs. 11,12,13,14,23, and 24, T.25S., R.20E., and in sec. 19, T.20S., R.21E.,S.L.P.M. and B. Grand County, Utah, and shown on map entitled Figure I.

DRAFT
FMMurphy:am
7-13-55

EXPLORATION PROJECT CONTRACT

KLONDIKE URANIUM INCORPORATED

DOCKET NO. DMEA-3732

EXHIBIT "A"

Description of the Work

The object of this project is to explore the basal member of the Chinle formation by means of drifting, crosscutting, and long-hole drilling. The work will be performed along "channels" where in places the basal Chinle unit~~s~~ scour into the underlying (Shinarump?) formation. The Chinle sediments filling these sharp scours are thought to be the most favorable host rocks for uranium ores in the locality of the project property.

The work shall be performed in two successive stages. The Operator shall perform all the work under Stage I and shall perform so much of Stage II as is approved in advance in writing by the Government based upon results of the completed work under Stage I.

The location and extent of the drifts and crosscuts to be driven in each stage are shown on the attached maps entitled, "Figure 2 - Sketch Map Showing Proposed Exploration on the Klondike Claim", and "Figure 4 - Sketch Map Showing Proposed Exploration on the Beggar Claim".

STAGE I

The work to be done in Stage I shall consist of the following:

Klondike claim

From a point approximately 100 feet in from the portal of the N. B. Hunt drift, drive a drift in a southwest direction a distance of 125 feet.

Approximately 50 feet in from the starting point of the contract drift, three holes each 25 feet in depth shall be percussion-drilled

upward in a fan pattern to test the rock above the drift. The center hole shall be vertical and the other two 45° - 60° from horizontal. At each succeeding 25 foot interral as the drift progresses, three test holes shall be drilled using the above described pattern. Not in excess of 12 percussion drilled test holes aggregating 300 feet shall be drilled in this Stage I on the Klondike Claim, and not more than 25 samples shall be chemically analyzed for their U_3O_8 and V_2O_5 content.

Beggar claim

From a point of maximum mineralization along the rim (approximately 125 feet west from the east side line of the Beggar claim) drive a drift a distance of 100 feet on a bearing of about S. 40° W. At the end of this drift drive two crosscuts, each 50 feet in length, into each side wall and at right angles to the drift.

At points spaced 25 feet apart in the above drift and crosscuts, one test hole shall be percussion-drilled upward to a depth of 25 feet. Not in excess of 6 percussion-drilled test holes aggregating 200 feet shall be drilled in this Stage I on the Beggar claim, and not more than 20 samples shall be chemically analyzed for their U_3O_8 and V_2O_5 content.

STAGE II

The work to be done in Stage II shall consist of the following:

Klondike claim

Advance the Stage I drift in the same southwest direction an additional 60 feet.

Precussion drill three vertical test holes at spaced intervals, also drill one hole slightly up from horizontal in the end, ~~and in the~~ same direction as the drift. Not in excess of 4 percussion-drilled test

holes, each 25 feet in depth, shall be drilled in this Stage II on the Klondike claim and not in excess of 10 samples shall be chemically analyzed for their U_3O_8 and V_2O_5 content.

Beggar claim

Advance the Stage I drift an additional 100 feet on the same approximate S. 40°W. bearing. At the end of the Stage II drift, drive two crosscuts, each 50 feet in length, into each side wall and at right angles to the drift.

At points spaced 25 feet apart, in the above drift and crosscuts, one hole shall be percussion-drilled upward to a depth of 25 feet. Not in excess of 8 percussion-drilled test holes aggregating 200 feet shall be drilled in this Stage II on the Beggar claim, and not in excess of 20 samples shall be chemically analyzed for their U_3O_8 and V_2O_5 content.

GENERAL PROVISIONS

1) The drifts and crosscuts in Stage I and II shall all be driven on the contact horizon of the basal member of the Chinle and the underlying purple-white bed (Shinarump?) which is believed to be the basal marker of the ore-bearing Chinle basal unit. The drifts and crosscuts shall be driven keeping the Chinle-purple-white bed contact in the upper half of the face of the opening, except in places where the Chinle may scour down to the MoenKopi formation, then the marker horizon shall be the Chinle-MoenKopi contact. It is estimated that the drifts on the Klondike and Beggar claims will have to be driven on a minus 6 to 12 degree grade in order to follow the Chinle-purple-white bed contact.

2) All drifts and crosscuts shall be 5' x 7' in crossection in clear of timber.

4) Material from each round broken in the drifts and crosscut, and a channel sample of each new face, as well as all cuttings from the long percussion-drilled holes shall be tested radiometrically. Material, cuttings, and samples showing higher than normal radioactivity shall be split for sample purposes. One-half of each sample shall be properly identified and stored for Government use, the Operator's half shall be chemically analyzed for its U_3O_8 and V_2O_5 content.

5) A supervisor shall be employed full time to direct the work under this contract.

6) Maps shall be submitted each month, showing the drift and crosscut progress, the location of the test holes, and assay results of samples. Certified analyses receipts shall be submitted with the montlhy progress report.

7) The location of drifts, crosscuts, and test holes, the method of taking and storing samples, and the method of radiometric probing and testing shall all be subject to Government approval.

AGREED UNIT COSTS

Klondike claims

Stage I

125 feet drift @ $29.50/ft.	$3,687.50
300 feet percussion drill holes @ $1.00/ft.	300.00
Rent of radiometric testing instrument @ $100/mo.-2 months	200.00
25 Chemical analyses - @$5.00 each sample	125.00
	$4,312.50

Stage II

60 feet drift @ $29.50/ft.	$1,770.00	
100 feet percussion drill holes @ $1.00/ft.	100.00	
Rental of radiometric testing instrument @ $100/mo.-1 month	100.00	
10 Chemical analyses $5.00 each sample	50.00	
		$2,020.00

Beggar claim

Stage I

100 feet drift @ $29.50/ft.	$2,950.00	
Two (2) 50 foot crosscuts totaling 100 feet @ $29.50/ft.	2,950.00	
200 feet percussion drill holes @ $1.00/ft.	200.00	
Rental of radiometric testing instrument @$100/mo.-2 months	200.00	
20 Chemical analyses @ $5.00 each sample	100.00	
		$6,400.00

Stage II

100 feet drift @ $29.50/ft.	$2,950.00	
Two (2) 50 foot crosscuts totaling 100 feet @ $29.50/ft.	2,950.00	
200 feet percussion drill holes @ $1.00/ft.	200.00	
Rental of radiometric testing instrument @ $100/mo. - 2 months	200.00	
20 chemical analyses @ $5.00 each sample	100.00	
		$6,400.00

SUMMARY OF COSTS

Agreed Total Project Cost Beggar Claim	$12,800.00
Agreed Total Project Cost Klondike Claim	6,332.50
Agreed Total Cost of Project (rounded)	$19,132.00
Government participation at 75 percent	14,349.00

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

August 16, 1955

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Chairman of the Operating Committee

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3732 (Uranium), Klondike Uranium, Inc., Grand County, Utah

Enclosed are four copies of a letter from the applicant dated August 9, 1955 and four copies of the map (claim map) included with his letter. Figure I

Mr. Woods is still emphatic in wanting Klondike claims numbers 4 and 5 excluded from any subordination to The Government. Since the proposed exploration would not come within 800 feet of either of these claims, we would not insist on their inclusion. Why the applicant wishes to subordinate the Gap No. 1, Island Mesa, Conglomerate, and Black Tree claims which would receive small benefit from the proposed exploration is not known.

W. M. Traver

Enclosures

RECEIVED
AUG 18 1955

KLONDIKE URANIUM, INC.
114 ATLAS BUILDING
SALT LAKE CITY 1, UTAH

DMEA
Date Rec'd
AUG 15 1955
BUR[illegible]S
D[illegible]

August 9, 1955

Mr. W. M. Traver, Executive Officer,
D.M.E.A. Field Team,
Region III
224 New Custom House
Denver 2, Colo.

Re: Docket DMEA - 3732

Dear Mr. Traver:

We are in receipt of your letter of July 19, 1955, in which you request a claim map of the Klondike property and other information. This is in reply to that letter.

Six copies of a claim map of the Klondike and Beggar groups of claims are attached. The claims shown on the map were in the main surveyed by employes of the Klondike Uranium Company, Inc., and are shown in true relationship to each other and to the land survey corners noted on the map. Claims other than those to be obligated under the DMEA contract are shown but the ones noted in the original application are outlined in red.

As indicated in our letter of July 14, 1955, it is in[illegible] by the Klondike No.4 and Klondike No.5 Claims not be included in [illegible] to be explored nor included in the list of claims obligated [illegible] contract. These claims are inaccessible to ordinary exploration equipment and, moreover, there are no outcrops of the Shinarump conglomerate on these claims. It will be noted that they were not included in the list of claims on the original application.

In reference to Paragraph No. 4 of your letter of July 19, it is now believed that exploration under a DMEA contract on the Beggar and Beggar No.2 claims would be beneficial. Therefore, we wish to have them included in any proposed contract, as was requested in the original application.

It should be noted that all of the claims included in the original application are property of the Klondike Uranium, Inc., having been purchased from the various claim owners after the corporation was formed. Paragraph No.5 of your letter indicates that the DMEA is of the impression that more than one claim owner is involved.

7/27/55 gla

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

RECEIVED
JUL 27 1955

224 New Customhouse
Denver 2, Colorado

July 25, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-3732 (Uranium), Klondike Uranium, Inc., (Klondike et al. claims), Grand County, Utah

Reference is made to your letter of July 21, 1955 on the subject docket.

Enclosed is a copy of a letter from the applicant dated July 14, 1955 and our reply to the applicant on July 19, 1955.

W. M. Traver

W. M. Traver

Enclosures

RECEIVED
JUL 27 1955

224 New Customhouse
Denver 2, Colorado

July 19, 1955

Mr. Duke B. Woods, President
Klondike Uranium, Incorporated
114 Atlas Building
Salt Lake City, Utah

Re: Docket DMEA-3732

Dear Mr. Woods:

This will acknowledge receipt of your letter dated July 14, 1955, but the maps we requested were not attached.

Without a true map we cannot ascertain the claims which will be benefited by the proposed exploration. Please forward us a claim map as requested in our letter of June 23, 1955 showing the following claims:

Klondike No. 1, ~~[illegible]~~ No. 3, No. 4, No. 5, No. 6, No. 7, No. 8 and No. 9; Conglomerate; Black Tree; Island Mesa; Gap No. 1; Beggar and Beggar No. 2 and No. 3; Red Rock, and Mountain View.

Your application requested exploration work on the Beggar and Beggar No. 2 claims, and we have recommended drifting and crosscutting in this area. Your letter of July 14, 1955 requests the Beggar claim and the Beggar No. 2 not be included in any proposed contract. Are we to understand that you are now only interested in exploration on the Klondike claims?

All claims that will be benefited as a result of DMEA exploration must be subordinated to the Government and Owner's Consent to Lien will be required from all claim owners.

Please advise us of your present intentions regarding your application for DMEA assistance.

