Surname copy
Docket DMEA-3625 700

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

Ching
Ellis
Mitchell

Mr. W. T. Sanders, Jr.
McCarty and Coleman
916 Ninth Street
Wichita Falls, Texas

JUN 12 1956

Re: Docket No. DMEA-3625 (Uranium)
Contract No. Idm-E879
Uranium King Corporation
Cove Group of Claims
Docket No. DMEA-3768 (Uranium)
Williston Basin Oil Exploration Co., et al.
Danaher and McFall Groups
All in San Juan County, Utah

Dear Mr. Sanders:

Your letter, dated May 12, 1956, addressed to Mr. W. M. Traver, concerning proposed work on the Danaher and McFall Groups, has been referred to this office for consideration.

The contract (Idm-E879) covering work on the Cove group of claims is between the Government and Uranium King Corporation. This work is now nearing completion and it appears inadvisable to attempt to extend this contract to include the proposed new work.

Our Administrator's letter of March 26, 1956, to Mr. J. P. Coleman advised that the application under Docket No. DMEA-3768 is closed on our records.

In view of the foregoing facts, and because conditions may have changed since the date of your application under Docket No. DMEA-3768, it is suggested that you file a completely new application to cover the proposed work on the Danaher and McFall Groups. A true claim map showing the principal geological features and the position of the proposed work should be presented along with a revised program of work and a new estimate of costs. The status of your property rights should also be brought up to date.

MChing/gla
6-8-56
cc to: Admr.'s Reading File
Docket DMEA-3625
" DMEA-3768
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700, Mr. Ching
DMEA Field Team, Region III (2)

Sincerely yours,

Signed

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

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

224 New Customhouse
Denver 2, Colorado

May 16, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3625 (Uranium), Contract Idm-E879, Uranium King Corporation, San Juan County, Utah

Enclosed is a letter, dated May 12, 1956, with attachments, from W. T. Sanders, Jr., for J. P. Coleman, Trustee, McCarty and Coleman, who are doing the work under Contract Idm-E879 by an Operating Agreement with Uranium King Corporation.

Mr. Sanders's letter, in conjunction with the attachments, is self-explanatory in requesting information relative to reviving the work program as outlined under an application which was docketed DMEA-3768.

The matter is forwarded for your advice direct to Mr. Sanders or to this office, as to the proper procedure in reviving the work program under Docket DMEA-3768.

Also enclosed are two copies of a letter from this office to Mr. Sanders, dated May 16, 1956, acknowledging receipt of his letter of May 12, 1956.

/s/ W. M. Traver

W. M. Traver

Enclosures

c
o
p
y

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

224 New Customhouse
Denver 2, Colorado

May 16, 1956

Mr. W. T. Sanders, Jr.
McCarty and Coleman
916 Ninth Street
Wichita Falls, Texas

Re: Docket DMEA 3625 (Uranium)
Contract Idm-E879
Uranium King Corporation
San Juan County, Utah

Dear Mr. Sanders:

Reference is made to your letter of May 12, 1956, wherein you request our comments and information relative to reviving the work program contained in your application for Government assistance under the DMEA program which was docketed DMEA 3768.

Your letter will be forwarded to the Washington Office, DMEA, for their advice as to procedure in reopening Docket DMEA 3768 and you will hear either direct from them or from this office at an early date.

It is suggested that you forward the plats referred to in your letter which show the relationship of the present mine workings under Contract Idm-E879 to the work you have in mind for the future, as undoubtedly they will be of value in reaching a decision in the matter.

Apparently you have the idea of applying for the additional work in the name of J. P. Coleman as an extension of the present contract Idm-E879, which is made out in favor of Uranium King Corporation. In that respect, we can give you the advance information that as a prerequisite to such a procedure it would be necessary that Contract Idm-E879 be assigned from Uranium King Corporation to J. P. Coleman, a matter which would have to be initiated by Uranium King Corporation and J. P. Coleman, and which must be approved in advance by the Government, as provided under Article 2(d) of Exploration Project Contract form MF-200A (Revised June 1954), on which Contract Idm-E879 is prepared.

Very truly yours,

/s/ W. M. Traver

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

JWT:prl

c o p y

[illegible]

[illegible]

[illegible]

[illegible]

May [illegible]

[illegible]

[illegible] Gibbs, DMEA
[illegible] Temp, Region III
[illegible] Cultural House
[illegible], Colorado

Re: Contract DMEA [illegible]
Contract [illegible]-E[illegible]

There now remains about [illegible] feet of drilling to be [illegible] with amendment 2 to the above referenced contract. [illegible] to accomplish within the next seven weeks. As soon as possible [illegible] apply for further DMEA assistance. The Uranium King Co[illegible] [illegible] that Cove Claims to which DMEA Contract [illegible]-E[illegible] [illegible] have further liens against its claims in the form of the [illegible] indigenous. In an effort to accomplish Uranium King and [illegible] [illegible] in order to further explore the Cairn Channel to the north, [illegible] a DMEA hold on the claim groups which we even let [illegible] Cuisine. It is strongly felt, too, that the DMEA [illegible] [illegible] we are the party accomplishing the prescribed [illegible]

[illegible] Uranium King, of the Cove Claims [illegible]

Name	[illegible]
Cadillac	[illegible]
Packard	[illegible]
Lithbury	[illegible]
Austin	[illegible]
Chrysler	[illegible]

[illegible]

[illegible] April 2, 1957, [illegible] Department of Correspondence [illegible] appreciated if you [illegible] of a new application [illegible] Number [illegible] Greatly appreciated [illegible] in the name of [illegible] McFall claim [illegible]

[illegible] grows out [illegible] lost northward in the Cove Mine. [illegible] the relationship of the [illegible] this letter is [illegible]

[illegible]
[illegible]

[illegible] Engineering [illegible]
[illegible] Bldg.
[illegible]

Re: DMEA 3425 (Uranium [illegible] King Corp. (Cu) [illegible] and 3765, [illegible]

[illegible]

[illegible] April 22, 1954, the Uranium King Corporation, [illegible] supplemental loan application, designated [illegible] as "[illegible] application before the D. M. E. A.

[illegible] of the fact that Williston Basin Oil Exploration [illegible] has applied for a DMEA loan No. 3765. Both of these applications [illegible] same operation in general although the application DMEA No. 3425 [illegible] to cover the first part of the operation, and DMEA No. [illegible] continuing this operation after the completion of the [illegible] under DMEA No. 3425.

[illegible] exploratory operation has been merged into the [illegible] which is the same group as set out in DMEA No. [illegible] to the interest of all that the operation from [illegible] that would be [illegible]

[illegible] the application of Uranium King [illegible] the following [illegible]

[illegible] incline, which is described in both applications [illegible]

[illegible] desire to apply for government assistance [illegible] the bottom of the incline where the same will intersect [illegible] a distance of 500 feet; the drift to follow [illegible] previously been outlined by AEC drilling [illegible]

[illegible] The application of Williston Basin Oil Exploration [illegible] DMEA No. 3765, to be amended so as to [illegible] an additional 2000 feet, the same to [illegible] DMEA No. [illegible]

4. The original application DMEA No. 36[illegible] involved only [illegible] Claims No. 17, 18, 23 and 24. We are willing to subordinate the remaining [illegible] of the forty-four (44) Cove Claims to each of the applications above referred to.

In view of the fact that the incline will be completed in approximately [illegible] days, we estimate, it is urged that the matter be given prompt attention in order that there will be no delay in the operation after the incline has been completed. We will notify Mr. W. M. Traver of the Denver office as soon as the incline reaches the contact in order that prompt inspection may be made at that time.

Very truly yours

P. C. COLEMAN (signed)

P. C. Coleman, for
Uranium King Corporation, and
Williston Basin Oil Exploration Company, et al

PC/ms

Surname copy
DM[redacted]3768

700

FLKnouse

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

MAR 26 1956

Mr. J. P. Coleman, President
Williston Basin Oil Exploration Company
c/o McCarty and Coleman
916 Ninth Street
Wichita Falls, Texas

Re: Docket No. DMEA-3768 (Uranium)
Cove Claims, et al.
San Juan County, Utah

Dear Mr. Coleman:

This is with reference to your application for Government exploration assistance to explore the subject property, and your letter, dated May 16, 1955, addressed to our Denver, Colorado, office, which advised that the exploration operations of the subject company have been merged with those of the Uranium King Corporation, Docket No. DMEA-3625, Contract No. Idm-E879.

Since the subject property you proposed to explore is included in the contract of the Uranium King Corporation and exploration thereof will be done under said contract, the subject application, for the purpose of our records, be closed.

Sincerely yours,

C. D. Mitt[illegible]dorf

Administrator

FLKnouse/gla
3-22-56
cc to: Admr.'s Reading File
Docket DMEA-3768
Docket DMEA-3625 Contract Idm-E879
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA
Code 700
Mr. Knouse
DMEA Field Team, Regio III (2)

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

March 23, 1956

Memorandum

To: The Files

From: F. L. Knouse, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-3768 (Uranium)
Williston Basin Oil Exploration Company
Cove Claims, et al.
San Juan County, Utah

After the Operator's letter of May 16, 1955, to the Denver, Colorado, office, that advised of the merger of their interests with Uranium King Corporation, Docket No. DMEA-3625, Contract Idm-2879, a long period elapsed before questions of the company's property interest could be resolved. (Uranium King Corporation's contract was signed on September 27, 1955.) When the land title question was resolved, and it was determined the property that the subject Applicant proposed to explore was merged with and included in the contract of the Uranium King Corporation, the Operator could have been advised that the above application was closed on our records as the proposed exploration could be done under the Uranium King Corporation contract.

/s/ F. L. Knouse

F. L. Knouse

FLKnouse/gla
cc to: Admr.'s Reading File
Docket DMEA-3768 (original)
Docket DMEA-3625
Code 700
Mr. Knouse

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

DOCKET COPY

March 23, 1956

Memorandum

To: The Files

From: F. L. Knouse, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-3768 (Uranium)
Williston Basin Oil Exploration Company
Cove Claims, et al.
San Juan County, Utah

After the Operator's letter of May 16, 1955, to the Denver, Colorado, office, that advised of the merger of their interests with Uranium King Corporation, Docket No. DMEA-3625, Contract Idm-E879, a long period elapsed before questions of the company's property interest could be resolved. (Uranium King Corporation's contract was signed on September 22, 1955.) When the land title question was resolved, and it was determined the property that the subject Applicant proposed to explore was merged with and included in the contract of the Uranium King Corporation, the Operator could have been advised that the above application was closed on our records as the proposed exploration could be done under the Uranium King Corporation contract.

F. L. Knouse

F. L. Knouse

3/21/56

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

RECEIVED
MAR 21 1956

224 New Customhouse
Denver 2, Colorado

March 19, 1956

Memorandum

To: Chairman of the Operating Committee

From: DMEA Field Team, Region III

Subject: Docket DMEA-3768 (Uranium) Williston Basin Oil Exploration Company (McFall, Cadillac claims) San Juan County, Utah

Reference is made to your letter of March 5, 1956 concerning consideration of the application under the subject docket for 1,000 feet of drifting after completion of the first 500 feet of drift under Docket DMEA-3625, Contract Idm-E879, Uranium King Corporation.

An agreement of March 10, 1955 included with the subject application and a letter of May 16, 1955 to this office signed by J. P. Coleman with copies transmitted to you by Field Team copies of a memorandum to the field, dated May 18, both indicated operations of Uranium King Corporation and Williston Basin Oil Exploration Company were combined.

The Operator under Contract Idm-E879, Uranium King Corporation completed the first 500 feet of drifting on the channel allowed by the contract and on December 2, 1955 requested an additional 500 feet. This request and recommendations thereon were transmitted to you by memorandum of January 20, 1956. As a result your office prepared Amendment No. 2, dated February 20, 1956 extending the completion period, allowing the additional 500 feet of drifting, 1,000 feet of long-hole drilling and 50 chemical assays under a second phase at a total estimated cost of $18,275.00.

A memorandum from the field regarding work done by the Operator on company account between Phase I and Phase II and start of work under Amendment 2 is being transmitted to you by separate Field Team memorandum.

It is the Field Team's understanding that the application under Docket DMEA-3768 is superceded by DMEA-3625, Contract Idm-E879, as indicated by the foregoing information. Perhaps the Administrator should advise the applicant to that effect.

(Copy sent to M&F for docket DMEA-3625)
gla 3/22/56

The additional drifting allowed by Amendment 2 will end a considerable distance from the property of Williston Basin Oil Exploration Company.

DMEA Field Team, Region III

By W. M. Traver
Executive Officer

Surn[illegible] copy

F L Knouse TOO
Ellis
Selfridge
Fitzsimon
Mittendorf

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

MAR - 5 1956

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

Re: Docket No. DMEA-3768 (Uranium)
Williston Basin Oil Exploration Co.
Cove Claims, et al.
San Juan County, Utah

Dear Mr. Traver:

Reference is made to the captioned application which was referred to your office on April 26, 1955, and further to your memorandum under date of June 2, 1955, which transmitted the Field Team's report in Docket No. DMEA-3625, Uranium King Corporation. This memorandum advised as follows:

> "DMEA-3768, Williston Basin Oil Exploration Company, have amended their application to extend the drift in the Shinarump channel an additional 1,000 feet at the completion of the first 500 feet of drift under DMEA-3625. This should not be considered until completion of the 500 feet under DMEA-3625."

A review of the progress of work accomplished under Contract Idm-8879, Docket DMEA-3625, Uranium King Corporation, reveals that the first 500 feet of drifting has been completed and has been extended to a point close to the property involved under the captioned application. Please, therefore, advise us if further action at an early date is contemplated in connection with the subject application, DMEA-3768.

Sincerely yours,

George C. Selfridge (JHB)
Chairman, Operating Committee

FLKnouse/gla 3-2-56
cc to: Admr.'s Reading F.
Operating Committee
Docket DMEA-3768
Docket DMEA-3625
Div.File " "
Messrs.JECrawford, Rm.3641
THKiilsgaard,Rm.5224
JOHosted, Rm.3210,GS
Mr. Knouse

APPROVED:

O. M. Bishop (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

A.C.S.

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

FILE DMEA-3768

June 2, 1955

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Chairman of the Operating Committee, DMEA

From: DMEA FieldTeam, Region III

Subject: Report of Examination, DMEA-3625 (Uranium), Uranium King Corporation, (Cove claims), San Juan County, Utah

Enclosed are the original and three copies of the report pertaining to the subject application.

J. P. Coleman, agent for Uranium King Corporation, in a letter dated May 16, 1955 estimates the incline being driven by Williston Basin Oil Exploration Company will be completed within a month, or by June 17th. This estimate appears optimistic. However, the Field Team believes a short form contract could be prepared by you prior to completion of the incline, providing for crosscutting from the bottom of the incline after it reaches the Shinarump-Moenkopi contact to the center of an assumed channel and drifting along the center of the channel toward AEC drill hole CA-69. Total crosscutting and drifting would be limited to 500 feet at the engineer's estimated cost of $34.17 per foot. Start of work must be subject to written authorization by the Field Team after an inspection made when the incline is completed. At that time a starting point will be set by the engineer.

Coleman's letter also states his willingness to subordinate all of the Cove claims, and we recommend that this be done.

Nine copies each of Figures 2, 3, 4 and 5 are included for possible use in a contract.

DMEA-3768, Williston Basin Oil Exploration Company, have amended their application to extend the drift in the Shinarump channel an additional 1,000 feet at the completion of the first 500 feet of drift under DMEA-3625. This should not be considered until completion of the 500 feet under DMEA-3625.

/s/ W. M. Traver
W. M. Traver

/s/ E. N.Harshman
E. N.Harshman

Enclosures

copy

5/24/55 gla

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

224 New Customhouse
Denver 2, Colorado

May 18, 1955

Memorandum

To: J. F. Shaw
W. P. Williams

From: DMEA Field Team, Region III

Subject: DMEA-3625 (Uranium), Uranium King Corporation (Cove claims 17, 18, 23 and 24), San Juan County, Utah

Attached hereto is a copy of a request from the Agent representing the applicant under the subject docket for a revision of the original exploration program.

Please give the revision consideration in the reports you are preparing.

Your attention is also called to the Agent's reference to an amendment requested to DMEA-3768 which should have your consideration and recommendation.

W. M. TRAVER
W. M. Traver

E. N. Harshman
E. N. Harshman

Enclosure

WMT:sr

cc Harshman w/enc
Chairman Op. Comm. (2) w/enc
Subject
Docket DMEA-3768
Chron

WILLISTON BASIN OIL EXPLORATION COMPANY
916 NINTH STREET
WICHITA FALLS, TEXAS

UTAH OFFICE:
209 ATLAS BUILDING
SALT LAKE CITY, UTAH

DMEA
Date Rec'd.
MAY 17 1955
BUREAU OF MINES
Denver, Colorado

May 16, 1955

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

Re: DMEA 3625 (Uranium) Uranium King Corp. (Cove Claims 17, 18, 23, and 24), San Juan County, Utah

Gentlemen:

By letter of April 22, 1955, the Uranium King Corporation, applicant under the above captioned loan application, designated me as "agent" for the corporation in matters before the D. M. E. A.

