700

Surname copy
Murphy
Ellis

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

JUL 26 1955

Mining Investment and Exploration Company
129 West Water Street
Santa Fe, New Mexico

Re: Docket No. DMEA-3750 (Uranium)
School Section 36, T. 39 S.,
R. 22 E., S.L.M.
San Juan County, Utah

Gentlemen:

Reference is made to our letter dated June 24, 1955, in which we stated that the subject docket would be considered closed unless certain information required to process the captioned application had reached this office on or before July 24, 1955. No answer to our letter having been received, we therefore inform you that the subject docket is considered closed effective as of that date.

This is without prejudice to the merits of your proposed project. We regret the necessity of this action and express appreciation for your interest in the exploration program during the period your application has been under consideration.

Sincerely yours,

C. O. Mittendorf

Administrator

FMMurphy/gla
7-26-55
cc to: Admr. Reading File
Docket
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700
Mr. Murphy
DMEA Field Team, Region III (2)

R.C.

Surname 700

Murphy
Ellis
Mattendorf

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

JUN 2 4 1955

Mining Investment and Exploration Company
129 West Water Street
Santa Fe, New Mexico

Re: Docket No. DMEA-3750 (Uranium)
School Section 36, T.39 S.,
R.22 E., S.L.M.
San Juan County, Utah

Gentlemen:

A review of your application under the above docket number reveals that you have not responded to the letter of the Administrator under date of April 25, 1955. At that time you were advised that we would proceed with the processing of your application as soon as we were supplied the information requested and documents showing you have sufficient interest in the property for the purpose of the proposed exploration project contract.

Inasmuch as we have received no reply, we assume that you no longer desire to proceed with the application. We wish to cooperate with you in the matter of allowing ample time, but if the needed data has not been received within thirty days from the date of this letter, we will then consider the docket closed.

Sincerely yours,

SIGNED

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

FMurphy:am
6-23-55
cc to: Admr. Reading File
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Murphy
DMEA Field Team, Region III(2)

Murphy Murphy
Ellis
Rewritten by Hoffland Ellis
Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR 140
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

APR 25 1955

Mining Investment and Exploration
Company
129 West Water Street
Santa Fe, New Mexico

Re: Docket No. DMEA-3750 (Uranium)
School Section 36, T.39 S.,
R.22 E., S.L.M.
San Juan County, Utah

Gentlemen:

A review of your application under the above docket number, dated March 6, 1955, indicates that you do not have a sufficient interest in the property to support an exploration project contract.

You apparently rely upon an agreement dated January 19, 1955, between yourselves and Capitol Uranium Company, a copy of which accompanies your application. This agreement recites that Capitol Uranium Company holds the property under two leases from the State of Utah. The opening paragraph of this agreement, in somewhat uncertain terms, gives you the right "to sell and convey" the interest of Capitol Uranium Company under these two leases. This right to sell and convey is stated to be "upon the following terms and provisions", and everything else that is stated in the agreement apparently is a term or condition under which you have the right to sell and convey. This falls short of giving you any certain interest in the leaseholds created by these two leases.

Moreover, your rights under this agreement exist only "for a period of one hundred and five days from and after January 25, 1955"; which means that the agreement expires on May 11, 1955.

Copies of the two leases upon which your supposed rights appear to be founded do not accompany your application.

Before we can proceed further in this matter it will be necessary for you to acquire a sufficient interest in the property, presumably by assignment of the two leases.

R.C.S.

Whatever form your interest takes, if it is based on these two leases it will be necessary to furnish us with copies of the leases.

If you wish to perfect your rights in the land and to proceed with the processing of your application, you will also furnish as much of the following as is possible:

1. Maps or sketches showing:

   a) Topographic or other data indicating surface elevations where work is proposed.

   b) Contact lines of the exposed rock formations; also structural features such as anticlines, folds, faults, etc.

   c) Indicated or inferred trend of uranium-bearing rock, and/or sedimentary and channel trends.

   d) Locations of all present drill holes.

   e) Tentative location of proposed drill holes.

2. A report containing the following information:

   a) General geology of the area.

   b) Location and description of any uranium ore deposits which occur near to the subject property.

   c) Logs and assay results of the 18 holes already drilled on the subject property.

   d) Any other geologic information that will assist in determining the merits of the proposed exploration work.

