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Docket 3768

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

COPY

JUN 15 1956

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

Re: Docket No. DMEA-3685 (Uranium)
Contract No. Idm-E979
Uranium King Corporation
Cove Group of Claims
Docket No. DMEA-3768 (Uranium)
Williston Basin Oil Exploration Co., et al.
Bunker and McFall Groups
All in San Juan County, Utah

Dear Mr. Sanders:

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

The contract (Idm-E979) 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. F. 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 Bunker 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.

[illegible]/gln
6-8-56
cc to: Admr.'s Reading File
Docket DMEA-3685
" DMEA-3768
Return. [illegible]
[illegible], Rm. 3610, GSA
Code 700, Mr. [illegible]
DMEA Field Team, Region III (2)

Sincerely yours,

(SIGNED)

[illegible], Chief
Metals Division

[illegible] (3)
[illegible] Files (3)
[illegible] (5)
[illegible] (5)

(3)

700

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

DMEA
Denver
MAR 23 1956
BUREAU OF MINES
Denver, Colorado

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 Brandon King Corporation, Docket No. DMEA-3625, Contract No. Idm-2879.

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

Sincerely yours,

G. C. [illegible]

Administrator

FLKnouse/gla
3-22-56
cc to: Admr.'s Reading File
Docket DMEA-3768
Docket DMEA-3625 Contract Idm-2879
Messrs. JECrawford, Rm. 3611
THKillsgaard, Rm. 5224
JOHosted, Rm. 3210, OSA
Code 700
Mr. Knouse
DMEA Field Team, Regio III (2)

Harshman
Shaw (2)
Hasler

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-2879, 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-2879, 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-2879, as indicated by the foregoing information. Perhaps the Administrator should advise the applicant to that effect.

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

W. M. Trawer

By W. M. Trawer
Executive Officer

WMT:pw

cc: Townsend
Harshman
Shaw (2)
Hasler
E879 Corres.
DMEA-3768
Chron

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

DMEA
Date Rec'd.
MAR 7 1956
BUREAU OF MINES
Denver, Colorado

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-E879, 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
Chairman, Operating Committee

APPROVED:

O. M. Bishop
Member, Bureau of Mines

Oliver H. Kähler
Member, Geological Survey

224 New Customhouse
Denver 2, Colorado

AIR MAIL

August 30, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: DMEA-3625 (Uranium) Uranium King Corporation
(Cove Claims) San Juan County, Utah

Enclosed are the original and three copies of a joint USBM-USGS memorandum supplementing the Report of Examination sent you by Region III Field Team memo. of June 2, 1955. This reflects the examiners' reappraisal after completion of the inaline as recommended in the original report.

The supplemental memorandum should be incorporated with the Report of Examination sent you June 2.

The memorandum recommends the preparation of a short-form contract comprising the following:

1.	400 feet of drifting and 100 feet of drifting and/or cross-cutting as designated, or a total of 500 feet of lateral work at $34.17 per foot.	$17,085.00
2.	1,150 feet of long hole drilling as designated at $1.25 per ft.	1,437.50
3.	50 Samples assayed for U_3O_8 and $CaCO_3$ at $5.00 per sample	250.00
	Total for Project	$18,772.50
	Government participation at 75 percent	$14,079.38

The memorandum also confirms the recommendation that consideration of the application docket DMEA-3768, Elliston Basin Oil Exploration Company, be deferred until the outcome of work under this proposed contract is known. Nine copies of Figure 1 are included for possible use in your proposed contract.

MF:bh The Region III Field Team concurs in the recommendations.

DMEA-3768)
Docket-3625)
Harshman)
King)with encl.
Shaw (2))
Ausler)
Gordon-AEC)
Oil
Whisend

W. M. Traver
W. M. Traver

for D. R. Macharen
E. T. Harshman

DMEA
Date Rec'd.
AUG 2 1955
BUREAU OF MINES
Denver, Colorado

MINERAL DEPOSITS
DMEA
RECEIVED
AUG 29 1955
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

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

August 22, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: J. F. Shaw JFS
E. N. Harshman DHM for ENH

From: D. D. Haynes, USGS
M. H. Salsbury, USBM

Subject: DMEA 3625 (Uranium), Uranium King Corporation, Cove group of claims, DMEA 3768, Williston Basin Oil Exploration Company, San Juan County, Utah - Modification of recommendations in examination reports.

Engineering and geological reports, based on a field examination of the subject property on April 13, 1955, made a recommendation for 500 feet of drifting and/or crosscutting at an estimated cost of $17,285.00, in which Government participation at 75 percent would be $12,963.75. The recommendation included a provision that the DMEA project should take effect after an incline which the applicants were sinking, in conjunction with the Williston Basin Oil Exploration Company, was completed to the Shinarump Moenkopi contact, and the position of the center of the Shinarump channel known to exist in the vicinity established.

The incline has been completed and an examination was made on August 4, 1955, by D. D. Haynes of the Geological Survey and Joseph Cronk, project geologist at Frey Canyon for the Atomic Energy Commission. A survey was made of the workings. It was determined that the incline has been sunk on a slope of 23° 50' at a bearing of N. 11° 30' W. At an inclined distance of 227 feet the Shinarump-Moenkopi contact was encountered. The portal of the incline is about 40 feet N. 11° W., of drill hole no. CA 58 (fig. 1). The incline has been continued about 20 feet below the contact to provide a sump and facilitate loading.

There is a thickness of 41 feet of Shinarump conglomerate and sandstone at the point of intersection with the incline which indicates that the incline bottomed at or very near the center of the Cairns channel.

Slight mineralization, but no ore, has been found underground. The ore in drill hole CA-69, the objective of the applicant's project, consisted of two zones of mineralized material, one zone 1 foot thick averaging o.15 percent U_3O_8 and the other zone 1 foot thick averaging 0.19 percent U_3O_8 contained in eight feet of Shinarump conglomerate and sandstone. Obviously, this drill hole is on the flank of the channel, probably northeast of the centerline.

The applicant intends to continue drifting on a bearing of about N. 11° 30' W., towards drill hole CA-69, which would not necessarily be along the center or deepest part of the channel, while waiting for a decision on the DMEA project. Ore-grade material might be encountered in this drift at any time, even though the drift may not be in the center of the channel.

A tentative position for the channel is shown in figure 1. This is derived from the thickness of the Shinarump conglomerate in drill holes as well as in the incline. The trend appears to be about N. 30, W., probably turning west to join the Ula-Nash Car channel. On this assumption, the drift on a N. 11° 30'W., bearing will gradually approach the northeast flank of the channel. Assuming that a DMEA project is approved, the problem is to decide whether the DMEA work can be started in the face of the heading now being driven or whether it will be better to turn off to the west at a point nearer the bottom of the incline. This can only be decided by determining where the face of the current drift is in relation to the channel at the time the proposed DMEA project should be approved. The project does not necessarily have to be started in the deepest part of the channel. If the face of the applicant's drift is within a reasonable distance of the center of the channel, it would be advantageous to make use of the work angling the DMEA drift towards the center of the channel. By starting at the northernmost point of the applicant's drift, the DMEA drift 500 feet long might possibly extend far enough northwest to cut the inferred junction of the Ula-Nash Car and Cairns channels.

If it is desired to explore the center of the Cairns channel which might be missed by the proposed drift, long hole drilling would be used. It is to be noted that the center of the channel is not mineralized continuously as evidenced by two of the drill holes, CA-58 and UK 1, which are probably near the center, as well as by the fact that the incline did not cut ore-grade material.

Haynes discussed the possible use of long hole drilling from the DMEA heading with the applicant's representative who expressed himself in favor of it. This procedure was also suggested by W. P. Williams of the Survey in his transmittal of the original examination report. A formal request by the applicants to include long hole drilling may be advisable.

It is concluded that the original project of 500 feet of drifting and/or crosscutting is still justified but that long hole drilling should be added in order to test more ground.