I call attention to the fact that Williston Basin Oil Exploration Company, et al, has applied for a DMEA loan No. 3768. Both of these applications cover the same operation in general although the application DMEA No. 3625 was initiated to cover the first part of the operation, and, DMEA No. 3768 contemplates extending this operation after the completion of the work contemplated under DMEA No. 3625.

Since the exploratory operation has been merged into the group which I represent and which is the same group as set out in DMEA No. 3768, we believe it would be to the interest of all that the operation from here on be considered as one, although that would be a matter for you to decide.

We desire to revise the application of Uranium King Corporation application, DMEA No. 3625 in the following particulars:

1. The incline, which is described in both applications, has been started and will be completed at our expense without government assistance.

2. We desire to apply for government assistance in extending the drift from the bottom of the incline where the same will intersect Shinarump-Moenkopi contact, a distance of 500 feet; the drift to follow the Shinarump channel which has previously been outlined by AEC drilling.

3. The application of Williston Basin Oil Exploration Company, et al, DMEA No. 3768, to be ammended so as to extend the drift with the Shinarump channel an additional 1000 feet, the same to begin at the completion of the first 500 feet of drift contemplated under DMEA No. 3625.

4. The original application DMEA No. 3625 involved only Cove Claims No. 17, 18, 23 and 24. We are willing to subordinate the remainder of the forty-four (44) Cove Claims to each of the applications above referred to.

In view of the fact that the incline will be completed in about thirty days, we estimate, it is urged that the matter be given prompt attention in order that there will be no delay in the operation after the incline has been finished. We will notify Mr. W. M. Traver of the Denver office as soon as the incline reaches the contact in order that prompt inspection may be made at that time.

Very truly yours,

J. P. Coleman, for
Uranium King Corporation, and
Williston Basin Oil Exploration Company, et al

JPC/ms

Surname 700

F. L. Knouse
Ellis
Kilsgaard
Hedges
Johnson

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

Messrs. McCarty and Coleman
Williston Basin Oil Exploration Co. APR 26 1955
916 Ninth Street
Wichita Falls, Texas

Re: Docket No. DMEA-3768 (Uranium)
Cove claims, et al.
San Juan County, Utah

Dear Messrs. McCarty and Coleman:

The application for assistance in exploring the subject property in San Juan 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

Administrator

FLKnouse:am
4-22-55
cc to: Admr. Reading File
Docket
Code 700
Mr. Knouse
DMEA Field Team, Region III(2)

R.C.B.

Surname 700

F L Kunze
Ellis
Selfridge
K Johnson

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 26 1955

Re: Docket No. DMEA-3768 (Uranium)
Williston Basin Oil Exploration Company
Cove claims, et al.
San Juan County, Utah

Docket No. DMEA-3625 (Uranium)
Uranium King Corporation
Cove claims Nos. 17,18,23, and 24
San Juan County, Utah

Docket No. DMEA-3589 (Uranium)
John P. Kellogg and G. T. Rummel
Moosback claims, et al.
San Juan County, Utah

Dear Mr. Traver:

This is with reference to the subject applications for Government aid to explore the above groups of mining claims. Since these claim groups are in the same area and many of the claims as are shown on the maps submitted by the Applicants appear to be in conflict, a field examination should be made of the three proposed projects by the same engineers on one trip when the Applicants' representatives are present. A copy of the Williston Basin Oil Exploration Company application was retained by your office.

Enclosed are copies of memoranda from E. L. Newcomb, dated April 18, and John E. Crawford, dated April 20, 1955, members of the Uranium Commodity Committee, concerning the Williston Basin Oil Exploration Company project.

All of the claims listed in the applications of Docket DMEA-3589, Kellogg and Rummel, and Docket DMEA-3768, Williston Basin Oil Exploration Company, need not be included in contracts for the work proposed by the Applicants. Also, since only parts of the claim groups proposed for exploration appear to be in conflict, i.e., the Moosback, Arrowhead, Ruby, and Tyrano claim groups of Kellogg and Rummel, with the Cove, McFall, Mercury, Austin, and Cadillac claim groups of the Williston Basin Oil Exploration Company, such claims as are not in conflict, or the ones in which the conflict can be readily resolved, may justify exploration projects. Therefore, before requesting the Applicants to have an expensive survey made of all the claims listed in the applications and before resolving the question of title

R.C.S.

or control to the claims in conflict, a field examination should be made to determine what part, if any, of the properties have merit as exploration projects.

The examining engineers should be instructed to examine each of the subject proposed projects and for each project recommended the Applicant should be requested to furnish an accurate claim map surveyed by a licensed surveyor of the area recommended for exploration, which should include any claims controlled by the Applicant which may benefit from the recommended exploration program. The recording dates of each claim concerned should be furnished, together with any other reasonable legal information required to resolve the question of the Applicant's control of the particular property. Each Applicant of a recommended project should be advised that until the information requested is received by your office no further processing of the application can be done, and the Field Team reports should await the information.

If a project is to be recommended where Owners' Consents to Lien are required, time will be saved by requesting that these documents be furnished as soon as possible.

Sincerely yours,

George C. Selfridge
857

Chairman, Operating Committee

Enclosures

APPROVED:

T. H. Hedges 857

Member, Bureau of Mines

Thor H. Kiilsgaard
857

Member, Geological Survey

FLKnouse:am
4-22-55
cc to: Admr. Reading File
Operating Committee
Docket No. DMEA-3768
DMEA-3625
DMEA-3589
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Knouse

SEND HER YOUR LOVE THIS SPECIAL WAY
ON Mother's Day
MAY 8
NEW SCENTED TELEGRAMS
6149(55)
A MESSAGE... THAT CARRIES ITS OWN Bouquet

WESTERN UNION

W. P. MARSHALL, PRESIDENT

FX-1201

SYMBOLS
DL=Day Letter
NL=Night Letter
LT=Int'l Letter Telegram
VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

AA584 DA447

1955 APR 21 PM 7 47

D WEA414 NL PD=WICHITA FALLS TEX 21

EARNEST M ELLIS=

DEFENSE MINERALS EXPLORATION ADMINISTRATION
RM 4457 NEW INTERIOR BLDG C STREETS BETWEEN 18
AND 19 STS NORTHWEST WASHDC=

WE RECENTLY FILED APPLICATION O 3768 FOR WILLISTON ~~BASON~~ BASIN
OIL EXPLORATION CO, ET AL. IN THIS FILE WAS FURNISHED A
COPY OF AGREEMENT BETWEEN URANIUM KING CORP AND OUR
GROUP. URANIUM KING HAS APPLICATION WITH YOU UNDER NO.
3625. I WOULD LIKE TO KNOW? IF MATERIAL FURNISHED IN OUR

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

W. P. MARSHALL, PRESIDENT

FX-1201

SYMBOLS
DL=Day Letter
NL=Night Letter
LT=Int'l Letter Telegram
VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

AA584 D WEA414 2=

1955 APR 21 PM 7 47

APPLICATION IS SUFFICIENT TO SATISFY YOU AS TO OUR INTERESTS IN TAKING OVER URANIUM KINGS APPLICATION. IF NOT I WILL GET A LETTER OR AGREEMENT FROM URANIUM KING TO OUR GROUP I WILL CALL YOU FRIDAY 3:00 PM WASHINGTON TIME REGARDS= 4-22-55 Discussed this at 3:00 p.m. with

J P COLEMAN=.. Mr. Coleman. Told him the Williston Basin application was being referred to the field and he should get a notice to that effect next week. Told him our first consideration was whether a project (or projects) was indicated; then all conflicts would have to be resolved; then would come the question of preparing the proper working papers, etc.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

4/19/55 gla

IN REPLY REFER TO:

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

Defense Minerals Administration
RECEIVED
APR 19 1955

April 18, 1955

Re: DMEA-3768
Williston Basin Oil
Exploration Co.
(Cove Claims)
San Juan Co., Utah
$90,890 - Uranium

Memorandum:

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

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of application

The applicants propose to explore the Cove claims by virtue of an agreement between themselves and the Uranium King Corporation. The latter Corporation previously submitted application DMEA-3625 for exploration on the Cove claims.

At the time of our consideration of DMEA-3625, it was noted that an apparent property conflict existed at least with respect to claims held by the Voltron Corp. and La Salle Mining Co. (DMEA-3589).

The present application should be considered by the Field Team in connection with their report on DMEA-3625. Our comments in the memorandum of January 7, 1955 (DMEA-3625) are applicable to this application.

E. L. Newcomb

E. L. Newcomb

April 13, 1955
Subject: DMEA 3768
Re: Exploration Assistance
Cove Claims Nos. 1 thru
44 inclusive
Except claims Nos. 17, 18,
23, & 24

Williston Basin Oil Exploration Co.
C/o McCarty and Coleman
916 Ninth Street
Wichita Falls, Texas

Gentlemen:

The receipt of your application dated April 2, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3768 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

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- 3768 Williston Basin Oil 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

April 6, 1955

Memorandum

To: Secretary of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Application, Williston Basin Oil Exploration Company (Uranium), San Juan County, Utah

Enclosed are the original and two copies of an application from the subject company involving exploration for uranium in the amount of $90,890.00.

The application proposes underground work extending a drift requested under Docket DMEA 3625, Uranium King Corporation, which was sent by this office to the field for investigation on March 25, 1955.

Mr. J. P. Coleman, president of the Williston Basin Oil Exploration Company, at a conference in this office on March 23, 1955 stated that his company contemplates taking over the Uranium King application and undertaking the entire exploration as covered by an agreement included with his application. He also stated that he had previously discussed the project with Mr. E. W. Ellis of the DMEA Washington office. His telephone number in Wichita Falls, Texas is 2-1783, and he has suggested our calling him collect if any points in the application require clarification.

The project has considerable merit, and we are suggesting that field reports on the Uranium King Corporation's application be deferred until we are advised by you of action we should take with respect to this subject application.

We are retaining one copy of the application in our files.

W. M. Traver

W. M. Traver

Enclosures

DMEA
Date Rec'd.

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

APR 2 1955

BUREAU OF MINES
Denver, Colorado

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
APR 11 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. 3768
Metal or Mineral Uranium
Date Received 4-11-55
Estimated Cost $90,890
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: Williston Basin Oil Exploration Co. (a Utah Corp.), J. A. McCarty, J. P. Coleman, Chas. P. McGaha and Jack C. Staley (For Williston: Pres. J. P. Coleman; V-P. J. A. McCarty; V-P Paul A. Rothwell; Sec-Treas. S. J. Quinney. All parties address Wichita Falls, Texas

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

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

(*d*) If a partnership, add to the above statement the names and addresses of all partners. Send all correspondence to McCarty and Coleman, 916 Ninth Street, Wichita Falls, Texas

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 Exhibit A.

(*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 See Exhibit A

(*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 See Exhibit A

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

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 nee of any present mine workings, and the location of the proposed exploration work as related to such features as conta veins, ore-bearing beds, etc.

(*c*) The work will start within 60 days and be completed within 12 months from the date of an exploratio 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.).

(*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)? Yes

(*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 April 2, 1955

Williston Basin Oil Exploration Company
(Applicant)

By J P Coleman President

McCarty & Coleman

By J P Coleman

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

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

GENERAL STATEMENT

Within the last two years the Atomic Energy Commission have done a great deal of exploratory drilling in the White Canyon Area of San Juan County, Utah. As a result several ore-bearing channels were outlined and delineated. One of these is known as the Cairn Channel on which is located several producing uranium mines.

This channel was outlined up to and on the claims involved in this application and the samples from core holes indicated that probably ore-bearing zones were present under the claims involved here. The apparent direction of this channel would indicate that the channel would continue under the Cadillac and McFall claims. However in order to delineate the channel and to evaluate the ore possibilities it would be necessary to drill 1300 feet to 1400 feet holes up on the Wingate Plateau where the Cadillac and McFall claims are located.

It therefore seemed that it would be preferable that we start an exploratory tunnel in the low area adjacent to our claims where the AEC drilling had progressed to when such drilling ceased. Consequently we have contracted with the owners of such claims, (Cove Claims owned by Uranium King Corporation), whereby we will carry out such a program, having for its ultimate conclusion an exploratory tunnel under the Cadillac and McFall Claims referred to above. In this manner it will be possible to sink an incline to the Cairn Channel and then drift with the channel after it has been intersected.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

The Uranium King Corporation has previously filed an application with you for a D. M. E. A. loan, such application being numbered 3625. It is our desire that this application be processed by you without interruption, this being in the interest of time. By the terms of our contract with Uranium King Corporation we are priveleged to assume the proposed obligations in their D. M. E. A. application. Since our group is well financed and has had ample experience we believe the government will be better assured of the proper completion of the project.

It is our desire to pick up and carry on the work outlined in the Uranium King application and in addition, we are hereby making application to extend the drifting in the ore channel an additional one thousand feet. It will be noted that the Uranium King application included an incline of some 400 feet. This plan plus our present application would cause 1125 feet of drifting after the incline had been constructed.

All the work contemplated to be done both under the Uranium King application and the Williston Basin Oil Exploration Company, et al application will be conducted on the Cove Claims described in the Uranium King application and on the 40 additional Cove Claims. The description of the Cadillac, Mc Fall and other claims are included for your information.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

McCARTY & COLEMAN
916 - 9th ST.
MOUNTAIN FALLS, 2-1-15

EXHIBIT A (For Paragraph 3 of Application):

The properties on which the exploratory program will be carried on are described as follows:

Cove Claims numbers one thru 44 inclusive; said claims being located in the White Canyon Mining District and within the following legal subdivisions when surveyed:

Township 36 South, Range 16 East, Part of Section 31;
Township 37 South, Range 15 East, Part of Section One;
Township 37 South Range 16 East, Parts of Sections 5, 6, 7, and 8.

These claims are covered by an agreement between Uranium King Corporation, et al and Williston Basin Oil Exploration Company, et al, copy of which is attached.

Other claims held by Williston Basin Oil Exploration Company, et al adjoin the Cove Claims and although work on these claims is not contemplated under this application they are listed herein since exploratory work on the Cove Claims will serve to assist in exploring these claims:

Cadillac Claims numbers one through 207 recorded in Volume 109 pages 530 to 540, Volume 111 pages 11 to 65, Volume 113 pages 112 to 132 and 318 to 325.

Packard Claims numbers one thru 19; recorded in Volume 109 pages 209 to 223.

Austin Claims numbers one thru 9 recorded in Volume 109 pages 209 to 203.

Chrysler Claims numbers one thru 5 and numbers 34 thru 38 recorded in volume 109 pages 203 to 208.

Continued

McCARTY & COLEMAN
916 - 9th ST.

McCARTY & COLEMAN
916 - 9th ST
WICHITA FALLS

Page No. 2, EXHIBIT A (For Paragraph 3 of Application):

Mercury Claims numbers 31 thru 42 recorded in Volume 109 pages 197 to 203.

All the above being recorded in the Mineral Deeds records of San Juan County, Utah.

McFall and Francis Claims:

Z No. 1 to Z No. 21 inclusive, the location notices being recorded in Book 103 at Pages 17 to 27 inclusive.

Z Claim No. 22 to Z Claim 33 inclusive, the location notices being recorded in Book 117 at Pages 230 and 235 inclusive.

Q No. 1 to Q No. 24 inclusive, the location notices being recorded in Book 103 at Pages 5 to 14 inclusive.

Q No. 28 and 29 inclusive, the location notices being recorded in Book 103 at Pages 15 and 16.

Q No. 31 to Q No. 34 inclusive, the location notices being recorded in Book 103 at Pages 14, 13 and 12 respectively.

Q No. 38 and Q No. 39, the location notices being recorded in Book 103 at Pages 15 and 16 respectively.

The P Claim No. 1 to the P Claim No. 7 inclusive, the location notices being recorded in Book 129 at Page 394 to Page 397 respectively.

all in the office of the County Recorder of San Juan County, Utah.

McCARTY & COLEMAN
916 - 9th ST
WICHITA FALLS

McCARTY & COLEMAN
916 - 9th ST.

PARAGRAPH 4.

Physical Description:

There is attached hereto copy of report by Byron E. Grant, mining engineer and consultant who has been retained by this group.

No mining work has been conducted on the property. However the A. E. C. has outlined an ore-bearing channel, known as the Cairn Channel, on which are located several successful mines. This was done by means of an extensiive drilling program. The last drilling of A. E. C was done on the Cove Calims numbers 17, 18, 23 and 24. This would indicate that further exploration be done by means of an incline and drifting in the channel or ore body.

PARAGRAPH 5.

(a) The principal mineral for which we wish to explore is uranium.

(b) See Report of Byron E. Grant, consulting engineer; also maps and sketches previously provided by Uranium King Corporation in their D. ME. A loan application No. 3625 dated December 17, 1954.

(d) The applicant group have had various mining and petroleum experience for over thirty years. The persons involved have been principally engaged in petroleum exploration and development. Also they have had extensive geophysical experience, owning and operating seismic units as well as other geophysical units. Two of the applicants are geologists. and have had mining experience. More important, all of the persons named in the application are successful executives and have combined assets of over six million dollars.

