[redacted]

Surname 700

Ellis

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

JUL 20 1955

Mr. Louis P. Gaggini
c/o Geo-Engineering
304 Main Street
Grand Junction, Colorado

Re: Docket No. DMEA-3839 (Uranium)
New-Mar Uranium Corporation
Ed and Elk claim groups
San Juan County, Utah

Dear Mr. Gaggini:

Reference is made to our letter dated June 16, 1955, in which we stated that the subject docket would be considered closed unless certain information required to process the captioned application had reached this office on or before July 16, 1955. No answer to our letter having been received, we therefore inform you that the subject docket is considered closed effective as of that date. This is without prejudice to the merits of your proposed project.

Sincerely yours,

C. O. Mittendorf

Administrator

EWEllis:am
7-19-55
cc to: Admr. Reading File
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5222
J. O. Hosted, Rm. 3210, GSA
Code 700
DMEA Field Team, Region III(2)

R.L.S.

Surname copy
F L Knouse
Ellis
F L Knouse

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

JUN 16 1955

Mr. Louis P. Gaggini
c/o Geo-Engineering
304 Main Street
Grand Junction, Colorado

Re: Docket No. DMEA-3839 (Uranium)
New-Mar Uranium Corporation
Ed and Elk claim groups
San Juan County, Utah

Dear Mr. Gaggini:

This is with reference to Mr. W. M. Traver's letters to you of March 25 and May 27, 1955, concerning the attachments which were listed in the subject application, but not received; also additional information that would be required to process the application.

Since we have not received a reply, we assume you have no further interest in obtaining Government aid to explore the subject property. We wish to cooperate with you in allowing ample time to obtain this information. However, if the requested information is not received within 30 days, we will consider the case closed.

Sincerely yours,

SIGNED

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

FLKnouse/gla
6-15-55
cc to: Admr. Reading File
Docket
Messrs. J. E. Crawford, Rm. 3641
T. H. Kiilsgaard, Rm. 5224
J. O. Hosted, Rm. 3210, GSA
Code 700
Mr. Knouse
DMEA Field Team, Region III (2)

P.C.S.

6/14/55 gla

IN REPLY REFER TO:

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

RECEIVED
JUN 14 1955

June 13, 1955

Memorandum

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

From: T. H. Kiilsgaard, U. S. Geological Survey

Subject: Review of Application, DMEA Docket 3839 (Uranium), New-Mar Uranium Corp., San Juan Co., Utah

The applicant proposes to explore its Elk Ridge property by 132,000 feet of drilling and 10,000 lineal feet of rim-stripping. Total cost of the project is estimated at $422,302.40.

The applicant's consulting geologists state that no known uranium deposits outcrop on the Elk Ridge property. They expect, however, that deposits of uranium minerals exist in the area, in channels at the base of the underlying Shinarump sandstone. They expect rim stripping and radiometric surveys at the Shinarump-Moenkopi contact to expose these channels. They point out that the area appears to be in a uranium "mineral belt" of closely spaced ore bodies similar to the "Uravan Mineral Belt." As emphasis to their concept of the "mineral belt", they note the presence of the Steen mine to the northeast and the White Canyon area to the southwest, implying these two properties are in a belt which passes through the Elk Ridge property. The exact location of the Elk Ridge property is not given in the application; however, plotting the area on our small scale map, I find it to be approximately 40 miles southwest of the Steen mine and 25 miles northeast of White Canyon. To say that a belt connects these two properties is completely hypothetical and unsubstantiated in fact.

In May, while in Grand Junction, Mr. George Selfridge, E. N. Harshman, and myself met with Geo-Engineering personnel in their offices to discuss various DMEA items, among which was the subject Elk Ridge property. At that time, Mr. Gaggini, of Geo-Engineering, stated that under DMEA's differentiation between prospecting and exploration, the proposed work on Elk Ridge would be prospecting and he implied that New-Mar Uranium Corp. would withdraw their application until they had secured geological evidence that would better substantiate their proposal. He suggested that drilling being done on Elk Ridge by the Geological Survey might supply this information. Following the conference, I contacted Mr. Bill Williams, of our Grand Junction

office, for information on proposed Survey drilling on Elk Ridge. Mr. Williams stated that he did not know how much drilling would be done but that the Survey intended to drill a fence of holes across a part of the Elk Ridge area. As I recall, the holes were to be on 2,000-foot centers. Most of the fence was to be west or southwest of the New-Mar claims, although one or two holes might be on the property. This drilling was to be for geologic information. I am told that among other things it is hoped the drilling will reveal information on the pinch-out tendency of the Shinarump member as it extends from southwest to northeast.

As submitted, the subject application is incomplete. It proposes prospecting in a relatively unexplored and unproductive area. I recommend that it be held in abeyance pending results of current Survey drilling on Elk Ridge, and that the field be asked to check on the progress and results of this drilling. The applicant should be informed of this action, if it is adopted. If Survey drilling, or other exploration in the area, indicate that DMEA exploration on the New-Mar property is justified, the application could be further processed.

T. H. Kiilsgaard

T. H. Kiilsgaard

IN REPLY REFER TO:

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

RECEIVED
JUN 14 1955

June 13, 1955

Memorandum

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

From: T. N. Kiilsgaard, U. S. Geological Survey

Subject: Review of Application, DMEA Docket 3839 (Uranium), New-Mar Uranium Corp., San Juan Co., Utah

The applicant proposes to explore its Elk Ridge property by 132,000 feet of drilling and 10,000 lineal feet of rim-stripping. Total cost of the project is estimated at $422,302.40.

The applicant's consulting geologists state that no known uranium deposits outcrop on the Elk Ridge property. They expect, however, that deposits of uranium minerals exist in the area, in channels at the base of the underlying Shinarump sandstone. They expect rim stripping and radiometric surveys at the Shinarump-Moenkopi contact to expose these channels. They point out that the area appears to be in a uranium "mineral belt" of closely spaced ore bodies similar to the "Uravan Mineral Belt." As emphasis to their concept of the "mineral belt", they note the presence of the Steen mine to the northeast and the White Canyon area to the southwest, implying these two properties are in a belt which passes through the Elk Ridge property. The exact location of the Elk Ridge property is not given in the application; however, plotting the area on our small scale map, I find it to be approximately 40 miles southeast of the Steen mine and 25 miles northeast of White Canyon. To say that a belt connects these two properties is completely hypothetical and unsubstantiated in fact.

In May, while in Grand Junction, Mr. George Selfridge, E. N. Harshman, and myself met with Geo-Engineering personnel in their offices to discuss various DMEA items, among which was the subject Elk Ridge property. At that time, Mr. Gaggini, of Geo-Engineering, stated that under DMEA's differentiation between prospecting and exploration, the proposed work on Elk Ridge would be prospecting and he implied that New-Mar Uranium Corp. would withdraw their application until they had secured geological evidence that would better substantiate their proposal. He suggested that drilling being done on Elk Ridge by the Geological Survey might supply this information. Following the conference, I contacted Mr. Bill Williams, of our Grand Junction

office, for information on proposed Survey drilling on Elk Ridge. Mr. Williams stated that he did not know how much drilling would be done but that the Survey intended to drill a fence of holes across a part of the Elk Ridge area. As I recall, the holes were to be on 2,000-foot centers. Most of the fence was to be west or southwest of the New-Mar claims, although one or two holes might be on the property. This drilling was to be for geologic information. I am told that among other things it is hoped the drilling will reveal information on the pinch-out tendency of the Shinarump member as it extends from southwest to northeast.

As submitted, the subject application is incomplete. It proposes prospecting in a relatively unexplored and unproductive area. I recommend that it be held in abeyance pending results of current Survey drilling on Elk Ridge, and that the field be asked to check on the progress and results of this drilling. The applicant should be informed of this action, if it is adopted. If Survey drilling, or other exploration in the area, indicate that DMEA exploration on the New-Mar property is justified, the application could be further processed.

T. M. Kiilsgaard

TMKiilsgaard:hlm
G-6/13/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641 Interior
J. O. Hosted, 3210 GSA

IN REPLY REFER TO:

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

RECEIVED
JUN 14 1955

June 13, 1955

Memorandum

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

From: T. N. Killsgaard, U. S. Geological Survey

Subject: Review of Application, DMEA Docket 3639 (Uranium), New-Mar Uranium Corp., San Juan Co., Utah

The applicant proposes to explore its Elk Ridge property by 132,000 feet of drilling and 10,000 lineal feet of rim-stripping. Total cost of the project is estimated at $422,302.40.