Following is a revised proposal on this basis:

(1) 400 feet of drifting in a northwesterly direction in or near the deepest part of the Cairns channel, the drift to be started either in the face of a drift which the applicants are currently driving, or at a point near the bottom of the present incline. This is to be determined after evaluation of the current work. If the face of this drift is within a reasonable distance of the center of the channel, the DMEA drift could be angled from it towards the center line of the channel. If, at the time DMEA work is to be started, the position of the face with relation to the channel center is not apparent from known data, long hole drilling shall be permitted to determine the thickness of Shinarump sediments and estimate the distance of the face from the center line of the Cairns channel.

(2) One hundred feet of drifting or crosscutting is to be designated as the work progresses. If the DMEA drift is started from a point 100 feet or more from the bottom of the incline, 400 feet of drifting should advance it to a point opposite drill hole CA-69. The extra 100 feet can then be used for short crosscuts to right or left or for additional drifting. It might be possible to reach the inferred junction of the Ula-Nash Car and Cairns channels. If the DMEA drift must be started closer to the incline, more than 400 feet of drifting will be required to reach a point opposite drill hole CA-69. In no case should work be done to intersect drill-hole CA-69.

(3) 1150 feet of long hole drilling, using a drifter or stoper, as follows:

(a) A maximum of 150 feet of drilling from the face of the applicants' north drift to determine, if not already known, the thickness of the Shinarump conglomerate, and the distance to the center of the Cairns channel, by means of one vertical hole upwards and a maximum of two horizontal or low angle holes.

(b) A maximum of twenty horizontal or low-angle holes in pairs to right and left of the DMEA drift at intervals of not less than 50 feet; no pair of holes is to total more than 100 feet.

Sludge or cutting samples for each 5-foot interval shall be saved and the holes shall be probed. Samples shall be split and one half of mineralized portions analyzed chemically for U_3O_8 and $CaCO_3$. Splits of all samples shall be saved for the use of the Government. Holes shall be pointed to cross the Shinarump bedding at a slight angle, approaching the Shinarump-Moenkopi contact. The location, bearing, and dip of each hole shall be

ascertained and recorded. Holes shall be discontinued when the Moenkopi formation has been entered.

The point at which project work shall start, and the inclination, direction, and extent of all project work are subject to the approval of the Government, to be given in writing in advance, if not specifically provided for in the contract.

Provision should be made so that, if the long hole drilling as outlined does not meet the requirements of the project, the drilling plan may be altered by the DMEA Field Team, Region III, when requested by the operator and recommended by the DMEA field representatives.

A short-form contract is recommended as follows:

(1)	400 feet of drifting and 100 feet of drifting and/or crosscutting as shall be designated, or a total of 500 feet of lateral work at $34.17 per foot -	$17,085.00
(2)	1150 feet of long hole drilling as designated at $1.25 per foot- - - - - - - - - - - - - - -	1,437.50
(3)	50 samples assayed for U_3O_8 and $CaCO_3$ at $5.00 each - - - - - - - - - - - - - - - - -	250.00
	Total for project- - - - - - - - - - - - - - - -	$18,772.50
	Government participation at 75 percent- - - - - -	14,079.38

A full-time supervisor should be employed. An allowance for this was made in the cost estimate in the original engineering report on which the figures of the $34.17 per foot for drifting was based.

As recommended in the original examination reports, consideration of the additional 1,000 feet of work requested by the Williston Basin Oil Exploration Company under DMEA 3768, which they wish to make a part of the project under DMEA 3625, should be deferred pending the outcome of the latter.

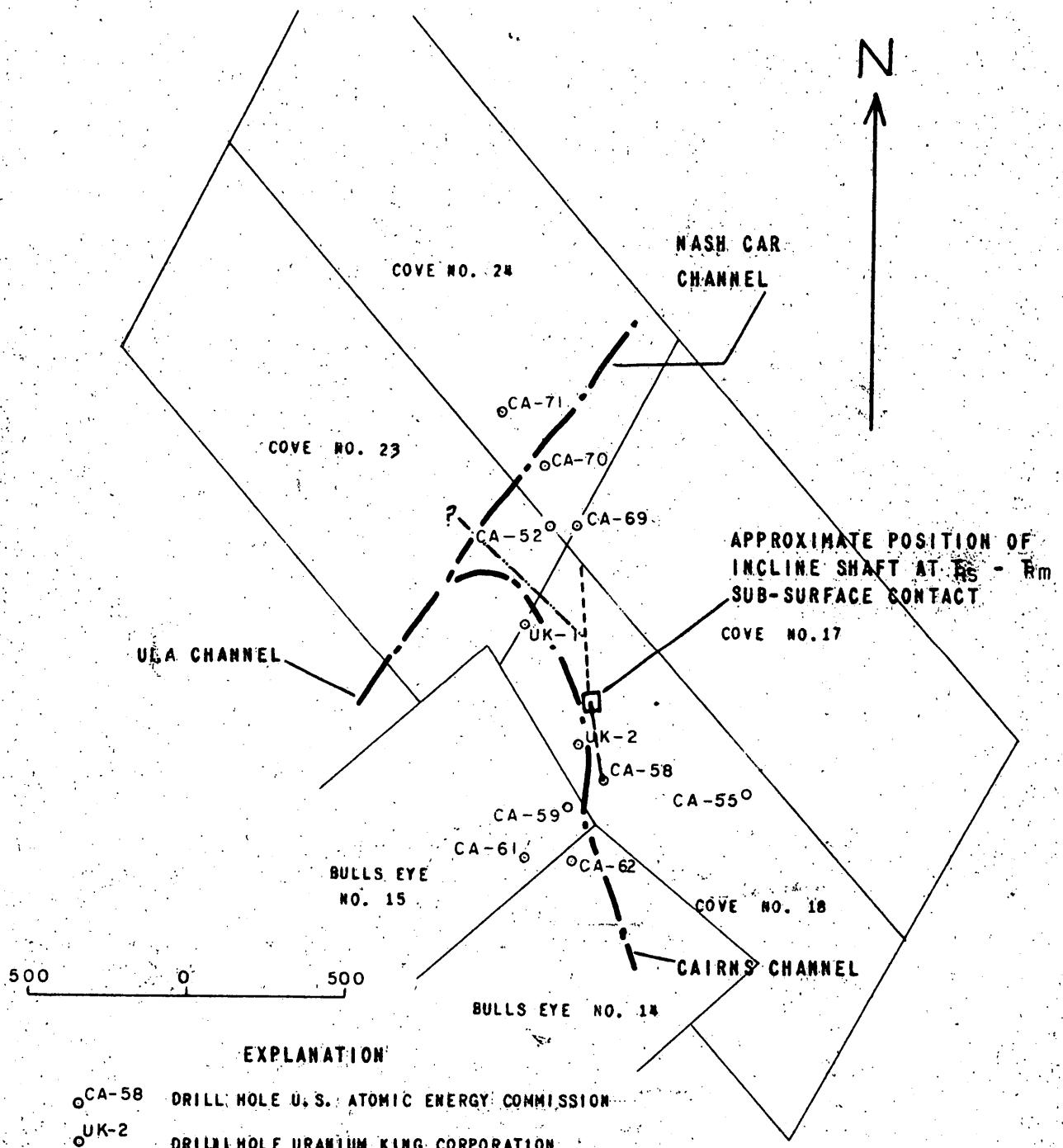
It is also recommended that all 44 Cove claims be subordinated. The applicant has expressed a willingness to do so.

D. D. Haynes
D. D. Haynes, USGS

for D. D. Haynes
M. H. Salsbury, USBM

MHS/mlr

Enclosures



EXPLANATION

CA-58	DRILL HOLE U. S. ATOMIC ENERGY COMMISSION
UK-2	DRILL HOLE URANIUM KING CORPORATION
Ꞧs	TRIASSIC SHINARUMP CONGLOMERATE (EXPOSED IN INCLINE ONLY)
Ꞧm	TRIASSIC MOENKOPI FORMATION (EXPOSED IN INCLINE ONLY)
	INCLINE SHAFT
	INFERRED CHANNEL
	PROPOSED DIRECTION OF URANIUM KING DRIFT IN PROGRESS
	PROPOSED D. M. E. A. DRIFT (BEARING AND STARTING POINT NOT YET DESIGNATED)

Note: MODIFIED FROM APPLICANT'S MAP

Figure 1. MAP SHOWING COVE AND BULL'S EYE CLAIMS, EXISTING DRILL HOLES, AND INFERRED LOCATION OF CAIRNS, NASH CAR, AND ULA CHANNELS, THEIR POINT OF INFERRED INTERSECTION, POSITION OF INCLINE AT Ꞧs – Ꞧm CONTACT, PROPOSED D.M.E.A. DRIFT, AND URANIUM KINGS PROPOSED DRIFT, URANIUM KING CORPORATION, SAN JUAN COUNTY, UTAH.