McCARTY & COLEMAN

PARAGRAPH 6.

Estimate of Cost:

The costs estimated herein are those of continuing the drifting which it is contemplated will be started under the D. M. E. A. application No. 3625 of Uranium King Corporation.

The expendable machinery such as drills, mucking machine cable, cars, etc., are taken care of in the estimate per foot for drifting. The other estimate of machinery is made on the basis of a permanent mine setup. In order to estimate that part of the machinery applicable to the exploratory phase we have taken 35% of the cost of the permanent setup.

Estimate of Machinery:

1 - 120 KVA Generator	$15,000.00	
1 - 600 Compressor	14,000.00	
3 - 15HP Fans	3,900.00	
Shop tools and facilities	1,500.00	
Water Tanks	1,000.00	
1 - Jeep Pickup	2,500.00	
1 - Power Wagon	3,500.00	
1 - Water Truck	4,000.00	
	$45,400.00	
35% of above		$15,890.00

Preparatory Costs:

Road Work	$ 5,000.00	
Camp site and quarters	2,500.00	
Hoist and Headframe, Double Drum, 75HP	7,500.00	
Hauling, installation and wiring	5,000.00	
Headframe and Bins	5,000.00	$25,000.00

Drifting:

1,000 feet of drifting 7'x8' @ $50/foot	$50,000.00
	$90,890.00

Continued

CARTY & COLEMAN

Page No. 2, Paragraph No. 6. Continued.

It is possible that some of this expense could be attributable to work under the Uranium King application and in this manner the combined estimates for both jobs could be reduced. Any reduction in costs that could be achieved would be passed on to the D. M. E. A.

Of course if the exploratory operation should result in a successful mining operation it is assumed that the government participation would terminate after it had been determined that the operation was self-sustaining from ore sales.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

McCARTY & COLEMAN
913 - 9th ST.
WILLIAMS FALLS

March 12, 1955

Mr. B. E. Grant
1822 East 13 South
Salt Lake City, Utah

Dear Buck:

Harry and I have gone over your request for a firm price bid on a minimum of 400 feet of two compartment incline and minimum of 2000 feet of 8 x 8 drifting from the bottom of this incline. I did not get to the portal site, but I was at the Maybe Mine and observed the road to the site above Ula, so that we understand the conditions.

As far as the camp goes, our experience has been that in a job of this size good camp facilities are a necessity. A job of this nature will require a rather large capital expenditure for equipment which means a rather high overhead cost. Your time and the time of your geologists and engineers will also be part of the overhead cost and we believe that good camp facilities are necessary to attract and hold a crew of miners capable of making the maximum footage. I think that other operators on the Plateau will bear this fact out. The savings in using casual labor are more than compensated for an increased overhead and delay costs.

We think that you will need a permanent camp situated perhaps near the Ula camp or possibly near the Maybe Mine. Hulinger and MacFarland might agree to bear part of the expense or perhaps share part of their present camp and the expense of operating their present camp with you.

The 30 degree two compartment incline will require generating capacity of at least 120 KVA to handle the starting loads on the hoist and the necessary ventilating fans, shop building, and change room are essential since the project entails expensive and conplex machinery which will need adequate protection and maintainance.

In the incline itself, we are concerned with the problem of rock support in crossing the lower Chinle formation at an angle of 30 degrees to the bedding. Our experience has been that the Chinle is air slacking and makes poor back, and since the shaft will open up a back 12 feet wide the problem may become critical. We would favor the use of roof bolts, but hesitate to guarantee that they will hold because of the angle between the shaft and the bedding planes. Timbering would be very expensive. We feel that if bolts will hold, the ground

McCARTY & COLEMAN
913 - 9th ST.
WILLIAMS FALLS

can be held more cheaply and more effectively by gunite. If the bolts do not hold, timbering will be a real problem since transportation costs of the timber will be high.

In the orehorizon the 8 x 8 drift should not present any great difficulties. We assume that you want to keep it as close to level as possible and follow the channels at the base of the sandstone. We believe that a diesel notor, 30 pound rail with 50 cubic foot mine cars would be best although it is possible that some of the new small shuttle cars with the new Eimco 630 mucker may give better costs. These shuttle cars are in the experimental stage right now. We feel that it is not possible to estimate the limits to which they can be operated and their effectiveness on rolling and slippery bottom. At the present time, there is no doubt that it would be difficult for a shuttle car to equal track and mine car costs at the maximum footage of 4000 feet you specified. Since your area of maximum operation may well be at some distance from the bottom of the incline, we feel that it would be most prudent to start with rail and mine cars. If your plans change, and you should estimate that most of your work will be in the vicinity of the incline we can re-evaluate our thinking. A great deal will be learned about the new Dart and Gettman shuttle cars in the next few months which may effect our thinking too.

We have made the following estimates on the basis of the preceeding paragraphs. It is possible to paint a rosy picture, of course, and ignore the very real problems which you will face in operating on area as difficult as access to the head of Red Canyon. We believe that you are interested in real estimates.

Preparatory Costs

Road work	$5,000.00		
Camp site and living quarters	2,500.00	$7,500.00	
Hoist and Headframe			
Double Drum 75HP 3 foot drums	7,500.00		
Hauling, installation and wiring	5,000.00		
Headframe and bins	5,000.00	17,500.00	
Plant Buildings		10,000.00	$35,000.00
Estimate of Machinery			
1 120 KVA Generator	15,000.00		
1 600 Compressor	14,000.00		
3 15 H.P. Fans@$1,330.00	3,900.00		
Shop tools and facilities	1,500.00		
Water tanks	1,000.00		
1 Jeep Pickup	2,500.00		
1 Power Wagon	3,500.00		
1 Water Truck	4,000.00		45,400.00

McGARRY & COUTS

Operating Costs

Sinking 8' x 12' incline at 30 degrees, 400' $125.00 per foot fully supported bolts and gunite or timber, 40# rail	$100,000.00	
Drifting 8x8, minor bolting and timbering, 16" vent line, 30# rail, 3" air line 2000' @ $55.00 per foot	110,000.00	
		$290.400.00

Our sinking and drifting costs include the expendable machinery such as drills, muckers, motors, etc. The machinery we list as capital expenditures is that which you would have to purchase for a permanent operating setup and which, of course has a real salvage value. However, it is not the type of machinery which can be rented at any saving since the company renting the machinery faces the same amortization problem you will face.

We estimate the following schedule:

Preliminary road work and plant and machinery setup	2 months
Sinking	2 months
Drifting 500 feet per month 2000 feet	4 months

Making the total time for the minimum program you have outlined of eight months.

It may be possible to portal a tunnel which would reach the point of intersection of your incline with the ore horizon at less cost than the cost of the incline plus the oost of the hoist, headframe, and extra generating capacity necessary for a hoisting plant. Modern diesel locomotives are fast enough to operate at great distances efficiently. While we do not know all of the problems involved we feel that the advantages of a full length tunnel should be considered carefully.

In a job of this nature the capital equipment costs are a very important factor and should be considered carefully from the standpoint of the life of the operation. Perhaps we can adjust our estimates of these costs if we understand your aims. We have estimated on the basis of developing a plant which you will be able to continue to operate, after the initial work has been accomplished, at the lowest possible cost. We think that this is the only

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

practical attitude to take. It may be possible to do projects of lesser magnitude in more accessable areas using lighter equipment and less elaborate facilities, but an operation in the head of Red Can yon must be self sufficient and time losses through poor equipment or casual labor will more than compensate for any savings made in this manner.

If there is anything else you require please let us know. We shall be very happy to meet with you and the Danaher brothers at any time. We would be interested in the above work on a firm price basis or on cost plus fixed fee, and of course many other details must be settled before we are in a position to make a final bid.

With kindest regards.

Very truly yours,
Centennial Development Company

James Quigley

JQ/mh

cc: J. T. Danaher

A F F I D A V I T

State of Texas
County of Wichita

I hereby certify that the above letter is a correct copy of the original.

J. P. Coleman

J. P. Coleman

Subscribed and sworn to before me this 1st day of April, 1955.

Mimi M. Brown

Mimi M. Brown
Notary Public inand for the
County of Wichita
T E X A S

McCARTY
SEC.
WICHITA FA

McCARTY & COLEMAN
916 - 9th St.
WICHITA FALLS, TEXAS

AGREEMENT

THIS AGREEMENT, made and entered into by and between WILLISTON BASIN OIL EXPLORATION COMPANY, JACK STALEY, C. P. McGAHA, J. A. McCarty and J. P. Coleman, hereinafter referred to as the Parties of the First Part, and Hans J. NIELSON, BURNHARD BLACK, FRANCIS D. NIELSON and URANIUM KING CORPORATION, a corporation, hereinafter referred to as the Parties of the Second Part,

W I T N E S S E T H :

WHEREAS, the Parties of the Second Part are the owners of the following described mining claims situated in San Juan County, Utah, to-wit:

> Cove 1 through 44 inclusive, said claims being located in the White Canyon Mining District and within the following legal subdivisions when surveyed: Township 36 South, Range 16 East, Part of Section 31.
>
> Township 37 South, Range 16 East, Parts of Sections 5, 6, 7 and 8.
>
> Township 37 South, Range 15 East, Part of Section 1.

and

WHEREAS, the Parties of the First Part are the owners of mining claims in San Juan County, Utah,

> The McFall claims No. Z1 through Z23.
>
> The McFall claims No. Q1 through Q12, and the McFall claims No. Q21 through Q24, and the McFall claims No. Q28 through Q34, and the McFall claims No. Q38 and Q39.
>
> Also the Cadillac claims No. 1 through 207.
>
> Said claims being located within the following legal subdivisions when surveyed: Townships 36 and 37 South, Ranges 15 and 16 East.

WHEREAS, the claims owned by the Parties of the Second Part are located adjacent to and southerly from the claims owned by the Parties of the First Part and are lower in elevation, and it is desirable to explore and mine any mineral located in the claims owned by the Parties of the First Part from a tunnel to be driven and located on the claims owned by the Parties of the Second Part; and

McCARTY & COLEMAN
916 - 9th St.
WICHITA FALLS, TEXAS

Whereas, the Parties of the Second Part are willing to transfer and convey an easement and right of way over, through and under their claims for the purposes and upon the conditions hereinafter provided to the Parties of the First Part and for the use and benefit of the claims owned by said Parties of the First Part, said easement and right of way to include sufficient area of the surface to enable First Party to erect buildings, dump and store ore or waste, and to enable First Parties to conduct other operations on said surface area necessary or convenient for the complete use and enjoyment of the tunnel right of way herein agreed to be conveyed; and

WHEREAS, the Parties of the First Part are willing to expend the sum of not less than Fifty Thousand ($50,000.00) Dollars for the driving of the tunnel hereinafter provided for;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, it is mutually agreed as follows:

1. The Parties of the Second Part hereby grant and convey to the Parties of the First Part, their successors and assigns, a perpetual easement and right of way over and across and under the property described above, owned or possessed by the Parties of the Second Part. Said Second Parties further agree to execute and deliver to the Parties of the First Part a good and sufficient deed conveying said tunnel easement and right-of-way, together with an easement and right-of-way over the surface area hereinafter described sufficient to enable First Parties to erect buildings, including but not limited to boarding and lodging houses, store or dump waste ore or any and other materials, supplies and machinery or equipment used or useful in its mining operations. Said conveyance shall be executed and delivered as soon as First Parties have expended the sum of not less than Fifty Thousand ($50,000.00) Dollars under the terms and provisions of this agreement. Said First Parties

DOHERTY & COLEMAN

shall be entitled to said conveyance upon said expenditure notwithstanding all or part of said sum has been recaptured by First Parties from ore sales as herein provided. Said right-of-way shall commence at a point on the surface of the ground overlying the Cairn Channel on the property of the Second Parties to be determined by the Parties of the First Part provided said tunnel entry shall be located within two hundred (200) feet of A. E. C. drill hole No. C. A. -58. The tunnel right-of-way shall follow the course of said Cairn Channel in a general northerly direction toward the property owned by the First Parties and shall include an underground space of sufficient width and height to permit the Parties of the First Part to drive an underground tunnel with an inside measurement of eight feet by eight feet, together with necessary turnouts and overexcavations. The right -of- way and easement to be granted by Second Parties to First Parties shall include a right-of-way and easement to the surface rights exclusive of mineral rights over and upon twenty (20) acres of land to be selected and surveyed by First Parties provided said twenty (20) acres shall include the tunnel entry.

2. First Parties agree that they will drive a tunnel from the surface area hereinabove described and follow the Cairn Channel in a general northerly direction and toward the boundary of the property owned by the Parties of the First Part. First Parties will drive said tunnel from said point of origin until it has reached the boundary of their said property, or until First Parties have expended the sum of Fifty Thousand ($50,000.00) Dollars upon said tunnel, whichever event first occurs. It is understood and agreed that First Parties may, at their sole discretion and option, drive said tunnel as far as into and beyond the boundary of their own property as they desire and that the conveyance by the Second Parties to First Parties shall transfer and convey the right at any time hereafter to drive said tunnel from thepoint

McCARTY & COLEMAN
915 - 8th ST.
WICHITA FALLS, TEXAS

of commencement toward or to or beyond the boundary of the property owned by First Parties; provided, always, that First Parties may at their option and discretion stop further construction work on said tunnel when they have expended the sum of Fifty Thousand ($50,000.00) Dollars, even though all or part of said sum has been recaptured by First Parties from the sale of ores from land of Second Parties.

3. First Parties agree to commence construction of said tunnel within sixty (60) days from the date hereof and to complete the expenditures of not less than Fifty Thousand ($50,000.00) Dollars upon said construction on or before March 1, 1956.

4. It is agreed that First Parties shall have the right to dump and store ore and waste and locate buildings, machinery, improvements and other structures, or make such other use of the surface area over which a right-of-way and easement is to be granted, as shall be necessary or convenient for the mining operations to be conducted by First Parties either on the property owned by First Parties or on the property owned by Second Party; provided, that Second Parties shall have a right of ingress and egress to and from said tunnel over the surface area described above, and Second Parties' use of said right of ingress and egress shall not interfere with the prior rights of First Parties.

5. First Parties shall have the right to mine and remove and sell any ore encountered in the driving of said tunnel and including any ore which may be discovered within the Cairn Channel, through which said tunnel is to be driven. First Parties may conduct such exploration, mining and development work outside of the area of said tunnel but within the Cairn Channel as in their sole discretion seems proper.

McCARTY & COLEMAN
616 - 9th ST.
WICHITA FALLS, TEXAS

6. First Parties shall keep accurate books showing the costs of their mining and driving of said tunnel, which books shall be open to inspection of Second Parties' representative at all reasonable times. First Parties shall also keep accurate account of the amount received from the sale of ores mined upon property owned by Second Parties, and when First Parties have received sufficient income from the sale of such ores to reimburse them in full for the expenditures made in mining said or e and in driving said tunnell to a point upon the boundary line between the property owned by First Parties and the property owned by Second Parties, the right of First Parties to receive the money from ores mined on property owned by Second Parties shall terminate.

7. It is agreed that Second Parties are obligated to pay a 15% overriding royalty to certain third parties. Second Parties will notify First Parties in writing of the names and interests of the royalty holders and First Parties will pay such royalty to said holders and said royalties shall be an item in First Parties' cost of operation. The royalty is to be 15% of base price, bonuses, and premiums, excluding development allowance and hauling allowance.

8. First Parties and their successors and assigns in the ownership of the mining properties hereinbefore described and belonging to First Parties and Second Parties and their successors and assigns in the property hereinbefore described and belonging to Second Parties, shall, upon the completion of said tunnel to said boundary line, have equal rights of mining their respective properties through said tunnel and shall share the expense of maintenance and repair of said tunnel equally.

9. It is understood and agreed that First Parties shall have the right of possession and use of said tunnel so long as they are working diligently to complete the same to the boundary of said properties, and during such

period First Parties shall have the right to mine and remove and sell ore developed in the driving of said tunnel, or any lateral therefrom, provided that when and if First Parties have mined ores from said tunnel and located upon properties owned by Second Parties, and the proceeds from said ore have equalled the sum of Fifty Thousand ($50,000.00) Dollars or the sum of the cost of driving said tunnel to said boundary line, whichever is greater, the right of said First Parties to mine and sell ores located on land belonging to Second Parties shall terminate. In the event Parties of the Second Part co commence mining operations in or through the tunnel during the time the tunnel is being advanced through ground owned by Second Parties such mining operations will be carried on so as not to unreasonably interfere with First Parties operations.

10. Second Parties agree that they will transfer and convey to First Parties an undivided 5% interest in the claims described above and belongtin to Second Parties, and said conveyance shall be included in the deed hereinbefore described and identified. At the time of the conveyance of said 5% interest and the other rights and easements hereinbefore described, an accurate description of the course and direction and distance of the tunnel then completed shall be included in said deed; provided, however, that in the event said tunnel has not been completed to said boundary line said deed shall convey the right to thereafter complete the same even though the course and distance and direction of said uncompleted portion of said tunnel cannot be accurately described. The net proceeds from the 5% interest to be conveyed to First Parties shall be expended on the tunnel or the Cove claims for the joint benefit of both parties.