The applicant's consulting geologists state that no known uranium deposits outcrop on the Elk Ridge property. They expect, however, that deposits of uranium minerals exist in the area, in channels at the base of the underlying Shinarump sandstone. They expect rim stripping and radiometric surveys at the Shinarump-Moenkopi contact to expose these channels. They point out that the area appears to be in a uranium "mineral belt" of closely spaced ore bodies similar to the "Uravan Mineral Belt." As emphasis to their concept of the "mineral belt", they note the presence of the Steen mine to the northeast and the White Canyon area to the southwest, implying these two properties are in a belt which passes through the Elk Ridge property. The exact location of the Elk Ridge property is not given in the application; however, plotting the area on our small scale map, I find it to be approximately 40 miles southwest of the Steen mine and 25 miles northeast of White Canyon. To say that a belt connects these two properties is completely hypothetical and unsubstantiated in fact.

In May, while in Grand Junction, Mr. George Selfridge, E. N. Harshman, and myself met with Geo-Engineering personnel in their offices to discuss various DMEA items, among which was the subject Elk Ridge property. At that time, Mr. Gaggini, of Geo-Engineering, stated that under DMEA's differentiation between prospecting and exploration, the proposed work on Elk Ridge would be prospecting and he implied that New-Mar Uranium Corp. would withdraw their application until they had secured geological evidence that would better substantiate their proposal. He suggested that drilling being done on Elk Ridge by the Geological Survey might supply this information. Following the conference, I contacted Mr. Bill Williams, of our Grand Junction

office, for information on proposed Survey drilling on Elk Ridge. Mr. Williams stated that he did not know how much drilling would be done but that the Survey intended to drill a fence of holes across a part of the Elk Ridge area. As I recall, the holes were to be on 2,000-foot centers. Most of the fence was to be west or southwest of the New-Mar claims, although one or two holes might be on the property. This drilling was to be for geologic information. I am told that among other things it is hoped the drilling will reveal information on the pinch-out tendency of the Shinarump member as it extends from southwest to northeast.

As submitted, the subject application is incomplete. It proposes prospecting in a relatively unexplored and unproductive area. I recommend that it be held in abeyance pending results of current Survey drilling on Elk Ridge, and that the field be asked to check on the progress and results of this drilling. The applicant should be informed of this action, if it is adopted. If Survey drilling, or other exploration in the area, indicate that DMEA exploration on the New-Mar property is justified, the application could be further processed.

T. N. Kiilsgaard

TNKiilsgaard:hlm
G-6/13/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3641 Interior
J. O. Hosted, 3210 GSA

IN REPLY REFER TO:

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

RECEIVED
JUN 14 1955

June 13, 1955

Memorandum

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

From: T. H. Kiilsgaard, U. S. Geological Survey

Subject: Review of Application, DMEA Docket 3839 (Uranium), New-Mar Uranium Corp., San Juan Co., Utah

The applicant proposes to explore its Elk Ridge property by 1,92,000 feet of drilling and 10,000 lineal feet of rim-stripping. Total cost of the project is estimated at $422,302.40.

The applicant's consulting geologists state that no known uranium deposits outcrop on the Elk Ridge property. They expect, however, that deposits of uranium minerals exist in the area, in channels at the base of the underlying Shinarump sandstone. They expect rim stripping and radiometric surveys at the Shinarump-Moenkopi contact to expose these channels. They point out that the area appears to be in a uranium "mineral belt" of closely spaced ore bodies similar to the "Uravan Mineral Belt." As emphasis to their concept of the "mineral belt", they note the presence of the Steen mine to the northeast and the White Canyon area to the southwest, implying these two properties are in a belt which passes through the Elk Ridge property. The exact location of the Elk Ridge property is not given in the application; however, plotting the area on our small scale map, I find it to be approximately 40 miles southwest of the Steen mine and 25 miles northeast of White Canyon. To say that a belt connects these two properties is completely hypothetical and unauthenticated in fact.

In May, while in Grand Junction, Mr. George Selfridge, E. N. Harshman, and myself met with Geo-Engineering personnel in their offices to discuss various DMEA items, among which was the subject Elk Ridge property. At that time, Mr. Gaggini, of Geo-Engineering, stated that under DMEA's differentiation between prospecting and exploration, the proposed work on Elk Ridge would be prospecting and he implied that New-Mar Uranium Corp. would withdraw their application until they had secured geological evidence that would better substantiate their proposal. He suggested that drilling being done on Elk Ridge by the Geological Survey might supply this information. Following the conference, I contacted Mr. Bill Williams, of our Grand Junction

office, for information on proposed Survey drilling on Elk Ridge. Mr. Williams stated that he did not know how much drilling would be done but that the Survey intended to drill a fence of holes across a part of the Elk Ridge area. As I recall, the holes were to be on 2,000-foot centers. Most of the fence was to be west or southwest of the New-Mar claims, although one or two holes might be on the property. This drilling was to be for geologic information. I am told that among other things it is hoped the drilling will reveal information on the pinch-out tendency of the Shinarump member as it extends from southwest to northeast.

As submitted, the subject application is incomplete. It proposes prospecting in a relatively unexplored and unproductive area. I recommend that it be held in abeyance pending results of current Survey drilling on Elk Ridge, and that the field be asked to check on the progress and results of this drilling. The applicant should be informed of this action, if it is adopted. If Survey drilling, or other exploration in the area, indicate that DMEA exploration on the New-Mar property is justified, the application could be further processed.

T. E. Killingsard

TEKillingsard:hlm
G-6/13/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. E. Crawford, 3041 Interior
J. O. Hosted, 3210 GSA

6/13/55 gla

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

RECEIVED
JUN 13 1955

June 10, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4445

From: John E. Crawford, Bureau of Mines Member
Uranium Commodity Committee

Subject: Application for assistance - DMEA Docket 3839 - New-Mar Uranium Corp., San Juan County, Utah

I have reviewed the attached application and have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

We recommend that the application by New-Mar Uranium Corp. be denied, because it represents a prospecting project. The company has shown no evidence that prospecting by it has determined areas of mineralization. Information on the geologic favorability of the property is also missing.

I believe the applicant should conduct the rim-stripping work and radiometric surveys, mentioned in his proposed exploration program, as part of the basic prospecting required to determine favorable areas. After completion of this work, he might be in a better position to apply for assistance.

John E. Crawford
John E. Crawford

Attachment

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

RECEIVED
JUN 13 1955

June 10, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4445

From: John E. Crawford, Bureau of Mines Member
Uranium Commodity Committee

Subject: Application for assistance - DMEA Docket 3839 - New-Mar Uranium Corp., San Juan County, Utah

I have reviewed the attached application and have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

We recommend that the application by New-Mar Uranium Corp. be denied, because it represents a prospecting project. The company has shown no evidence that prospecting by it has determined areas of mineralization. Information on the geologic favorability of the property is also missing.

I believe the applicant should conduct the rim-stripping work and radiometric surveys, mentioned in his proposed exploration program, as part of the basic prospecting required to determine favorable areas. After completion of this work, he might be in a better position to apply for assistance.

John E. Crawford

Attachment

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

RECEIVED
JUN 13 1955

June 10, 1955

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee, Room 4445

From: John E. Crawford, Bureau of Mines Member
Uranium Commodity Committee

Subject: Application for assistance - DMEA Docket 3839 - New-Mar Uranium Corp., San Juan County, Utah

I have reviewed the attached application and have discussed it with Joseph O. Hosted, Washington representative of the Atomic Energy Commission.

We recommend that the application by New-Mar Uranium Corp. be denied, because it represents a prospecting project. The company has shown no evidence that prospecting by it has determined areas of mineralization. Information on the geologic favorability of the property is also missing.

I believe the applicant should conduct the rim-stripping work and radiometric surveys, mentioned in his proposed exploration program, as part of the basic prospecting required to determine favorable areas. After completion of this work, he might be in a better position to apply for assistance.

John E. Crawford

Attachment

June 1, 1955

Subject: DMEA-3839
Re: Exploration Assistance
Ed & Elk Claims

New Mar Uranium Corp.
718 Majectic Bldg.,
Denver, Colorado

Gentlemen:

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

Your application has been assigned Docket Number DMEA-3839 and referred to the Rare & Miscellaneous Metald Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

June 1, 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-3839 New Mar Uranium Corp.

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

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

224 New Customhouse
Denver 2, Colorado

May 27, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA assistance (Uranium), New Mar Uranium Corporation, Ed and Elk Claim Groups, Elk Ridge Mining District, San Juan County, Utah

Enclosed are the original and two copies of the subject application for Government assistance in the exploration for uranium at an estimated cost of $422,302.40.