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

orig. with this copy

SUBJECT

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

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

UTAH OFFICE:
209 ATLAS BUILDING
SALT LAKE CITY, UTAH

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

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

224 New Customhouse
Denver 2, Colorado

June 2, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: DMEA Field Team, 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.

WMT/HMC:sr

cc DMEA-3768
Docket
Harshman
King
Shaw
Williams - Gordon - AEC

Enclosures

W. M. Traver
W. M. Traver

E. N. Harshman
E. N. Harshman

224 New Customhouse
Denver 2, Colorado

May 17, 1955

Memorandum

To: John F. Shaw (w/brochure)
W. P. Williams

From: DMEA Field Team, Region III

Subject: Docket DMEA-3768 (Uranium), Williston Basin Oil Exploration Company, Cove claims, et al., San Juan County, Utah
Docket DMEA-3625 (Uranium), Uranium King Corporation, Cove claims Nos. 17, 18, 23 and 24, San Juan County, Utah
Docket DMEA-3589 (Uranium), John P. Kellogg and G.T. Pummel, Hoseback claims, et al., San Juan County, Utah

Enclosed are copies of the loan application for $90,890.00 under Docket DMEA-3768 (Uranium), Williston Basin Oil Exploration Company (Cove claims, et al.), San Juan County, Utah, its transmittal by the Chairman of the Operating Committee, and covering memoranda addressed to E.W. Ellis from E.L. Newcomb, USGS, and John E. Crawford, USBM, members of the Uranium Commodity Committee.

Application Docket DMEA-3589 was withdrawn in accordance with an undated letter received April 28, 1955 signed by John P. Kellogg for the applicants. The DMEA Administrator notified the applicants this docket was considered closed May 10, 1955.

You were furnished with the brochure covering application DMEA-3625 on March 25, 1955 and it now appears that the examining team is concerned only with this application in view of the written agreement between Uranium King Corporation and Williston Basin Exploration Company. Reports are being prepared accordingly.

As stated in the Chairman's letter of transmittal, the examining engineer should include in his report a recommendation as to claims other than the Cove Nos. 17, 18, 23 and 24 which may benefit from the exploration that should be subordinated. Also recommendations regarding the Chairman's instructions for requiring an accurate claim map from a licensed surveyor and legal validation of the claims involved should be included.

It is understood reports will recommend a contract based on a revised proposal to be submitted by Williston Basin Oil Exploration Company as a result of a field conference with its representative, F.J. Neilson

WMT:jp
cc Subject (3768) (3625) (3589)
Chron
Williams - Marshman (w/copy Chairman's ltr & encls.)
Chron
Sec. Op. Comm.

Encls.

W. M. Traver

E. N. Marshman

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

DMEA
Date Rec'd
APR 29 1955
BUREAU OF MINES
Denver, Colorado

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
Mossback claims, et al.
San Juan County, Utah

W. M. Traver
Unofficial, rec'd 4/28/55

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 Mossback, 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

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

Chairman, Operating Committee

Enclosures

APPROVED:

A. H. Hedges

Member, Bureau of Mines

Chas H. Dilsgaard

Member, Geological Survey

IN REPLY REFER TO:

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

April 18, 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 19 1955

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

Memorandum:

To: F. 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

Copy to: DMEA (3)

April 20, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: Bureau of Mines Member
Uranium Commodity Committee

Subject: DMEA Docket 3589, LaSalle Mining Company and Voltron Corporation; DMEA Docket 3625, Uranium King Corporation; and, DMEA Docket 3768, Williston Basin Oil Exploration Company.

I have reviewed the Field Team report on DMEA Docket 3589, LaSalle Mining Company and Voltron Corporation; and I have reviewed the application of the Williston Basin Oil Exploration Company, DMEA Docket 3768. Mr. Hosted, Washington representative of the Atomic Energy Commission, has studied the report and the application, and we have discussed them together.

Inasmuch as the area involved in the applications of the companies mentioned above appears to merit a field examination, we suggest that the Field Team proceed with such an examination. Because the claims of the subject companies are in conflict, the Field Team should attempt to determine which parts of the claims involved could be explored without legal entanglement, and outline an exploration program for those areas.

Mr. Hosted has emphasized that the AEC has put down holes around the Voltron Corporation claims, and suggests the Field Team discuss the AEC's exploration work in the area with Mr. Ernest Gordon, Atomic Energy Commission, Grand Junction, Colorado.

The Field Team report on Dockets 3589 and 3625 is being forwarded to the Chief, Division of Minerals, in accordance with the routing slip attached thereto. The application of the Williston Basin Oil Exploration Company, DMEA Docket 3768, is attached.

John E. Crawford

Attachment
JECrawford:ds
Copy to: Division of Minerals
Branch of Rare and Precious Metals

J. O. Hosted (2)
J. E. Crawford (2)
F i l e s

224 New Customhouse
Denver 2, Colorado

May 13, 1955

Mr. J. P. Coleman
916 Ninth Street
Wichita Falls, Texas

Re: DMEA 3625 (Uranium) Uranium King Corporation (Cove claims Nos. 17, 18, 23, and 24), San Juan County, Colorado

Dear Mr. Coleman:

By letter of April 22, 1955, Mr. Joseph E. Sherman, Secretary-Treasurer of the Uranium King Corporation, applicant under the above captioned loan application, designated you as agent for the corporation.

Records in this office show that on May 5, 1955, Francis J. Neilson of the Uranium King Corporation, in a telephone conference with Thomas E. Mullens of the U. S. Geological Survey, one of the members of the DMEA examining team, proposed a revision of the original exploration program.

The new proposal calls for 500 feet of lateral drift for exploration of a probable Shinarump channel, to be undertaken after completion of a two-compartment incline to the Shinarump-Moenkopi contact now being driven under a working agreement between the applicant corporation and Williston Basin Oil Exploration Company, et al. This latter company is the applicant under Docket No. DMEA 3768.

While the Region III Field Team would have preferred, as I explained to you by telephone, some preliminary surface drilling to delineate probable channel trends as a guide to the underground exploration it has been agreed, subject to approval by the DMEA Administrator, that inasmuch as you are sinking the incline without Government assistance we can justify the revised proposal after the incline has reached its objective.

It is suggested that you submit a written request for a revision of the Uranium King Corporation's application more or less as outlined by Mr. Nielson and recited above.

The original application, as you know, involved only Cove claims Nos. 17, 18, 23 and 24. Will you also include in your request a statement to the effect that you are willing to subordinate such other of the

3 76 S

44 Cove claims as in the Government's opinion may benefit from the proposed exploration.

As soon as the request for the revised program is received we will be in position to continue with processing your application.

Yours very truly,

W. M. TRAVER,

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

WMT:ld
Copy to: Chairman, Operating Committee (2)
E. N. Barshman
J. F. Shaw
W. P. Williams
Docket 3685
Docket 3765
Docket 3589
Chron

700

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

DMEA
Date Rec'd.
APR 29 1955
BUREAU OF MINES
Denver, Colorado

APR 26 1955

Messrs. McCarty and Coleman
Williston Basin Oil Exploration Co.
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)

700

DMEA
Data Rec'd

APR 29 1955

BUREAU OF MINES
Denver, Colorado

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

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

APR 28 1955

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)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
Date Rec'd
APR 26 1955
BUREAU OF MINES
Denver, Colorado

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
April 25, 1955

Memorandum

3768

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Supervising Mining Engineer

Subject: Cadillac, Packard, Austin, Chrysler, Mercury, P, Q, and Z claim groups, Williston Basin Oil Exploration Company et al, San Juan County, Utah (DMEA docket number unassigned).