11. In consideration of the mutual benefits to be received by the parties hereto, it is mutually agreed that any and all ores and minerals within the common surface boundaries of the parties hereto, extended downward

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

vertically, shall belong to the respective owners of the surface of such clims.

12. The Parties of the First Part agree to cause all work, development and mining to be done in a careful and minerlike manner and to conform in all respects with the mining laws and regulations of the State of Utah.

13. It is understood and agreed that the Parties of the First Part shall have the right to construct and maintain roads, power lines, pipe lines and to use the same for any proper use in connection with the mining and removal and marketing of ores from said tunnel and from property owned by First Parties, such roads and lines to afford access to and from the public highway and the mining properties hereinbefore described. The Parties of the Second Part shall also have the right to use said roads, provided that they will pay their proper share of the upkeep and maintenance of the same.

14. The First Parties shall keep the premises conveyed free and clear of liens for labor done or performed or materials furnished to it for the development or operation thereof.

15. Second Parties represent and warrant that they have good possessory title to the mining claims hereinabove described and that they have good and valid right to convey the easement and rights to be conveyed pursuant to this agreement.

16. It is agreed that either party or each party may apply for a D. M. E. A. loan and the D. M. E. A. may require the consents of each party for such loan. It is agreed that each party will give such consent and will assent to the necessary requirements of the D. M. E. A. in order to effect such loans.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

17. Notices for First Parties shall be mailed registered mail to McCarty and Coleman, 916 - 9th Street, Wichita Falls, Texas, and to Second Parties to Uranium King Corporation, 423 Ness Building, Salt Lake City, Utah.

18. These presents shall inure to the benefit of and be binding upon the respective heirs, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have caused these presents to be signed and delivered pursuant to resolutions of the Boards of Directors of the respective corporations, and the signatures of the individual parties hereto have been respectively affixed, this 10th day of March, 1955.

WILLISTON BASIN OIL EXPLORATION CO.

By /s/ J. P. Coleman

ATTEST:

/s/ J. A. McCarty
Asst Secretary
(Seal)

/s/ Jack C. Staley

/s/ J. A. McCarty

/s/ J. P. Coleman

/s/ Chas. P. McGaha

Parties of the First Part

/s/ Hans J. Nielson, Belva W. Nielson

/s/ Burnhard Black, Lela Black

/s/ Frances D. Nielson, Velda J. Nielson

URANIUM KING CORPORATION

By /s/ Geo. H. Taylor

Parties of the Second Part

/s/ Joseph Sherman
Secretary
(Seal)

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

AFFIDAVIT

STATE OF TEXAS

COUNTY OF WICHITA

I hereby certify that the above instrument is a correct copy of the original agreement.

J. D. Coleman

Subscribed and sworn to before me this 31st day of March, 1955.

Mimi M. Brown
Notary Public in and for
County of Wichita
TEXAS

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

McCARTY & COLEM
916 - 9th ST.
WICHITA FALLS, TEX S

Agreement of Sale and Purchase

The State of Texas)

County of Wichita)

This Agreement made and entered into this 24th day of November, 1954 by and between Jas. E. Danaher and wife Madeline Danaher and Tom H. Danaher of Wichita Falls, Texas, hereinafter called "Sellers", and Chas. P. McGaha, J. A. McCarty, J. A. McCarty and J. P. Coleman for McCarty and Coleman, Williston Basin Oil Exploration Company, a corporation, and Jack C. Staley, hereinafter called "Buyers":

W i t n e s s e t h :

In consideration of the covenants and agreements hereinafter expressed, the parties hereto, hereby mutually and severally covenant and agree as follows:

Sellers do hereby sell and convey to Buyers, and Buyers hereby purchase from Sellers in consideration of the purchase price of Forty Thousand ($40,000.00) Dollars, the receipt of which is hereby acknowledged by Sellers, subject to the terms and conditions hereinafter set out, all of the Sellers rights, titles, claims and interests in and to the following described mining locations and mining properties, situated in the White Canyon Mining District of San Juan County, Utah, to-wit:

Cadillac Claims numbers one thru 207, dated May 15th to May 21, 1954, recorded in the mining deed records of San Juan County, Utah, in Volume 109 at pages 530 to 540; Volume 111, pages 1 to 65; Volume 113 at pages 112 to 132 and at pages 318 to 325;

Packard Claims numbers one thru 19 and Austin Claims numbers 1 thru 9, as recorded in Volume 109, at pages 209 to 223;

Chrysler Claims numbers one thru 5 and numbers 34 thru 38, recorded in Volume 109 at pages 203 to 208;

Mercury Claims numbers 31 thru 42 recorded in Volume 109 at pages 197 to 203;

All of the above being recorded in the Mining Deed Records of San Juan County, Utah.

Buyers shall enter upon the properties above described and conduct exploratory and mining operations thereon to mine, remove and sell ores therefrom and Buyers shall conduct all such operations in a good and miner-like manner, all with due regard to the development and preservation of the mining property and in keeping with the applicable mining laws and gegulations of the State of Utah and the United States.

Sellers hereby retain for themselves an undivided one-fourth carried interest in the above described properties subject to the following conditions:

1. Buyers agree to advance all costs of exploration work prior to mining operations.

McCARTY & COLEM
916 - 9th ST.
WICHITA FALLS, TEX S

2. After mining operations begin then the Buyers shall have the right to charge the Sellers with one-fourth the cost of all operations, and shall have the right to retain all of the income from ore sales and other income accruing to Sellers from their one-fourth interest until such charges, including one-fourth of the costs of mining and exploration, shall have been extinguished from the proceeds of such income, It is understood that there shall be no personal liability on the part of the Sellers except the obligation to allow the Buyers to retain all the proceeds of their twenty-five (25%) percent of the ore sales as above set out.

In addition to the above operating interest the Sellers hereby also retain a four (4%) percent royalty interest in and to all minerals extracted from said claims. The term "four percent royalty interest" shall mean that the holder of such royalty interest shall be entitled to 4% of the gross returns from the sale of all minerals or ores extracted from the said mining claims. said returns to be based on the price received at the nearest buying station. provided such buying station is not further away than 100 miles. No exploratory or development allowance which shall be paid buyers by any governmental agency shall be deemed to constitute a part of the gross purchase price of said ores for the purpose of determining royalties payable hereunder, but any premium or bonus payment paid to buyers shall be deemed a part of the purchase price of said ores.

Sellers warrant that they are the owners of all rights in, to and under the above named subject mining property and their rights thereunder are not subject to any prior agreement, encumbrance, burden or restriction created by any act or instrument of Sellers or any of them. The Sellers expressly do not warrant titles to the Mercury, Austin, Chrysler and Packard Claims and Buyers accppt them subject to this stipulation.

Buyers agree to do the necessary assessment work to keep the claims in good standing. However, Buyers shall have the right to relinquish any claims for any reasons, provided they notify Sellers at least sixty (60) days prior to July 1st of the year in which they may relinquish any claim in order to allow Sellers the opportunity to do such necessary assessment work should they desire to reacquire any of such claims. In such event Buyers shall reassign such claims or claim which they may desire to relinquish back to Sellers.

It is understood and agreed that if contiguous or adjoining claims are acquired by Buyers then Sellers shall have the right to acquire up to twenty-five (25%) percent interest in such claims by paying twenty-five (25%) percent of the cost of acquisition. Likewise if Sellers acquire contiguous or adjoining claims then Buyers shall have the right to acquire up to seventy-five (75%) percent in such claims by paying seventy-five (75%) percent of the cost of such claims. In either event such claims shall be subject to the carried interest provision above set out, provided that such purchases are made prior to the commencement of mining operations on the above claims or on the newly acquired claims.

In the event Buyers form a drilling company or a milling company for the purpose of prospecting said claims or milling ore from said claims, then the Sellers shall have the right to participate in such operations up to twenty-five (25%) percent by paying their percentage of the cost of such operation in the same manner as Buyers shall contribute to such operation.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

Nothing herein shall be construed to create a joint venture or a partnership, and each party hereto shall own the interest set over to him as an undivided interest in severalty and shall be liable only for his proportionate part of all expenses incurred in the operations on said property described herein.

It is understood that the parties hereto will enter into such supplemental agreements as are reasonably necessary to clarify or make workable the operations contemplated herein.

The interests of the respective parties constitutuing the "Buyers" shall be as follows:

Chas. P. McGaha	30%
J. A. McCarty	10%
McCarty and Coleman	20%
Williston Basin Oil Exploration Company	20%
Jack C. Staley	20%

All notices to be given Sellers shall be mailed to Danaher and Danaher, 2210 Piedmont Place, Wichita Falls, Texas.

All notices to be given Buyers shall be mailed to McCarty and Coleman, 916 Ninth Street, Wichita Falls, Texas.

Witness our hands this 24th day of November, 1954.

Sellers:

/s/ Jas. E. Danaher
/s/ Madeline Danaher
/s/ Tom H. Danaher

Buyers:

/s/ Chas. P. McGaha
/s/ J. A. McCarty

McCarty and Coleman
By /s/ J. P. Coleman

Williston Basin Oil Exploration Company
By /s/ J. P. Coleman, President

/s/ Jack C. Staley

Witness:
/s/ J. A. McCarty, Ass't Sec'y
(Seal)

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

AFFIDAVIT

State of Texas

County of Wichita

I hereby certify that the above instrument is a correct copy of the original agreement.

J. P. Coleman

J. P. Coleman

Subscribed and sworn to before me this 31st day of March, 1955.

Mimi M. Brown

Mimi M. Brown
Notary Public in and for
Wichita County, Texas

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

McCARTY & COLEMAN
916-9th
WICHITA FALLS

MINING AGREEMENT OF SALE AND PURCHASE

THIS AGREEMENT made and entered into as of January 10, 1955, between G. W. McFALL and MURL C. FRANCIS, both of Grand Junction, Colorado, hereinafter called Sellers and CHARLES P. McGAHA: J. P. COLEMAN and J. A. McCARTY doing business as McCARTY AND COLEMAN, WILLISTON BASIN OIL EXPLORATION COMPANY, a Utah corporation, JACK C. STALEY;; JAMES E. DANAHER and TOM DANAHER doing business as DANAHER AND DANAHER, hereinafter called Buyers, whose address is 916-9th Street, Wichita Falls, Texas, their respective interests in this agreement being set forth in Schedule A attached and made a part hereof.

WITNESSETH:

Sellers are the holders of the legal title to the Following named Mining Claims in the County of San Juan, State of Utah, to-wit:

Z No. 1 to Z No. 21 inclusive, the location notices being recorded in Book 103 at Pages 17 to 27 inclusive.

Z Claim No. 22 to Z Claim 33 inclusive, the location notices being recorded in Book 117 at Pages 230 and 235 inclusive.

Q No. 1 to Q No. 24 inclusive, the location notices being recorded in Book 103 at Pages 5 to 14 inclusive.

Q No. 28 and 29 inclusive, the location notices being recorded in Book 103 at Pages 15 and 16.

Q No. 31 to Q No. 34 inclusive, the location notices being recorded in Book 103 at Pages 14, 13 and 12 respectively.

Q No. 38 and Q No. 39, the location notices being recorded in Book 103 at Pages 15 and 16 respectively.

The P Claim No. 1 to the P. Claim No. 7 inclusive, the location notices being recorded in Book 129 at Page 394 to Page 397 respectively.

all in the office of the County Recorder of said County.

Sellers agree to sell and Buyers agree to buy all of the above described claims upon the following terms and conditions, to-wit:

McCARTY & COLEMAN
916-9th ST.
WICHITA FALLS, TEXAS

Seventy-five Hundred ($7500.00) Dollars cash upon the execution of this agreement by Sellers; Twenty-two Thousand Five Hundred ($22,500.00) Dollars within Twelve (12) months thereafter, Sellers reserving an over-riding royalty as hereinafter set forth.

As a further consideration for this agreement Buyers agree:

SECTION 1

To enter upon siad mining claims within One Hundred Twenty (120) days from the execution of this agreement and to commence exploratory work thereon at such points and places as Buyers may select.

SECTION 2

In the event such drilling and exploration work in the opinion of the Buyers discloses ore bodies of sufficient size and value to justify the mining and sale thereof, Buyers shall open up the same and thereafter mine and sell the same with due and reasonable diligence except when prevented by casualties entirely beyond their control.

SECTION 3

Until such time as the title to said claims shall be conveyed to Buyers as hereinafter provided, Buyers shall carry on all drilling, exploration and mining operations in strict conformity with all applicable laws and regulations, sahll carry Workmen's Compensation Insurance and shall save and keep harmless the Sellers of and from all liability of every kind and character arising out of such operations.

SECTION 4

Buyers shall keep true and accurate records of all of their drilling and mining operations including maps and assay records open to the inspection of sellers at all reasonable times. Sellers shall have the right to go upon said mining claims at all reasonable times for the purpose of inspection, all at their sole risk.

SECTION 5

Buyers shall cause to be paid to Sellers in accordance with the schedule of prices fixed by the Atomic Energy Commission, the following royalty:

.10 to .499 U308 - 8%
.50 to .799 U308 - 10%
.8 to .999 U308 - 12%
1% to 1.999 U308 - 14%
1.2 above U308 -18%

excluding development allowances and haulage costs except haulage costs in excess of such allowance unless paid by ore Buyer and to pay similar percentages for any bonus or other premium paid by said Commission; together with Ten (10%) percent of the proceeds received from the sale of any other minerals or metals. Copies of settlement sheets shall be furnished Sellers of all ore shipments.

SECTION 6

If the exploration and development of said claims within Twelve (12) months from the execution of this agreement by Sellers does not in Buyers' sole opinion result in the disclosure of ores which may be mined and sold at a profit and Buyers do not pay said sum of $22,500.00 on or before the expiration of said 12 month period; they shall, on or before the expiration of said period notify Sellers in writing of their intention to canel this agreement and surrender possession of said mining claims and upon receipt of such notice or upon Buyers' failing to make said payment, time being the essence thereof, this agreement shall be at an end, Sellers retaining all payments of royalty or otherwise as complete and liquidated damages hereunder and both parties relieved from any further liability one to the other.

SECTION 7

Should such exploratory work upon any of the mining claims result in the disclosure of minerals justifying the expenditure by Buyers of their time and money, Buyers shall do and perform the annual labor required by law for the retention of possessory rights thereon so long as this agreement may be in effect and file affidavit so showing.

McCARTY & COLEMAN
215 - 9th St.
WICHITA FALLS, TEXAS

SELLERS AGREE

SECTION 1

That in the event of the payment of said sum of $22,500.00 on or before the expiration of 12 months from the execution of this agreement, they will at their charge, execute and deliver to Buyers their Mining Deed to said claims, warranting that at the time of the execution of this agreement they had a good possessory title thereto except as against the United State and reserving in said deed a perpetual royalty upon all ores produced from said claims in accordance with the royalty payments as provided in Section 5 herein and further subject to the provisions of this agreement in so far as the same be applicable to the continued payment of such reserved royalty.

SECTION2

IT IS MUTUALLY AGREED that since the area covered by the above named mining claims has not been officially surveyed, that, if such survey should be made within said one year period and disclose that the title to any of said claims was in the State of Utah, the balance of said purchase price of $22,500.00 shall be reduced at the rate of Five Hundred ($500.00) Dollars per each claim, title to which by law is found to be in said state; it being distinctly understood and agreed that the foregoing stipulation is limited to said one year from date hereof.

Each of the terms, covenants and conditions herein shall inure to and be binding upon the respective heirs, personal representatives and assigns of the parties hereto.

WITNESS Their Names.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

/s/ G. W. McFall
/s/ Murl C. Francis
Sellers

/s/ Chas. P. McGaha
/s/ Jack C. Staley
Danaher and Danaher
By /s/ Jas. E. Danaher

McCarty and Coleman & J. A. McCarty
By /s/ J. P. Coleman /s/ J. A. McCarty
Williston Basin Oil Exploration Company
By /s/ J. P. Coleman, President
Buyers

STATE OF COLORADO)
County of Mesa) ss.

The foregoing instrument was acknowledged before me this 10th day of January 1955, by G. W. McFall and Murle C. Francis.

My commission expires April 21, 1956.

/s/ Scott W. Heckman
Notary Public

SCHEDULE A

Each of the Buyers named in the attached agreement has the interest expressed in the percentage opposite his name.

NAMES	PERCENTAGES
Charles P. McGaha	30% of 75%
McCarty and Coleman & J. A. McCarty	30% of 75%
Williston Basin Oil Exploration Co.	20% of 75%
Jack C. Staley	20% of 75%
Danaher and Danaher	25% of 100%

AFFIDAVIT

STATE OF TEXAS

COUNTY OF WICHITA

I hereby certify that the above instrument is a correct copy of the original agreement.

J. P. Coleman

Subscribed and sworn to before me this 31st day of March, 1955.

Mimi M. Brown
Notary Public in and for
County of Wichita
TEXAS

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

T Y
R P
U O
E C

March 12 1955

Mr. J. P. Coleman
916 9th Street
Wichita Falls, Texas

Re: Preliminary Report on Field Examination of Cadillac-McCall Groups of Claims, Moss Back Mesa, White Canyon Mining District, San Juan County, Utah.