If you wish to comply with the above requirements, we shall proceed with processing your application as soon as we have the necessary information and documents in hand.

F.M. Murphy/JLHofflund:gjb 4/21/55

Sincerely yours,

C. O. Mittendorf

Administrator

Copy to: DMEA Docket
Sol. Docket
Adm. R. File
Operating Committee
T. H. Kiilsgaard
J. E. Crawford, BM
E. W. Ellis
J. L. Hofflund 2
Field Team, Region III (2)
Chron. File
Pending File

Surname 700
Murphy
Ellis

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

Rewritten 4/28/55
J.L.H./end

Lucille Spain and R. A. Howard
d/b/a Mining Investment and
Exploration Company
129 West Water Street
Santa Fe, New Mexico

Re: Docket No. DMEA-3750 (Uranium)
School Section 36, T.39 S.,
R.22 E., S.L.M.
San Juan County, Utah

Gentlemen:

The above-docketed application, dated March 6, 1955, requesting exploration assistance, has been reviewed by this Division.

We note that the Agreement submitted with the application pertinent to the captioned property, executed by you and the Capitol Uranium Company, expired on April 10, 1955. In order to process your application we must have evidence that you have possession or the right to acquire the possession of the land for a term long enough for the purpose of the proposed exploration contract. Furthermore, in the event a contract is entered into between the Government and your Company, we will then require a Performance Bond, or other suitable guarantee, for the protection of the Government's share of the cost. This is a requisite for all contracts on State-owned land, because the State can not subordinate its interest. Also, if your Company enters into a new lease which contains an over-riding royalty agreement, such an agreement must be subordinated to the Government's interest. This applies to other lessors aside from the State.

If the above-described rights to the subject property are obtained and you wish us to continue processing the present application then, to assist us in determining the merits of your proposed exploration program, will you kindly submit as much of the following additional data as possible:

1. Maps or sketches showing:

   a) Topographic or other data indicating surface elevations where work is proposed.

   b) Contact lines of the exposed rock formations; also structural features such as anticlines, folds, faults, etc.

   c) Indicated or inferred trend of uranium-bearing rock, and/or sedimentary and channel trends.

   d) Locations of all present drill holes.

e) Tentative location of proposed drill holes.

2. A report containing the following information:

a) General geology of the area.

b) Location and description of any uranium ore deposits which occur near to the subject property.

c) Logs and assay results of the 18 holes already drilled on the subject property.

d) Any other geologic information that will assist in determining the merits of the proposed exploration work.

When we receive the above data we shall continue to process the subject application.

Sincerely yours,

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

FMMurphy:am
4-11-55
cc to: Admr. Reading File
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Murphy
DMEA Field Team, Region III(2)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 15 1955

April 18, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: DMEA Docket 3750, Lucille Spain and R. A. Howard, Mining Investment and Exploration Company, claims in San Juan County, Utah

I have reviewed the application of the Mining Investment and Exploration Company, DMEA Docket 3750, and have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

We suggest that the applicant be requested to submit supplementary information indicating location and results of core drilling done on the claims by the Mining Investment and Exploration Company. The application indicates some 18 holes have already been drilled by the company.

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)

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

RECEIVED

April 18, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: DMEA Docket 3750, Lucille Spain and R. A. Howard, Mining Investment and Exploration Company, claims in San Juan County, Utah

I have reviewed the application of the Mining Investment and Exploration Company, DMEA Docket 3750, and have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

We suggest that the applicant be requested to submit supplementary information indicating location and results of core drilling done on the claims by the Mining Investment and Exploration Company. The application indicates some 18 holes have already been drilled by the company.

John E. Crawford

Attachment

Copy to: Division of Minerals
Branch of Rare & Precious Metals
J. O. Hosted (2)
J. E. Crawford (2)

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

Defense Minerals Administration
RECEIVED
APR 18 1955

April 18, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: DMEA Docket 3750, Lucille Spain and R. A. Howard, Mining Investment and Exploration Company, claims in San Juan County, Utah

I have reviewed the application of the Mining Investment and Exploration Company, DMEA Docket 3750, and have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

We suggest that the applicant be requested to submit supplementary information indicating location and results of core drilling done on the claims by the Mining Investment and Exploration Company. The application indicates some 18 holes have already been drilled by the company.