HMC:sr

Very truly yours,

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

cc Subject
Shaw
Harshman
Hasler
Connors
Chron

Surname

700
Murphy
Ellis
Martin
Johnson
Matteedof

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

JUL 21 1955

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

Re: Docket No. DMEA-3732 (Uranium)
Klondike Uranium, Incorporated
Klondike et al., claims
Grand County, Utah

Dear Mr. Traver:

We refer to your memorandum, dated June 27, 1955, transmitting the "Report of Examination" pertaining to the above-docketed application.

We note that you have requested the Applicant to furnish a claim map and, also, the recording data on Klondike claims No. 4 and No. 5. Will you please advise this office when we may expect to receive these data.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (WSM)

APPROVED:

/s/ Robert W. Geehan (RWG)
Member, Bureau of Mines

Thor H. Kiilsgaard (THK)
Member, Geological Survey

FMMurphy:am
7-19-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5222
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Murphy

R.C.J.

7/18/55 gla

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

RECEIVED
JUL 15 1955

July 14, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4445

From: John E. Crawford, Bureau of Mines Member
Uranium Commodity Committee

Subject: Report of Examination, DMEA Docket 3732, Klondike Uranium, Inc., (Klondike and Beggar claims), Grand County, Utah

I have reviewed the Field Team report of examination, Klondike Uranium, Inc., DMEA Docket 3732; and I have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

We concur with the Field Team that the program proposed by the Field Examiners be conducted. The total cost of the program would be $19,132.50, with Government participation at 75 percent, $14,349.38.

The report has been forwarded to the Chief, Division of Minerals, in accordance with the routing slip attached thereto.

John E Crawford
John E. Crawford

7/15/55 gla

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

July 13, 1955

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: Thor H. Kiilsgaard, U. S. Geological Survey

Subject: Review of Field Team Report, Klondike Uranium, Inc., Grand County, Utah, DMEA Docket 3732.

I recommend approval of the modified project proposed by the Field Team for the applicant's property. Stage I work on the Klondike claim is to consist of a 125-foot drift driven southwesterly along the channel from a point near the center of the channel in the N. B. Hunt drift; the sides of the channel to be tested with 300 feet of long holes drilled at 25-foot intervals from the drift. On the Beggar claim there is to be 200 feet of drifting and crosscutting and 200 feet of long-hole drilling in Stage I.

Stage II comprises 260 feet of drifting and/or crosscutting and 200 feet of long-hole drilling.

Thor H. Kiilsgaard

Thor H. Kiilsgaard

RECEIVED
JUL 1 5 1955

7/11/55 gla

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

RECEIVED
JUL - 1 1955

224 New Customhouse
Denver 2, Colorado

June 27, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Report of Examination, DMEA Docket 3732 (Uranium), Klondike Uranium, Inc., (Klondike and Beggar claims), Grand County, Utah

Enclosed are the original and three copies of the report pertaining to the above application.

We concur in the recommendation of the field examiners for exploration on the Beggar group. We recommend on the Klondike that a 125-foot drift be driven southwesterly along the channel from a point in the center of the channel exposed in the N. B. Hunt drift as shown in Figure 2 of the engineering report.

We have requested the applicant to furnish a claim map showing the nine Klondike claims and the Conglomerate, Black Tree, Island Mesa, Gap No. 1 and Beggar group. The recording data on Klondike claims No. 4 and No. 5 has also been requested so that these claims may be subordinated.

Nine copies each of Figures 2 and 4 are attached for possible use in a contract.

ON-SITE EXAM.

DMEA Field Team, Region III

W. M. Traver

W. M. Traver

E. N. Harshman

E. N. Harshman

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
7-8-55
(date)

DMEA
Date Rec'd.

RECEIVED JUN 9 1955

JUL - 1 1955 BUREAU OF MINES
Denver, Colorado

TRANSMITTED
JUN 27 1955

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
June 6, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw

Subject: DMEA 3732, Klondike Uranium, Inc. (Klondike et al. claims)
Grand County, Utah

Enclosed are the original and eleven copies of the "Summary, Conclusions, and Recommendations," by W. D. McMillan, mining engineer, U. S. Bureau of Mines, and H. S. Johnson, geologist, Geological Survey, and the original and eleven copies of an engineering report by W. D. McMillan covering docket DMEA 3732.

Klondike Uranium, Inc. applied for exploration assistance in the amount of $54,380 to explore the Klondike and Beggar group of claims by rim stripping, drifting, crosscutting, and diamond core drilling. A field examination was made on April 29, 1955, by an examining team from the Bureau of Mines and Geological Survey. The examining team proposed a revised program of drifting, crosscutting, and percussion drilling.

It is recommended that the Government enter into a contract with the applicant for 585 feet of drifting and crosscutting and 800 feet of percussion drill holes at an estimated cost of $19,132.50. The amount of Government participation would be 75 percent, or $14,349.38.

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

cc 11
DMEA 3732
DMEA Chron.

JFS/pah

7-8-55

RECEIVED
JUL - 1 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA 3732, Klondike, Beggar and Other Claims
Klondike Uranium, Inc.
Seven Mile Mining District
Grand County, Utah

Uranium

W. D. McMillan, Mining Engineer
Bureau of Mines

H. S. Johnson, Geologist
Geological Survey

May 27, 1955

Reviewed by
DMEA OPERATING COMMITTEE
7-8-55
(date)

DMEA 3732
KLONDIKE, BEGGAR AND OTHER CLAIMS
KLONDIKE URANIUM, INC.
SEVEN MILE MINING DISTRICT
GRAND COUNTY, UTAH

RECEIVED
JUL - 1 1955

Summary, Conclusions, and Recommendations

By W. D. McMillan
Mining Engineer
Bureau of Mines

H. S. Johnson
Geologist
Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
7-8-55
(0030)

TRANSMITTED
JUN 27 1955

DMEA 3732
KLONDIKE, BEGGAR AND OTHER CLAIMS
KLONDIKE URANIUM, INC.
SEVEN MILE MINING DISTRICT
GRAND COUNTY, UTAH

RECEIVED
JUL - 1 1955

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By W. D. McMillan and H. S. Johnson

An application has been made to the Defense Minerals Exploration Administration for Government assistance in exploration of the Klondike, Klondike No. 1, Beggar and Beggar No. 1 uranium claims in Grand County, Utah, which were located in August, 1951, and are owned by the applicant, Klondike Uranium, Inc. The applicant proposed 11,000 feet of rim stripping and access road building, 1500 feet of drifts and crosscut and 1500 feet of diamond core drilling at an estimated cost of $54,380.00. Government participation at 75 percent would be $40,785.00.

A field examination was made on April 29, 1955, followed by consultations with W. P. Williams and E. N. Harshman of the Geological Survey.

The claims are on an escarpment 2.5 miles west of U. S. Highway 160 between Crescent Junction and Moab and 10 miles north of Moab. The Moenkopi, Shinarump, and Chinle formations outcrop in ascending order on this escarpment. In the Seven Mile Mining District most of the ore deposits are in the lower unit of the Chinle formation, this unit consisting of thin lenticular beds of fine sandstone, silt stone, and lime-pebble conglomerate, associated with carbonaceous material. Underground development on the Klondike and rim stripping on the Beggar indicate significant ore deposits.

A revised program of drifting, cross-cutting and percussion drilling in place of diamond core drilling with elimination of access roads and rim-stripping which were completed, has been submitted by the applicant as the result of a field conference. The examining team recommends approval of a short form contract specifying 585 feet of drifts and cross-cuts and 800 feet of percussion drill holes and Babbel probing at an estimated total cost of $19,132.50. Government participation at 75 percent would be $14,349.38.

Please advise us if any further information or data is required in conjunction with the application. Anything you might do to expedite the processing of our application will be appreciated.

Very truly yours,

KLONDIKE URANIUM, INC.,

Duke B. Woods

Duke B. Woods, President

DBW/a

KLONDIKE URANIUM, INC.
114 ATLAS BUILDING
SALT LAKE CITY 1, UTAH

D.M.E.A.
Date Rec'd
JUL 18 1955
BUREAU OF MINES
Denver, Colorado

July 14, 1955

RECEIVED
JUL 27 1955

Mr. W. M. Traver, Executive Officer,
D.M.E.A. Field Team, Region #3,
224 New Custom House
Denver 2, Colo.

Re: Docket D.M.E.A. 3732
Klondike Uranium, Inc.

Dear Mr. Traver:

In your letter of June 23, 1955, you requested a claim map of certain of the Klondike claims, including Klondike #2. A review of the original application shows that the Klondike claims intended to be included in the D.M.E.A. contract were Klondike #1, Klondike #3, Klondike #6, Klondike #7, Klondike #8, and Klondike #9, as well as additional claims in other groups. Klondike #2 does not exist, inasmuch as when the claims were located this number was left out of the series. It is intended by the applicant that Klondike #4 and Klondike #5 not be included in the area to be explored. These claims were omitted because of their inaccessibility and the fact that no outcrop of the Shinarump conglomerate, the usual ore horizon on the claims, was exposed. It is not intended that these claims should be obligated under any contract.

During the examination made by representatives of the D.M.E.A. it was suggested that the Beggar Claim and the Beggar #2 Claims should not be included in any proposed contract inasmuch as the company had discovered ore on these claims by their own rim-stripping. It is therefore requested that the Beggar and Beggar #2 Claims be omitted from any list of claims obligated under the contract. The claim map requested in your letter is attached hereto.

Anything that you can do to expedite the processing of our application will be appreciated.

Very truly yours,

KLONDIKE URANIUM, INC.,

Duke B. Woods, President

HKT/a

DMEA 3732
KLONDIKE, BEGGAR AND OTHER CLAIMS
KLONDIKE URANIUM, INC.
SEVEN MILE MINING DISTRICT
GRAND COUNTY, UTAH

Engineering Report

W. D. McMillan
Mining Engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
7-8-55
(date)

DMEA 3732
KLONDIKE, BEGGAR AND OTHER CLAIMS
KLONDIKE URANIUM, INC.
SEVEN MILE MINING DISTRICT
GRAND COUNTY, UTAH

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Recommendations 10

ILLUSTRATIONS

Figure — Follows Page

1. Location map, Klondike Uranium, Inc. properties, Grand County, Utah. DMEA 3732 2

map on contract

2. Sketch map showing proposed exploration on the Klondike Claim, Klondike Uranium, Inc., Grand County, Utah. DMEA 3732 10

3. Sketch map showing proposed exploration on the Beggar Claim, Klondike Uranium, Inc., Grand County, Utah. DMEA 3732 10

DMEA 3732
KLONDIKE, BEGGAR AND OTHER CLAIMS
KLONDIKE URANIUM, INC.
SEVEN MILE MINING DISTRICT
GRAND COUNTY, UTAH

ENGINEERING REPORT

By

W. D. McMillan

INTRODUCTION

Klondike Uranium, Inc., applied for Defense Minerals Exploration Administration assistance to explore for uranium on claims owned by the corporation in the Seven Mile District, Grand County, Utah.