Enclosed are the original and seven copies of a memorandum dated April 21, 1955, covering the visit of M. H. Salsbury to the property of the Williston Basin Oil Exploration Company, San Juan County, Utah.

The Washington office has not yet requested an inspection of this property; however, it was considered advisable to obtain as much information as possible while visiting the adjoining property.

John F. Shaw

Enclosures

cc WPWilliams
ENHarshman
DMEA
Chron

JFS/cm

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
April 21, 1955

Memorandum

To: John F. Shaw, Supervising Mining Engineer

From: M. H. Salsbury

Subject: Cadillac, Packard, Austin, Chrysler, Mercury, P, Q, and Z claim groups, Williston Basin Oil Exploration Company et al, San Juan County, Utah, (DMEA docket number unassigned).

The subject application was considered in conjunction with a field examination of the adjoining Cove claims (DMEA 3625), because it is an extension of exploration proposed for the Cove claims and, in effect, replaces DMEA 3625.

The property was visited on April 13, 1955, accompanied by W. P. Williams, J. William Hasler, and T. E. Mullens of the Geological Survey. Walter McDonald, project chief for the Atomic Energy Commission furnished pertinent data on Atomic Energy Commission drilling results in the area. A. F. Trites, Jr., field geologist for the Geological Survey in the White Canyon Area, was also consulted.

The proposed exploration program calls for an additional 1,000 feet of drifting at an estimated cost of $90,890.00, in which Government participation at 75 percent would be $68,167.50. The cost of the exploration under DMEA 3625 was estimated at $39,881.00, in which Government participation at 75 percent would be $29,910.77. Total estimated cost of both proposals is $130,771.00--Government participation, $98,078.25.

The property is located in T. 36 S., R. 15 E.; T. 36 S., R. 16 E.; T. 37 S., R. 15 E. and T. 37 S., R. 16 E. The area has not been subdivided and locations may be subject to correction.

The claims, overlooking Red Canyon, are 10 miles by poor access road from the Atomic Energy Commission camp in Fry Canyon and 61 miles further over Utah State Highway 95, a graveled road, from Blanding, Utah.

The applicant's holdings consist of 329 located claims leased from two groups of owners. There are a number of conflicts with adjoining claim groups controlled by the Voltron Corporation

and the La Salle Mining Company, who have also made application for Government assistance in exploration (DMEA 3589). In some cases the claims controlled by Williston Basin Oil Exploration Company are the prior locations. In others, the Voltron Corporation and La Salle Mining Company claims are senior. All were located in May and June 1954, and antedate the Atomic Energy Commission withdrawal of the area on July 19, 1954.

The proposed exploration is located on the 44 Cove claims controlled by the Uranium King Corporation which are involved in only minor conflicts. This is the ground it is proposed to subordinate for the DMEA project.

Under an agreement between Williston Basin Oil Exploration Company and the Uranium King Corporation, the former is obligated to take over the work under DMEA 3625 and perform an additional 1,000 feet of drifting to be reimbursed by the proceeds of mining any ore discovered. Ore returns above the actual cost of the exploratory work revert to the Uranium King Corporation, and the mining rights of Williston Basin Oil Exploration Company in the Cove claims expire when the exploratory cost has been returned. Other provisions give Williston Basin Oil Exploration Company a perpetual right of way through the Cove claims, and a 5 percent undivided interest in the Cove claims, the proceeds of which must be expended for the benefit of the claims. All parties further agree to consent to DMEA exploration by either operator.

There are three known Shinarump channels on adjoining properties, in all of which substantial uranium ore bodies have been found. Any or all of these channels may extend on the applicant's claims, and there is a good possibility that there are channel junctions, where larger ore deposits are likely to occur, on the property. However, none of these channels have been traced close to the property as yet. The course of the Cairn channel has been established as far as the south boundary of the Cove claims, and some ore has been indicated by AEC and private drilling in the immediate area. Its location north of this point is unknown but can hardly miss entering Williston Basin Oil Exploration Company ground.

It is concluded by the examining team that the proposed exploration should be preceded by a limited amount of drilling at a few feasible sites on the Cove claims to provide, if possible, more information on the northerly course of the Cairn channel and/or the Ula channel. These data might have considerable value in planning the underground exploratory work.

Because the Williston Basin Oil Exploration Company et al, by the terms of the agreement with the Uranium King Corporation, will

have to start operations by May 1, 1955, before a DMEA application, if approved, could be processed, it would appear that they might wish to withdraw their application at this time and submit a revised one at a later date. Williston Basin Oil Exploration Company was not represented directly during the field examination, and it is not known to the examining team what their opinion might be.

Approval of a DMEA exploration program would require revision of the one submitted, with drilling to be done as a first stage. It is also probable that additional ground would have to be subordinated to protect the Government's interest, if the full amount of underground work were approved, and this would require resolution of existing claim conflicts.

The applicants are planning a more elaborate surface installation and larger underground openings than are perhaps required for a straight exploration program, and Government participation should be estimated on an exploration basis only.

M. H. Salsbury
M. H. Salsbury
Mining Engineer

cc WMTraver (7 with/original)
WPWilliams
ENHarshman
DMEA___

DMEA
Date Rec'd.

APR 26 1955

BUREAU OF MINES
Denver, Colorado

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
April 25, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Supervising Mining Engineer

Subject: Cadillac, Packard, Austin, Chrysler, Mercury, P, Q, and Z claim groups, Williston Basin Oil Exploration Company et al, San Juan County, Utah (DMEA docket number unassigned).

Enclosed are the original and seven copies of a memorandum dated April 21, 1955, covering the visit of M. M. Salsbury to the property of the Williston Basin Oil Exploration Company, San Juan County, Utah.

The Washington office has not yet requested an inspection of this property; however, it was considered advisable to obtain as much information as possible while visiting the adjoining property.

JOHN F. SHAW

John F. Shaw

Enclosures

cc WPWilliams
EMMarshman
DMEA
Chron

JFS/cm

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
April 21, 1955

Memorandum

To: John F. Shaw, Supervising Mining Engineer

From: M. E. Salsbury

Subject: Cadillac, Packard, Austin, Chrysler, Mercury, F, Q, and X claim groups, Williston Basin Oil Exploration Company et al., San Juan County, Utah, (DMEA docket number unassigned).

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The property was visited on April 13, 1955, accompanied by W. F. Williams, J. William Hasler, and T. R. Williams of the Geological Survey. Walter McDonald, project chief for the Atomic Energy Commission furnished pertinent data on Atomic Energy Commission drilling results in the area. A. F. Trites, Jr., field geologist for the Geological Survey in the White Canyon Area, was also consulted.

The proposed exploration program calls for an additional 1,000 feet of drifting at an estimated cost of $90,890.00, in which Government participation at 75 percent would be $68,167.50. The cost of the exploration under DMEA 3625 was estimated at $39,881.00, in which Government participation at 75 percent would be $29,910.77. Total estimated cost of both proposals is $130,771.00—Government participation, $98,078.25.

The property is located in T. 36 S., R. 15 E.; T. 36 S., R. 16 E.; T. 37 S., R. 15 E. and T. 37 S., R. 16 E. The area has not been subdivided and locations may be subject to correction.

The claims, overlooking Red Canyon, are 10 miles by poor access road from the Atomic Energy Commission camp in Fry Canyon and 61 miles further over Utah State Highway 95, a graveled road, from Blanding, Utah.

The applicant's holdings consist of 329 located claims leased from two groups of owners. There are a number of conflicts with adjoining claim groups controlled by the Vulcan Corporation

and the La Salle Mining Company, who have also made application for Government assistance in exploration (DMEA 3569). In some cases the claims controlled by Williston Basin Oil Exploration Company are the prior locations. In others, the Veltron Corporation and La Salle Mining Company claims are senior. All were located in May and June 1954, and antedate the Atomic Energy Commission withdrawal of the area on July 19, 1954.

The proposed exploration is located on the 44 Cove claims controlled by the Uranium King Corporation which are involved in only minor conflicts. This is the ground it is proposed to subordinate for the DMEA project.