John E. Crawford

Attachment

Copy to: Division of Minerals
Branch of Rare & Precious Metals
J. O. Hosted (2)
J. E. Crawford (2)

April 4, 1955
Subject: DMEA 3750
Re: Exploration Assistance
School Section
sec. 36, T. 39 S., R 22 E. S.L.M.

Mining Investment and Exploration
Company
(Lucille Spain and R. A. Howard)
129 West Water Street
Santa Fe, New Mexico

Gentlemen:

The receipt of your application dated March 6, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3750 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

60932

April 4, 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- 3750 Mining Investment and Exploration Company

Robert E. Adams,
Chief, Operation's Control
and Statistics Division

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

224 New Customhouse
Denver 2, Colorado

March 29, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA assistance (Uranium), Mining Investment and Exploration Company, School Section (Sec. 36, T-39-S, R-22-E), San Juan County, Utah

Enclosed are the original and two copies of the subject application for exploration assistance in the amount of $26,435.00.

The applicant has not furnished a map showing the location of proposed work as stated under 5 (b).

The "Agreement" under which the applicant company obtained their rights to the property is effective for 105 days only from January 25, 1955 or until April 10, 1955. Before this application can be acted upon, the agreement will have expired unless a continuation is obtained from the original lessors.

The applicant states that 18 holes have been completed. They should be required to furnish logs and assay results obtained from this previous work.

One copy of the subject application has been retained in this office.

W. M. Traver

Enclosures

W. M. Traver

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

224 New Customhouse
Denver 2, Colorado

March 29, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA assistance (Uranium), Mining Investment and Exploration Company, School Section (Sec. 36, T-39-S, R-22-E), San Juan County, Utah

Enclosed are the original and two copies of the subject application for exploration assistance in the amount of $26,435.00.

The applicant has not furnished a map showing the location of proposed work as stated under 5 (b).

The "Agreement" under which the applicant company obtained their rights to the property is effective for 105 days only from January 25, 1955 or until April 10, 1955. Before this application can be acted upon, the agreement will have expired unless a continuation is obtained from the original lessors.

The applicant states that 18 holes have been completed. They should be required to furnish logs and assay results obtained from this previous work.

One copy of the subject application has been 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

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

DMEA
Date Rec'd
MAR 30 1955

Defense Minerals Administration
RECEIVED
APR 1 1955
BUREAU OF MINES
Denver, Colorado

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. 3750
Metal or Mineral Uranium
Date Received 4-1-55
Estimated Cost $26,435
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: Lucille Spain and R. A. Howard d/b/a Mining Investment and Exploration Company (Privately Owned).
129 West Water Street, Santa Fe, New Mexico

(*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. Business Adventure.

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract
Section 36 - Township 39 South - Range 22 East S.L.M.
San Juan County, Utah (School Section)

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

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

(*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.

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. School Section - No. 5830 and No. 5691

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.

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

(*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.

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

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

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to 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.

(*c*) The work will start within 30 days and be completed within 3 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.

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.). None

(*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.

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

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

[XX] 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 March 6, 1955

Mining Investment & Exploration Co.
(Applicant)

By [signature]

John J. Moya, Chief Geologist

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

MINING INVESTMENT AND
EXPLORATION COMPANY
129 W. WATER PHONE 3-6610
SANTA FE, NEW MEXICO

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR - 1 1955

INSTRUCTIONS - (ADDITIONAL INFORMATION)

3. Applicant's property rights.- (f)

The land consists of one full section (school section) leased by Capital Uranium Company of Farmington, New Mexico, under lease of the State of Utah, mineral leases number 5830 and number 5691 (described in the accompanying agreement.) The Mining Investment and Exploration Company is acting as a lessee on the above described school section.

4. Physical description.- (a) There has been only small scattered surface blasting operations but since the last of Janua ry, 1955, the Mining Investment and Exploration Company under the present agreement with the Capital Uranium Company has started a core drilling program on the above described land. At the present, the company has completed 18 core drilling holes ranging from 40 to 125 feet deep.

It is possible to reach the above project for examination purposes via the state highway number 47 from Blanding to Bluff, Utah by traveling about 18 miles south from Blanding toward Bluff and then by turning east about 8 miles on a graded dirt side road.