Dear Mr. Coleman:

Upon examination of your properties in the White Canyon area I was very pleased with the evident possibilities for the development of commercial uranium ore deposits within your property boundaries. In my opinion, the development outline previously discussed with you and other interested parties is well merited. I feel there is no need to waste time in this report reviewing facts already known and in mind about the property; therefore may I set down in concise form a few observations and conclusions.

General:

I spent Monday and Tuesday, March 7th and 8th, in the White Canyon area, and Wednesday the 9th in Grand Junction in discussions with field men of A. E. C. and U. S. G. S., and in reviewing records and information pertinent to your properties. Jim and Tom Danaher accompanied me on the field trip and in the discussions. Their knowledge of the claims and general area was of considerable help. While in White Canyon we visited the claims and underground workings of Ula Uranium Company, and the claims and

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

underground workings of Ula Uranium Company, and the claims and underground workings of the Mabe Mine owned by Messrs. Hullinger and McFarland. These visits were of help in studying the nature of the channels and ore occurance. We also visited the workings of the Spook Mine, but found the face of the incline flooded with water.

The Ula incline (your neighbor to the west) has exposed a good face of ore in the Ula Channel. The Spook incline (your neighbor to the south) is progressing in ore on the Cairn Channel. Hullinger and McFarland have exposed a sizable ore deposit through tunneling in the Cairn Channel southerly from the Spook Mine. Hullinger and McFarland shipped 600 tons during February, have 750 tons mined ready for shipment and intend to ship at a rate of 1500 tons monthly during the next following months.

Ula claims the average grade of ore exposed in drill holes is .83% U303; shipments from the Spook Mine were said to be .50% U308 and better; radiometric readings of ore pile at Hullinger and McFarland's indicated ore grade to be between .40% and 1.0% U308.

* * * ** * * *

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

T Y
R P
U O
E C

Observations:

1. There are at least three known mineralized Paleo-channels entering the Cadillac-McFall properties: the Cairn Channel entering from the south, the Nash Car Channel entering from the east, and the Ula Channel entering from the west. The Ula Channel and Nash Car Channel may be tributaries to the Cairn Channel; or, on the other hand, the Ula and Nash Car channels may be one channel with the Cairn Channel as a tributary to it. The latter possibility seems more plausible to me. In any event there is a possibility of the presence of at least three miles of channeling in the property. There may be other channels present, but which are not known.

2. The presence of a channel does not mean the presence of ore, but to my knowledge there is no ore being mined or that has been contacted through drilling in the White Canyon area except such ore is within the confines of one of the Paleo-channels. Therefore, the presence of a channel appears to be a prerequisite to the presence of ore.

3. It is also a near-rule that the presence of low grade mineralization means the presence of a nearby ore deposit.

4. There appears to be a relationship between the occurance of commercial mineralization and depth of cover, although no rule can be drawn as to what depth is required. To my knowledge, there is no known ore body

T Y
R P
U O
E C

Where the channel, through erosional processes, is in close proximity to the surface, say 100 to 200 feet, or in an area where the Chinle "d" formation has been eroded away. This observation may be proved false at some future date. To this date very little or no exploration owrk has been performed in the White Canyon area testing the presence of mineralization vertically beneath the Wingate and Kayenta formations. The reason, perhaps, is the excessive depth of drilling required--1000 to 1400 feet. Mining to this date has not proceeded to any considerable channel length such as to gain a position under the Wingate, but there are a number of ore bodies being mined and there are other ore deposits delineated through drilling in channel positions just off the Wingate cliffs. I feel these facts lend encouragement to the possibilities of ore deposits in channels beneath the Wingate mesas.

5. There is abundant evidence of sedimentary soaking by intrusive waters, to the extent that sandstone lenses in places are highly metomorphosed and have the appearance of igneous rocks. This is particularly true in the Shinerump and lower sands of the Chinle in a belt striking east and west along the north rim of Red Canyon. Similar intrusive alterations were noticed in areas elsewhere in the White Canyon area. I believe, therefore, uranium mineralization in the White Canyon district is of hydothermal origin.

6. The White Canyon area can be considered as a "high grade" camp. Ore bodies discovered to date appear to have considerable continuity. It is my best guess that grade of ore being mined in camp averages somewhat in excess of .40% U308. It appears, therefore, the "stakes" are higher than average and a somewhat higher than average development risk is justified.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

T Y
R P
U O
E C

8. Having examined the Cadillac and McFall groups of claims in relation to the topography, and in relation to the Cove claims and other areas where operational access to the property may be gained, I feel assured the method of development previously outlined in earlier discussions is correct: i.e., sink to the Cairn Channel on the Cove claims and drive along the channel into the Cadillac-McFall claims.

Recommendations;

While the Cadillac-McFall claims lie in an unsurveyed area and a tie to a section corner may not be feasible, it is very desirable that the property be surveyed and tied into the holes drilled by A. E. C. Such a survey should include all claims individually in the Cove group and the outside boundary of the Cadillac-McFall groups. This survey when completed with all the claims drawn in should be recorded with the County Recorder. The survey is necessary, first, in obtaining geological and drill hole data from the Atomic Energy Commission, and, second, in making application for certification of the claims with A. E. C. for ore shipments and bonuses.

A. E. C. has its own survey coordinate system, and has surveyed and tied into this system all drill holes on the property.

2. Maps and plats are attached to help clarify the statements that follow. Further clarification may be had through personal discussions. To develop the Cairn Channel in the Cove claims and into the McFall claims it is necessary to sink an incline to the channel and drive a drift northerly

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

ALONG THE CHANNEL. The incline should be collared at a point south 10 degrees west a distance of 75 feet from drill hole #58, and at an elevation of 5615 feet. This elevation is approximately 11 feet above the collar elevation of drill hole #58. The hillside at the position and elevation of the collar of the incline should be benched northerly a distance of 40 feet, and the dirt from the excavation used to level a mine yard. Loose rocks and boulders on the hillside above the incline collar should be removed before sinking is begun. The purpose of elevating t e collar of the incline and mine yard is to insure against flooding of the yard and incline by flash floods down the nearby ravine.

According to A. E. C. reports, drill hole #58 contacted the Shinerump-Moenkopi contact at a distance of 77 feet from the collar of the hole.[1] If the incline were sunk at a grade of 25 degrees and on a course of North 10 degrees West it would intersect the bottom of the Cairn Channel at a distance of 210 feet from the collar of the incline. However, it is suggested that the incline be sunk a distance of at least 300 feet to provide room for a loading posket and pump sump below the drift channel elevation. It is also suggested that the incline be driven 6 feet high by 10 feet wide in the clear of timber to provide two hoisting compartments, and room for ventilation pipe, air, water and pump lines. A walkway can be placed down the center of one of the track compartments. Track in the incline should be of 30# rail and set to a guage of 30 inches with 24 inches between the two inside tracks. The incline should be timbered with 6"x8" posts, caps, and sills; 2"x6" lagging spaced at lease 3 to 4 inches apart; and sets spaced at 6 foot intervals depending upon how heavy

(1) A. E. C. Report:

Hole	Collar elev.	Moenkopi Contact
58	5604.1	77"feet
68	5806.6	286'
69	5798.8	285

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

T Y
R P
U O
E C

THE Ground is. I do not believe it will be necessary to install center posts.

At the surface of the incline bents and scaffolding should continue the incline tracks at a grade of 25 degrees for an incline distance of 55 feet to a vertical height of 25 feet above the yard level to permit construction of a 50 ton ore bin with a loading lip 8 to 10 feet above the yard level. (Ore bin to be constructed if ore is discovered). Detail of wast dump tracks will be supplied later.

The double drum hoist can be set at yard level some 15 to 25 feet removed from the ore bin and housed in a small headhouse easily accessible to the mine yard. Accurate drawings of the bin, headframe assemply, and hoist assembly together with general mine yard arrangement can be supplied before construction begins.

Ore skips should be at least of one-ton capacity; hoisting cables 5/8ths inch diameter; hoist spped 400 to 500 feet per minute; and loading pockets at the bottom of the incline at least 25 ton capacity.

The incline will be the heart of the operation and requires careful planning and minerlike installation.

Judging from the experience at Hullinger and McFarland's Mabe Mine, tunneling along the bottom of the channel can be accomplished without too much difficulty. It is anticipated haulage through the tunnel will be by battery locomotive over 20# rail set to 24" guage.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

T Y
R P
U O
E C

It is anticipated that an Eimco-type mucking machine converted to incline mucking can be used in sinking operations, then converted back to tunnel mucking for use in tunnel advance.

The present plan is to drive a good and sufficient incline and tunnel to handle any daily tonnage anticipated. The starting equipment can be kept simple, enlarged upon and deisel-electrified later if tonnage and grade merit.

From observations elsewhere in camp, it is anticipated that water, perhaps 15 to 25 gpm, will be encountered in tunnel advance. In as much as the tunnel advance is likely to be a small downgrade, water will drain toward the tunnel face, but can be handled by use of samll air-powered sponge-type pumps in direct connection to the incline pump sump.

It is anticipated air requirements for drilling,, pumping, mucking and ventilation may approximate 600 cfm. To minimize air friction losses air line installed should be of 4" pipe (Spiral-weld about $87 per 100 feet).

3. It is thought that yard leveling, yard construction and sinking of the incline can be done most economically by a mining firm under contract. Drifting may be accomplished most economically by contract miners under the direction of your own foreman or superintendent. No doubt some segregation of ore will be made during drift advance. It seems advisable that a foreman-engineer should be hired at the start of activities and retained on the job.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

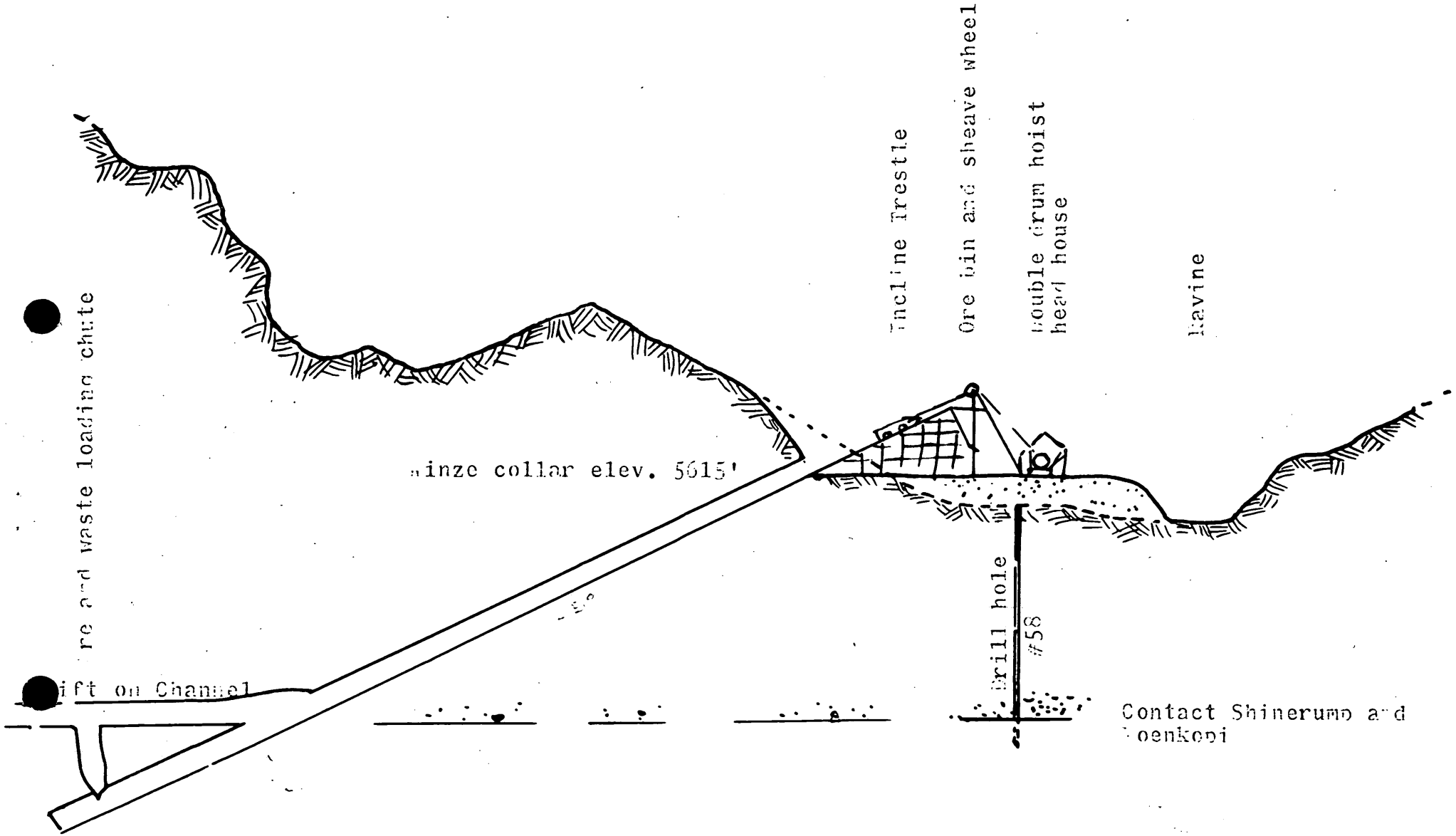
T Y
R P
U O
E C

The above comments cover a few of the more evident problems. Details can be worked out in the near future. Jim and Tom Danaher took a number of pictures of the tunnel site and canyon area. These will be sent on to you as soon as they are developed.

Yours very truly,

/s/ B. E. Grant

McCARTY & COLEMAN
[illegible] 9th St.
WICHITA FALLS, TEXAS



Diagramatic Section Looking East

Scale: 1 inch equals 50 feet.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Defense Minerals Administration
RECEIVED
APR 4 1955

APR 11 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 applicants

Docket No. 3768
Metal or Mineral Uranium
Date Received 4-11-55
Estimated Cost $90,890
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: Williston Basin Oil Exploration Co. (a Utah Corp.), J. A. McCarty, J. P. Coleman, Chas. P. McGaha and Jack C. Staley (For Williston: Pres. J. P. Coleman; V-P. J. A. McCarty; V-P Paul A. Rothwell; Sec-Treas. S. J. Quinney. All parties address Wichita Falls, Texas

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

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

(*d*) If a partnership, add to the above statement the names and addresses of all partners. Send all correspondence to McCarty and Coleman, 916 Ninth Street, Wichita Falls, Texas

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 Exhibit A.

(*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 See Exhibit A

(*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 See Exhibit A

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

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 60 days and be completed within 12 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.).

(*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)? Yes

(*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 April 2, 1955

Williston Basin Oil Exploration Company
(Applicant)

By J P Cleeman President

McCarty J Cleeman

Roy J P Cleeman

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

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

GENERAL STATEMENT

Within the last two year, the Atomic Energy Commission have done a great deal of exploratory drilling in the White Canyon Area of San Juan County, Utah. As a result several ore-bearing channels were outlined and delineated. One of these is known as the Cairn Channel on which is located several producing uranium mines.

This channel was outlined up to and on the claims involved in this application and the samples from core holes indicated that probably ore-bearing zones were present under the claims involved here. The apparent direction of this channel would indicate that the channel would continue under the Cadillac and McFall claims. However in order to delineate the channel and to evaluate the ore possibilities it would be necessary to drill 1300 feet to 1400 feet holes up on the Wingate Plateau where the Cadillac and McFall claims are located.

It therefore seemed that it would be preferable that we start an exploratory tunnel in the low area adjacent to our claims where the AEC drilling had progressed to when such drilling ceased. Consequently we have contracted with the owners of such claims, (Cove Claims owned by Uranium King Corporation), whereby we will carry out such a program, having for its ultimate conclusion an exploratory tunnel under the Cadillac and McFall Claims referred to above. In this manner it will be possible to sink an incline to the Cairn Channel and then drift with the channel after it has been intersected.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

The Uranium King Corporation has previously filed an application with you for a D. M. E. A. loan, such application being numbered 3625. It is our desire that this application be processed by you without interruption, this being in the interest of time. By the terms of our contract with Uranium King Corporation we are priveleged to assume the proposed obligations in their D. M. E. A. application. Since our group is well financed and has had ample experience we believe the government will be better assured of the proper completion of the project.

It is our desire to pick up and carry on the work outlined in the Uranium King application and in addition, we are hereby making application to extend the drifting in the ore channel an additional one thousand feet. It will be noted that the Uranium King application included an incline of some 400 feet. This plan plus our present application would cause 1125 feet of drifting after the incline had been constructed.

All the work contemplated to be done both under the Uranium King application and the Williston Basin Oil Exploration Company, et al application will be conducted on the Cove Claims described in the Uranium King application and on the 40 additional Cove Claims. The description of the Cadillac, Mc Fall and other claims are included for your information.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

EXHIBIT A (For Paragraph 3 of Application):

The properties on which the exploratory program will be carried on are described as follows:

Cove Claims numbers one thru 44 inclusive; said claims being located in the White Canyon Mining District and within the following legal subdivisions when surveyed:

Township 36 South, Range 16 East, Part of Section 31;
Township 37 South, Range 15 East, Part of Section One;
Township 37 South Range 16 East, Parts of Sections 5, 6, 7, and 8.