This application was received in this office on March 23, 1955, but important attachments which were to be included with the application were lacking. On March 25, 1955 and again this date we wrote to Louis P. Gaggini, who filed the application for New Mar Uranium Corporation, in an attempt to have the subject application in complete form before transmitting it to the Washington office. Copies of our previous letters are enclosed.

We are forwarding your copies of the application at this time and instructing Mr. Gaggini to send the attachments directly to you in order to save as much time as possible.

As usual, one copy of the application has been retained in this office.

W. M. Traver

Enclosures

W. M. Traver

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

224 New Customhouse
Denver 2, Colorado

May 27, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA assistance (Uranium), New Mar Uranium Corporation, Ed and Elk Claim Groups, Elk Ridge Mining District, San Juan County, Utah

Enclosed are the original and two copies of the subject application for Government assistance in the exploration for uranium at an estimated cost of $422,302.40.

This application was received in this office on March 23, 1955, but important attachments which were to be included with the application were lacking. On March 25, 1955 and again this date we wrote to Louis P. Gaggini, who filed the application for New Mar Uranium Corporation, in an attempt to have the subject application in complete form before transmitting it to the Washington office. Copies of our previous letters are enclosed.

We are forwarding your copies of the application at this time and instructing Mr. Gaggini to send the attachments directly to you in order to save as much time as possible.

As usual, one copy of the application has been retained in this office.

W. M. TRAVER,

Enclosures

W. M. Traver

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

224 New Customhouse
Denver 2, Colorado

May 27, 1955

Mr. Louis P. Gaggini
c/o Geo-Engineering
304 Main Street
Grand Junction, Colorado

Re: Application for DMEA assistance (Uranium)
New Mar Uranium Corporation, Ed and Elk
Claim Groups, Elk Ridge Mining District,
San Juan County, Utah

Dear Mr. Gaggini:

Your attention is called to our previous letter to you dated March 25, 1955, a copy of which we are enclosing. As of this date we have received no answer from you to our March 25, 1955 letter.

As there has already been considerable delay in the processing of the subject application, we are this day forwarding the required number of copies of New Mar Uranium Corporation's request for DMEA assistance to our Washington office. We advise that you forward the information requested in our letter of March 25, 1955 directly to the Washington DMEA office as soon as possible. In the event that you are no longer interested in the further processing of this application, please send four copies of a letter requesting that it be withdrawn. With either course of action on your part, please furnish this office with a copy of your letter to the Washington office.

Very truly yours,

W. M. TRAVER,

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

Enclosure

RDB:pw

cc: Subject
Harshman
Sec.Op.Comm. (2)
Chron

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

224 New Customhouse
Denver 2, Colorado

May 27, 1955

Mr. Louis P. Gaggini
c/o Geo-Engineering
304 Main Street
Grand Junction, Colorado

Re: Application for DMEA assistance (Uranium)
New Mar Uranium Corporation, Ed and Elk
Claim Groups, Elk Ridge Mining District,
San Juan County, Utah

Dear Mr. Gaggini:

Your attention is called to our previous letter to you dated March 25, 1955, a copy of which we are enclosing. As of this date we have received no answer from you to our March 25, 1955 letter.

As there has already been considerable delay in the processing of the subject application, we are this day forwarding the required number of copies of New Mar Uranium Corporation's request for DMEA assistance to our Washington office. We advise that you forward the information requested in our letter of March 25, 1955 directly to the Washington DMEA office as soon as possible. In the event that you are no longer interested in the further processing of this application, please send four copies of a letter requesting that it be withdrawn. With either course of action on your part, please furnish this office with a copy of your letter to the Washington office.

Very truly yours,

W. M. TRAVER,

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

Enclosure

RDB:pw

cc: Subject
Harshman
Sec.Op.Comm. (2)✓
Chron

224 New Customhouse
Denver 2, Colorado

March 29, 1955

Mr. Louis P. Gaggini
c/o Geo-Engineering
304 Main Street
Grand Junction, Colorado

Re: Application for DMEA Assistance
(Uranium), Ken-Mar Uranium Corp.,
2d and 11th Claim Groups
Elk Ridge Mining District
San Juan County, Utah

Dear Mr. Gaggini:

This is to inform you that the subject application was received in this office without any of the attachments which were to be included. We will require four copies of the Lease Agreement (one of which must be a signed copy or photostat of a signed copy), and four copies of a crude map showing the location of proposed work, geologic features, etc., in relation to property boundaries. At this time we do not require executed copies of the Owner's Consent to Lien form. Your statement that the property owner is willing to sign these forms in case a contract is recommended would be sufficient.

Any chemical assay results you may have from samples taken from the property should also be included with the above information transmitted to this office.

We will defer transmitting your application to the Washington office pending receipt of the above information.

Yours very truly,

W. M. Traver

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

RDB:ld

Copy to: E. N. Harshman
H. M. Connors
Subject

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Crawford

RECEIVED
MAY 31 1955

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

Not to be filled in by applicant

Docket No. 3839
Metal or Mineral Uranium
Date Received 5-31-55
Estimated Cost 422,302.40
Participation (Government %) 75

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: New-Mar Uranium Corp. (a Colorado corporation)

(*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. Statement attached

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract See statement attached, Para. P.

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

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Option to lease 20 claims - see statement attached & lease attached as Exhibit

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

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

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

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.

16—66551-1

See Paragraph _____ of statement attached ( ) to ( ) inclusive

Exhibit 1.

See Para. 5 of statement attached, ( ) to ( ) inclusive

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 90 days and be completed within 27 months from the date of an exploration project contract.

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

See Paragraph of statement attached ( ) to ( ) inclusive

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 costs of the proposed project and comply with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes, see statement attached Para.

(*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 January, 195

NEW-MAR URANIUM CORPORATION
(Applicant)

By Ralph [illegible]
President

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

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

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

APPLICATION

for

DMEA PROJECT

on

ED and ELK GROUPS

for

NEW-MAR URANIUM CORPORATION
718 Majestic Building
Denver, Colorado

Geo-Engineering, 3[illegible] Main Street, Grand Junct[illegible], Colorado

Application for DMEA Project on the Ed and Elk Groups Prepared for New-Mar Uranium Corp., 718 Majestic Building, Denver, Colo.

- - - - - - - - - - -

INDEX

	Page
INTRODUCTION	1
ABSTRACT OF PROJECT	1
1. GENERAL	2
(a) Name of Applicant	2
(b) Type of Business Organization	2
(c) Officers of Applicant	2
Consulting Geologist and Address	3
3. PROPERTY RIGHTS OF APPLICANT	3
(a) Legal Description of Property	3
(b) Name of property	4
(c) Applicant's interest	4
(d) Reference to Lease	4
(e) Statement re Liens	4
(f) Record Title	4
4. PHYSICAL DESCRIPTION OF PROPERTY	4
(a) Operations	4
(b) Production, Reserves	4
(c) Geologic Features, Justification for Exploration	4
(d) Accessability	6
(e) Availability of Manpower, Supplies, etc.	6
5. EXPLORATION PROJECT	6
(a) Mineral	6
(b) Proposed work	6
Stage I drilling, rim-stripping	6
Stage II drilling	7
Geologic control of drilling	7
Logging and sampling	7
(c) Duration of Project	7
(d) Applicant's Ability and Experience	8
Information re applicant's consulting geologists	8
6. ESTIMATES OF COSTS OF PROJECT.	9
(a) Independent Contracts, drilling, road and site preparation	9
(b) Labor, Supervision and Consultants	9
(c) Operating Materials, Supplies, etc.	10
(d) Operating Equipment	10
(e) Rehabilitation and Repairs	10
(f) New Buildings, Improvements, etc.	10
(g) Miscellaneous	10
(h) Contingencies	10
Analytical Work	11
Rim Stripping	11
Summary of Costs, Loan Applied for	11
7. APPLICANT'S SHARE OF COST	12

Geo-Engineering, 304 Main Street, Grand Junction, Colorado

Application for DMEA Project on the Ed and Elk Groups, Prepared for New-Mar Uranium Corp., 718 Majestic Building, Denver, Colo.

- - - - - - - - - - - - - -

SCHEDULES

1. Drill Hole Depth
2. Drilling Summary
3. Estimates of Amounts to be paid to Independent Contractors
4. Other Costs
5. Summary of Costs and Calculation of Unit Costs

- - - - - - - - - - - - - -

EXHIBITS

Exhibit No. 1. Executed Form MF-103
Exhibit No. 2. Copy of Option to Lease (locators to applicant)
Exhibit No. 3. Owner's Executed Consent to Lien, Form MF-203

- - - - - - - - - - - - - -

MAPS AND PLATES

Figure 1. Index Map
Plate 1. Claim Map

GEO-ENGINEERING
304 Main Street
Grand Junction, Colo.