This property is located in the East side of the southern end of the Recapture Creek; Section 36, T. 39 S., R. 22 E., S.L.M.

(b) There has not been any current mining production and the reserve of ore cannot be estimated without performing a complete core drilling program.

The uranium ore grade in the isolated part of the above school section has been estimated to be around 0.10 but high grade ore might be possible to locate by core drilling the above property.

(c) The geologic features of the property seem to be in the form of mineralized bedded zones and in the form of disseminated carnotite in sandstone and limestone; "it appears that the above described land lay within a uranium mineralized belt where uranium ore has been

Continued -

deposited in irregular shaped bodies that differ greatly in size and the uranium ore bodies on pay quantities can only be located by a core drilling program.

(d) The access to the above property is done by about 8 miles of hard surface road, 18 miles of gravel road (highway #47) to Blanding, Utah and by 22 miles of paved highway (#47) to the mill in Monticello, a distance of about 48 miles from the project area to the mill.

(e) The availibility of man power is plentiful. Material and supply equipment can be easily obtained either at Blanding or Monticello. Water can be obtained very easily within a radius of 15 miles from the property.

5. The exploration project.0 (a) Mineral which we wish to explore is uranium. (b) The proposed core drilling program to be done on the above property is shown by map number (d) Mr. R. A. Howard, now heading the Mining Investment & Exploration Company, has sufficient experience and background on mining operations and development. Also, most of the persons in charge of the technical departments of the company have a large and extensive experience in oil and gas and minerals.

6. Estimate of costs.- See separate "Estimate of Cost of the Property Core Drilling Program".

(a) The applicant does not intend to let any of the work to contractors. Core drilling, road building and bulldozer operations will be done by using equipment owned by the Mining Investment & Exploration Company.

MINING INVESTMENT AND EXPLORATION COMPANY

129 W. WATER PHONE 3-6610

SANTA FE, NEW MEXICO

DMEA
Date Rec'd
MAR 25 1955
BUREAU OF MINES
Denver, Colorado
RECEIVED
APR - 1 1955

Estimated Drilling Cost for 19,980 Feet of Hole, Red Ant Project:

333 holes to be drilled from 50' to 75' each, average 60'.

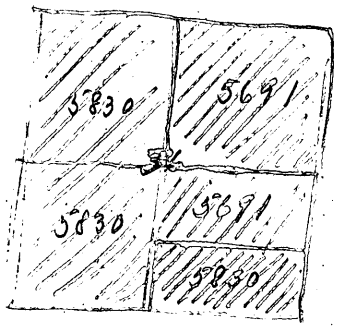
19,000 regular drilling @$ .75 per foot	$14,250.00
980' core drilling @$3.25 per foot	3,185.00
Road building, road repair and assay	2,500.00
Supervision and Administrative	3,800.00
Geologic work for complete project	2,700.00
Total cost of contract	$26,435.00

Mining Investment and Exploration Company

3750 — San Juan County, Utah

R-22 E - S.L.M.

T39S



A G R E E M E N T

This agreement made this 19th day of January 1955, between Capitol Uranium Company, hereinafter called first party, and Mining Investment and Exploration Company, by Bob Howard, hereinafter called second party, WITNESSETH:

Whereas first party is lessee of State of Utah Mineral leases No. 5830 and No. 5691 pertaining to lands described as follows, to-wit:

#5830 - The South Half ($S\frac{1}{2}$) of the Southeast Quarter ($SE\frac{1}{4}$) and the West Half ($W\frac{1}{2}$) of Section 36, Township 39 South, Range 22 East, S.L.M., San Juan County, Utah.

#5691 - The Northeast Quarter ($NE\frac{1}{4}$) and the North Half ($N\frac{1}{2}$) of the Southeast Quarter ($SE\frac{1}{4}$) of Section 36, Township 39 South, Range 22 East, S.L.M., San Juan County, Utah.