Under an agreement between Williston Basin Oil Exploration Company and the Uranium King Corporation, the former is obligated to take over the work under DMEA 3625 and perform an additional 1,000 feet of drifting to be reimbursed by the proceeds of mining any ore discovered. Ore returns above the actual cost of the exploratory work revert to the Uranium King Corporation, and the mining rights of Williston Basin Oil Exploration Company in the Cove claims expire when the exploratory cost has been returned. Other provisions give Williston Basin Oil Exploration Company a perpetual right of way through the Cove claims, and a 5 percent individual interest in the Cove claims, the proceeds of which must be expended for the benefit of the claims. All parties further agree to consent to DMEA exploration by either operator.

There are three known Shinarump channels on adjoining properties, in all of which substantial uranium ore bodies have been found. Any or all of these channels may extend on the applicant's claims, and there is a good possibility that there are channel junctions, where larger ore deposits are likely to occur, on the property. However, none of these channels have been traced close to the property as yet. The course of the Cairn channel has been established as far as the south boundary of the Cove claims, and some ore has been indicated by AEC and private drilling in the immediate area. The location north of this point is unknown but can hardly miss entering Williston Basin Oil Exploration Company ground.

It is concluded by the examining team that the proposed exploration should be preceded by a limited amount of drilling at a few feasible sites on the Cove claims to provide, if possible, more information on the northerly course of the Cairn channel and/or the Ula channel. This data might have considerable value in planning the underground exploratory work.

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The applicants are planning a more elaborate surface installation and larger underground openings than are perhaps required for a straight exploration program, and Government participation should be estimated on an exploration basis only.

M. R. Salsbury
Mining Engineer

cc vWEtrever (7 with/original)
MFWilliams
HEEverhart
DMEA

DMEA
Date Rec'd.

APR 23 1955

BUREAU OF MINES
Denver, Colorado

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
April 25, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Supervising Mining Engineer

Subject: Cadillac, Packard, Austin, Chrysler, Mercury, P, Q, and Z claim groups, Williston Basin Oil Exploration Company et al, San Juan County, Utah (DMEA docket number unassigned).

Enclosed are the original and seven copies of a memorandum dated April 21, 1955, covering the visit of M. H. Salsbury to the property of the Williston Basin Oil Exploration Company, San Juan County, Utah.

The Washington office has not yet requested an inspection of this property; however, it was considered advisable to obtain as much information as possible while visiting the adjoining property.

JOHN F. SHAW

John F. Shaw

Enclosures

cc WPWilliams
EHHarshman
DMEA
Chron

JFS/cm

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
April 21, 1955

Memorandum

To: John F. Shea, Supervising Mining Engineer

From: M. M. Salsbury

Subject: Cadillac, Packard, Austin, Chrysler, Mercury, P, Q, and X claim groups, Williston Basin Oil Exploration Company et al, San Juan County, Utah, (DMEA docket number unassigned).

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The property was visited on April 13, 1955, accompanied by W. F. Williams, J. William Hasler, and T. R. Mallons of the Geological Survey. Walter McDonald, project chief for the Atomic Energy Commission furnished pertinent data on Atomic Energy Commission drilling results in the area. A. F. Trites, Jr., field geologist for the Geological Survey in the White Canyon Area, was also consulted.

The proposed exploration program calls for an additional 1,050 feet of drifting at an estimated cost of $90,890.00, in which Government participation at 75 percent would be $68,167.50. The cost of the exploration under DMEA 3625 was estimated at $39,881.00, in which Government participation at 75 percent would be $29,910.77. Total estimated cost of both proposals is $130,771.00—Government participation, $98,078.25.

The property is located in T. 36 S., R. 15 E.; T. 36 S., R. 16 E.; T. 37 S., R. 15 E. and T. 37 S., R. 16 E. The area has not been subdivided and locations may be subject to correction.

The claims, overlooking Red Canyon, are 10 miles by poor access road from the Atomic Energy Commission camp in Fry Canyon and 41 miles further over Utah State Highway 95, a graveled road, from Blanding, Utah.

The applicant's holdings consist of 339 located claims leased from two groups of owners. There are a number of conflicts with adjoining claim groups controlled by the Valtrex Corporation

and the La Salle Mining Company, who have also made application for Government assistance in exploration (DMMA 3509). In some cases the claims controlled by Williston Basin Oil Exploration Company are the prior locations. In others, the Vulcan Corporation and La Salle Mining Company claims are senior. All were located in May and June 1954, and antedate the Atomic Energy Commission withdrawal of the area on July 19, 1954.

The proposed exploration is located on the AA Cove claims controlled by the Uranium King Corporation which are involved in only minor conflicts. This is the ground it is proposed to substitute for the DMMA project.

Under an agreement between Williston Basin Oil Exploration Company and the Uranium King Corporation, the former is obligated to take over the work under DMMA 3625 and perform an additional 1,000 feet of drifting to be reimbursed by the proceeds of mining any ore discovered. Ore returns above the actual cost of the exploratory work revert to the Uranium King Corporation, and the mining rights of Williston Basin Oil Exploration Company in the Cove claims expire when the exploratory cost has been returned. Other provisions give Williston Basin Oil Exploration Company a perpetual right of way through the Cove claims, and a 5 percent undivided interest in the Cove claims, the proceeds of which must be expended for the benefit of the claims. All parties further agree to consent to DMMA exploration by either operator.

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M. R. Salsbury
Mining Engineer

cc ~~[illegible]~~Trover (7 with/original)
WPWilliams
~~[illegible]~~
DMEA

DMEA
Date Rec'd.
APR 26 1955
BUREAU OF MINES
Denver, Colorado

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
April 25, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Supervising Mining Engineer

Subject: Cadillac, Packard, Austin, Chrysler, Mercury, P, Q, and Z claim groups, Williston Basin Oil Exploration Company et al, San Juan County, Utah (DMEA docket number unassigned).

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JOHN F. SHAW

John F. Shaw

Enclosures

cc WPWilliams
MMMarshman
DMEA
Chron

JFS/cm

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
April 21, 1955

Memorandum

To: John F. Shea, Supervising Mining Engineer

From: M. N. Salsbury

Subject: Cadillac, Packard, Austin, Chrysler, Mercury, P. Q. and 3 claim groups, Williston Basin Oil Exploration Company et al, San Juan County, Utah, (DMEA docket number unassigned).

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The applicant's holdings consist of 329 located claims leased from two groups of owners. There are a number of conflicts with adjoining claim groups controlled by the Voltron Corporation

and the La Salle Mining Company, who have also made application for Government assistance in exploration (DMEA 3589). In some cases the claims controlled by Williston Basin Oil Exploration Company are the prior locations. In others, the Fulton Corporation and La Salle Mining Company claims are senior. All were located in May and June 1954, and antedate the Atomic Energy Commission withdrawal of the area on July 19, 1954.

The proposed exploration is located on the 44 Cove claims controlled by the Uranium King Corporation which are involved in only minor conflicts. This is the ground it is proposed to subcontract for the DMEA project.

Under an agreement between Williston Basin Oil Exploration Company and the Uranium King Corporation, the former is obligated to take over the work under DMEA 3589 and perform an additional 1,000 feet of drifting to be reimbursed by the proceeds of mining any ore discovered. Ore returns above the actual cost of the exploratory work revert to the Uranium King Corporation, and the mining rights of Williston Basin Oil Exploration Company in the Cove claims expire when the exploratory cost has been returned. Other provisions give Williston Basin Oil Exploration Company a perpetual right of way through the Cove claims, and a 5 percent individual interest in the Cove claims, the proceeds of which must be expended for the benefit of the claims. All parties further agree to consent to DMEA exploration by either operator.

There are three known Shinarump channels on adjoining properties, in all of which substantial uranium ore bodies have been found. Any or all of these channels may extend on the applicant's claims, and there is a good possibility that there are channel junctions, where larger ore deposits are likely to occur on the property. However, none of these channels have been traced clear to the property as yet. The course of the Cairn channel has been established as far as the south boundary of the Cove claims, and some ore has been indicated by AEC and private drilling in the immediate area. The location north of this point is unknown but can hardly miss entering Williston Basin Oil Exploration Company ground.

It is concluded by the examining team that the proposed exploration should be preceded by a limited amount of drilling at a few feasible sites on the Cove claims to provide, if possible, more information on the northerly course of the Cairn channel and/or the Ula channel. This data might have considerable value in planning the underground exploratory work.