These claims are covered by an agreement between Uranium King Corporation, et al and Williston Basin Oil Exploration Company, et al, copy of which is attached.

Other claims held by Williston Basin Oil Exploration Company, et al adjoin the Cove Claims and although work on these claims is not contemplated under this application they are listed herein since exploratory work on the Cove Claims will serve to assist in exploring these claims:

Cadillac Claims numbers one through 207 recorded in Volume 109 pages 530 to 540, Volume 111 pages 11 to 65, Volume 113 pages 112 to 132 and 318 to 325.

Packard Claims numbers one thru 19; recorded in Volume 109 pages 209 to 223.

Austin Claims numbers one thru 9 recorded in Volume 109 pages 209 to 203.

Chrysler Claims numbers one thru 5 and numbers 34 thru 38 recorded in volume 109 pages 203 to 208.

Continued

McCARTY & COLEMAN
916 - 9th ST.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

Mercury Claims numbers 31 thru 42 recorded in Volume 109 pages 197 to 203.

All the above being recorded in the Mineral Deeds records of San Juan County, Utah.

McFall and Francis Claims:

Z No. 1 to Z No. 21 inclusive, the location notices being recorded in Book 103 at Pages 17 to 27 inclusive.

Z Claim No. 22 to Z Claim 33 inclusive, the location notices being recorded in Book 117 at Pages 230 and 235 inclusive.

Q No. 1 to Q No. 24 inclusive, the location notices being recorded in Book 103 at Pages 5 to 14 inclusive.

Q No. 28 and 29 inclusive, the location notices being recorded in Book 103 at Pages 15 and 16.

Q No. 31 to Q No. 34 inclusive, the loaation notices being recorded in Book 103 at Pages 14, 13 and 12 respectively.

Q No. 38 and Q No. 39, the location notices being recorded in Book 103 at Pages 15 and 16 respectively.

The P Claim No. 1 to the P Claim No. 7 inclusive, the location notices being recorded in Book 129 at Page 394 to Page 397 respectively.

all in the office of the County Recorder of San Juan County, Utah.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

PARAGRAPH 4.

Physical Description:

There is attached hereto copy of report by Byron E. Grant, mining engineer and consultant who has been retained by this group.

No mining work has been conducted on the property. However the A. E. C. has outlined an ore-bearing channel, known as the Cairn Channel, on which are located several successful mines. This was done by means of an extensiive drilling program. The last drilling of A. E. C was done on the Cove Calims numbers 17, 18, 23 and 24. This would indicate that further exploration be done by means of an incline and drifting in the channel or ore body.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

PARAGRAPH 5.

(a) The principal mineral for which we wish to explore is uranium.

(b) See Report of Byron E. Grant, consulting engineer; also maps and sketches previously provided by Uranium King Corporation in their D. ME. A loan application No. 3625 dated December 17, 1954.

(d) The applicant group have had various mining and petroleum experience for over thirty years. The persons involved have been principally engaged in petroleum exploration and development. Also they have had extensive geophysical experience, owning and operating seismic units as well as other geophysical units. Two of the applicants are geologists, and have had mining experience. More important, all of the persons named in the application are successful executives and have combined assets of over six million dollars.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

PARAGRAPH 6.

Estimate of Cost:

The costs estimated herein are those of continuing the drifting which it is contemplated will be started under the D. M. E. A. application No. 3625 of Uranium King Corporation.

The expendable machinery such as drills, mucking machine cable, cars, etc., are taken care of in the estimate per foot for drifting. The other estimate of machinery is made on the basis of a permanent mine setup. In order to estimate that part of the machinery applicable to the exploratory phase we have taken 35% of the cost of the permanent setup.

Estimate of Machinery:

1 - 120 KVA Generator	$15,000.00	
1 - 600 Compressor	14,000.00	
3 - 15HP Fans	3,900.00	
Shop tools and facilities	1,500.00	
Water Tanks	1,000.00	
1 - Jeep Pickup	2,500.00	
1 - Power Wagon	3,500.00	
1 - Water Truck	4,000.00	
	$45,400.00	
35% of above		$15,890.00

Preparatory Costs:

Road Work	$ 5,000.00	
Camp site and quarters	2,500.00	
Hoist and Headframe, Double Drum, 75HP	7,500.00	
Hauling, installation and wiring	5,000.00	
Headframe and Bins	5,000.00	$25,000.00

Drifting:

1,000 feet of drifting 7'x8' @ $50/foot	$50,000.00
	$90,890.00

Continued

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

It is possible that some of this expense could be attributable to work under the Uranium King application and in this manner the combined estimates for both jobs could be reduced. Any reduction in costs that could be achieved would be passed on to the D. M. E. A.

Of course if the exploratory operation should result in a successful mining operation it is assumed that the government participation would terminate after it had been determined that the operation was self-sustaining from ore sales.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

March 12, 1955

Mr. B. E. Grant
1822 East 13 South
Salt Lake City, Utah

Dear Buck:

Harry and I have gone over your request for a firm price bid on a minimum of 400 feet of two compartment incline and minimum of 2000 feet of 8 x 8 drifting from the bottom of this incline. I did not get to the portal site, but I was at the Maybe Mine and observed the road to the site above Ula, so that we understand the conditions.

As far as the camp goes, our experience has been that in a job of this size good camp facilities are a necessity. A job of this nature will require a rather large capital expenditure for equipment which means a rather high overhead cost. Your time and the time of your geologists and engineers will also be part of the overhead cost and we believe that good camp facilities are necessary to attract and hold a crew of miners capable of making the maximum footage. I think that other operators on the Plateau will bear this fact out. The savings in using casual labor are more than compensated for an increased overhead and delay costs.

We think that you will need a permanent camp situated perhaps near the Ula camp or possibly near the Maybe Mine. Hulinger and MacFarland might agree to bear part of the expense or perhaps share part of their present camp and the expense of operating their present camp with you.

The 30 degree two compartment incline will require generating capacity of at least 120 KVA to handle the starting loads on the hoist and the necessary ventilating fans, shop building, and change room are essential since the project entails expensive and conplex machinery which will need adequate protection and maintainance.

In the incline itself, we are concerned with the problem of rock support in crossing the lower Chinle formation at an angle of 30 degrees to the bedding. Our experience has been that the Chinle is air slacking and makes poor back, and since the shaft will open up a back 12 feet wide the problem may become critical. We would favor the use of roof bolts, but hesitate to guarantee that they will hold because of the angle between the shaft and the bedding planes. Timbering would be very expensive. We feel that if bolts will hold, the ground

can be held more cheaply and more effectively by gunite. If the bolts do not hold, timbering will be a real problem since transportation costs of the timber will be high.

In the orehorizon the 8 x 8 drift should not present any great difficulties. We assume that you want to keep it as close to level as possible and follow the channels at the base of the sandstone. We believe that a diesel notor, 30 pound rail with 50 cubic foot mine cars would be best although it is possible that some of the new small shuttle cars with the new Eimco 630 mucker may give better costs. These shuttle cars are in the experimental stage right now. We feel that it is not possible to estimate the limits to which they can be operated and their effectiveness on rolling and slippery bottom. At the present time, there is no doubt that it would be difficult for a shuttle car to equal track and mine car costs at the maximum footage of 4000 feet you specified. Since your area of maximum operation may well be at some distance from the bottom of the incline, we feel that it would be most prudent to start with rail and mine cars. If your plans change, and you should estimate that most of your work will be in the vicinity of the incline we can re-evaluate our thinking. A great deal will be learned about the new Dart and Gettman shuttle cars in the next few months which may effect our thinking too.

We have made the following estimates on the basis of the preceeding paragraphs. It is possible to paint a rosy picture, of course, and ignore the very real problems which you will face in operating on area as difficult as access to the head of Red Canyon. We believe that you are interested in real estimates.

Preparatory Costs

Road work	$5,000.00		
Camp site and living quarters	2,500.00	$7,500.00	
Hoist and Headframe			
Double Drum 75HP 3 foot drums	7,500.00		
Hauling, installation and wiring	5,000.00		
Headframe and bins	5,000.00	17,500.00	
Plant Buildings		10,000.00	$35,000.00
Estimate of Machinery			
1 120 KVA Generator	15,000.00		
1 600 Compressor	14,000.00		
3 15 H.P. Fans@$1,330.00	3,900.00		
Shop tools and facilities	1,500.00		
Water tanks	1,000.00		
1 Jeep Pickup	2,500.00		
1 Power Wagon	3,500.00		
1 Water Truck	4,000.00		45,400.00

Operating Costs

Sinking 8' x 12' incline at 30 degrees, 400' $125.00 per foot fully supported bolts and gunite or timber, 40# rail	$100,000.00	
Drifting 8x8, minor bolting and timbering, 16" vent line, 30# rail, 3" air line 2000' @ $55.00 per foot	110,000.00	
		$290.400.00

Our sinking and drifting costs include the expendable machinery such as drills, muckers, motors, etc. The machinery we list as capital expenditures is that which you would have to purchase for a permanent operating setup and which, of course has a real salvage value. However, it is not the type of machinery which can be rented at any saving since the company renting the machinery faces the same amortization problem you will face.

We estimate the following schedule:

Preliminary road work and plant and machinery setup	2 months
Sinking	2 months
Drifting 500 feet per month 2000 feet	4 months

Making the total time for the minimum program you have outlined of eight months.

It may be possible to portal a tunnel which would reach the point of intersection of your incline with the ore horizon at less cost than the cost of the incline plus the oost of the hoist, headframe, and extra generating capacity necessary for a hoisting plant. Modern diesel locomotives are fast enough to operate at great distances efficiently. While we do not know all of the problems involved we feel that the advantages of a full length tunnel should be considered carefully.

In a job of this nature the capital equipment costs are a very important factor and should be considered carefully from the standpoint of the life of the operation. Perhaps we can adjust our estimates of these costs if we understand your aims. We have estimated on the basis of developing a plant which you will be able to continue to operate, after the initial work has been accomplished, at the lowest possible cost. We think that this is the only

practical attitude to take. It may be possible to do projects of lesser magnitude in more accessable areas using lighter equipment and less elaborate facilities, but an operation in the head of Red Canyon must be self sufficient and time losses through poor equipment or casual labor will more than compensate for any savings made in this manner.

If there is anything else you require please let us know. We shall be very happy to meet with you and the Danaher brothers at any time. We would be interested in the above work on a firm price basis or on cost plus fixed fee, and of course many other details must be settled before we are in a position to make a final bid.

With kindest regards.

Very truly yours,
Centennial Development Company

James Quigley

JQ/mh

cc: J. T. Danaher

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

A F F I D A V I T

State of Texas
County of Wichita

I hereby certify that the above letter is a correct copy of the original.

J. D. Coleman

Subscribed and sworn to before me this 1st day of April, 1955.

Mimi M. Brown
Notary Public inand for the
County of Wichita
T E X A S

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

AGREEMENT

THIS AGREEMENT, made and entered into by and between WILLISTON BASIN OIL EXPLORATION COMPANY, JACK STALEY, C. P. McGAHA, J. A. McCarty and J. P. Coleman, hereinafter referred to as the Parties of the First Part, and Hans J. NIELSON, BURNHARD BLACK, FRANCIS D. NIELSON and URANIUM KING CORPORATION, a corporation, hereinafter referred to as the Parties of the Second Part,

W I T N E S S E T H :

WHEREAS, the Parties of the Second Part are the owners of the following described mining claims situated in San Juan County, Utah, to-wit:

> Cove 1 through 44 inclusive, said claims being located in the White Canyon Mining District and within the following legal subdivisions when surveyed: Township 36 South, Range 16 East, Part of Section 31.
>
> Township 37 South, Range 16 East, Parts of Sections 5, 6, 7 and 8.
>
> Township 37 South, Range 15 East, Part of Section 1.

and

WHEREAS, the Parties of the First Part are the owners of mining claims in San Juan County, Utah,

> The McFall claims No. Z1 through Z23.
>
> The McFall claims No. Q1 through Q12, and the McFall claims No. Q21 through Q24, and the McFall claims No. Q28 through Q34, and the McFall claims No. Q38 and Q39.
>
> Also the Cadillac claims No. 1 through 207.
>
> Said claims being located within the following legal subdivisions when surveyed: Townships 36 and 37 South, Ranges 15 and 16 East.

WHEREAS, the claims owned by the Parties of the Second Part are located adjacent to and southerly from the claims owned by the Parties of the First Part and are lower in elevation, and it is desirable to explore and mine any mineral located in the claims owned by the Parties of the First Part from a tunnel to be driven and located on the claims owned by the Parties of the Second Part; and

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

Whereas, the Parties of the Second Part are willing to transfer and convey an easement and right of way over, through and under their claims for the purposes and upon the conditions hereinafter provided to the Parties of the First Part and for the use and benefit of the claims owned by said Parties of the First Part, said easement and right of way to include sufficient area of the surface to enable First Party to erect buildings, dump and store ore or waste, and to enable First Parties to conduct other operations on said surface area necessary or convenient for the complete use and enjoyment of the tunnel right of way herein agreed to be conveyed; and

WHEREAS, the Parties of the First Part are willing to expend the sum of not less than Fifty Thousand ($50,000.00) Dollars for the driving of the tunnel hereinafter provided for;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, it is mutually agreed as follows:

1. The Parties of the Second Part hereby grant and convey to the Parties of the First Part, their successors and assigns, a perpetual easement and right of way over and across and under the property described above, owned or possessed by the Parties of the Second Part. Said Second Parties further agree to execute and deliver to the Parties of the First Part a good and sufficient deed conveying said tunnel easement and right-of-way, together with an easement and right-of-way over the surface area hereinafter described sufficient to enable First Parties to erect buildings, including but not limited to boarding and lodging houses, store or dump waste ore or any and other materials, supplies and machinery or equipment used or useful in its mining operations. Said conveyance shall be executed and delivered as soon as First Parties have expended the sum of not less than Fifty Thousand ($50,000.00) Dollars under the terms and provisions of this agreement. Said First Parties

CARTY & COLEMAN
[illegible]-9th ST.
[illegible], TEXAS

shall be entitled to said conveyance upon said expenditure notwithstanding all or part of said sum has been recaptured by First Parties from ore sales as herein provided. Said right-of-way shall commence at a point on the surface of the ground overlying the Cairn Channel on the property of the Second Parties to be determined by the Parties of the First Part provided said tunnel entry shall be located within two hundred (200) feet of A. E. C. drill hole No. C. A. -58. The tunnel right-of-way shall follow the course of said Cairn Channel in a general northerly direction toward the property owned by the First Parties and shall include an underground space of sufficient width and height to permit the Parties of the First Part to drive an underground tunnel with an inside measurement of eight feet by eight feet, together with necessary turnouts and overexcavations. The right -of- way and easement to be granted by Second Parties to First Parties shall include a right-of-way and easement to the surface rights exclusive of mineral rights over and upon twenty (20) acres of land to be selected and surveyed by First Parties provided said twenty (20) acres shall include the tunnel entry.

2. First Parties agree that they will drive a tunnel from the surface area hereinabove described and follow the Cairn Channel in a general northerly direction and toward the boundary of the property owned by the Parties of the First Part. First Parties will drive said tunnel from said point of origin until it has reached the boundary of their said property, or until First Parties have expended the sum of Fifty Thousand ($50,000.00) Dollars upon said tunnel, whichever event first occurs. It is understood and agreed that First Parties may, at their sole discretion and option, drive said tunnel as far as into and beyond the boundary of their own property as they desire and that the conveyance by the Second Parties to First Parties shall transfer and convey the right at any time hereafter to drive said tunnel from thepoint

BAGARDY & COLEMAN
[illegible] 5th ST.
[illegible]S, TEXAS

of commencement toward or to or beyond the boundary of the property owned by First Parties; provided, always, that First Parties may at their option and discretion stop further construction work on said tunnel when they have expended the sum of Fifty Thousand ($50,000.00) Dollars, even though all or part of said sum has been recaptured by First Parties from the sale of ores from land of Second Parties.

3. First Parties agree to commence construction of said tunnel within sixty (60) days from the date hereof and to complete the expenditures of not less than Fifty Thousand ($50,000.00) Dollars upon said construction on or before March 1, 1956.

4. It is agreed that First Parties shall have the right to dump and store ore and waste and locate buildings, machinery, improvements and other structures, or make such other use of the surface area over which a right-of-way and easement is to be granted, as shall be necessary or convenient for the mining operations to be conducted by First Parties either on the property owned by First Parties or on the property owned by Second Party; provided, that Second Parties shall have a right of ingress and egress to and from said tunnel over the surface area described above, and Second Parties' use of said right of ingress and egress shall not interfere with the prior rights of First Parties.

5. First Parties shall have the right to mine and remove and sell any ore encountered in the driving of said tunnel and including any ore which may be discovered within the Cairn Channel, through which said tunnel is to be driven. First Parties may conduct such exploration, mining and development work outside of the area of said tunnel but within the Cairn Channel as in their sole discretion seems proper.