Whereas first party desires to have said property drilled and tested for the presence of uranium or vanadium ore, and

Whereas second party has the necessary equipment and is willing to undertake such drilling and testing,

NOW THEREFORE,

1. In consideration of the covenants and agreements hereinafter contained and fifty per cent net to first party of any purchase price obtained by second party, first party hereby grants to second party, for a period of one hundred and five days from and after January 25, 1955, the exclusive right to sell and convey its interest in and to said Utah State Mineral Leases upon the following terms and conditions, to-wit:

(a) Second party shall have the right to sell and convey said property at any price it deems advisable, subject, however, to the condition that in the event first party does not consider any proposed price as acceptable, first party may thereupon immediately pay to second party fifty per cent of any such bona fide offer of purchase and this agreement shall immediately terminate and second party shall have no further right hereunder.

(b) First party, upon demand by second party, and upon tender

PALMER & PALMER
ATTORNEYS AT LAW
P. O. BOX 566
FARMINGTON, N. M

of said purchase price as hereinbefore provided, if said purchase price be acceptable, shall immediately execute and deliver to any such purchaser its good and sufficient assignment of interest in and to said Utah State Mineral Leases, otherwise first party shall immediately pay to second party fifty per cent of such bona fide offer of purchase.

(c) Upon the execution of this agreement, second party agrees to immediately enter upon said property and commence drilling, testing and exploration for uranium and vanadium ore. All such work shall be done in a reasonable, prudent and workmanlike manner and first party shall be furnished with weekly reports showing the result of all such drilling, testing and exploration.

(d) Second party shall keep said property free and clear of liens for labor done or work performed upon said property or materials furnished for the development or operation thereof under the terms of this agreement, and will save and keep harmless first party from all costs, loss or damage which may arise by reason of injury to any person employed by second party in or upon said property, or any part thereof, or which may arise by reason of injury to any person or damage to any property as a result of the work or operation of second party in its said possession and occupancy of said property.

(e) In the event second party shall not sell and convey said property within said time as provided herein, it shall within ten days thereafter remove all of its property and equipment from said property of first party, provided, however, that in the event weather conditions prevent said removal within said time, first party agrees to extend the time for said removal for a reasonable time after weather conditions permit such removal.

(f) It is understood and agreed that this agreement is made subject to all provisions, terms, and conditions of said State of Utah Mineral Leases, and to all other applicable laws, rules and

PALMER & PALMER
ATTORNEYS AT LAW
P. O. BOX 566
FARMINGTON, N. M.

regulations.

This agreement shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the parties hereto.

WITNESS our hands and signatures.

Capitol Uranium Company,

By, Fred Carson
Its Predient - First Party

ATTEST: Warren E. Filby
Secretary

Mining Investment & Exploration Co.

By, Bob Howard
Bob Howard - Second Party

STATE OF NEW MEXICO :
San Juan : SS
COUNTY OF ~~SANTA FE~~ :

On this 17th day of January 1955, before me personally appeared Bob Howard, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed and for and on behalf of said Mining Investment and Exploration Company.

WITNESS my hand and official seal.

Graham Palmer
Notary Public

MY COMMISSION EXPIRES NOV. 28, 1956

My Commission Expires:

STATE OF NEW MEXICO :
: SS
COUNTY OF SAN JUAN :

On this 17th day of January 1955, before me personally appeared Fred Carson, to me personally known, who being by me duly sworn did say that he is the president of Capitol Uranium Company, a corporation organized under the laws of the State of Colorado, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation, by authority of its board of directors and said Fred Carson acknowledged said instrument to be the free act and deed of said corporation.

WITNESS my hand and official seal.

Graham Palmer
Notary Public

MY COMMISSION EXPIRES NOV. 28, 1956

My Commission Expires:

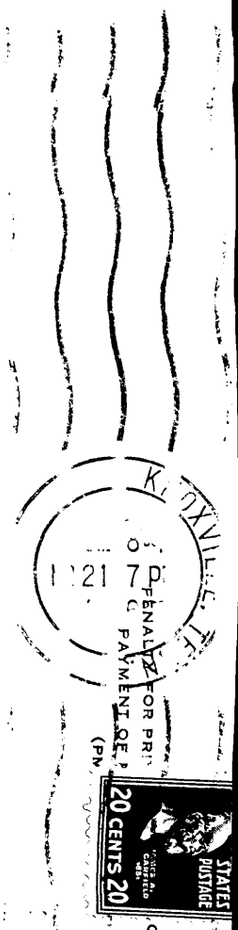
PALMER & PALMER
ATTORNEYS AT LAW
P.O. BOX 566
FARMINGTON, N. M.