January , 1955

APPLICATION FOR DMEA PROJECT ON THE ED AND ELK GROUPS

Prepared for

NEW-MAR URANIUM CORP.
718 Majestic Building
Denver, Colorado

INTRODUCTION

This application, prepared by Geo-Engineering is for the purpose of obtaining a DMEA project loan on two contiguous groups of claims, totaling 20 claims in the Elk Ridge area of San Juan County, Utah, for the applicant, New-Mar Uranium Corp.

DMEA form MF-103 has been executed and is attached as Exhibit 1. Numbering (and lettering) of the paragraphs of this report refer to and correspond with the paragraphs of Form MF-103.

ABSTRACT

This application is for a DMEA project contract of the short form or unit cost type. The project proposed is $422,302.40 for exploration of 20 claims lying in two contiguous groups in the Elk Ridge (unorganized) Mining District in San Juan County, Utah. A total of 132,000 feet of drilling is proposed, including 16,000 feet core drilling, at a unit cost of $2.0303 per foot. Additionally, 10,000 lineal feet of rim-stripping is proposed on the property at a unit cost of $1.05 per lineal foot, and provision is made for custom assaying at $6.00 per sample, these latter items being included in the total cost of the project but not included in calculation of the unit cost of the drilling. 25% of the total estimated expenditure, or $105,575.60 will be furnished by the applicant, New-Mar. The Defense Minerals Exploration Administration is requested to loan the rest, or $316,726.80.

The claim groups referred to lie within what appears at this time to be a mineral belt in the Shinarump formation. Extensive exploration in such inferred belt has produced some very large mines to the northeast and to the southwest.

The project is submitted as involving two Stages. Stage I

- - - - - - - - - - - - - -

provides for rim-stripping of the Moenkopi Shinarump[1] contract followed by drilling along the trend of all channels exposed thereby. Where rim-stripping is not feasible, drilling locations will be guided by radiometric surveys. The project provides for 400 Stage I holes (20 per claim) in wide pattern spacing. Average depth of the holes is estimated at 165 feet. As the program advances and more information becomes available, the holes will be located with approval of the DMEA field team where the geology appears most favorable.

Stage II of the proposed project provides for the drilling of an additional 66,000 feet, 400 holes, average depth 165 feet, to be located with the approval of the DMEA Field Team in areas where the Stage I operations produce evidence of mineralization or favorable geology.

Drilling to date in the area indicated that moisture and clay will preclude wagon drilling. Rotary drilling with air or water is contemplated. Approximately 40% of the holes will be cored averaging 50 feet of coring per hole. Thus approximately 12% of the entire footage will be cored.

Personnel of Geo-Engineering will act as consulting geologists and will supervise the execution of the project.

Paragraph 1. Name of applicant, etc.

(a) NEW-MAR URANIUM CORP.
718 Majestic Building, Denver, Colorado.

(b) Applicant is a Colorado corporation, duly qualified to do business in Colorado and in process of qualifying to do business in the State of Utah.

(c) Officers of the corporation (and also the directors) are:

Ralph W. Newton, Jr., President
1785 Shepperd St., Littleton, Colorado

Dr. David F. Powers
Fitzsimmons Gardens, Denver, Colorado

---

[1]As here used the term "Shinarump formation" includes all of the cap rock forming sandstones that lie at the base of the Chinle formation or between the Chinle and Moenkopi formation. The units which have by some been called "mossback", "Chinle D", and "Commission Sandstone" are all included here in the term "Shinarump formation".

Geo-Engineering, 304 Main Street, Grand Junction, Colorado

Application for DMEA Project on the Ed and Elk Groups Prepared for New-Mar Uranium Corp., 718 Majestic Building, Denver, Colorado.

- - - - - - - - - - - - - - - - -

Charles W. Marion, Jr., Secy.-Treas.
1449 Detroit St., Denver, Colorado

NOTE:

As above stated, Geo-Engineering will be in active charge of the project for applicant. It is therefore requested that correspondence regarding this application be addressed to:

GEO-ENGINEERING
304 Main Street
Grand Junction, Colorado.

(d) Not applicable.

Paragraph 2. Not applicable.

Paragraph 3. Applicant's property rights, etc.

(a) Legal Description.

Lode mining claims in Elk Ridge (unorganized) Mining District in San Juan County, Utah, referred to as the Ed and Elk Groups, as follows:

Name of Claim	Original Location Certificate		O&G Lease Application Under Circular No. 7		Amended Location Certificate	
	Book	Page	Book	Page	Book	Page
Ed 34	79	399	79	418	251	291
Ed 35	79	400	79	419	251	292
Ed 36	79	401	79	419	251	293
Ed 37	79	402	79	420	251	294
Ed 38	79	403	79	420	251	295
Ed 39	79	404	79	421	251	296
Ed 40	79	405	79	421	251	297
Ed 41	79	406	79	422	251	298
Ed 42A	121	4	121	16	251	336
Ed 45	79	410	79	424	251	302
Ed 46A	121	6	121	18	251	340
Ed 47	121	6	121	18	251	341
Elk 1	155	57	--	--	251	360
Elk 2	155	57	--	--	251	361
Elk 3	155	58	--	--	251	362
Elk 4	155	58	--	--	251	363
Elk 6	155	59	--	--	251	365
Elk 8	155	60	--	--	251	367
Elk 10	155	61	--	--	251	369
Elk 12	155	62	--	--	251	371

- - - - - - - - - - - -

Location of groups shown on attached Index Map (Figure) and claim map (Plate 1).

Applicant holds no other property in the area and none of the above described claims is excluded from this application.

(b) Name of property.

Property has no name other than the claim names and is herein referred to as the Ed and Elk Groups.

(c) Applicant's interest in property.

Applicant holds an option to lease upon the above described 20 claims, (copy) attached hereto as Exhibit 2.

(d) Option to Lease - copy attached, Exhibit 2.

Consent to Lien, Form MF-203, executed by owners-lessors, is attached hereto as Exhibit 3.

(e) Liens - None.

(f) Land consists of unpatented claims. Location certificates recorded, San Juan County, Utah, in the names of the lessors as above stated under Item (a). Photo copies will be furnished by applicant on request.

Paragraph 4. Physical Description of Property.

(a) Operations, etc.

There are no mine workings and there has been no exploratory work on the property.

(b) Production, Reserves.

There are no known deposits on the property.

(c) Geologic Features and Justification for Exploration.

Known deposits of uranium minerals occur in the basal Shinarump sandstones that fill channels which were cut into the underlying Moenkopi formations. Although no deposits have been found on the Ed and Elk claims, rim stripping along the contact between the Shinarump and Moenkopi formations will probably uncover some ore, mineralized sandstone lenses, or areas of favorable geology to be used as control for the drilling, which should follow the rim stripping.

Applicant's consulting geologists are of the opinion that the scarcity of exploration drilling in the vicinity of the claims

- - - - - - - - - - - - - - - - -

is probably the principal reason this immediate area is not presently producing ore, as it appears that they are situated in a uranium "mineral belt" of closely spaced ore bodies similar to the "Uravan Mineral Belt", which latter belt has now been so clearly defined by thorough and systematic exploration performed by the large companies and government agencies.

If such a belt does exist (and applicant's geologists are of the opinion that it does exist), the prospects for these 20 claims appears very good since the Steen area which contains several very large ore bodies lies to the northeast along the belt and the White Canyon area, including the fabulous multimillion dollar Happy Jack mine, lies to the southwest.

Government drilling programs in White Canyon and on Deer Flat have been gradually proving the belt northward into Elk Ridge. Several of the ore bodies found to date by this drilling are being very profitably exploited even though they are not as large as the Steen and Happy Jack ore bodies. It seems reasonable, however, to expect that there might be some other very large ore bodies located along this inferred belt.

Areas immediately to the north and southwest of the claims along this inferred mineral belt has been withdrawn by the Atomic Energy Commission, and Government exploration projects are now in progress upon them. Detailed results are, of course, not available to applicant, as this information is released only to claim owners. But it is common knowledge that some ore is being discovered by both programs. Approximately 10 miles west, Fendel Sitton, an experienced and well-known operator, is producing about 50 tons a day from his mines on Deer Flat.

Geology: The Ed and Elk group of claims are located on the Monument upwarp, a broad flattened anticline with a north-south axis. Elk Ridge is the northern nose and eastern flank of the anticline.