The corporation proposed 11,000 feet of rim stripping and access road building, 800 feet of drifting and cross-cutting on the Beggar and Beggar No. 2 claims, and 700 feet on the Klondike and Klondike No. 1, and underground core drilling at a total estimated cost of $54,380.00. Government participation at 75 percent would be $40,785.00.

An examination was made on April 29, 1955, by a DMEA examining team consisting of W. D. McMillan, Mining Engineer, U. S. Bureau of Mines, and H. S. Johnson, Geologist, U. S. Geological Survey, accompanied by Duke B. Woods, President of the corporation.

A modified program in two stages consisting of 375 feet of crosscutting and drifting in Stage I and 350 feet in Stage II at a total estimated cost of $19,132.50 was proposed by the examining team, which was acceptable to Duke B. Woods. Other modifications consisted of elimination of rim stripping and access roads, which had been

completed by the applicant, and the substitution of jack hammer holes for core drilling, testing the ground by gamma-ray detection instruments. Government participation at 75 percent would be $14,349.38.

ACKNOWLEDGMENTS

Data pertaining to the Klondike Uranium, Inc. claims were obtained from personal observation, from the experience of the Geological Survey member of the team in other similar deposits in the district, and from Duke B. Woods, who has 15 years experience in mining in the region.

W. Y. Isachsen and R. F. Droullard of the Atomic Energy Commission were consulted by the Geological Survey and concur in the recommendations in this report.

LOCATION, TOPOGRAPHY AND PHYSICAL FEATURES

The Klondike Uranium, Inc. claims consist of the Beggar Group of five claims in secs. 11, 12, 13 and 14, T. 25 S., R. 20 E., the Klondike Group of 8 claims located in secs. 13, 14, 23 and 24, T. 25 S., R. 20 E., and Gap Group of 3 claims located in secs. 13 and 14, T. 25 S., R. 20 E. and in sec. 19, T. 20 S., R. 21 E., S.L.P.M. and B.

The Beggar and Klondike Groups are on the east slope and top of Seven Mile Mountain but are separated by 2000 feet which is claimed by other parties. Gap Group has 2 claims side by side, and a third isolated. This group is roughly 3000 to 5000 feet east of the Klondike Group.

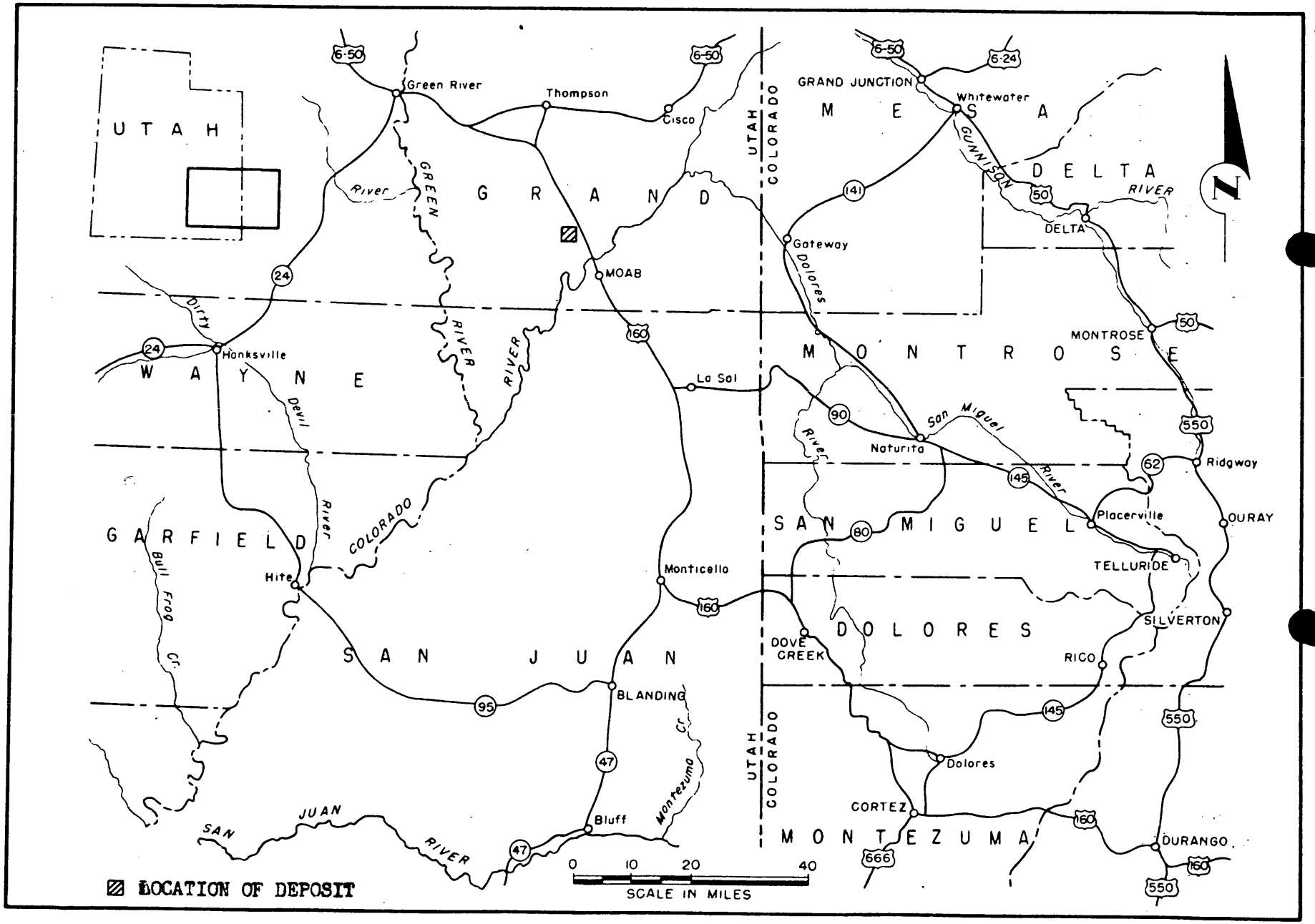


FIGURE 1 - LOCATION MAP, KLONDIKE URANIUM, INC., PROPERTIES, GRAND COUNTY, UTAH. DMEA 3732

A steep graded dirt road of 2.5 miles leads to the east side of the claims from U.S. Highway 160; from the junction it is 10 miles south to Moab, 28 miles north to Thompson, and 109 miles to Grand Junction, Colorado.

Labor, supplies and light equipment can be obtained at Moab. Heavy equipment is available at Grand Junction. The Denver and Rio Grande Western at Thompson is the nearest railroad. Uranium ore purchasing depots are located at Thompson and Moab. Native timber and dimension lumber can be purchased locally.

The mine adits are at an altitude of about 5,000 feet, and the terrain slopes steeply westerly another 500 to 600 feet.

The climate of the district is arid, with hot summers and moderate winters, with infrequent periods of extreme cold. There may be heavy storms of short duration throughout the year; and slight amounts of snow accumulates during the winter months. Access to the property and underground mining operations are feasible throughout the year.

HISTORY, PRODUCTION, AND OWNERSHIP

Production from the Klondike claims, according to R. T. Chew of the U. S. Geological Survey, in his report of February, 1955 on the Chatu Uranium Company, Inc. properties (DMEA 3613), immediately north of the Beggar Group of claims, amounted to 170 tons of uranium ore with an average of 0.14 percent U_3O_8. Gross value of this production would be slightly over $1,300.00, as compared with the applicant's reported total of $7,000.00.

The records at the Grand County, Utah, Recorder's Office in Moab, Utah, on the Klondike Uranium, Inc. claims were briefly checked on April 29, 1955, and the following information shown in Table No. 1 was obtained.

Table No. 1 - List of Claims Covered by DMEA 3732

Claim	Registration Book	Registration Page	Registration No.	Locator	Date
Beggar	9K	306	208,615	Duke B. Woods	8/14/51
Beggar No. 2	9K	307	208,616	Duke B. Woods	8/14/51
Beggar No. 3	9K	307	208,617	Duke B. Woods	8/14/51
Red Rock	9K	309	208,618	Duke B. Woods	8/14/51
Mountain View	9K	310	208,620	Duke B. Woods	8/14/51
Klondike	9K	304	208,614	Duke B. Woods	8/14/51
Klondike No. 1	13	289	214,454	Otto Murphy	11/9/53
Klondike No. 3	13	291	214,456	Otto Murphy	11/9/53
Klondike No. 6	13	294	214,458	Otto Murphy	11/9/53
Klondike No. 7	13	295	214,460	Otto Murphy	11/9/53
Klondike No. 8	13	296	214,461	Otto Murphy	11/9/53
Klondike No. 9	13	297	214,462	Otto Murphy	11/12/53
Conglomerate	9J	587	207,341	Paul Ziak	3/31/51
Black Tree	9J	587	207,342	Paul Ziak	3/31/51
Island King	9J	587	207,343	Paul Ziak	3/31/51
Cap No. 1	9J	152	204,182	Robert C. Burr	3/31/48

Duke B. Woods stated that their Klondike No. 2 did not exist, but this claim is recorded in Book 13, Page 290, Certificate No. 214,454. If a contract is approved, Klondike claims Nos. 2, 4, and 5 should also be included as these claims might be benefited by a discovery on the Klondike and Klondike No. 1 claims.

Otto Murphy, Paul Ziak, and Robert C. Burr have assigned their claims to Duke B. Woods, who in turn sold them to Klondike Uranium, Inc. on formation of the corporation. If a contract is approved, Klondike Uranium, Inc. should be asked to furnish copies of the transfer to the corporation.

DESCRIPTION OF THE DEPOSITS

The Triassic Chinle formation outcrops on the face of a steep cliff from the Beggar Group on the north end of the group southward to at least the Klondike No. 9 claim, a distance of over 8,000 feet.

The Chinle formation has a thickness of from 250 to 300 feet which can be divided into an upper unit consisting of reddish brown shale and fine-grained sandstone and a lower unit consisting of thin lenticular beds of green to pale red fine sandstone, silt stone, and lime-pebble conglomerate. Uranium occurs in the lower 20 feet of the Chinle formation associated with carbonaceous material. Underlying the Chinle is the Triassic Shinarump with thicknesses up to 30 feet consisting of bleached grey to intense shades of red and purple. These colors do not follow stratification and the unit is locally referred to as the "purple-white bed".

The Beggar deposits are located on the Beggar and Beggar No. 2 claims. They consist of uranium in carbonaceous material in lime-pebble conglomerate and light greenish-grey laminated silt stone, in two small, shallow channels about 100 feet wide and 100 feet apart. These are in the lower unit of the Chinle formation and are underlain by 7 to 8 feet of the purple white bed in the upper part of the Shinarump (?) formation. Only a small amount weakly mineralized uranium bearing material is present at the outcrop on the Beggar No. 2 claim.

On the Beggar claim ore-grade rock is present along about 30 feet of the outcrop with an estimated thickness of 1 to 2 feet.

On the Klondike and Klondike No. 1 claims ore-grade uranium ore occurs with carbonaceous material in a light grey, fine grained sandstone and silt stone that is in a shallow channel. This lens has a width of about 50 feet and a maximum thickness of 5 feet. It has been developed by underground crosscuts, drifts, and stopes for a length of about 100 feet.