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~BUREAU OF MINES~~
~~REGIONAL OFFICE~~
~~REGION VII~~
~~NORRIS, TENNESSEE~~

OFFICIAL BUSINESS

Map

~~Mr. Jay L. Chambers~~
Defense Minerals Exploration
Administration
Interior Building
Washington 25, D. C.



dmle

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DMEA Date Rec'd MAR 25 1955
Defense Minerals Administration
RECEIVED
APR 1 1955

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. 3750
Metal or Mineral Uranium
Date Received 4-1-55
Estimated Cost $26,435
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: Lucille Spain and E. A. Howard d/b/a Mining Investment and Exploration Company (Privately Owned).
129 West Water Street, Santa Fe, New Mexico

(*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. Business Adventure.

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract.
Section 36 - Township 39 South - Range 22 East S.L.M.
San Juan County, Utah (School Section)

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

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

(*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.

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. School Section - No. 5830 and No. 5691

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.

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

(*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.

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

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

5. *The exploration project.*—(a) State the mineral or minerals for which you plan to 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.

(*c*) The work will start within 30 days and be completed within 3 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.

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.). None

(*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.

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

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

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

Explain in detail on acompanying paper.

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 March 6, 1955

Mining Investment & Exploration Company
(Applicant)

By [signature]

John J. Moya, Chief Geologist

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

INSTRUCTIONS - (ADDITIONAL INFORMATION)

3. Applicant's property rights.- (f)

The land consists of one full section (school section) leased by Capital Uranium Company of Farmington, New Mexico, under lease of the State of Utah, mineral leases number 5830 and number 5691 (described in the accompanying agreement.) The Mining Investment and Exploration Company is acting as a lessee on the above described school section.

4. Physical description.- (a) There has been only small scattered surface blasting operations but since the last of January, 1955, the Mining Investment and Exploration Company under the present agreement with the Capital Uranium Company has started a core drilling program on the above described land. At the present, the company has completed 18 core drilling holes ranging from 40 to 125 feet deep.

It is possible to reach the above project for examination purposes via the state highway number 47 from Blanding to Bluff, Utah by traveling about 18 miles south from Blanding toward Bluff and then by turning east about 8 miles on a graded dirt side road.

This property is located in the East side of the southern end of the Recapture Creek; Section 36, T. 39 S., R. 22 E., S.L.M.

(b) There has not been any current mining production and the reserve of ore cannot be estimated without performing a complete core drilling program.

The uranium ore grade in the isolated part of the above school section has been estimated to be around 0.10 but high grade ore might be possible to locate by core drilling the above property.

(c) The geologic features of the property seem to be in the form of mineralized bedded zones and in the form of disseminated carnotite in sandstone and limestone; "it appears that the above described land lay within a uranium mineralized belt where uranium ore has been

Continued -

deposited in irregular shaped bodies that differ greatly in size and the uranium ore bodies on pay quantities can only be located by a core drilling program.

(d) The access to the above property is done by about 8 miles of hard surface road, 18 miles of gravel road (highway #47) to Blanding, Utah and by 22 miles of paved highway (#47) to the mill in Monticello, a distance of about 48 miles from the project area to the mill.

(e) The availibility of man power is plentiful. Material and supply equipment can be easily obtained either at Blanding or Monticello. Water can be obtained very easily within a radius of 15 miles from the property.

5. The exploration project.0 (a) Mineral which we wish to explore is uranium. (b) The proposed core drilling program to be done on the above property is shown by map number /. (d) Mr. R. A. Howard, now heading the Mining Investment & Exploration Company, has sufficient experience and background on mining operations and development. Also, most of the persons in charge of the technical departments of the company have a large and extensive experience in oil and gas and minerals.

6. Estimate of costs.- See separate "Estimate of Cost of the Property Core Drilling Program".

(a) The applicant does not intend to let any of the work to contractors. Core drilling, road building and bulldozer operations will be done by using equipment owned by the Mining Investment & Exploration Company.