Stratigraphy: The flat narrow mesa upon which the claims lie is formed by the resistant Shinarump formation of late Triassic age. This formation is the only economically important ore-bearing formation underlying this group of claims. Ore has been found in the Permian Cutler formation which also underlies the claims, but the cost of drilling the deep holes necessary to test this horizon would probably be prohibitive.

The term Shinarump Formation as used in this application includes all of the Cap rock forming sandstones that lie at the base of the Chinle formation or between the Chinle and Moenkopi formations. The units which have been called "Mossback", "Chinle D",

- - - - - - - - - - - - - - - - -

and "Commission Sandstone" by various stratigraphers are all included in the Shinarump formation as defined in this report.

In this area which is close to the type locality, the Mossback unit of the Chinle is an apparently persistant, highly-resistant sandstone, the top of which lies about 150 feet above the Chinle-Moenkopi contact. The ore bodies of the area will probably occur in the sandstone lenses which lie at the Chinle-Moenkopi contact.

Drill site preparation will be relatively simple and inexpensive on the Ed and Elk group because of the predominately flat terrain and absence of heavy underbrush and dense timber. Comparatively shallow drilling depths will be required to test the basal shinarump sandstones. Such depths being estimated to range from 150 to 175 feet.

(d) Accessability.

The claims lie about 20 airline miles west of Blanding, Utah and about 65 miles southwest of Moab. Haulage distance to the A.E.C. plant at Monticello is about 47 miles - 22 miles on an excellent paved highway and 25 miles over better than average mine roads. Moab and Monticello have adequate mine supply houses.

(e) Availability of Manpower, Etc.

Manpower, skilled in performing the type of drilling and exploration planned, is readily available in the area. Dependable sources of material and supplies are also available. Equipment will be furnished by private contractors.

Geo-Engineering, a professional engineering firm, will supply surveying instruments and transportation for technical personnel.

Paragraph 5. The exploration project.

(a) The mineral for which this project will explore is Uranium.

(b) Proposed work, etc.

The Exploration Plan recommended to the Defense Exploration Administration and to New-Mar Uranium Corporation, are as follows:

Stage I:

Approximately 10,000 lineal feet of rim-stripping by bulldozer should be done on the claims in the approximate location shown on Plate I.

Radiometric surveys should be made in areas where it is not feasible to expose the contact rim by stripping.

- -

Drilling of 400 proposed holes at sites to be selected and submitted to the DMEA Field Team for approval as data from rim-stripping is obtained. Depth of the holes is estimated to range from 150 feet to 175 feet and the average depth of such 400 holes is estimated to be 165 feet, the aggregate footage thus being 66,000 feet.

Stage II:

Drilling of 400 additional test holes following the usual pattern of fifty foot spacing in and around the areas where the Stage I stripping and drilling has revealed favorable geology. Locations of such Stage II holes to be made with the approval of the DMEA Field Team as data from the preliminary work is accumulated and evaluated. Estimated depths of the Stage II holes is the same as for Stage I drilling, i.e., 165 feet per hole and the proposed 400 holes will thus involve an aggregate of 66,000 feet.

Geologic Control of Drilling.

Applicant's consulting geologists will maintain close geologic control over the drilling and will locate and relocate proposed drill sites with prior DMEA approval, in the light of continually developing information.

Logging and Sampling.

A sampler who will also act as a field assistant for surveying will be employed to do the logging and sampling. An accurate log will be maintained by the driller. Barren core will be arranged on the ground or otherwise preserved and properly identified so that the geologist or sampler can carefully check the driller's log. Core from each run will be carefully dropped out of the core barrel into a wooden trough and will be carefully examined by the sampler or other competent individual, using a field gamma ray detecting device. If any trace of mineralization is found, the complete core run will be arranged in a core box provided with a hinged lid and will be properly preserved until the geologist can properly sample the same. Core losses will be prorated proportionately, regardless of lithology. Each sample will be carefully described by the geologist in a bound field book, as it is placed in the sample rack. All samples will be sent to commercial assayers for percentage determination of U_3O_8, V_2O_3, and $CaCO_3$.

(c) Duration of Project.

The work will start within 90 days from the date of an exploration contract. It is estimated that it will require 24 months to complete this project. To the extent feasible, only one drill will be employed because the use of two drills tends to result in inadequate geological control, wasted footage and an increase in exploration costs per ton of ore discovered.

Geo-Engineering, 304 Main Street, Grand Junction, Colorado

Application for DMEA Project on the Ed and Elk Groups Prepared for New-Mar Uranium Corp., 718 Majestic Building, Denver, Colorado.

- - - - - - - - - - - - - - - - -

(d) Ability, Operating Experience, etc.

Applicant's President, Mr. Newton, has completed five successful years in the consumer finance business as manager and vice-president of one company. Dr. David Powers, Dentist, has had business experience in operating his own office

Geo-Engineering, a firm of professional engineers and geologists, with offices conveniently located at Norwood, Colorado, and at Grand Junction, Colorado, will act as consultants to New-Mar for this project. A brief description of the experience background of the three general partners of Geo-Engineering is given below.

Louis P. Gaggini, who is Chief Geologist for Geo-Engineering, began working in uranium in 1941, as geologist for the Union Mines Development Corporation, a contractor for the United States Army Manhattan Engineering Project. Subsequent experience in carnotite exploration included almost two years with the Exploration Branch of the Atomic Energy Commission in Grand Junction and six months with the United States Vanadium Company. Mr. Gaggini was for two years Mining Superintendent of the Dulaney Mining Company, where he was in charge of all mining and exploration. This company is at present mining large tonnages from ore bodies which were discovered during that period. From August, 1952 to February, 1953, Mr. Gaggini was manager of the Colorado Uranium Division of the J. R. Simplot Company. During this period Mr. Gaggini successfully prepared applications for and administered for several months two large DMEA projects.

Harold A. Culp is a geologist and geophysicist and a co-partner in Geo-Engineering with Mr. Gaggini and Mr. Lewis D. Anderson Since graduating with a degree in economic geology from Oregon State College in 1941, Mr. Culp has, in addition to uranium, worked with gold, oil, copper, cobalt and tungsten; this includes 6 years' experience in metal mining and 5 years of geophysical prospecting in oil and mining. In addition to mine management for others, he has operated a mine in which he shared a 1/3 investment interest. His work has included the preparation of Defense Minerals Exploration Administration projects and, after approval of loan applications by that agency, supervision of the project. During 1953-54, Mr. Culp was project geologist and then acting superintendent of the Bull Canyon Mines of the J. R. Simplot Company.

Lewis D. Anderson, mining engineer, is a graduate from the Colorado School of Mines (registered mining engineer #1844 in Colorado). From December, 1946 through 1948, Mr. Anderson worked as engineer and shift boss for the Resurrection Mining Company at Leadville, Colorado. From January, 1949 through April, 1950, he worked as mining engineer in the General Chemical Division of Allied Chemical and Dye. He was mine foreman of the Rico-Argentine Mining Company, Rico, Colorado, from June, 1950 to October, 1951. Mr. Anderson then accepted employment

- - - - - - - - - - - - - - - - -

as Division Engineer for the Dulaney Mining Company in the Gateway, Dove Creek, Monticello, and Gyp Valley Areas. From June, 1952 to 1954, Mr. Anderson's duties as mining engineer covered both the mining and milling of uranium-vanadium ores and included jurisdiction over the United States Vanadium Company's uranium operations in the Edgemont, South Dakota area.

Paragraph 6. Estimate of costs.

Applicant requests that this exploration project contract be placed upon a unit cost basis. Costs of the project are calculated in terms of the cost per foot of drilling, except for the costs of sample analysis and of rim-stripping, reflected by separate units of cost.

DETAIL OF COSTS OF PROJECT

(a) Independent Contracts.

Drilling will be done by qualified private contractors. The prices quoted by competent firms active in the uranium field are used as the unit cost in estimating the drilling cost at $2.0303 per foot. Such cost is estimated upon the basis of an average depth of 165 feet, assuming maximum depth of 175 feet. The prices quoted for hole depths 0 feet to 200 feet are $2.00 per foot for drilling (rotary rig with air or water, as may be required) and $2.25 for coring. It is estimated that 40% of the holes will be cored and there will be 50 feet of coring in each hole cored. The project provides for 400 Stage I holes and 400 Stage II holes, being a total of 800 holes of 165 feet average depth, or 132,000 feet, making a drilling cost of $268,000.00. See Schedules 1, 2 and 3.