MINABLE RESERVES

Present work on the claims indicates the following tonnages of uranium ore:

Klondike and Klondike No. 1	800 - 1000
Beggar Nos. 1 and 2	150

PRESENT STATUS

Exploration and Development

To date exploration and development consists of about 11,000 feet of rim stripping and approximately 400 feet of crosscuts, drifts and stopes on the Klondike claims.

Mining and Milling Equipment and Other Facilities

There are no buildings, equipment, or other facilities on the property.

PROJECT PROPOSALS WITH COSTS

Klondike Uranium, Inc. proposed the following exploration program in one stage at a total estimated cost of $54,380.00.

I - Rim stripping	9,000 feet
Access roads to stripping sites	2,000 feet
Total roads and rim stripping	11,000
II - Underground crosscutting and drifting on the Klondike, Beggar and Beggar No. 1 claims	1,500 feet
III - Underground diamond core drilling	1,500 feet

This program was modified at a conference between the examining team and Duke B. Woods, President and director of Klondike Uranium, for 2 stages.

Stage I consists of 125 feet of drifting and 300 feet of percussion drill holes on the Klondike claim and 200 feet of drifting and crosscutting and 200 feet of percussion drilling on the Beggar claim.

Stage II depends on the discovery of uranium mineralized ground in Stage I, and would consist of 60 feet of drifting and 100 feet of percussion drill holes on the Klondike claim and 200 feet of drifts and crosscuts and 200 feet of percussion drill holes on the Beggar claim. Cost estimates of the two stages amounting to a total of $19,132.50, with Government participation at 75 percent or $14,349.38, are presented in Table No. 2. Samples from percussion drilled holes to be analyzed for uranium and vanadium.

Table No. 2 - Cost Estimates

Stage I

Estimated Time of Completion - 4 months

Klondike claim	
5- by 7-foot drift, inclined approximately minus 8 degrees - 125 feet at $29.50 per foot	$3,687.50
Percussion drill holes, 3 at 25-foot intervals - 4 intervals - 12 holes - 25 feet	
Total footage 300 feet at $1.00 per foot	300.00
Rental of Babbel Probe Unit - $100 / month	200.00
Samples and analyses 25 at $5.00 each	125.00
Klondike Total	$4,312.50
Beggar Claim	
5- by 7-foot crosscut, inclined approximately minus 8 degrees, 100 feet at $29.50 per foot	2,950.00
5- by 7-foot drift - 100 feet at $29.50 per foot	2,950.00
Percussion drill holes 1 up hole each 25 feet - 8 holes - 25' each, 200 feet at $1.00 per foot	200.00
Rental Babbel Probe Unit at $100/month	200.00
Samples and analyses - 20 at $5.00 each	100.00
Beggar Total	$6,400.00
Total Cost Stage I	$10,712.50

Stage II

Estimated Time of Completion - 3 months

Klondike Claim	
5- by 7-foot drift - 60 feet at $29.50 per foot	$1,770.00
Vertical percussion drill holes 4 at 25 = 100 feet	100.00
Rental Babbel Probe Unit - $100 per month	100.00
Samples and analyses - 10 at $5.00	50.00
Klondike Total	$2,020.00

Beggar Claim

5- by 7-foot crosscut, inclined approximately 8° - 100' at $29.50 per foot	$2,950.00
5- by 7-foot drift - 100 feet at $29.50 per foot	2,950.00
Percussion drill holes, 1 up-hole, each 25 feet - 8 holes - 25 feet each, 200 feet at $1.00 per foot	200.00
Rental Babbel Probe Unit at $100 per month	200.00
Samples and analyses 20 at $5.00 each	100.00
Beggar total	$6,400.00
Total Cost Stage II	$8,420.00
Total Estimated Project Cost	$19,132.50
Government participation at 75 percent	$14,349.38

2 mo

The estimated cost of drifts and crosscuts is $29.50 per foot, as all work will have an adverse grade of from 6 to 12 degrees.

Cost Figures for Contract Use

Klondike Claim

Stage I

125 feet 5- by 7-foot drift at $29.50 per foot	$3,687.50	
300 feet percussion drill holes at $1.00 per foot	300.00	
Rental of Babbel Probe Unit - $100 per month	200.00	
Samples and analyses - 25 at $5.00 each	125.00	
Total Stage I		$4,312.50

Stage II

60 feet 5- by 7-foot drift at $29.50 per foot	1,770.00	
100 feet percussion drill holes at $1.00 per foot	100.00	
Rental Babbel Probe Unit at $100 per month	100.00	
Samples and analyses - 10 at $5.00 each	50.00	
Total Stage II		2,020.00
Total Project Cost - Klondike Claim		$6,332.50

Beggar Claim

Stage I

100 feet 5- by 7-foot crosscut at $29.50 per foot	$ 2,950.00	
100 feet 5- by 7-foot drift at $29.50 per foot	2,950.00	
200 feet percussion drill holes at $1.00 per foot	200.00	
Rental of Babbel Probe Unit at $100 per month	200.00	
Samples and analyses - 20 at $5.00 each	100.00	
Total Stage I		$ 6,400.00

Stage II

100 feet 5- by 7-foot crosscut at $29.50 per foot	2,950.00	
100 feet 5- by 7-foot drift at $29.50 per foot	2,950.00	
200 feet percussion drill holes at $1.00 per foot	200.00	
Rental Babbel Probe Unit at $100 per month	200.00	
Samples and analyses - 20 at $5.00 each	100.00	
Total Stage II		$ 6,400.00

Total Project Cost Beggar Claim	$12,800.00
Total Project Cost Klondike Claim	6,332.50
Total Cost of Project	$19,132.50
Government participation at 75 percent	$14,349.38

CONCLUSIONS

The drifting, crosscutting, and percussion drill holes proposed in Stage I are sufficient to determine the extent of the uranium bearing ore in the lower unit of the Chinle formation in the Klondike and Beggar claims.

The second stage is a continuation of exploration on these claims, to be executed only after the examining team has evaluated the results of Stage I.

Inasmuch as the lower unit of the Chinle formation contains beds of silt stone and pebble conglomerate, all workings should preferably be driven with the lower two-thirds in the purple-white bed of the Shinarump formation.

RECOMMENDATIONS

It is recommended that a short-form contract at unit costs for underground exploration at a cost of $19,132.50 - Government participation at 75 percent, $14,349.38 - be approved.

The drifts and crosscuts are to be driven in the Klondike and Beggar claims as shown on figures Nos. 2 and 3 respectively.

/mh

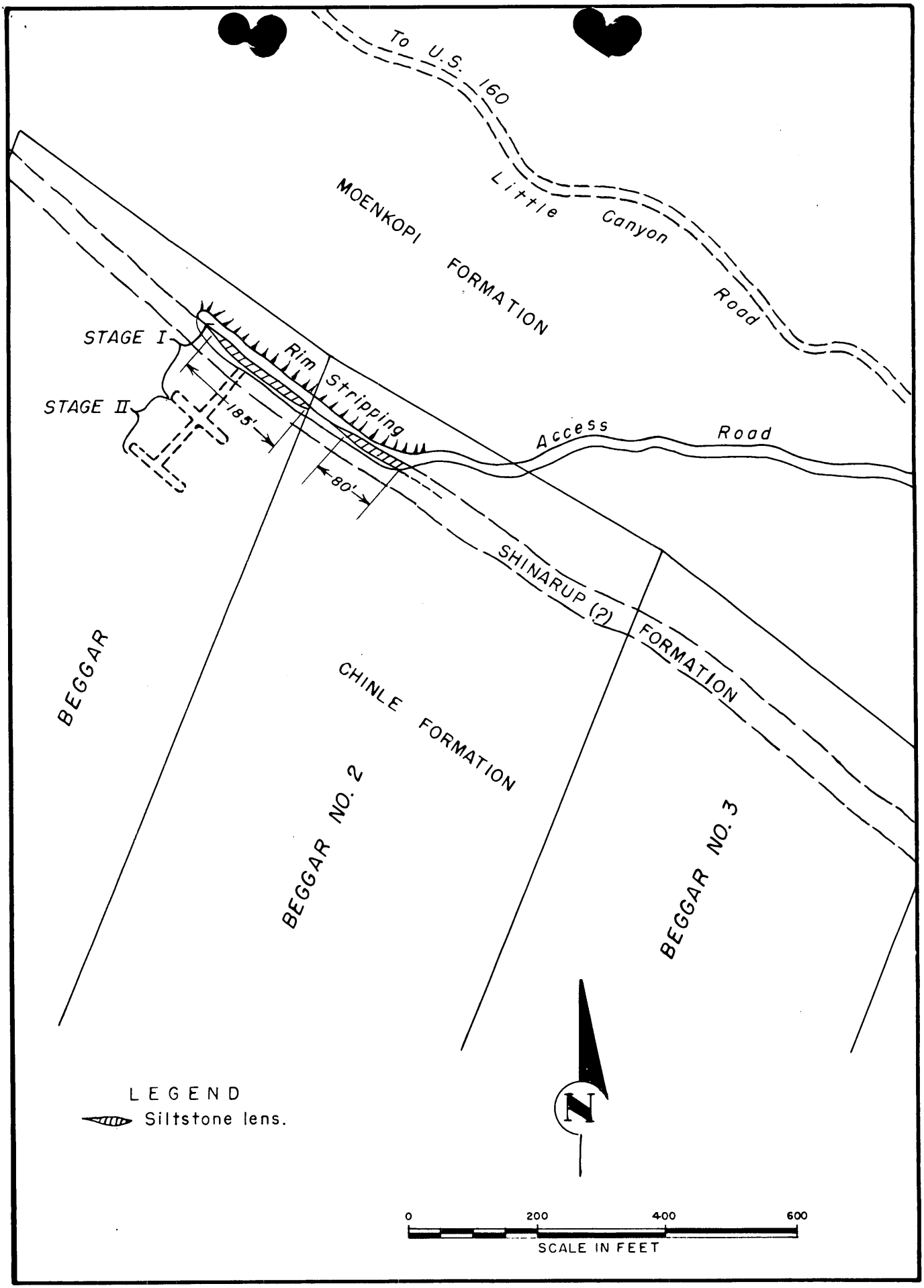


FIGURE 3 - SKETCH MAP SHOWING PROPOSED EXPLORATION ON THE BEGGAR CLAIM, KLONDIKE URANIUM, INC., GRAND COUNTY, UTAH. DMEA 3732

IN REPLY REFER TO:

DMEA
Date Rec'd.

RECEIVED
JUL - 1 1955

MAY 20 1955
BUREAU OF MINES
Denver, Colorado

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

May 19, 1955

TRANSMITTED
JUN 27 1955

Memorandum

To: Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 3732 (Uranium), Klondike Uranium, Inc., Klondike et al claims, Seven Mile area, Grand County, Utah

Enclosed are 10 copies of a geologic report by H. S. Johnson, U. S. Geological Survey, covering his examination of the subject property. Nine extra copies of the figures accompanying the report are also enclosed.