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have to start operations by May 1, 1955, before a DMEA application, if approved, could be processed, it would appear that they might wish to withdraw their application at this time and submit a revised one at a later date. Williston Basin Oil Exploration Company was not represented directly during the field examination, and it is not known to the examining team what their opinion might be.

Approval of a DMEA exploration program would require revision of the one submitted, with drilling to be done as a first stage. It is also probable that additional ground would have to be subordinated to protect the Government's interest, if the full amount of underground work were approved, and this would require resolution of existing claim conflicts.

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M. E. Salsbury
M. E. Salsbury
Mining Engineer

cc /Trever (7 with/original)
/Williams
/Merriman
DMEA

DMEA
Date Rec'd.

APR 26 1955

BUREAU OF MINES
Denver, Colorado

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
April 25, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Supervising Mining Engineer

Subject: Cadillac, Packard, Austin, Chrysler, Mercury, P, Q, and X claim groups, Williston Basin Oil Exploration Company et al, San Juan County, Utah (DMEA docket number unassigned).

Enclosed are the original and seven copies of a memorandum dated April 21, 1955, covering the visit of M. M. Salsbury to the property of the Williston Basin Oil Exploration Company, San Juan County, Utah.

The Washington office has not yet requested an inspection of this property; however, it was considered advisable to obtain as much information as possible while visiting the adjoining property.

JOHN F. SHAW

John F. Shaw

Enclosures

cc WPWilliams
EMHershman
DMEA
Chron

JFS/cm

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
April 21, 1955

Memorandum

To: John F. Shaw, Supervising Mining Engineer

From: M. K. Salisbury

Subject: Cadillac, Packard, Austin, Chrysler, Mercury, P, Q, and X claim groups, Williston Basin Oil Exploration Company et al, San Juan County, Utah, (DMEA docket number unassigned).

The subject application was considered in conjunction with a field examination of the adjoining Cove claims (DMEA 3625), because it is an extension of exploration proposed for the Cove claims and, in effect, replaces DMEA 3625.

The property was visited on April 13, 1955, accompanied by W. P. Williams, J. William Hasler, and T. R. Mullens of the Geological Survey. Walter McDonald, project chief for the Atomic Energy Commission furnished pertinent data on Atomic Energy Commission drilling results in the area. A. F. Trites, Jr., field geologist for the Geological Survey in the White Canyon Area, was also consulted.

The proposed exploration program calls for an additional 1,000 feet of drifting at an estimated cost of $90,890.00, in which Government participation at 75 percent would be $68,167.50. The cost of the exploration under DMEA 3625 was estimated at $39,881.00, in which Government participation at 75 percent would be $29,910.77. Total estimated cost of both proposals is $130,771.00—Government participation, $98,078.25.

The property is located in T. 36 S., R. 15 E.; T. 36 S., R. 16 E.; T. 37 S., R. 15 E. and T. 37 S., R. 16 E. The area has not been subdivided and locations may be subject to correction.

The claims, overlooking Red Canyon, are 10 miles by poor access road from the Atomic Energy Commission camp in Fry Canyon and 61 miles further over Utah State Highway 95, a graveled road, from Blanding, Utah.

The applicant's holdings consist of 329 located claims leased from two groups of owners. There are a number of conflicts with adjoining claim groups controlled by the Veltren Corporation

and the La Salle Mining Company, who have also made application for Government assistance in exploration (DMEA 3589). In some cases the claims controlled by Williston Basin Oil Exploration Company are the prior locations. In others, the Veltron Corporation and La Salle Mining Company claims are senior. All were located in May and June 1954, and antedate the Atomic Energy Commission withdrawal of the area on July 19, 1954.

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It is concluded by the examining team that the proposed exploration should be preceded by a limited amount of drilling at a few feasible sites on the Cove claims to provide, if possible, more information on the northerly course of the Cairn channel and/or the Ula channel. This data might have considerable value in planning the underground exploratory work.

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M. R. Salsbury
M. R. Salsbury
Mining Engineer

cc WHTraver (7 with/original)
WWilliams
EEHarshman
DMEA

DMEA
Date Rec'd.

APR 26 1955

BUREAU OF MINES
Denver, Colorado

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
April 25, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Supervising Mining Engineer

Subject: Cadillac, Packard, Austin, Chrysler, Mercury, F, Q, and Z claim groups, Williston Basin Oil Exploration Company et al, San Juan County, Utah (DMEA docket number unassigned).

Enclosed are the original and seven copies of a memorandum dated April 21, 1955, covering the visit of M. H. Salsbury to the property of the Williston Basin Oil Exploration Company, San Juan County, Utah.

The Washington office has not yet requested an inspection of this property; however, it was considered advisable to obtain as much information as possible while visiting the adjoining property.

JOHN F. SHAW

John F. Shaw

Enclosures

cc WPWilliams
MMHarshman
DMEA
Chron

JFS/cm

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
April 21, 1955

Memorandum

To: John F. Shea, Supervising Mining Engineer

From: M. K. Salsbury

Subject: Cadillac, Packard, Austin, Chrysler, Mercury, P, Q, and X claim groups, Williston Basin Oil Exploration Company et al, San Juan County, Utah, (DMMA docket number unassigned).

The subject application was considered in conjunction with a field examination of the adjoining Cove claims (DMMA 3625), because it is an extension of exploration proposed for the Cove claims and, in effect, replaces DMMA 3625.

The property was visited on April 13, 1955, accompanied by W. F. Williams, J. William Mazler, and T. R. Mullens of the Geological Survey. Walter McDonald, project chief for the Atomic Energy Commission furnished pertinent data on Atomic Energy Commission drilling results in the area. A. F. Trites, Jr., field geologist for the Geological Survey in the White Canyon Area, was also consulted.

The proposed exploration program calls for an additional 1,000 feet of drifting at an estimated cost of $90,890.00, in which Government participation at 75 percent would be $68,167.50. The cost of the exploration under DMMA 3625 was estimated at $39,881.00, in which Government participation at 75 percent would be $29,910.77. Total estimated cost of both proposals is $130,771.00—Government participation, $98,078.25.

The property is located in T. 36 S., R. 15 E.; T. 36 S., R. 16 E.; T. 37 S., R. 15 E. and T. 37 S., R. 16 E. The area has not been subdivided and locations may be subject to correction.

The claims, overlooking Red Canyon, are 18 miles by poor access road from the Atomic Energy Commission camp in Fry Canyon and 61 miles further over Utah State Highway 95, a graveled road, from Blanding, Utah.

The applicant's holdings consist of 329 located claims leased from two groups of owners. There are a number of conflicts with adjoining claim groups controlled by the Voltron Corporation

and the La Salle Mining Company, who have also made application for Government assistance in exploration (DMEA 3589). In some cases the claims controlled by Williston Basin Oil Exploration Company are the prior locations. In others, the Vulture Corporation and La Salle Mining Company claims are senior. All were located in May and June 1954, and antedate the Atomic Energy Commission withdrawal of the area on July 19, 1954.

The proposed exploration is located on the 44 Cove claims controlled by the Uranium King Corporation which are involved in only minor conflicts. This is the ground it is proposed to subordinate for the DMEA project.

Under an agreement between Williston Basin Oil Exploration Company and the Uranium King Corporation, the former is obligated to take over the work under DMEA 3685 and perform an additional 1,000 feet of drifting to be reimbursed by the proceeds of mining any ore discovered. Ore returns above the actual cost of the exploratory work revert to the Uranium King Corporation, and the mining rights of Williston Basin Oil Exploration Company in the Cove claims expire when the exploratory cost has been returned. Other provisions give Williston Basin Oil Exploration Company a perpetual right of way through the Cove claims, and a 5 percent undivided interest in the Cove claims, the proceeds of which must be expended for the benefit of the claims. All parties further agree to consent to DMEA exploration by either operator.

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W. R. Salsbury
R. R. Salsbury
Mining Engineer

cc WMTrevor (7 with/original)
WPWilliams
WFMarshman
DMEA

DMEA
Dct Rec'd.