Road building and drill site preparation is estimated at eighty days of bulldozer work spread over the period of the drilling. Rental, with an operator, is quoted at $100 per day. Because many hole locations will be made after evaluating results of previous drilling, it will be necessary to transport the equipment to the project several times. A minimum of eight such trips at $100 per round trip is believed necessary. See Schedule 3.

(b) Labor, Supervision and Consultants.

Geo-Engineering will supervise, direct and act as consulting geologists for $1,666.00 per month and expenses. A draftsman and a stenographer will be provided on an hourly basis to prepare necessary project reports. A field assistant will be employed by Geo-Engineering or New-Mar Uranium Corp. to help with surveying and act as sampler. Such costs and expenses are estimated at $62,856.00 for the project. See Schedule 4, Item 6(B).

- - - - - - - - - - - - - - - - - - - -

(c) Operating Materials, Supplies, Etc.

Expenses for office supplies, map and drill log reproductions for monthly reports and correspondence with DMEA, etc., are estimated at $250.00 per month, or $6,000.00 for the project. Expenses for survey stakes, timber crayons, water bags, sample containers, etc. are estimated at $175.00 for the project. See Schedule 4, Item 6(C).

(d) Operating Equipment.

All operating equipment will be provided by independent contractors or by Geo-Engineering.

(e) Rehabilitation and Repairs.

None needed.

(f) New Buildings, Improvements and Installations.

Rental of one trailer house for field office and quartering supervisory personnel at $50.00 per month for 24 months is included in the estimated cost of the project. See Schedule 4, Item 6(F).

(g) Miscellaneous.

Expense of New-Mar Uranium Corp. for accounting and record keeping for project, etc. is estimated at $100.00 per month. Additional expenses for payroll taxes, estimated at 10% of salary items in (b) supra (wages of draftsman, steno, field assistant) are included at $70.30 per month. Schedule 4, Item 6(G).

(h) Contingencies.

Drilling contractors vary the drilling charge with depth of the hole. Estimate for drilling cost is based upon an average depth of 165 feet. However, it is probable that few, if any, holes will be less than 150 to 175 feet, while many may exceed 175 or even 200 feet. In such event, the drilling cost will exceed $2.0303 per foot. Estimates for road, trail and site construction may be inadequate in that they are based merely upon hourly rates for tractor and bulldozer work, whereas some rock drilling and blasting may be required. 15% is added for such contingencies. Labor, supervision and consultant payments are based on monthly or hourly charges. Any event which might prolong the project will increase such costs. 10% is added to cover such contingencies. Operating materials and supplies have been estimated at a minimum. Unforeseen destruction or consumption could easily increase these costs by 20%. Miscellaneous costs, supra, are increased 50% to cover omitted items, unforseeable

extra help requirements, taxes, etc. Schedule 4, item 6(H).

Analytical Work

The cost of analytical work is not included in or covered by the drilling costs, supra, or in the cost per foot of drilling. A separate unit cost of $6.00 per sample is included in the project. It is estimated that 1600 samples may be assayed. The contract price of independent assayers is $6.00, being:

U_3O_8	$3.50
V_2O_5	1.50
$CaCO_3$	1.00
	$6.00

It is estimated that the project will require an average of 2 assays per hole or analysis of 1600 samples at $6.00 each.

Rim Stripping

Rim-stripping will be done by qualified private contractors. The prices quoted in the area by competent firms for operator and rental of heavy equipment are $150.00 per day. It is estimated that approximately 10,000 feet of rim-stripping will require 68 days. One day each way is allowed for moving on and off the property. Costs and unit costs per lineal foot are thus estimated at 70 days. The approximate location of rim-stripping is shown on Plate 1.

Summary of Costs (from Schedule 5)

I.	Costs of Drilling, including all costs of project except analytical work and rim-stripping, shown separately:	$402,202.40
	Calculated unit cost: 132,000 feet drilling at $3.0460 per foot.	
II.	Analytical Work, contract unit cost 1600 samples at $6.00 each	9,600.00
III.	Cost of Rim-Stripping, supra (Estimated on basis of 90 days at $150.00 per day) 10,000 feet at $1.05	10,500.00
	TOTAL FOR PROJECT	422,302.40
	Amount to be paid by New-Mar Uranium Corp. (25%)	105,575.60
	Amount of Defense Minerals Exploration Administration Loan Requested	$316,726.80

(Note: Detail of estimated costs shown on Schedules 1, 2, 3 and 4, and Summary shown on Schedule 5.)

Geo-Engineering, 304 Main Street, Grand Junction, Colorado

Application for DMEA Project on the Ed and Elk Groups Prepared for New-Mar Uranium Corp., 718 Majestic Building, Denver, Colorado

- - - - - - - - - - - - - - - - -

Paragraph 7. Applicant's share of Cost

In accordance with the Defense Minerals Exploration Administration Regulations applicant, New-Mar Uranium Corp., is prepared to assume 25% of the cost of this project in the following manner, to-wit:

The company will perform all of the necessary work and pay for all of the labor, materials and supplies. Reimbursement of the company by the DMEA will be pursuant to the Summary of Costs immediately hereinabove, less 25%, i.e. the amount to be loaned by the Government will be 75% of the above shown unit costs for each of the units of work performed.

Respectfully submitted as a part of "Application for Aid in an Exploration Project" upon Form MF-103, attached hereto and made a part hereof.

NEW-MAR URANIUM CORP.

By _____ President

Application prepared, approved and recommended by:

Geo-Engineering (a partnership)
Louis P. Gaggini
Harold A. Culp
Lewis D. Anderson

By _____

SCHEDULE 1.

DRILL HOLE DEPTH

It is estimated that drilling depths will range from 150 to 175 feet and will average 165 feet. Stage I drilling proposes 400 holes, average depth 165 feet.

Stage I Drilling:

400 holes - average depth 165 feet (est'd) .. total 66,000 feet

Stage II drilling:

400 holes - average depth 165 feet (est'd) .. total 66,000 feet

TOTAL PROJECT ..... 132,000 feet

SCHEDULE 2.

DRILLING SUMMARY

	Holes	Est. Depth per Hole	Est. Non-Core Drilling Per Hole	Est. Coring per Hole
Stage I:	160	165	115	50
	240	165	165	0
Stage II:	160	165	115	50
	240	165	165	0
TOTAL	800			

	Holes	Est. Total Feet Drilling	Est. Non-Core Drilling	Est. Core Drilling
Stage I:	160	26,400	18,400	8,000
	240	39,600	39,600	0
Stage II:	160	26,400	18,400	8,000
	240	39,600	39,600	0
		132,000	116,000	16,000
Price per foot		$2.0303	$2.00	$2.25
Cost		$268,000.00	$232,000.00	$36,000.00

SCHEDULE 3

ESTIMATES OF AMOUNTS TO BE PAID TO INDEPENDENT CONTRACTORS (excluding rim-stripping & analysis)

Explanation	Units	No. of Units	Cost/unit	Total Cost/Item	Grand Total
Drilling Contractor:					
Stage I Drilling (See Schedule 2)					
400 holes @ 165 feet	feet	(66,000)			
Non-core drilling	feet	58,000	$2.00	$116,000.00	
Core drilling	feet	8,000	2.25	18,000.00	
Stage II Drilling (See Schedule 2)					
400 holes @ 165 feet	feet	(66,000)			
Non-core drilling	feet	58,000	2.00	116,000.00	
Core drilling	feet	8,000	2.25	18,000.00	
TOTAL DRILLING		132,000		$268,000.00	$268,000.
Bulldozer & Tractor Contractor:					
Moving on & off property	rd. trip	8	100.00	800.00	
Rental with operator	Day	80	100.00	8,000.00	
TOTAL					8,800.
Total estimated to be paid to independent contractors-feet		132,000	$2.096		$276,800.