Johnson describes the geologic conditions on the property and concludes that exploration may lead to the discovery of significant uranium ore deposits. He proposes exploration in two areas. I concur with the program proposed on the Beggar claim, but I recommend that the proposed exploration on the Klondike claim be modified somewhat to better explore ground favorable for ore.

In lieu of the 175-foot crosscut (Stage I drift on figure 3), I recommend that a 125-foot drift be driven southwesterly along the channel from a point in the center of the channel exposed in the N. B. Hunt drift. All of this work would be in potential ore-bearing ground in contrast to the crosscut (drift) proposed by Johnson in which only about 50 feet would be in potential ore-bearing ground. The sides of the channel could be explored by "long holes" drilled at 25-foot intervals along the drift. If this exploration indicates favorable ground, Stage II exploration should consist of a 60-foot southwesterly extension of the Stage I drift (Stage II crosscut on figure 3).

This recommended revision of Johnson's proposed exploration plan has been discussed with W. P. Williams and has his approval. It is similar to a part of the applicant's original proposal to explore "from existing workings along the strike of the bed into unexplored area and down dip into unexplored area."

E. N. Harshman

E. N. Harshman
Member, Field Team

Reviewed by
DMEA [illegible] COMMITTEE
7-8-55
(Date)

Enclosures (37)

ENHarshman:arh

MINERAL DEPOSITS
DMEA
RECEIVED
MAY 18 1955
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

RECEIVED
JUL - 1 1955

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

May 10, 1955

Memorandum

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

From: W. P. Williams

Subject: DMEA 3732, Klondike Uranium, Inc., Klondike et al claims, Seven Mile area, Grand County, Utah

Transmitted herewith are 11 copies of a geologic report by H. S. Johnson, covering a field examination of the above-referenced property.

After study of the property and of the Seven Mile area, Grand County, Utah, Johnson is of the opinion that there is a good chance that an exploration project will find a uranium ore deposit of minable size and grade. The ore controls consist of channel scours in the Chinle formation. Johnson recommends 375 feet of drifting and cross-cutting in stage I and 350 feet of drifting and cross-cutting in stage II be approved to explore two channels on the Klondike and Beggar claims. I concur with Johnson's recommendations.

We are enclosing 9 extra copies of the maps accompanying Johnson's report. map # 4 attached to contract

Returned herewith is the brochure covering this application.

W Williams
W. P. Williams
Geologist

WPW/mlr
Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
7-8-55
(date)

UNITED STATES DEPARTMENT OF THE INTERIOR

DOUGLAS McKAY, SECRETARY

RECEIVED
JUL - 1 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION
REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA 3732, Klondike Uranium, Inc., Klondike et al claims, Seven Mile area, Grand County, Utah

Uranium

Geologic Report

by

H. S. Johnson
U. S. Geological Survey

May 13, 1955

Reviewed by
DMEA OPERATING COMMITTEE
7-8-55
(date)

INTRODUCTION AND SUMMARY

On February 19, 1955, Klondike Uranium, Inc., 114 Atlas Building, Salt Lake City 1, Utah, applied for DMEA assistance to explore for uranium on the Klondike et al claims in the Seven Mile area in secs. 11-14, T. 25 S., R. 20 E., Grand County, Utah, (fig. 1). These claims are in Little Canyon about 1.0 mile west of U. S. Highway 160 at a point 10 miles northwest of Moab, Utah. Access is provided by 1.5 miles of dirt road passable to jeeps and trucks.

A field examination of the Klondike et al claims was made on April 28, 1955, by W. D. McMillan of the Bureau of Mines, and H. S. Johnson of the U. S. Geological Survey. Mr. Duke B. Woods, president and director of Klondike Uranium, Inc., was also present during the examination. Table 1 lists the claims covered by the application. If a contract is approved, the Klondike Nos. 4 and 5 should also be included as these claims might be benefitted by a discovery on the Klondike claim. According to Mr. Woods, there is no Klordike No. 2 claim.

In the application form, Klondike Uranium, Inc. proposed an exploration program involving road building, rim stripping, and drifting and expected to cost $54,380.00. During the field examination it was noted that the applicant has already completed the road building and rim stripping proposed. Accordingly, Mr. Wood stated that he desired the rim stripping to be strickan from the application and the proposal to be confined to drifting and possibly a little road work.

Uranium occurs in small low-grade deposits at the base of the Chinle formation (Triassic) at several places on the Klondike et al claims and in the surrounding area. Small production has come from the area, but the general presence of uranium suggests that better deposits may be found by further exploration. Therefore, a limited program of drifting is proposed.

W. Y. Isachsen and R. F. Droullard of the Atomic Energy Commission have been consulted and concur in the recommendations given herein.

Table 1. List of claims covered by the application 1/

Claim	Registered in Book	Page
Beggar	9 K	306
Beggar No. 2	"	307
Beggar No. 3	"	308
Red Rock	"	309
Mountain View	"	310
Klondike	"	304
Klondike No. 1	"	303
Klondike No. 3	"	305
Klondike No. 6	9 N	394
Klondike No. 7	10	403
Klondike No. 8	12	41 A
Klondike No. 9	12	45
Congomerate	9 J	587
Black Tree	"	587
Island King (Listed by applicant as Island Mesa)	"	587
Gap No. 1	"	152

1/ Taken from form MF-103 submitted by Klondike Uranium, Inc.

GEOLOGIC SETTING

The rocks outcropping in the vicinity of the Klondike et al claims in the Seven Mile area include the Cutler formation of Permian age and the Moenkopi, Shinarump (?), Chinle, and Wingate formations of Triassic age (fig. 2). The rocks are on the southwest flank of the Moab anticline and strike N 55° W and dip 10° southwest. Uranium deposits known to date are confined to the Chinle formation in this area.

The Cutler formation is several hundred feet thick and is composed of pale reddish brown to orange colored arkosic sandstone.

Overlying the Cutler formation is the 300-foot thick Moenkopi formation composed of chocolate brown thin-bedded shale and siltstone.

Unconformably overlying the Moenkopi formation is a thin unit, discontinuous in places, that is thought to be the possible equivalent of the Shinarump conglomerate. This unit is up to 30 feet thick and is predominantly a poorly sorted sandstone with medium to coarse subangular to subrounded quartz grains in a fine-grained sand, silt or clay matrix. The color of this unit ranges from a bleached-out white to intense shades of red and purple. The coloring does not follow stratification and in gross aspect presents a unique mottled appearance. Because of the mottled coloring this unit is locally referred to as the "purple-white bed".

The purple-white bed lies on an uncomformable surface of very low relief on the Moenkopi and is scoured in turn by the basal units of the overlying Chinle formation. Green and blue secondary copper minerals occur in sparse amounts in the purple white bed in the Seven Mile area. These minerals are

thought by the writer to have been derived by downward leaching from uranium deposits in the basal Chinle rocks immediately above. No significant deposits are known to date in the purple-white bed in the Seven Mile area.

Unconformably overlying the purple-white bed (Shinarump?) is the 250-300 foot thick Chinle formation. In the Seven Mile area the Chinle can be divided into an upper unit that is dominantly reddish brown shale and fine grained sandstone and a lower unit that consists of thin, lenticular beds of green to pale red ripple-laminated fine sandstone, siltstone, and lime-pebble conglomerate. The basal Chinle units scour into the underlying "purple-white" and relief on this contact may be up to 30 feet in a horizontal distance of 100 feet. The Chinle sediments filling these sharp scours or "channels" are thought to be the most favorable host rocks for unranium ores in the Seven Mile area.

Overlying the Chinle formation is the 300 foot thick Wingate sandstone. This formation is composed of pale orange, fine-grained, well-sorted sandstone and weathers to a sheer cliff above the steep Chinle slopes.

The dominant structure in the Seven Mile area is the northwesterly trending Moab anticline and the Moab fault, a normal fault roughly paralleling the axis of the anticline. The fault is about 1 mile northeast of the Klondike et al claims and has a displacement of approximately 2,000 feet with the northeast side down.

ORE DEPOSITS

Uranium occurs in bedded deposits associated with carbonaceous material in light grey-green sandstone, siltstone, and lime pebble conglomerate lenses in the lower 20 feet of the Chinle formation in the Seven Mile area. Many small occurrences are known along the Chinle outcrop between the Klondike mine and the Shinarump No. 1 and 3 mines in Corral Canyon five miles to the northwest. The principal controls of the deposits seem to be primary sedimentary and lithologic features. Composition of the host rock is probably the most important factor. In order to have a good deposit, the writer considers it desirable to have (1) a thicker sandstone lens or other permeable unit (often found filling paleostream scours or "channels") to provide a ready passageway for the ore-bearing solutions, (2) interfingering of the permeable unit and shales or other less permeable units so as to form a lithologic trap, and (3) carbonaceous material to provide the chemical environment or catalytic agent helpful to precipitation of the ore minerals.

In the Seven Mile area uranium ore has been found in siltstone, lime pebble conglomerate, and limy mudstone interbedded with thin-bedded carbonaceous sandstone. A more detailed description of the Seven Mile ores is given by R. T. Chew in his report of February 9, 1955 on the Chatu Uranium Company, Inc., properties (DMEA 3613) immediately north of the Klondike et al claims. According to Chew, production from this area has been as follows through September 1954:

Mine	Tons of ore produced	Percent U_3O_8
Copper No. 1	136.98	0.23
Klondike and Klondike No. 1	170.45	0.14
Shinarump group (1,1a, 2,2b,3)	2,413.18	0.35

On the Klondike and Klondike No. 1 claims (fig. 3), uranium occurs with carbonaceous material in a light-grey colored, fine-grained sandstone and ripple-laminated siltstone lens that occupies a shallow scour or channel cut into the surface of the purple-white bed. This lens has a width of about 50 feet and reaches a maximum thickness of about 5 feet. The trend of the channel is difficult to determine but is thought by the writer to be between S. 30° W., and S. 80° W., most probably about S. 40°W. Where the N. B. Hunt drift cuts ore, the sandstone and siltstone unit carrying the ore can be seen to channel down sharply into the green shale of the barren zone. Judging from our present knowledge it seems that the Klondike deposit is probably in the 500-1,000 ton range and averages 0.15-20 percent U_3O_8.

On the Beggar and Beggar No. 2 claims (fig. 4), uranium occurs with carbonaceous material in lime pebble conglomerate and light greenish-grey ripple-laminated siltstone in two small, shallow channels. The channel on the Beggar No. 2 is underlain by about 8 feet of the purple-white bed and is filled with 1-2 feet of green shale and lime pebble conglomerate and 8-10 feet of ripple-laminated siltstone which pinches out or grades into green and red shale within 50 feet or so to either side of the center of the channel. Only a very small amount of weakly mineralized rock is present at the outcrop and the siltstone contains very little carbonaceous material. The channel trend is difficult to determine but is thought by the writer to be between S. 30° W. and S. 70° W., most probably about S. 40° W.