APR 26 1955

BUREAU OF MINES
Denver, Colorado

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
April 25, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Supervising Mining Engineer

Subject: Cadillac, Packard, Austin, Chrysler, Mercury, P, Q, and X claim groups, Williston Basin Oil Exploration Company et al, San Juan County, Utah (DMEA docket number unassigned).

Enclosed are the original and seven copies of a memorandum dated April 21, 1955, covering the visit of M. H. Salsbury to the property of the Williston Basin Oil Exploration Company, San Juan County, Utah.

The Washington office has not yet requested an inspection of this property; however, it was considered advisable to obtain as much information as possible while visiting the adjoining property.

JOHN F. SHAW

John F. Shaw

Enclosures

cc WPWilliams
KHMarshman
DMEA
Chron

JFS/em

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
April 21, 1955

Memorandum

To: John F. Shaw, Supervising Mining Engineer

From: M. H. Salsbury

Subject: Cadillac, Packard, Austin, Chrysler, Mercury, F, G, and I claim groups, Williston Basin Oil Exploration Company et al, San Juan County, Utah, (DMEA docket number unassigned).

The subject application was considered in conjunction with a field examination of the adjoining Cove claims (DMEA 3625), because it is an extension of exploration proposed for the Cove claims and, in effect, replaces DMEA 3625.

The property was visited on April 13, 1955, accompanied by W. F. Williams, J. William Hasler, and T. R. Mullens of the Geological Survey. Walter McDonald, project chief for the Atomic Energy Commission furnished pertinent data on Atomic Energy Commission drilling results in the area. A. F. Trites, Jr., field geologist for the Geological Survey in the White Canyon Area, was also consulted.

The proposed exploration program calls for an additional 1,000 feet of drifting at an estimated cost of $90,890.00, in which Government participation at 75 percent would be $68,167.50. The cost of the exploration under DMEA 3625 was estimated at $39,881.00, in which Government participation at 75 percent would be $29,910.77. Total estimated cost of both proposals is $130,771.00—Government participation, $96,078.23.

The property is located in T. 36 S., R. 15 E.; T. 36 S., R. 16 E.; T. 37 S., R. 15 E. and T. 37 S., R. 16 E. The area has not been subdivided and locations may be subject to correction.

The claims, overlooking Red Canyon, are 10 miles by poor access road from the Atomic Energy Commission camp in Fry Canyon and 41 miles further over Utah State Highway 95, a graveled road, from Blanding, Utah.

The applicant's holdings consist of 339 located claims leased from two groups of owners. There are a number of conflicts with adjoining claim groups controlled by the Voltron Corporation

and the La Salle Mining Company, who have also made application for Government assistance in exploration (DMEA 3589). In some cases the claims controlled by Williston Basin Oil Exploration Company are the prior locations. In others, the Voltron Corporation and La Salle Mining Company claims are senior. All were located in May and June 1954, and antedate the Atomic Energy Commission withdrawal of the area on July 19, 1954.

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M. H. Salsbury
Mining Engineer

cc JWEraver (7 with/original)
WPWilliams
HHMarshman
DMEA

DMEA
Date Rec'd.

APR 28 1955

BUREAU OF MINES
Denver, Colorado

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
April 25, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: John F. Shaw, Supervising Mining Engineer

Subject: Cadillac, Packard, Austin, Chrysler, Mercury, P, Q, and Z claim groups, Williston Basin Oil Exploration Company et al, San Juan County, Utah (DMEA docket number unassigned).

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JOHN F. SHAW

John F. Shaw

Enclosures

cc WFWilliams
[redacted]
DMEA
Chron

JFS/cm

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region III

Building 20, Room 137
Denver Federal Center
Denver 2, Colorado
April 21, 1955

Memorandum

To: John F. Shaw, Supervising Mining Engineer

From: M. E. Salsbury

Subject: Cadillac, Packard, Austin, Chrysler, Mercury, P, Q, and Z claim groups, Williston Basin Oil Exploration Company et al, San Juan County, Utah, (DMEA docket number unassigned).

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M. H. Salsbury
M. H. Salsbury
Mining Engineer

cc WWTraver (7 with/original)
WPWilliams
EMarshman
DMEA___

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

DMEA
Date Rec'd
APR 15 1955
BUREAU OF MINES
Denver, Colorado

April 13, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region III.

DMEA- 3768 Williston Basin Oil Exploration Company

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

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.

WMT:sr

cc J.F.Shaw W/Brochure
W.P.Williams
Harshman
Subject Chron
Enclosures Subject 3625

W. M. Traver

W. M. Traver

JFS:

The enclosed brochure is the one usually retained in Region III files. After the application is docketed and assigned a number, it can serve as your file copy and we will retain in our files the copy that would ordinarily be sent to you.

WMT.

DMEA
Date Rec'd. 4/25

APR 4 1955

BUREAU OF MINES
Denver, Colorado

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

UTAH OFFICE:
209 ATLAS BUILDING
SALT LAKE CITY, UTAH

April 2, 1955

Hold in Reg. III, Denver
files in place of
application which
was sent to Denver 4/6/55

Mr. W. M. Traver
Defense Minerals Exploration Administration
New Custom House Building
Denver 2, Colorado

Dear Mr. Traver:

Following up our discussions of last week in Denver, I enclose herewith application in quadruplicate for a D. M. E. A. loan. As you know, the Uranium King Corporation has an application for a loan on certain claims in San Juan County, Utah covered by their application No. 3625 dated December 17, 1954. The application enclosed from our group contemplates the extension of the drifting to be done under the application No. 3625 for an additional 1000 feet following the channel which has been outlined up to the Uranium King claims by previous AEC drilling. This is covered under the "General Statement" attached to our application. We contemplate taking over the Uranium King application and doing the entire operation. This is covered by the agreement between Uranium King Corporation, et al and our group, copies of which are attached to our application.

In connection with the Uranium King application, you requested that we furnish you six copies of the surveys of the Uranium King Corporation and of the Bull's Eye group of claims which adjoin Uranium King on the south. This was for the purpose of clearing up the matter of a slight overlap between the Bull's Eye and Cove Claims of Uranium King. These copies are herewith enclosed.

We trust that our arrangement with Uranium King will cause no delay of this application which we understand has progressed up to the inspection stage.

If there are any matters on which you need further clarification please advise me. If you care to phone me at any time I shall be pleased to receive collect phone calls at our office here, 2-1783.

Very truly yours,

J. P. Coleman

Coleman discussed with C. W. Ellis

J. P. Coleman
JPC/ms

Returned 3/8/56
Tele. Request
Mrs. Ruth Whitford
no transmittal

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

Date Rec'd
APR 7 1955
BUREAU OF MINES
Denver, Colorado

EXAMINATION
DIST. CLERK
PERSONNEL
FILES

224 New Customhouse
Denver 2, Colorado

April 6, 1955

Date Rec'd
MAR 8 1956
BUREAU OF MINES
Denver, Colorado

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.

WMT:sr

W. M. TRAVER,

W. M. Traver

cc J.F.Shaw W/Brochure
W.P.Williams
Harshman
Subject Chron
losures Subject 3625

JFS:

The enclosed brochure is the one usually retained in Region iles. After the application is docketed and assigned a number, it erve as your file copy and we will retain in our files the copy would ordinarily be sent to you.

WMT.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DMEA
Date Rec'd
APR 4 1955
BUREAU OF MINES
Denver, Colorado

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

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

Not to be filled in by applicant

Docket No. 3768
Metal or Mineral Titanium
Date Received
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: 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 & 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 Cleeman

B. 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

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 Mc Fall 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.

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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.

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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 Sotth, 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

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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 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.

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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.

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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.

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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

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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.

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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

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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

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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

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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

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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

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

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McCARTY & C[illegible]MAN
916 - 9th ST.
WIC[illegible]A 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.

McCA[illegible]MAN
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WIC[illegible]A 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 & [illegible]
[illegible]
DETROIT [illegible], 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 & [illegible]
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 & [illegible]
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.

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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.

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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

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
County of Wichita
TEXAS

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

J. a. Ne Cuty

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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

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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.

* * * ** * * *

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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

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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.

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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

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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

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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.

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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 presat 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.