(Note: Amounts to be paid contractors for rim-stripping and analytical work are shown separately; see Schedule 5)

SCHEDULE 4 - OTHER COSTS

	Item & MF-103 heading Letter	Cost Per Month	Cost Project	Unit Cost 132,000 ft.
6(b)	**Labor, Supervision &Consultants**			
	Geo-Engineering fees	$1,666.00	39,984.00	
	Expenses (other than personnel)	250.00	6,000.00	
	Draftsman (80 hrs. per mo. @ $3.00	240.00	5,760.00	
	Steno-typist (40 hrs. per mo. @ $2.20)	88.00	2,112.00	
	Sampler - field assistant	375.00	9,000.00	
	Total, Item 6(b)	$2,619.00	$62,856.00	$.4761
6(c)	**Operating Materials, Supplies, etc.**			
	Office supplies, map and drill log reproductions for monthly reports and correspondence with DMEA, etc.	250.00	6,000.00	
	Survey stakes, timber crayons, water bags, sample containers, etc.		175.00	
	Total, Item 6(c)		$6,175.00	$.0467
6(d)	**Operating Equipment**			
	All operating equipment will be provided by independent contractors or by Geo-Engineering		None	
6(e)	**Rehabilitation and Repairs**			
	None needed		None	
6(f)	**New Buildings, Improvements & Installations**			
	Rental of one trailer house	50.00	1,200.00	$.0090
6(g)	**Miscellaneous**			
	Expense for accounting and record keeping for project,etc.	100.00	2,400.00	
	Payroll taxes, estimated at 10% of Items in (b) supra - wages of draftsman, steno, field assistant	70.30	1,687.20	
	Total, Item 6(g)	$170.30	$4,087.20	$.0309

6(h)	**Contingencies**			
	15% of $276,800.00	$41,520.00	(Schedule 3)	
	10% of 62,856.00	6,285.60	(Item 6(b))	
	20% of 6,175.00	1,235.00	(Item 6(c))	
	50% of 4,087.20	2,043.60	(Item 6(g))	
	Total, Item 6(h)	$51,084.20	$51,084.20	$3870

SCHEDULE 4 - Continued

RECAPITULATION

Item	Cost Project	Unit Cost
6(b)	$62,856.00	$.4761
6(c)	6,175.00	.0467
6(d)	None	None
6(e)	None	None
6(f)	1,200.00	.0090
6(g)	4,087.20	.0309
6(h)	51,084.20	.3870
	$125,402.40	$.9497

SCHEDULE 5

SUMMARY OF COSTS AND CALCULATION OF UNIT COSTS

Letter Heading	Description of Item	No. of Units	Unit Cost	Cost Project
6(a)	Drilling [redacted] Independent Contractor. See Schedule III	132,000	$2.0963	$276,800.00
6(b)	Labor, Supervision & Consultants. See Item 6(b) Schedule 4	"	.4761	62,856.00
6(c)	Operating, Material, Supplies See Item 6(c) Schedule 4	"	.0467	6,175.00
6(d)	Operating, equipment, etc. See Item 6(d) Schedule 4	"	None	None
6(e)	Rehabilitation and repairs See Item 6(e) Schedule 4	"	None	None
6(f)	New Building, etc. See Item 6(f) Schedule 4	"	.0090	1,200.00
6(g)	Miscellaneous See Item 6(g) Schedule 4	"	.0309	4,087.20
6(h)	Contingencies See Item 6(h) Schedule 4	"	.3870	51,084.20
	TOTAL PROJECT AND CALCULATED UNIT COST BEFORE RIM-STRIPPING AND ANALYTICAL WORK	132,000	$3.0460	$402,202.40
	Analytical	1600 samples @ $6.00		9,600.00
	Rim-Stripping (Estimated on basis of 70 days at $150.00 per day)	10,000 feet @ $1.05		10,500.00
		TOTAL PROJECT		$422,302.40

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DMEA

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

Defense Minerals Administration RECEIVED MAY 31 1955 BUREAU OF MINES Denver, Colorado

Not to be filled in by applicant

Date Rec'd MAR 28 1955

Docket No. 3838
Metal or Mineral Uranium
Date Received 5-31-55
Estimated Cost 42,302.40
Participation (Government %) 25

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: New-Mar Uranium Corp. (a Colorado corporation)

(*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. Statement attached

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract See statement attached, Para. P.

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

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Option to lease 20 claims - see statement attached & lease attached as Exhibit

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

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

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

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.

16—66551-1

See Paragraph _____ of statement attached ( ) to ( ) inclusive

Exhibit 1.

See Para. 5 of statement attached, ( ) to ( ) inclusive

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 90 days and be completed within 27 months from the date of an exploration project contract.

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

See Paragraph of statement attached ( ) to ( ) inclusive

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, see statement attached Para.

(*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 January , 195

NEW-MAR URANIUM CORPORATION
(Applicant)

By Ralph [illegible]
President

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

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

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

APPLICATION

for

DMEA PROJECT

on

ED and ELK GROUPS

for

MEW-MAR URANIUM CORPORATION
718 Majestic Building
Denver, Colorado

Geo-Engineering, 304 Main Street, Grand Junction, Colorado

Application for DMEA Project on the Ed and Elk Groups Prepared for New-Mar Uranium Corp., 718 Majestic Building, Denver, Colo.

- - - - - - - - - - -

INDEX

	Page
INTRODUCTION	1
ABSTRACT OF PROJECT	1
1. GENERAL	2
(a) Name of Applicant	2
(b) Type of Business Organization	2
(c) Officers of Applicant	2
Consulting Geologist and Address	3
3. PROPERTY RIGHTS OF APPLICANT	3
(a) Legal Description of Property	3
(b) Name of property	4
(c) Applicant's interest	4
(d) Reference to Lease	4
(e) Statement re Liens	4
(f) Record Title	4
4. PHYSICAL DESCRIPTION OF PROPERTY	4
(a) Operations	4
(b) Production, Reserves	4
(c) Geologic Features, Justification for Exploration	4
(d) Accessability	6
(e) Availability of Manpower, Supplies, etc.	6
5. EXPLORATION PROJECT	6
(a) Mineral	6
(b) Proposed work	6
Stage I drilling, rim-stripping	6
Stage II drilling	7
Geologic control of drilling	7
Logging and sampling	7
(c) Duration of Project	7
(d) Applicant's Ability and Experience	8
Information re applicant's consulting geologists	8
6. ESTIMATES OF COSTS OF PROJECT.	9
(a) Independent Contracts, drilling, road and site preparation	9
(b) Labor, Supervision and Consultants	9
(c) Operating Materials, Supplies, etc.	10
(d) Operating Equipment	10
(e) Rehabilitation and Repairs	10
(f) New Buildings, Improvements, etc.	10
(g) Miscellaneous	10
(h) Contingencies	10
Analytical Work	11
Rim Stripping	11
Summary of Costs, Loan Applied for	11
7. APPLICANT'S SHARE OF COST	12

Geo-Engineering, 304 Main Street, Grand Junction, Colorado

Application for DMEA Project on the Ed and Elk Groups, Prepared for New-Mar Uranium Corp., 718 Majestic Building, Denver, Colo.

- - - - - - - - - - - - - -

SCHEDULES

1. Drill Hole Depth
2. Drilling Summary
3. Estimates of Amounts to be paid to Independent Contractors
4. Other Costs
5. Summary of Costs and Calculation of Unit Costs

- - - - - - - - - - - - - -

EXHIBITS

Exhibit No. 1. Executed Form MF-103
Exhibit No. 2. Copy of Option to Lease (locators to applicant)
Exhibit No. 3. Owner's Executed Consent to Lien, Form MF-203

- - - - - - - - - - - - - -

MAPS AND PLATES

Figure 1. Index Map
Plate 1. Claim Map

GEO-ENGINEERING
304 Main Street
Grand Junction, Colo.

January , 1955

APPLICATION FOR DMEA PROJECT ON
THE ED AND ELK GROUPS

Prepared for

NEW-MAR URANIUM CORP.
718 Majestic Building
Denver, Colorado

INTRODUCTION

This application, prepared by Geo-Engineering is for the purpose of obtaining a DMEA project loan on two contiguous groups of claims, totaling 20 claims in the Elk Ridge area of San Juan County, Utah, for the applicant, New-Mar Uranium Corp.

DMEA form MF-103 has been executed and is attached as Exhibit 1. Numbering (and lettering) of the paragraphs of this report refer to and correspond with the paragraphs of Form MF-103.

ABSTRACT

This application is for a DMEA project contract of the short form or unit cost type. The project proposed is $422,302.40 for exploration of 20 claims lying in two contiguous groups in the Elk Ridge (unorganized) Mining District in San Juan County, Utah. A total of 132,000 feet of drilling is proposed, including 16,000 feet core drilling, at a unit cost of $2.0303 per foot. Additionally, 10,000 lineal feet of rim-stripping is proposed on the property at a unit cost of $1.05 per lineal foot, and provision is made for custom assaying at $6.00 per sample, these latter items being included in the total cost of the project but not included in calculation of the unit cost of the drilling. 25% of the total estimated expenditure, or $105,575.60 will be furnished by the applicant, New-Mar. The Defense Minerals Exploration Administration is requested to loan the rest, or $316,726.80.