The channel on the Beggar claim is underlain by about 7 feet of the purple-white bed and is filled with greenish-grey ripple-laminated siltstone and lime pebble conglomerate. The lime pebble conglomerate bed is the ore-bearing unit and is 1 to 2 feet thick and lies about 2 feet above the contact

between the Chinle and the purple-white bed. The channel is about 100 feet wide and is thought by the writer to trend between S. 30°W. and S. 70° W., most probably S. 40° W. Ore-grade rock is present along about 30 feet of outcrop. This is estimated to be about 1 to 2 feet thick and to have an average grade of 0.10- .20 percent U_3O_8. About 150 tons of ore is inferred here.

PROPOSED EXPLORATION

The program proposed by the applicant consisted of 9,000 feet of rim stripping, 2,000 feet of road building, 1,500 feet of drifting, 1,500 feet of underground core drilling, and 130 sample analyses. The total cost of this work was estimated at $54,380 of which the Government's share would be 75 percent or $40,785.

During the field examination it was noted that the applicant has already stripped most of the rim on the Klondike et al claims and has built enough access road to reach proposed underground workings on the Beggar, Beggar No. 2, and Klondike claims. Accordingly, Mr. Woods, president of Klondike Uranium, Inc., asked that the request for rim stripping and road building be eliminated from the project. Exploration possibilities on the Klondike claims et al are limited by terrain to drifting. The cliff-like Chinle and Wingate scarp immediately behind the rim exposures of the ore-bearing unit does not provide ground accessible to drill rigs, and depths of greater than 600 feet would be necessary within 100-200 feet back of the rim.

The desirability of underground core drilling was also discussed, and it was agreed that jackhammer holes at regular intervals in the floor and back of exploration drifts were less costly and would provide sufficient information as to the mineralized or non-mineralized character of the ground.

On the Klondike claim, Mr. Woods requested that the exploration drift originally proposed to extend southwesterly from the N. B. Hunt drift be eliminated and a new drift driven in to intersect the southwesterly trending ore from a point on the rim about 100 feet south of the N. B. Hunt portal. This change seems desirable because the original proposal is better termed development than exploration. The other drift proposed from the Klondike workings is not aimed for any particular channel projection and is blind drifting in the hope of hitting another southwesterly trending channel.

Because the two proposed drifts on the Beggar and Beggar No. 2 claims are so close together and in such similar ground it is thought best to eliminate the less promising one from the present program.

In view of the foregoing, a certain amount of change is desirable in the original proposal. An alternative plan is suggested as follows:

Stage I

1. Klondike claim:

(a) From a point approximately 100 feet south along the rim from the N. B. Hunt portal on the Klondike claim (fig. 3), drive an exploration drift on a N. 55° W. bearing (parallel to regional strike) to intersect the projection of the Klondike channel. The drift should encounter the east edge of the channel at about 100 feet and should be stopped as soon as the west edge of the channel is established or at the 175 foot mark, whichever comes sooner.

(b) The Chinle-purple-white bed contact should be the marker bed on which the drift is driven except in places where the Chinle formation has scoured through the purple-white bed to reach the Moenkopi surface. In these places the Chinle-Moenkopi contact is substituted as the marker on which the drift is driven. Because of the preponderance of incompetent green shale in the lower five feet of the Chinle formation it may be desirable to keep the Chinle-purple-white bed contact in the upper third of the drift so that the floor and most of the walls will be driven in the better cemented purple-white unit.

(c) At 25 foot intervals along the exploration drift 20 foot vertical jackhammer holes should be drilled up to test the lower 20 feet of the Chinle formation. Each hole should be probed with a geiger counter as soon as possible after drilling.

2. Beggar claim:

(a) From the point of maximum mineralization along the rim (fig. 4), drive an exploration drift 100 feet at an approximate 10° dip on a bearing of S. 40° W. At the 100-foot mark in the drift, drive 50-foot cross-cuts on bearings of N. 50° W., and S. 50° E. respectively. The Chinle-purple-white bed contact is the marker bed on which the drift is driven and must be kept in the lower third of the drift and cross-cut walls at all times except in places where the Chinle may scour down to the Moenkopi formation. In these places the Chinle-Moenkopi contact will replace the Chinle-purple-white bed contact as the marker bed.

(b) At 25 foot intervals along drift and cross cuts, drill 20 foot vertical jackhammer holes up to test the lower 20 feet or so of the Chinle formation. These holes should be probed with a geiger counter as soon as possible after drilling.

Stage II

1. Klondike claims:

(a) If the Stage I drift encounters ore or a favorable channel structure, a 100 foot cross-cut should be driven from the point of maximum mineralization or center of the channel down dip in a direction parallel to the channel or ore trend. The Chinle-purple—white bed contact should be kept in the wall or floor of the workings, and 20 foot vertical jackhammer holes should be drilled up at 25 foot intervals as in Stage I.

(b) If the Stage I drift is in ore or especially favorable ground at the 175 mark, drifting should continue on the N. 55° W. bearing for an additional 50 feet. The Chinle-purple-white contact should be kept in the drift wall as a marker bed, and 20 foot vertical jackhammer holes should be drilled up at 25 foot intervals to test the lower 20 feet of the Chinle formation.

2. Beggar claim:

(a) If the Stage I work results in the discovery of ore or a favorable channel structure, drive an additional 100 feet of drift down dip from the end of the Stage I drift on a bearing paralleling

the ore or channel trend. From the end of the Stage II drift drive two 50 foot cross-cuts at right angles to the direction of the drift. Keep the Chinle-purple-white contact in the wall or floor of the workings as in Stage I.

(b) Drill 20 foot vertical jackhammer holes up at 25 foot intervals as in the Stage I work.

In the program proposed above, authorization of Stage II work should be contingent on the results of Stage I. No stage II work should be allowed until DMEA representatives have had an opportunity to appraise the results of Stage I and make appropriate recommendations.

No provision is thought necessary for sample analyses. If ore-grade material is discovered, it can easily be detected with gamma-ray detection instruments.

CONCLUSIONS AND RECOMMENDATIONS

Uranium is common in small deposits in the lower 20 feet of the Chinle formation in the Seven Mile area, Grand County, Utah. Although production from the area has been small, there seems to be a good chance that determined exploration will eventually discover better deposits than those now known. DMEA exploration on the Shinarump group (DMEA 3060), about 4 miles northwest of the Klondike et al claims, has found a deposit, as yet not evaluated, that probably contains several thousand tons or more. Exploration on the Klondike et al claims might find a similar sized deposit.

Because the Seven Mile area is considered favorable for uranium in the 1,000-10,000 ton or larger sized deposits, the writer thinks it desirable to explore two small channels on the Klondike and Beggar claims in hopes that the small deposits now known may lead to larger ones.

It is recommended that about 375 feet of Stage I and 350 feet of Stage II drifting and cross-cutting be approved on the Klondike et al claims in accordance with the alternate plan given in detail in the section of this report headed Proposed Exploration.

The docket has been discussed with W. Y. Isachsen and R. F. Droullard of the Atomic Energy Commission and they concur with the recommendations herein.