McCARTY & COLEMA
916 - 9th ST.
WICHITA FALLS, TEXAS

6. First Parties shall keep accurate books showing the costs of their mining and driving of said tunnel, which books shall be open to inspection of Second Parties' representative at all reasonable times. First Parties shall also keep accurate account of the amount received from the sale of ores mined upon property owned by Second Parties, and when First Parties have received sufficient income from the sale of such ores to reimburse them in full for the expenditures made in mining said or e and in driving said tunnell to a point upon the boundary line between the property owned by First Parties and the property owned by Second Parties, the right of First Parties to receive the money from ores mined on property owned by Second Parties shall terminate.

7. It is agreed that Second Parties are obligated to pay a 15% overriding royalty to certain third parties. Second Parties will notify First Parties in writing of the names and interests of the royalty holders and First Parties will pay such royalty to said holders and said royalties shall be an item in First Parties' cost of operation. The royalty is to be 15% of base price, bonuses, and premiums, excluding development allowance and hauling allowance.

8. First Parties and their successors and assigns in the ownership of the mining properties hereinbefore described and belonging to First Parties and Second Parties and their successors and assigns in the property hereinbefore described and belonging to Second Parties, shall, upon the completion of said tunnel to said boundary line, have equal rights of mining their respective properties through said tunnel and shall share the expense of maintenance and repair of said tunnel equally.

9. It is understood and agreed that First Parties shall have the right of possession and use of said tunnel so long as they are working diligently to complete the same to the boundary of said properties, and during such

McARTY & COLEMAN
916 - 8th ST.
WICHITA FALLS, TEXAS

period First Parties shall have the right to mine and remove and sell ore developed in the driving of said tunnel, or any lateral therefrom, provided that when and if First Parties have mined ores from said tunnel and located upon properties owned by Second Parties, and the proceeds from said ore have equalled the sum of Fifty Thousand ($50,000.00) Dollars or the sum of the cost of driving said tunnel to said boundary line, whichever is greater, the right of said First Parties to mine and sell ores located on land belonging to Second Parties shall terminate. In the event Parties of the Second Part co commence mining operations in or through the tunnel during the time the tunnel is being advanced through ground owned by Second Parties such mining operations will be carried on so as not to unreasonably interfere with First Parties operations.

10. Second Parties agree that they will transfer and convey to First Parties an undivided 5% interest in the claims described above and belongtin to Second Parties, and said conveyance shall be included in the deed hereinbefore described and identified. At the time of the conveyance of said 5% interest and the other rights and easements hereinbefore described, an accurate description of the course and direction and distance of the tunnel then completed shall be included in said deed; provided, however, that in the event said tunnel has not been completed to said boundary line said deed shall convey the right to thereafter complete the same even though the course and distance and direction of said uncompleted portion of said tunnel cannot be accurately described. The net proceeds from the 5% interest to be conveyed to First Parties shall be expended on the tunnel or the Cove claims for the joint benefit of both parties.

11. In consideration of the mutual benefits to be received by the parties hereto, it is mutually agreed that any and all ores and minerals within the common surface boundaries of the parties hereto, extended downward

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

vertically, shall belong to the respective owners of the surface of such clims.

12. The Parties of the First Part agree to cause all work, development and mining to be done in a careful and minerlike manner and to conform in all respects with the mining laws and regulations of the State of Utah.

13. It is understood and agreed that the Parties of the First Part shall have the right to construct and maintain roads, power lines, pipe lines and to use the same for any proper use in connection with the mining and removal and marketing of ores from said tunnel and from property owned by First Parties, such roads and lines to afford access to and from the public highway and the mining properties hereinbefore described. The Parties of the Second Part shall also have the right to use said roads, provided that they will pay their proper share of the upkeep and maintenance of the same.

14. The First Parties shall keep the premises conveyed free and clear of liens for labor done or performed or materials furnished to it for the development or operation thereof.

15. Second Parties represent and warrant that they have good possessory title to the mining claims hereinabove described and that they have good and valid right to convey the easement and rights to be conveyed pursuant to this agreement.

16. It is agreed that either party or each party may apply for a D. M. E. A. loan and the D. M. E. A. may require the consents of each party for such loan. It is agreed that each party will give such consent and will assent to the necessary requirements of the D. M. E. A. in order to effect such loans.

FOGARTY & COLEMAN
[illegible] 2nd ST.
VICTORIA FALLS, TEXAS

17. Notices for First Parties shall be mailed registered mail to McCarty and Coleman, 916 - 9th Street, Wichita Falls, Texas, and to Second Parties to Uranium King Corporation, 423 Ness Building, Salt Lake City, Utah.

18. These presents shall inure to the benefit of and be binding upon the respective heirs, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have caused these presents to be signed and delivered pursuant to resolutions of the Boards of Directors of the respective corporations, and the signatures of the individual parties hereto have been respectively affixed, this 10th day of March, 1955.

WILLISTON BASIN OIL EXPLORATION CO.

ATTEST:

By /s/ J. P. Coleman

/s/ J. A. McCarty
Asst Secretary
(Seal)

/s/ Jack C. Staley

/s/ J. A. McCarty

/s/ J. P. Coleman

/s/ Chas. P. McGaha

Parties of the First Part

/s/ Hans J. Nielson, Belva W. Nielson

/s/ Burnhard Black, Lela Black

/s/ Frances D. Nielson, Velda J. Nielson

URANIUM KING CORPORATION

By /s/ Geo. H. Taylor

Parties of the Second Part

/s/ Joseph Sherman
Secretary
(Seal)

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

AFFIDAVIT

STATE OF TEXAS

COUNTY OF WICHITA

I hereby certify that the above instrument is a correct copy of the original agreement.

J. P. Coleman

Subscribed and sworn to before me this 31st day of March, 1955.

Mimi M. Brown
Notary Public in and for
County of Wichita
TEXAS

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

Agreement of Sale and Purchase

The State of Texas)

County of Wichita)

This Agreement made and entered into this 24th day of November, 1954 by and between Jas. E. Danaher and wife Madeline Danaher and Tom H. Danaher of Wichita Falls, Texas, hereinafter called "Sellers", and Chas. P. McGaha, J. A. McCarty, J. A. McCarty and J. P. Coleman for McCarty and Coleman, Williston Basin Oil Exploration Company, a corporation, and Jack C. Staley, hereinafter called "Buyers":

W i t n e s s e t h :

In consideration of the covenants and agreements hereinafter expressed, the parties hereto, hereby mutually and severally covenant and agree as follows:

Sellers do hereby sell and convey to Buyers, and Buyers hereby purchase from Sellers in consideration of the purchase price of Forty Thousand ($40,000.00) Dollars, the receipt of which is hereby acknowledged by Sellers, subject to the terms and conditions hereinafter set out, all of the Sellers rights, titles, claims and interests in and to the following described mining locations and mining properties, situated in the White Canyon Mining District of San Juan County, Utah, to-wit:

Cadillac Claims numbers one thru 207, dated May 15th to May 21, 1954, recorded in the mining deed records of San Juan County, Utah, in Volume 109 at pages 530 to 540; Volume 111, pages 1 to 65; Volume 113 at pages 112 to 132 and at pages 318 to 325;

Packard Claims numbers one thru 19 and Austin Claims numbers 1 thru 9, as recorded in Volume 109, at pages 209 to 223;

Chrysler Claims numbers one thru 5 and numbers 34 thru 38, recorded in Volume 109 at pages 203 to 208;

Mercury Claims numbers 31 thru 42 recorded in Volume 109 at pages 197 to 203;

All of the above being recorded in the Mining Deed Records of San Juan County, Utah.

Buyers shall enter upon the properties above described and conduct exploratory and mining operations thereon to mine, remove and sell ores therefrom and Buyers shall conduct all such operations in a good and miner-like manner, all with due regard to the development and preservation of the mining property and in keeping with the applicable mining laws and gegulations of the State of Utah and the United States.

Sellers hereby retain for themselves an undivided one-fourth carried interest in the above described properties subject to the following conditions:

1. Buyers agree to advance all costs of exploration work prior to mining operations.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

2. After mining operations begin then the Buyers shall have the right to charge the Sellers with one-fourth the cost of all operations, and shall have the right to retain all of the income from ore sales and other income accruing to Sellers from their one-fourth interest until such charges, including one-fourth of the costs of mining and exploration, shall have been extinguished from the proceeds of such income, It is understood that there shall be no personal liability on the part of the Sellers except the obligation to allow the Buyers to retain all the proceeds of their twenty-five (25%) percent of the ore sales as above set out.

In addition to the above operating interest the Sellers hereby also retain a four (4%) percent royalty interest in and to all minerals extracted from said claims. The term "four percent royalty interest" shall mean that the holder of such royalty interest shall be entitled to 4% of the gross returns from the sale of all minerals or ores extracted from the said mining claims. said returns to be based on the price received at the nearest buying station. provided such buying station is not further away than 100 miles. No exploratory or development allowance which shall be paid buyers by any governmental agency shall be deemed to constitute a part of the gross purchase price of said ores for the purpose of determining royalties payable hereunder, but any premium or bonus payment paid to buyers shall be deemed a part of the purchase price of said ores.

Sellers warrant that they are the owners of all rights in, to and under the above named subject mining property and their rights thereunder are not subject to any prior agreement, encumbrance, burden or restriction created by any act or instrument of Sellers or any of them. The Sellers expressly do not warrant titles to the Mercury, Austin, Chrysler and Packard Claims and Buyers accppt them subject to this stipulation.

Buyers agree to do the necessary assessment work to keep the claims in good standing. However, Buyers shall have the right to relinquish any claims for any reasons, provided they notify Sellers at least sixty (60) days prior to July 1st of the year in which they may relinquish any claim in order to allow Sellers the opportunity to do such necessary assessment work should they desire to reacquire any of such claims. In such event Buyers shall reassign such claims or claim which they may desire to relinquish back to Sellers.

It is understood and agreed that if contiguous or adjoining claims are acquired by Buyers then Sellers shall have the right to acquire up to twenty-five (25%) percent interest in such claims by paying twenty-five (25%) percent of the cost of acquisition. Likewise if Sellers acquire contiguous or adjoining claims then Buyers shall have the right to acquire up to seventy-five (75%) percent in such claims by paying seventy-five (75%) percent of the cost of such claims. In either event such claims shall be subject to the carried interest provision above set out, provided that such purchases are made prior to the commencement of mining operations on the above claims or on the newly acquired claims.

In the event Buyers form a drilling company or a milling company for the purpose of prospecting said claims or milling ore from said claims, then the Sellers shall have the right to participate in such operations up to twenty-five (25%) percent by paying their percentage of the cost of such operation in the same manner as Buyers shall contribute to such operation.

McCARTY & COLEMAN
WICHITA FALLS, TEXAS

Nothing herein shall be construed to create a joint venture or a partnership, and each party hereto shall own the interest set over to him as an undivided interest in severalty and shall be liable only for his proportionate part of all expenses incurred in the operations on said property described herein.

It is understood that the parties hereto will enter into such supplemental agreements as are reasonably necessary to clarify or make workable the operations contemplated herein.

The interests of the respective parties constitutuing the "Buyers" shall be as follows:

Chas. P. McGaha	30%
J. A. McCarty	10%
McCarty and Coleman	20%
Williston Basin Oil Exploration Company	20%
Jack C. Staley	20%

All notices to be given Sellers shall be mailed to Danaher and Danaher, 2210 Piedmont Place, Wichita Falls, Texas.

All notices to be given Buyers shall be mailed to McCarty and Coleman, 916 Ninth Street, Wichita Falls, Texas.

Witness our hands this 24th day of November, 1954.

Sellers:

/s/ Jas. E. Danaher
/s/ Madeline Danaher
/s/ Tom H. Danaher

Buyers:

/s/ Chas. P. McGaha
/s/ J. A. McCarty

McCarty and Coleman
By /s/ J. P. Coleman

Williston Basin Oil Exploration Company
By /s/ J. P. Coleman, President

/s/ Jack C. Staley

Witness:
/s/ J. A. McCarty, Ass't Sec'y
(Seal)

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

AFFIDAVIT

State of Texas

County of Wichita

I hereby certify that the above instrument is a correct copy of the original agreement.

J. P. Coleman

Subscribed and sworn to before me this 31st day of March, 1955.

Mimi M. Brown
Notary Public in and for
Wichita County, Texas

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

MINING AGREEMENT OF SALE AND PURCHASE

THIS AGREEMENT made and entered into as of January 10, 1955, between G. W. McFALL and MURL C. FRANCIS, both of Grand Junction, Colorado, hereinafter called Sellers, and CHARLES P. McGAHA: J. P. COLEMAN and J. A. McCARTY doing business as McCARTY AND COLEMAN, WILLISTON BASIN OIL EXPLORATION COMPANY, a Utah corporation, JACK C. STALEY;; JAMES E. DANAHER and TOM DANAHER doing business as DANAHER AND DANAHER, hereinafter called Buyers, whose address is 916-9th Street, Wichita Falls, Texas, their respective interests in this agreement being set forth in Schedule A attached and made a part hereof.

WITNESSETH:

Sellers are the holders of the legal title to the Following named Mining Claims in the County of San Juan, State of Utah, to-wit:

Z No. 1 to Z No. 21 inclusive, the location notices being recorded in Book 103 at Pages 17 to 27 inclusive.

Z Claim No. 22 to Z Claim 33 inclusive, the location notices being recorded in Book 117 at Pages 230 and 235 inclusive.

Q No. 1 to Q No. 24 inclusive, the location notices being recorded in Book 103 at Pages 5 to 14 inclusive.

Q No. 28 and 29 inclusive, the location notices being recorded in Book 103 at Pages 15 and 16.

Q No. 31 to Q No. 34 inclusive, the location notices being recorded in Book 103 at Pages 14, 13 and 12 respectively.

Q No. 38 and Q No. 39, the location notices being recorded in Book 103 at Pages 15 and 16 respectively.

The P Claim No. 1 to the P. Claim No. 7 inclusive, the location notices being recorded in Book 129 at Page 394 to Page 397 respectively.

all in the office of the County Recorder of said County.

Sellers agree to sell and Buyers agree to buy all of the above described claims upon the following terms and conditions, to-wit:

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

Seventy-five Hundred ($7500.00) Dollars cash upon the execution of this agreement by Sellers; Twenty-two Thousand Five Hundred ($22,500.00) Dollars within Twelve (12) months thereafter, Sellers reserving an over-riding royalty as hereinafter set forth.

As a further consideration for this agreement Buyers agree:

SECTION 1

To enter upon siad mining claims within One Hundred Twenty (120) days from the execution of this agreement and to commence exploratory work thereon at such points and places as Buyers may select.

SECTION 2

In the event such drilling and exploration work in the opinion of the Buyers discloses ore bodies of sufficient size and value to justify the mining and sale thereof, Buyers shall open up the same and thereafter mine and sell the same with due and reasonable diligence except when prevented by casualties entirely beyond their control.

SECTION 3

Until such time as the title to said claims shall be conveyed to Buyers as hereinafter provided, Buyers shall carry on all drilling, exploration and mining operations in strict conformity with all applicable laws and regulations, sahll carry Workmen's Compensation Insurance and shall save and keep harmless the Sellers of and from all liability of every kind and character arising out of such operations.

SECTION 4

Buyers shall keep true and accurate records of all of their drilling and mining operations including maps and assay records open to the inspection of sellers at all reasonable times. Sellers shall have the right to go upon said mining claims at all reasonable times for the purpose of inspection, all at their sole risk.

SECTION 5

Buyers shall cause to be paid to Sellers in accordance with the schedule of prices fixed by the Atomic Energy Commission, the following royalty:

.10 to .499 U308 - 8%
.50 to .799 U308 - 10%
.8 to .999 U308 - 12%
1% to 1.999 U308 - 14%
1.2 above U308 -18%

excluding development allowances and haulage costs except haulage costs in excess of such allowance unless paid by ore Buyer and to pay similar percentages for any bonus or other premium paid by said Commission; together with Ten (10%) percent of the proceeds received from the sale of any other minerals or metals. Copies of settlement sheets shall be furnished Sellers of all ore shipments.

SECTION 6

If the exploration and development of said claims within Twelve (12) months from the execution of this agreement by Sellers does not in Buyers' sole opinion result in the disclosure of ores which may be mined and sold at a profit and Buyers do not pay said sum of $22,500.00 on or before the expiration of said 12 month period; they shall, on or before the expiration of said period notify Sellers in writing of their intention to canel this agreement and surrender possession of said mining claims and upon receipt of such notice or upon Buyers' failing to make said payment, time being the essence thereof, this agreement shall be at an end, Sellers retaining all payments of royalty or otherwise as complete and liquidated damages hereunder and both parties relieved from any further liability one to the other.

SECTION 7

Should such exploratory work upon any of the mining claims result in the disclosure of minerals justifying the expenditure by Buyers of their time and money, Buyers shall do and perform the annual labor required by law for the retention of possessory rights thereon so long as this agreement may be in effect and file affidavit so showing.