COPY

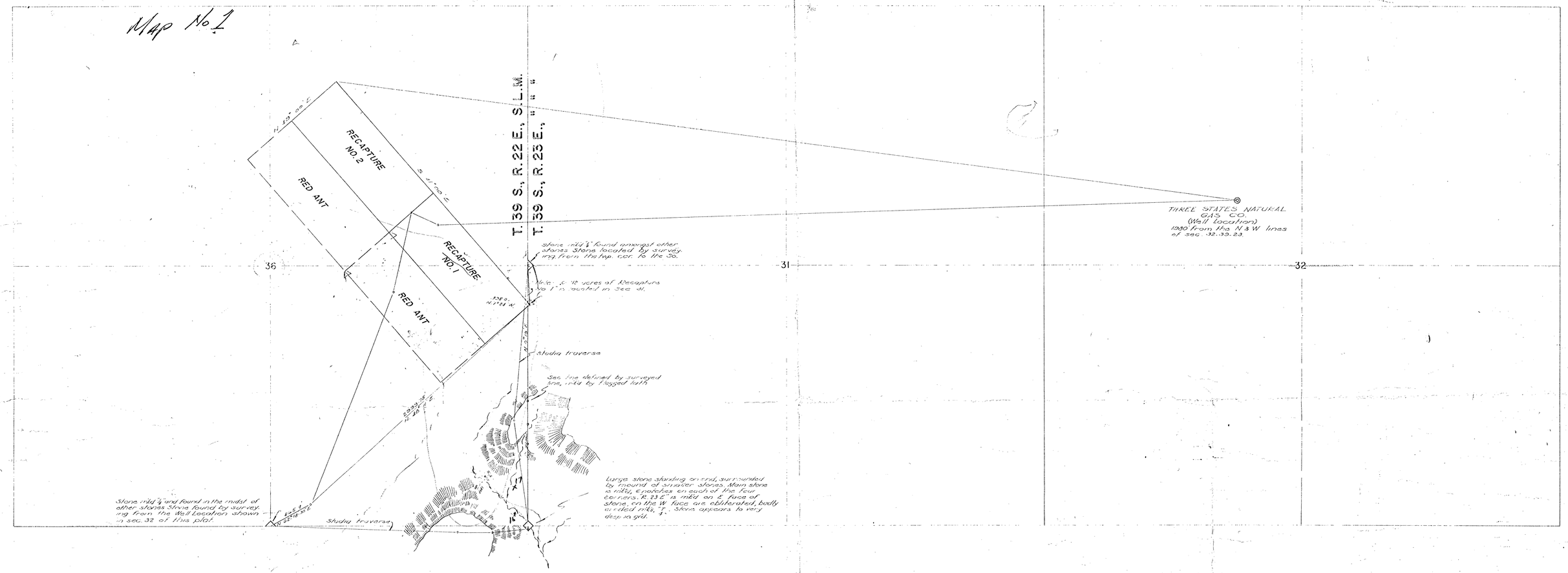
Estimated Drilling Cost for 19,980 Feet of Hole, Red Ant Project:

333 holes to be drilled from 50' to 75' each, average 60'.

19,000 regular drilling @$ .75 per foot	$14,250.00
980' core drilling @$3.25 per foot	3,185.00
Road building, road repair and assay	2,500.00
Supervision and Administrative	3,800.00
Geologic work for complete project	2,700.00
Total cost of contract	$26,435.00

Mining Investment and Exploration Company

Map No. 1



6	5	4	3	2	1	6	5	4	3	2	1
7	8	9	10	11	12	7	8	9	10	11	12
18	17	16	15	14	13	18	17	16	15	14	13
19	20	21	22	23	24	19	20	21	22	23	24
30	29	28	27	26	25	30	29	28	27	26	25
31	32	33	34	35	36	31	32	33	34	35	36

Note: Bearings shown on this plat are derived from the bearings used in the previous survey of the above claims

Claim dimensions 600' x 1500'.

This is to certify that the above plat was prepared from field notes of actual surveys made by me personally and that the same are true and correct to the best of my knowledge and belief

Ernest J. Tohahwk
Registered Land Surveyor
Reg. No. 1548

PLAT SHOWING SURVEY
OF

RECAPTURE & RED ANT CLAIMS

CAPITOL URANIUM COMPANY

SAN JUAN CO.,
UTAH

JANUARY 1954
SCALE, 1" = 500'