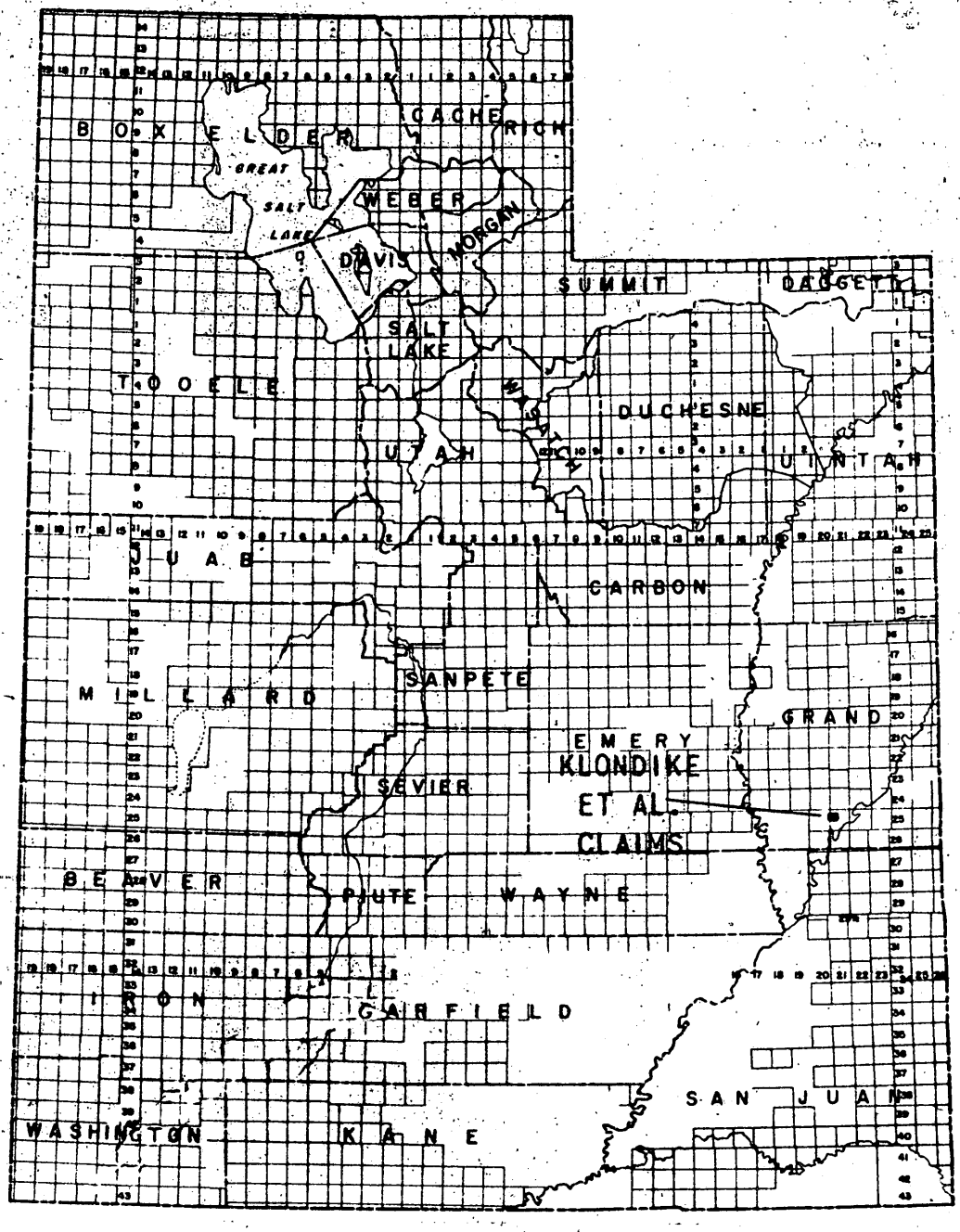


Figure 1. INDEX MAP OF UTAH SHOWING LOCATION OF KLONDIKE ET AL. CLAIMS, KLONDIKE URANIUM, INC., GRAND COUNTY, UTAH

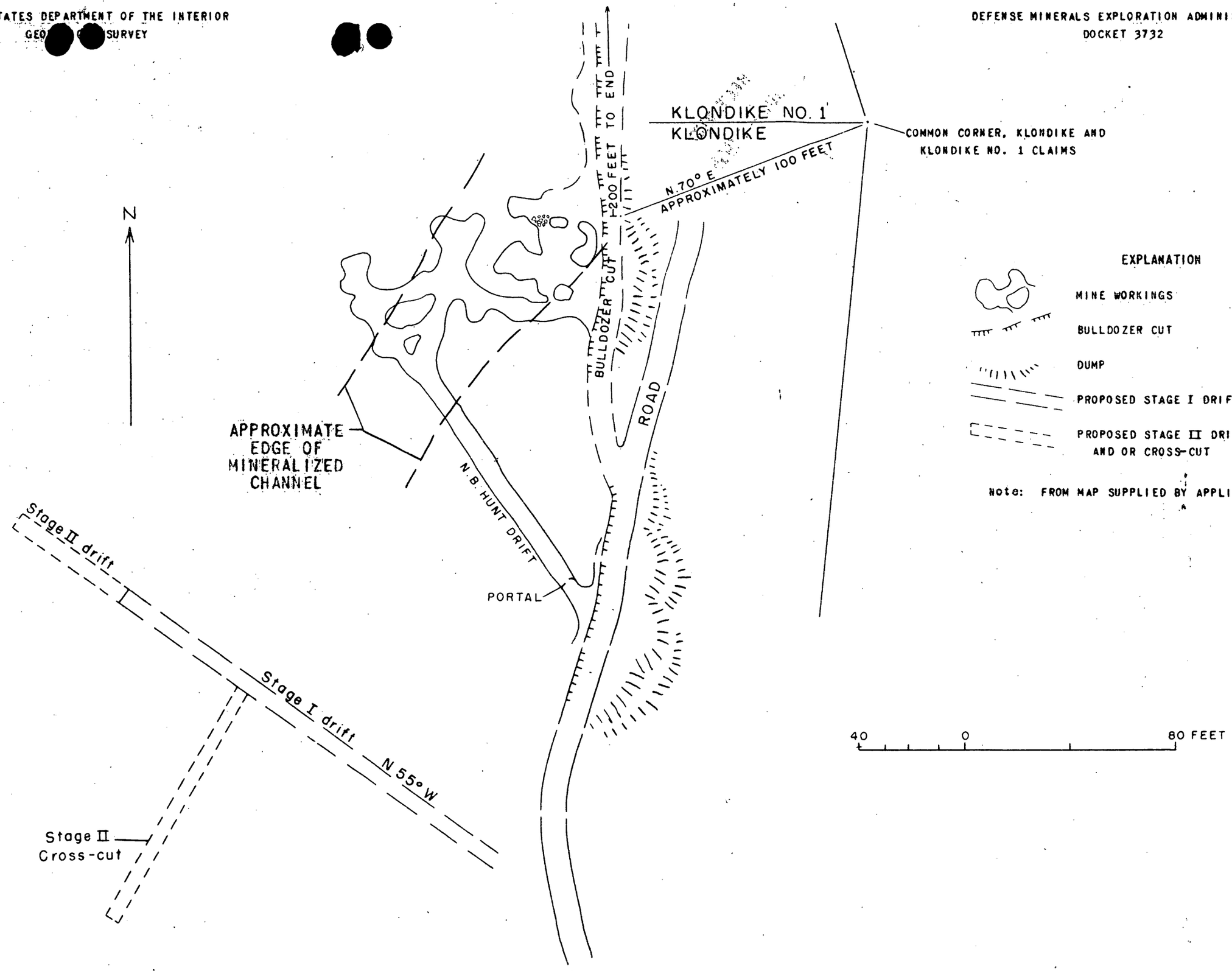


Figure 3. SKETCH MAP SHOWING PROPOSED EXPLORATION ON THE KLONDIKE CLAIM, KLONDIKE URANIUM, INC., GRAND COUNTY, UTAH

DMEF#-3732

Estimate Cost/ft drifting (Murphy's)

Breakdown (estimate of Field Team's figure)

supervision	4.50	(100'/mth.)
Labor. 2 men @ $16.00 ea/	8.00	(4'/day)
Explosives, caps, fuse.	3.00	
pipe.	1.10	
air ~~hose~~ water hose & steel	2.00	
Vent duct.	1.00	
water (trucked)	.50	
Fuel and oil	2.00	
Compressor & hoist (rental)	5.00	
drill rental	1.00	
car, picks, shovels, etc.	.50	
taxes & ins.	1.00	
	29.50	

27.50
28.00
.60
.50
1.1

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

RECEIVED
JUN 27 1955

224 New Customhouse
Denver 2, Colorado

June 23, 1955

Duke B. Woods, President
Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City, Utah

Re: Docket DMEA-3732

Dear Mr. Woods:

Will you please forward us a claim map showing the following claims:

Klondike 1
Klondike 2
Klondike 3
Klondike 4
Klondike 5
Klondike 6
Klondike 7
Klondike 8
Klondike 9
Conglomerate
Black Tree
Island Mesa
Gap No. 1
Beggar No. 2
Beggar No. 3
Red Rock
Mountain View

We also need the book and page of recording on Klondike claims No. 4 and No. 5.

When we receive the above data, we will forward it to the Washington DMEA office so that they may continue to process your application.

Very truly yours,

W. M. TRAVER

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

HMC:pw

cc: Subject
Chron
Sec.Op.Comm. (2)
Harshman
Shaw

Surname 700
Murphy
Ellis
Selfridge
Kjelman

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

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

APR - 7 1955

Re: Docket No. DMEA-3732 (Uranium)
Klondike Uranium, Incorporated
Klondike et al., claims
Grand County, Utah

Dear Mr. Traver:

The subject application is referred to Region III Field Team for investigation, a field examination if necessary, and recommendations. A copy of the application was retained by your office.

Enclosed are copies of memoranda from J. E. Crawford, dated March 24, and L. L. Newcomb, dated March 31, 1955, members of the Uranium Commodity Committee.

We note on page 7 of the Geologic Report recommending a project for Chata Uranium Mining Company, Inc., Docket No. DMEA-3613, that the subject Klondike Uranium, Inc., property was visited by the field examiners.

Although part of the work proposed on the above-docketed application appears to be development of known ore bodies, the extent of the property may justify some exploration work on the various claim groups mentioned. We believe that the Field Team being more familiar with the subject property can best resolve this problem.

If the Field Team believes a project on the subject property is warranted, will you kindly advise the owners in regard to our legal requirements concerning property rights, such as quit claim deeds, royalty subordination, etc. Also, any adjacent claims owned by the Applicant that would benefit by the proposed work must be subject to the contract.

Furthermore, if a project is to be recommended in which independent contracts are contemplated, kindly have Applicant submit bids from three contractors.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Enclosures

APPROVED:

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

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

R.C.L.

Code 700
Mr. Murphy

Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm.

cc to: Admr. Reading File
Operating Committee
Docket

FTMurphy:am
4-5-55

Surname 700
Murphy
Ellis
Kilogaard
Hedges
Selfridge
R Johnson

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

APR - 7 1955

Mr. Duke B. Woods, President
Klondike Uranium, Incorporated
114 Atlas Building
Salt Lake City, Utah

Re: Docket No. DMEA-3732 (Uranium)
Klondike et al., claims
Grand County, Utah

Dear Mr. Woods:

The application for assistance in exploring the subject property in Grand County, Utah, under the captioned docket number, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration. It has been referred to the Executive Officer of Region III at the following address:

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

The Regional Office will contact you in regard to your project if additional information is required.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

FMMuphy:am
4-5-55
cc to: Admr. Reading File
Docket
Code 700
Mr. Murphy
DMEA Field Team, Region III(2)

R.C.S.

4/4/55 gla

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

Defense Minerals Administration
RECEIVED
APR 4 1955

March 31, 1955

Re: DMEA-3732
Klondike Uranium, Inc.
(Klondike Mine)
Grand County, Utah
$54,380 - Uranium

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of application

The operator has proposed the following work for DMEA assistance:

1.) 11,000 feet -- rim and road stripping
2.) 800 feet -- crosscutting and drifting on Beggar claims
3.) 700 feet -- crosscutting and drifting on Klondike claims
4.) 1,500 feet -- diamond drilling from underground

Several hundred feet of drifting has been done on the property and past production is reported to have had a value of $7,000 with the grade of the ore averaging 0.3 percent U_3O_8.

All of the proposed work is not justified and it would appear that some of the program may involve some development.

There are several DMEA projects or applications in the 7-Mile Canyon area which in part have a bearing on consideration of the Klondike exploration proposal. They include DMEA-3613, -2978, -3281, and -3060. We do not have recent data on all of these, but the Grand Junction office will be able to utilize this material as their files are complete.

The Klondike property is favorably located and its record of past production indicates that an examination should be made by the Field Team to determine what type of program may be geologically warranted.

I recommend this application be referred to the Field Team.

E. L. Newcomb
E. L. Newcomb

3/25/55 gla

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

RECEIVED

March 24, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4445

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: DMEA Docket 3732, Klondike Uranium, Inc., claims in Grand County, Utah

I have reviewed the attached application of Klondike Uranium Incorporated, DMEA Docket 3732. Joseph O. Hosted, Washington representative of the Atomic Energy Commission, also reviewed the application and we have discussed it together.

The geologic report attached to the application of Klondike Uranium Incorporated implies that ore-grade uranium mineralization has been found on the claims. There has been some production from stopes and drifts within the mineralized zone on the Klondike claim, and other claims in the group apparently contain uranium of economic significance.

We suggest that the application be denied.

John E. Crawford
John E. Crawford

Attachment

Copy to: Division of Minerals
Branch of Rare & Precious Metals
J. O. Hosted (2)
J. E. Crawford (2)

Klondike Uranium, Inc.
114 Atlas Building
Salt Lake City 1, Utah

March 22, 1955
Subject: DMEA 3732
Re: Exploration Assistance
Beggar, Red Rock, Mountain View, Klondike, Conglomerate, Black Tree, Island Mesa, & Gap Claims

Gentlemen:

The receipt of your application dated February 19, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3732 and referred to the Rare and Miscellaneous Metals Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

March 22, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

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 III.

DMEA - 3732 Klondike Uranium, Inc.