COLEMAN
ST.
PARIS, TEXAS

SELLERS AGREE

SECTION 1

That in the event of the payment of said sum of $22,500.00 on or before the expiration of 12 months from the execution of this agreement, they will at their charge, execute and deliver to Buyers their Mining Deed to said claims, warranting that at the time of the execution of this agreement they had a good possessory title thereto except as against the United State and reserving in said deed a perpetual royalty upon all ores produced from said claims in accordance with the royalty payments as provided in Section 5 herein and further subject to the provisions of this agreement in so far as the same be applicable to the continued payment of such reserved royalty.

SECTION2

IT IS MUTUALLY AGREED that since the area covered by the above named mining claims has not been officially surveyed, that, if such survey should be made within said one year period and disclose that the title to any of said claims was in the State of Utah, the balance of said purchase price of $22,500.00 shall be reduced at the rate of Five Hundred ($500.00) Dollars per each claim, title to which by law is found to be in said state; it being distinctly understood and agreed that the foregoing stipulation is limited to said one year from date hereof.

Each of the terms, covenants and conditions herein shall inure to and be binding upon the respective heirs, personal representatives and assigns of the parties hereto.

WITNESS Their Names.

/s/ G. W. McFall
/s/ Murl C. Francis
Sellers

/s/ Chas. P. McGaha
/s/ Jack C. Staley
Danaher and Danaher
By /s/ Jas. E. Danaher

McCarty and Coleman & J. A. McCarty
By /s/ J. P. Coleman /s/ J. A. McCarty
Williston Basin Oil Exploration Company
By /s/ J. P. Coleman, President
Buyers

STATE OF COLORADO)
County of Mesa) ss.

The foregoing instrument was acknowledged before me this 10th day of January 1955, by G. W. McFall and Murle C. Francis.

My commission expires April 21, 1956.

/s/ Scott W. Heckman
Notary Public

McCARTY & COLEMAN
910 - 9th ST.
WICHITA FALLS, TEXAS

SCHEDULE A

Each of the Buyers named in the attached agreement has the interest expressed in the percentage opposite his name.

NAMES	PERCENTAGES
Charles P. McGaha	30% of 75%
McCarty and Coleman & J. A. McCarty	30% of 75%
Williston Basin Oil Exploration Co.	20% of 75%
Jack C. Staley	20% of 75%
Danaher and Danaher	25% of 100%

AFFIDAVIT

STATE OF TEXAS

COUNTY OF WICHITA

I hereby certify that the above instrument is a correct copy of the original agreement.

J. P. Coleman

Subscribed and sworn to before me this 31st day of March, 1955.

Mimi M. Brown
Notary Public in and for
County of Wichita
TEXAS

McCARTY & COLEMAN
916 - 8th ST.
WICHITA FALLS, TEXAS

a. P. McGahe

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

T Y
R P
U O
E C

March 12 1955

Mr. J. P. Coleman
916 9th Street
Wichita Falls, Texas

Re: Preliminary Report on Field Examination of Cadillac-McCall Groups of Claims, Moss Back Mesa, White Canyon Mining District, San Juan County, Utah.

Dear Mr. Coleman:

Upon examination of your properties in the White Canyon area I was very pleased with the evident possibilities for the development of commercial uranium ore deposits within your property boundaries. In my opinion, the development outline previously discussed with you and other interested parties is well merited. I feel there is no need to waste time in this report reviewing facts already known and in mind about the property; therefore may I set down in concise form a few observations and conclusions.

General:

I spent Monday and Tuesday, March 7th and 8th, in the White Canyon area, and Wednesday the 9th in Grand Junction in discussions with field men of A. E. C. and U. S. G. S., and in reviewing records and information pertinent to your properties. Jim and Tom Danaher accompanied me on the field trip and in the discussions. Their knowledge of the claims and general area was of considerable help. While in White Canyon we visited the claims and underground workings of Ula Uranium Company, and the claims and

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

underground workings of Ula Uranium Company, and the claims and underground workings of the Mabe Mine owned by Messrs. Hullinger and McFarland. These visits were of help in studying the nature of the channels and ore occurance. We also visited the workings of the Spook Mine, but found the face of the incline flooded with water.

The Ula incline (your neighbor to the west) has exposed a good face of ore in the Ula Channel. The Spook incline (your neighbor to the south) is progressing in ore on the Cairn Channel. Hullinger and McFarland have exposed a sizable ore deposit through tunneling in the Cairn Channel southerly from the Spook Mine. Hullinger and McFarland shipped 600 tons during February, have 750 tons mined ready for shipment and intend to ship at a rate of 1500 tons monthly during the next following months.

Ula claims the average grade of ore exposed in drill holes is .83% U308; shipments from the Spook Mine were said to be .50% U308 and better; radiometric readings of ore pile at Hullinger and McFarland's indicated ore grade to be between .40% and 1.0% U308.

* * * ** * * *

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

T Y
R P
U O
E C

Observations:

1. There are at least three known mineralized Paleo-channels entering the Cadillac-McFall properties: the Cairn Channel entering from the south, the Nash Car Channel entering from the east, and the Ula Channel entering from the west. The Ula Channel and Nash Car Channel may be tributaries to the Cairn Channel; or, on the other hand, the Ula and Nash Car channels may be one channel with the Cairn Channel as a tributary to it. The latter possibility seems more plausible to me. In any event there is a possibility of the presence of at least three miles of channeling in the property. There may be other channels present, but which are not known.

2. The presence of a channel does not mean the presence of ore, but to my knowledge there is no ore being mined or that has been contacted through drilling in the White Canyon area except such ore is within the confines of one of the Paleo-channels. Therefore, the presence of a channel appears to be a prerequisite to the presence of ore.

3. It is also a near-rule that the presence of low grade mineralization means the presence of a nearby ore deposit.

4. There appears to be a relationship between the occurance of commercial mineralization and depth of cover, although no rule can be drawn as to what depth is required. To my knowledge, there is no known ore body

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

T Y
R P
U O
E C

Where the channel, through erosional processes, is in close proximity to the surface, say 100 to 200 feet, or in an area where the Chinle "d" formation has been eroded away. This observation may be proved false at some future date. To this date very little or no exploration owrk has been performed in the White Canyon area testing the presence of mineralization vertically beneath the Wingate and Kayenta formations. The reason, perhaps, is the excessive depth of drilling required--1000 to 1400 feet. Mining to this date has not proceeded to any considerable channel length such as to gain a position under the Wingate, but there are a number of ore bodies being mined and there are other ore deposits delineated through drilling in channel positions just off the Wingate cliffs. I feel these facts lend encouragement to the possibilities of ore deposits in channels beneath the Wingate mesas.

5. There is abundant evidence of sedimentary soaking by intrusive waters, to the extent that sandstone lenses in places are highly metomorphosed and have the appearance of igneous rocks. This is particularly true in the Shinerump and lower sands of the Chinle in a belt striking east and west along the north rim of Red Canyon. Similar intrusive alterations were noticed in areas elsewhere in the White Canyon area. I believe, therefore, uranium mineralization in the White Canyon district is of hydothermal origin.

6. The White Canyon area can be considered as a "high grade" camp. Ore bodies discovered to date appear to have considerable continuity. It is my best guess that grade of ore being mined in camp averages somewhat in excess of .40% U308. It appears, therefore, the "stakes" are higher than average and a somewhat higher than average development risk is justified.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS

T Y
R P
U O
E C

8. Having examined the Cadillac and McFall groups of claims in relation to the topography, and in relation to the Cove claims and other areas where operational access to the property may be gained, I feel assured the method of development previously outlined in earlier discussions is correct: i.e., sink to the Cairn Channel on the Cove claims and drive along the channel into the Cadillac-McFall claims.

Recommendations;

While the Cadillac-McFall claims lie in an unsurveyed area and a tie to a section corner may not be feasible, it is very desirable that the property be surveyed and tied into the holes drilled by A.E.C. Such a survey should include all claims individually in the Cove group and the outside boundary of the Cadillac-McFall groups. This survey when completed with all the claims drawn in should be recorded with the County Recorder. The survey is necessary, first, in obtaining geological and drill hole data from the Atomic Energy Commission, and, second, in making application for certification of the claims with A.E.C. for ore shipments and bonuses.

A.E.C. has its own survey coordinate system, and has surveyed and tied into this system all drill holes on the property.

2. Maps and plats are attached to help clarify the statements that follow. Further clarification may be had through personal discussions. To develop the Cairn Channel in the Cove claims and into the McFall claims it is necessary to sink an incline to the channel and drive a drift northerly

McCARTY & COLEMAN
916 - 9th ST.

T Y
R P
U O
E C

ALONG THE CHANNEL. The incline should be collared at a point south 10 degrees west a distance of 75 feet from drill hole #58, and at an elevation of 5615 feet. This elevation is approximately 11 feet above the collar elevation of drill hole #58. The hillside at the position and elevation of the collar of the incline should be benched northerly a distance of 40 feet, and the dirt from the excavation used to level a mine yard. Loose rocks and boulders on the hillside above the incline collar should be removed before sinking is begun. The purpose of elevating t e collar of the incline and mine yard is to insure against flooding of the yard and incline by flash floods down the nearby ravine.

According to A. E. C. reports, drill hole #58 contacted the Shinerump-Moenkopi contact at a distance of 77 feet from the collar of the hole. (1) If the incline were sunk at a grade of 25 degrees and on a course of North 10 degrees West it would intersect the bottom of the Cairn Channel at a distance of 210 feet from the collar of the incline. However, it is suggested that the incline be sunk a distance of at least 300 feet to provide room for a loading posket and pump sump below the drift channel elevation. It is also suggested that the incline be driven 6 feet high by 10 feet wide in the clear of timber to provide two hoisting compartments, and room for ventilation pipe, air, water and pump lines. A walkway can be placed down the center of one of the track compartments. Track in the incline should be of 30# rail and set to a guage of 30 inches with 24 inches between the two inside tracks. The incline should be timbered with 6"x8" posts, caps, and sills; 2"x6" lagging spaced at lease 3 to 4 inches apart; and sets spaced at 6 foot intervals depending upon how heavy

(1) A. E. C. Report:

Hole	Collar elev.	Moenkopi Contact
58	5604.1	77' feet
68	5806.6	286'
69	5798.8	285

McCARTY & COLEMAN

T Y
R P
U O
E C

THE Ground is. I do not believe it will be necessary to install center posts.

At the surface of the incline bents and scaffolding should continue the incline tracks at a grade of 25 degrees for an incline distance of 55 feet to a vertical height of 25 feet above the yard level to permit construction of a 50 ton ore bin with a loading lip 8 to 10 feet above the yard level. (Ore bin to be constructed if ore is discovered). Detail of wast dump tracks will be supplied later.

The double drum hoist can be set at yard level some 15 to 25 feet removed from the ore bin and housed in a small headhouse easily accessible to the mine yard. Accurate drawings of the bin, headframe assembly, and hoist assembly together with general mine yard arrangement can be supplied before construction begins.

Ore skips should be at least of one-ton capacity; hoisting cables 5/8ths inch diameter; hoist spped 400 to 500 feet per minute; and loading pockets at the bottom of the incline at least 25 ton capacity.

The incline will be the heart of the operation and requires careful planning and minerlike installation.

Judging from the experience at Hullinger and McFarland's Mabe Mine, tunneling along the bottom of the channel can be accomplished without too much difficulty. It is anticipated haulage through the tunnel will be by battery locomotive over 20# rail set to 24" guage.

SCARTY
916 - 9th St.
WICHITA FALLS, TEXAS

COPY

It is anticipated that an Eimco-type mucking machine converted to incline mucking can be used in sinking operations, then converted back to tunnel mucking for use in tunnel advance.

The present plan is to drive a good and sufficient incline and tunnel to handle any daily tonnage anticipated. The starting equipment can be kept simple, enlarged upon and deisel-electrified later if tonnage and grade merit.

From observations elsewhere in camp, it is anticipated that water, perhaps 15 to 25 gpm, will be encountered in tunnel advance. In as much as the tunnel advance is likely to be a small downgrade, water will drain toward the tunnel face, but can be handled by use of samll air-powered sponge-type pumps in direct connection to the incline pump sump.

It is anticipated air requirements for drilling,, pumping, mucking and ventilation may approximate 600 cfm. To minimize air friction losses air line installed should be of 4" pipe (Spiral-weld about $87 per 100 feet).

3. It is thought that yard leveling, yard construction and sinking of the incline can be done most economically by a mining firm under contract. Drifting may be accomplished most economically by contract miners under the direction of your own foreman or superintendent. No doubt some segregation of ore will be made during drift advance. It seems advisable that a foreman-engineer should be hired at the start of activities and retained on the job.

SAFETY ... 916-... TITA FALLS, TEXAS

T Y
R P
U O
E C

The above comments cover a few of the more evident problems. Details can be worked out in the near future. Jim and Tom Danaher took a number of pictures of the tunnel site and canyon area. These will be sent on to you as soon as they are developed.

Yours very truly,

/s/ B. E. Grant

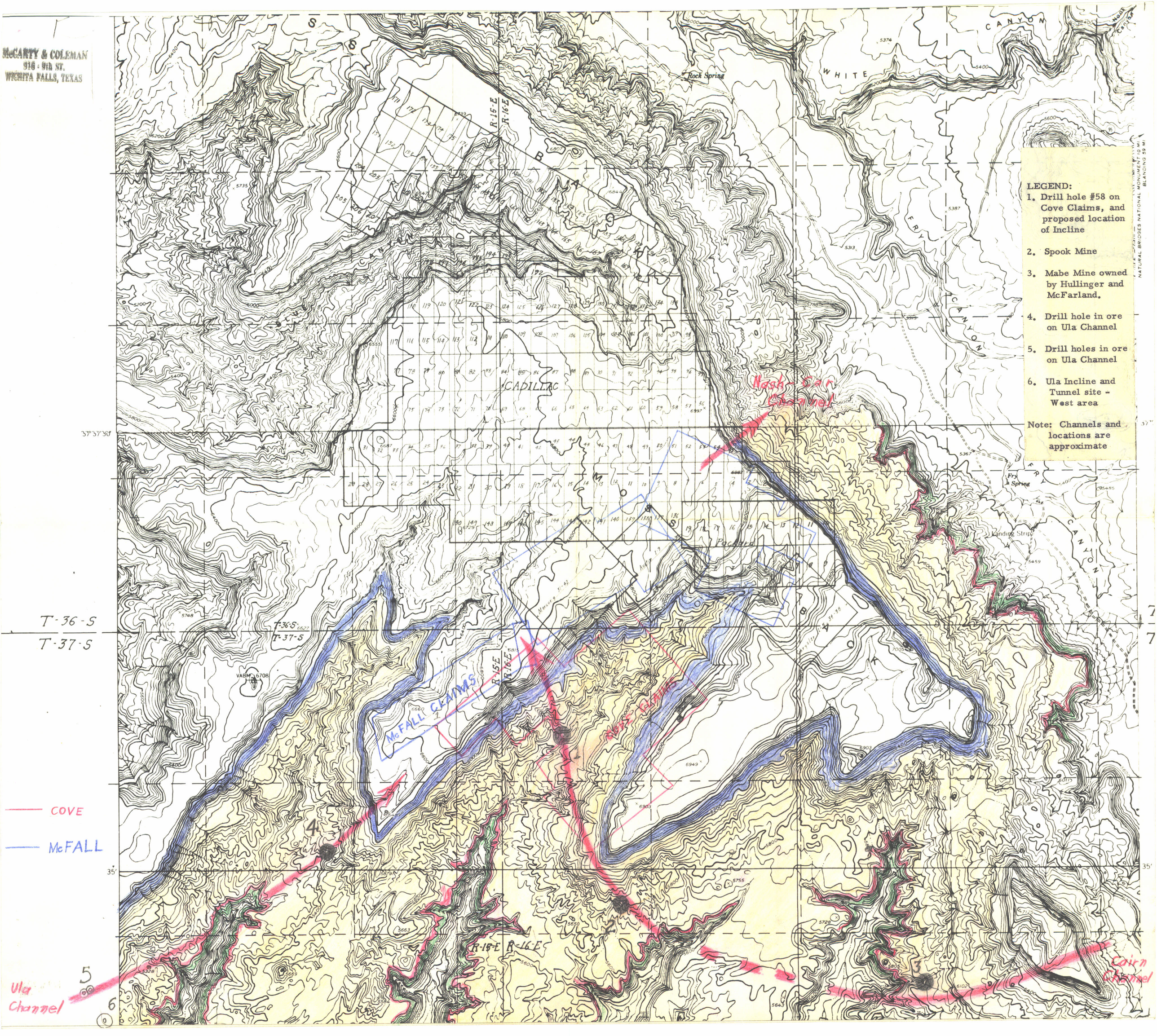
McCARTY
916 - 9th ST.
WICHITA FALLS, TEXAS

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
[redacted]
OFFICIAL BUSINESS

SP... MAR 10 730PM 1955 WASH.

730PM 5 ST

Maps

~~Mr. George C. Selfridge~~
~~Chairman, Operating Committee~~
Defense Minerals Explor. Admin.
Department of the Interior
Washington 25, D. C.

McCARTY & COLEMAN
916 - 9th ST.
WICHITA FALLS, TEXAS