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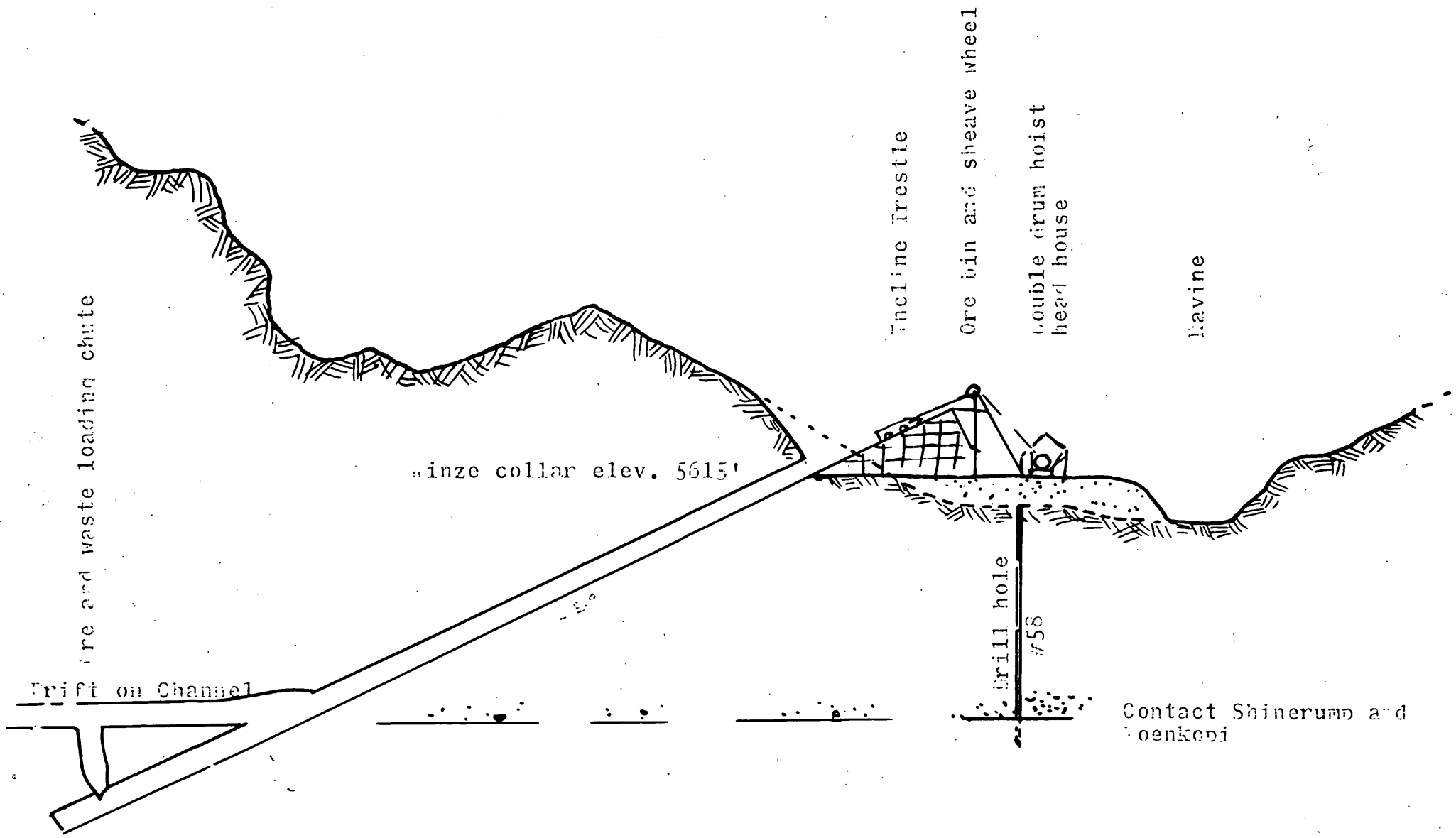
The above comments cover a few of the more evident problems. Details can be worked out in the near future. Jim and Tom Danaher took a number of pictures of the tunnel site and canyon area. These will be sent on to you as soon as they are developed.

Yours very truly,

/s/ B. E. Grant

McLARTY & COLEMAN
INC. 9th ST.
WILMINGTON, DELAWARE



Diagramatic Section Looking East

Scale: 1 inch equals 50 feet.

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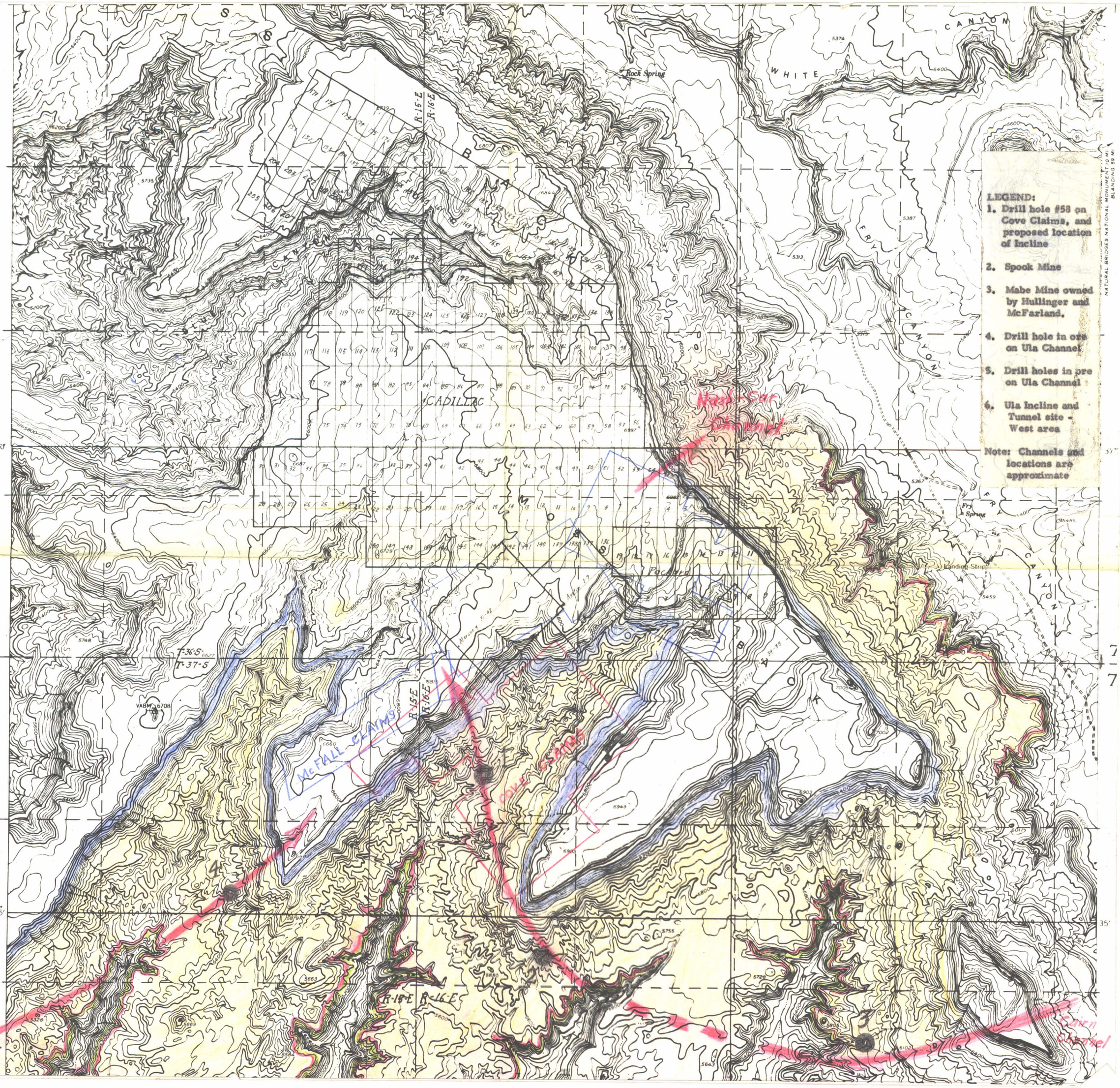
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