Robert E. Adams,
Chief, Operation's Control
and Statistics Division

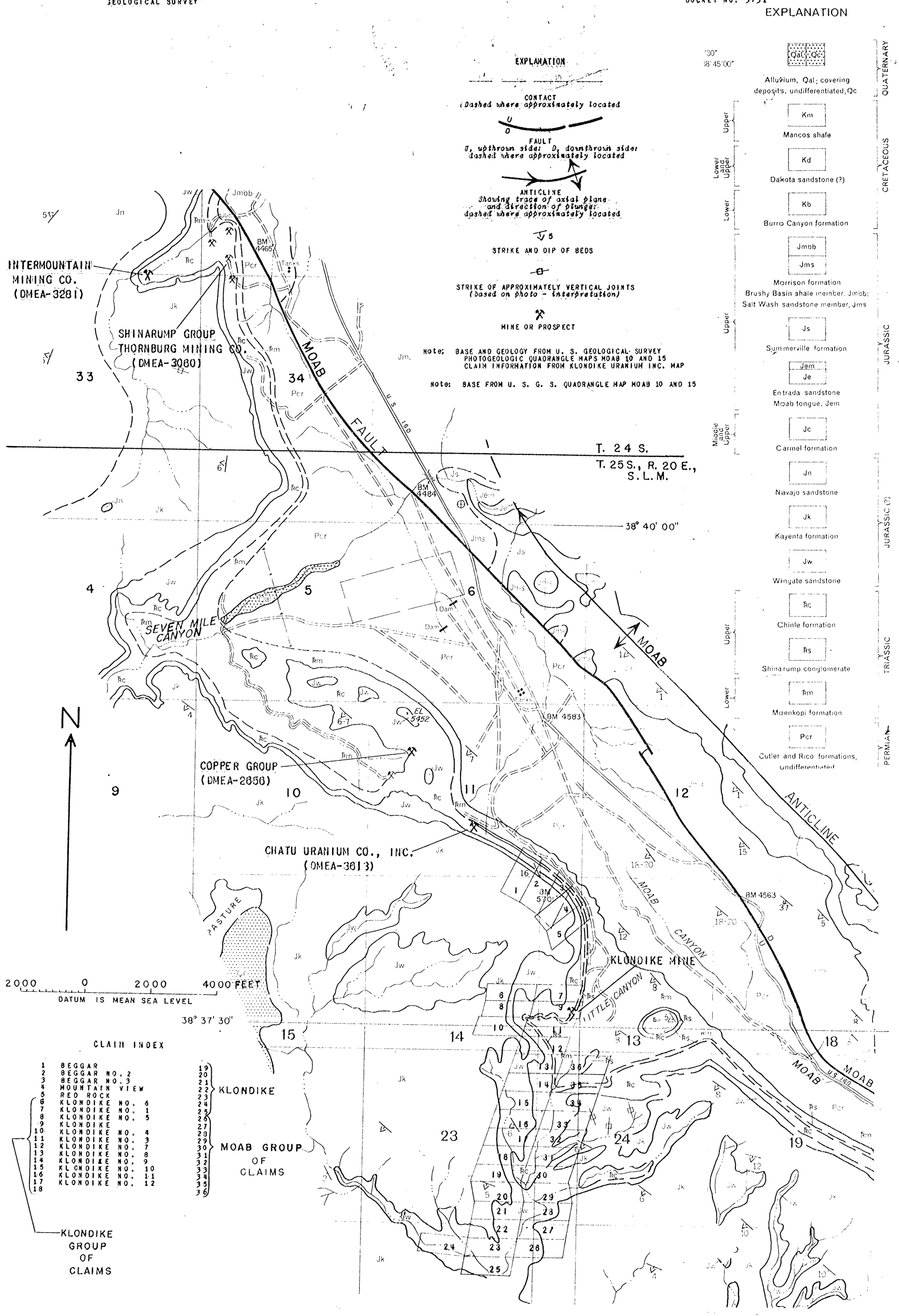
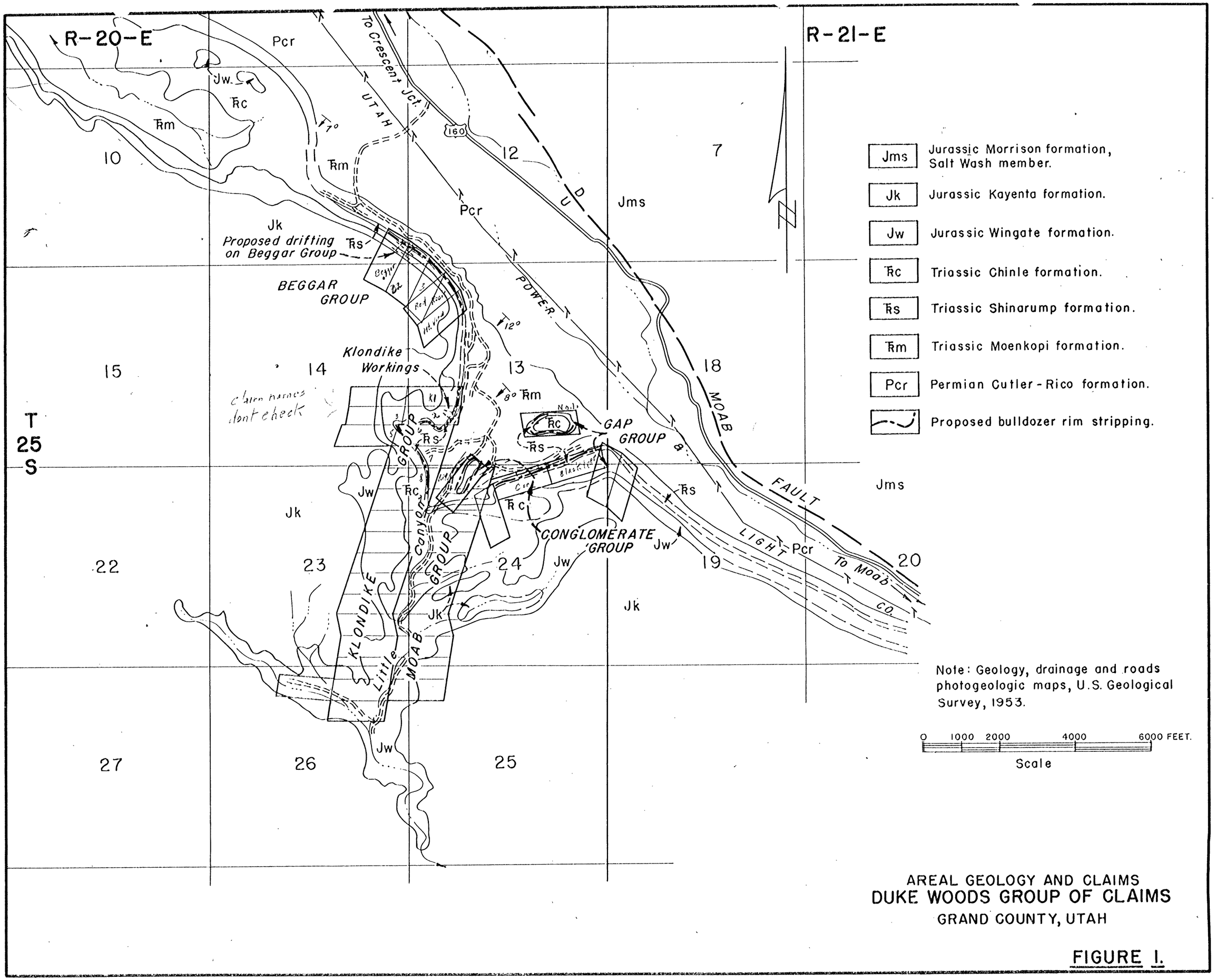


Figure 2. GEOLOGIC MAP OF SEVEN MILE AREA SHOWING KLONDIKE, ET AL. CLAIMS, KLONDIKE URANIUM, INC., GRAND COUNTY, UTAH



AREAL GEOLOGY AND CLAIMS
DUKE WOODS GROUP OF CLAIMS
GRAND COUNTY, UTAH

FIGURE I.

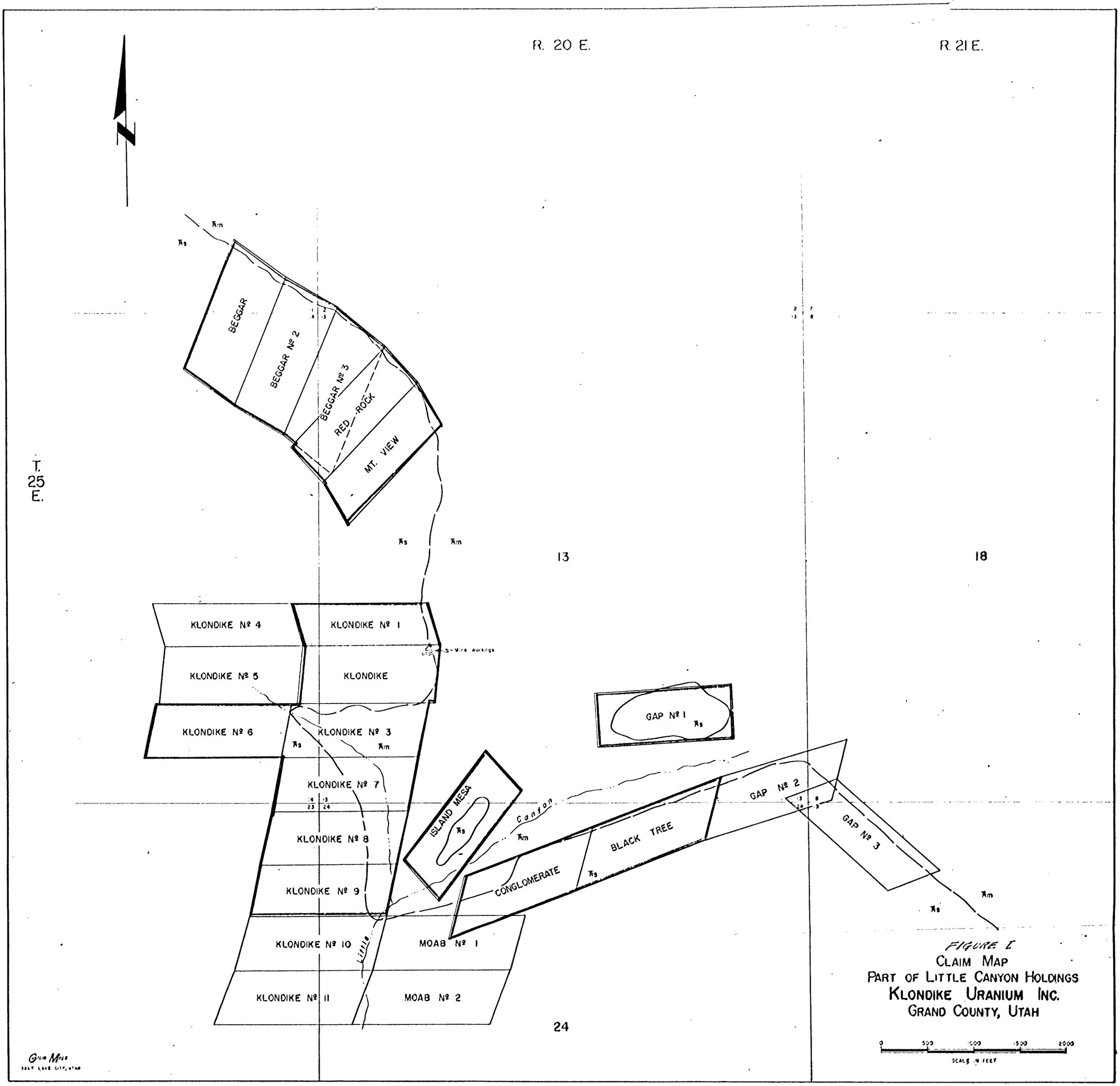


FIGURE I
CLAIM MAP
PART OF LITTLE CANYON HOLDINGS
KLONDIKE URANIUM INC.
GRAND COUNTY, UTAH