The claim groups referred to lie within what appears at this time to be a mineral belt in the Shinarump formation. Extensive exploration in such inferred belt has produced some very large mines to the northeast and to the southwest.

The project is submitted as involving two Stages. Stage I

- - - - - - - - - - - - - -

provides for rim-stripping of the Moenkopi Shinarump[1] contract followed by drilling along the trend of all channels exposed thereby. Where rim-stripping is not feasible, drilling locations will be guided by radiometric surveys. The project provides for 400 Stage I holes (20 per claim) in wide pattern spacing. Average depth of the holes is estimated at 165 feet. As the program advances and more information becomes available, the holes will be located with approval of the DMEA field team where the geology appears most favorable.

Stage II of the proposed project provides for the drilling of an additional 66,000 feet, 400 holes, average depth 165 feet, to be located with the approval of the DMEA Field Team in areas where the Stage I operations produce evidence of mineralization or favorable geology.

Drilling to date in the area indicated that moisture and clay will preclude wagon drilling. Rotary drilling with air or water is contemplated. Approximately 40% of the holes will be cored averaging 50 feet of coring per hole. Thus approximately 12% of the entire footage will be cored.

Personnel of Geo-Engineering will act as consulting geologists and will supervise the execution of the project.

Paragraph 1. Name of applicant, etc.

(a) NEW-MAR URANIUM CORP.
718 Majestic Building, Denver, Colorado.

(b) Applicant is a Colorado corporation, duly qualified to do business in Colorado and in process of qualifying to do business in the State of Utah.

(c) Officers of the corporation (and also the directors) are:

Ralph W. Newton, Jr., President
1785 Sheppard St., Littleton, Colorado

Dr. David F. Powers
Fitzsimmons Gardens, Denver, Colorado

---

[1]As here used the term "Shinarump formation" includes all of the cap rock forming sandstones that lie at the base of the Chinle formation or between the Chinle and Moenkopi formation. The units which have by some been called "mossback", "Chinle D", and "Commission Sandstone" are all included here in the term "Shinarump formation".

Geo-Engineering, 304 Main Street, Grand Junction, Colorado

Application for DMEA Project on the Ed and Elk Groups Prepared for New-Mar Uranium Corp., 718 Majestic Building, Denver, Colorado.

- - - - - - - - - - - - - - - -

Charles W. Marion, Jr., Secy.-Treas.
1449 Detroit St., Denver, Colorado

NOTE:

As above stated, Geo-Engineering will be in active charge of the project for applicant. It is therefore requested that correspondence regarding this application be addressed to:

GEO-ENGINEERING
304 Main Street
Grand Junction, Colorado.

(d) Not applicable.

Paragraph 2. Not applicable.

Paragraph 3. Applicant's property rights, etc.

(a) Legal Description.

Lode mining claims in Elk Ridge (unorganized) Mining District in San Juan County, Utah, referred to as the Ed and Elk Groups, as follows:

Name of Claim	Original Location Certificate		O&G Lease Application Under Circular No. 7		Amended Location Certificate	
	Book	Page	Book	Page	Book	Page
Ed 34	79	399	79	418	251	291
Ed 35	79	400	79	419	251	292
Ed 36	79	401	79	419	251	293
Ed 37	79	402	79	420	251	294
Ed 38	79	403	79	420	251	295
Ed 39	79	404	79	421	251	296
Ed 40	79	405	79	421	251	297
Ed 41	79	406	79	422	251	298
Ed 42A	121	4	121	16	251	336
Ed 45	79	410	79	424	251	302
Ed 46A	121	6	121	18	251	340
Ed 47	121	6	121	18	251	341
Elk 1	155	57	--	--	251	360
Elk 2	155	57	--	--	251	361
Elk 3	155	58	--	--	251	362
Elk 4	155	58	--	--	251	363
Elk 6	155	59	--	--	251	365
Elk 8	155	60	--	--	251	367
Elk 10	155	61	--	--	251	369
Elk 12	155	62	--	--	251	371

Location of groups shown on attached Index Map (Figure) and claim map (Plate 1).

Applicant holds no other property in the area and none of the above described claims is excluded from this application.

(b) Name of property.

Property has no name other than the claim names and is herein referred to as the Ed and Elk Groups.

(c) Applicant's interest in property.

Applicant holds an option to lease upon the above described 20 claims, (copy) attached hereto as Exhibit 2.

(d) Option to Lease - copy attached, Exhibit 2.

Consent to Lien, Form MF-203, executed by owners-lessors, is attached hereto as Exhibit 3.

(e) Liens - None.

(f) Land consists of unpatented claims. Location certificates recorded, San Juan County, Utah, in the names of the lessors as above stated under Item (a). Photo copies will be furnished by applicant on request.

Paragraph 4. Physical Description of Property.

(a) Operations, etc.

There are no mine workings and there has been no exploratory work on the property.

(b) Production, Reserves.

There are no known deposits on the property.

(c) Geologic Features and Justification for Exploration.

Known deposits of uranium minerals occur in the basal Shinarump sandstones that fill channels which were cut into the underlying Moenkopi formations. Although no deposits have been found on the Ed and Elk claims, rim stripping along the contact between the Shinarump and Moenkopi formations will probably uncover some ore, mineralized sandstone lenses, or areas of favorable geology to be used as control for the drilling, which should follow the rim stripping.

Applicant's consulting geologists are of the opinion that the scarcity of exploration drilling in the vicinity of the claims

is probably the principal reason this immediate area is not presently producing ore, as it appears that they are situated in a uranium "mineral belt" of closely spaced ore bodies similar to the "Uravan Mineral Belt", which latter belt has now been so clearly defined by thorough and systematic exploration performed by the large companies and government agencies.

If such a belt does exist (and applicant's geologists are of the opinion that it does exist), the prospects for these 20 claims appears very good since the Steen area which contains several very large ore bodies lies to the northeast along the belt and the White Canyon area, including the fabulous multimillion dollar Happy Jack mine, lies to the southwest.

Government drilling programs in White Canyon and on Deer Flat have been gradually proving the belt northward into Elk Ridge. Several of the ore bodies found to date by this drilling are being very profitably exploited even though they are not as large as the Steen and Happy Jack ore bodies. It seems reasonable, however, to expect that there might be some other very large ore bodies located along this inferred belt.

Areas immediately to the north and southwest of the claims along this inferred mineral belt has been withdrawn by the Atomic Energy Commission, and Government exploration projects are now in progress upon them. Detailed results are, of course, not available to applicant, as this information is released only to claim owners. But it is common knowledge that some ore is being discovered by both programs. Approximately 10 miles west, Fendel Sitton, an experienced and well-known operator, is producing about 50 tons a day from his mines on Deer Flat.

Geology: The Ed and Elk group of claims are located on the Monument upwarp, a broad flattened anticline with a north-south axis. Elk Ridge is the northern nose and eastern flank of the anticline.

Stratigraphy: The flat narrow mesa upon which the claims lie is formed by the resistant Shinarump formation of late Triassic age. This formation is the only economically important ore-bearing formation underlying this group of claims. Ore has been found in the Permian Cutler formation which also underlies the claims, but the cost of drilling the deep holes necessary to test this horizon would probably be prohibitive.

The term Shinarump Formation as used in this application includes all of the Cap rock forming sandstones that lie at the base of the Chinle formation or between the Chinle and Moenkopi formations. The units which have been called "Mossback", "Chinle D",

- - - - - - - - - - - - - - - - -

and "Commission Sandstone" by various stratigraphers are all included in the Shinarump formation as defined in this report.

In this area which is close to the type locality, the Mossback unit of the Chinle is an apparently persistant, highly-resistant sandstone, the top of which lies about 150 feet above the Chinle-Moenkopi contact. The ore bodies of the area will probably occur in the sandstone lenses which lie at the Chinle-Moenkopi contact.

Drill site preparation will be relatively simple and inexpensive on the Ed and Elk group because of the predominately flat terrain and absence of heavy underbrush and dense timber. Comparatively shallow drilling depths will be required to test the basal shinarump sandstones. Such depths being estimated to range from 150 to 175 feet.

(d) Accessability.

The claims lie about 20 airline miles west of Blanding, Utah and about 65 miles southwest of Moab. Haulage distance to the A.E.C. plant at Monticello is about 47 miles - 22 miles on an excellent paved highway and 25 miles over better than average mine roads. Moab and Monticello have adequate mine supply houses.

(e) Availability of Manpower, Etc.

Manpower, skilled in performing the type of drilling and exploration planned, is readily available in the area. Dependable sources of material and supplies are also available. Equipment will be furnished by private contractors.

Geo-Engineering, a professional engineering firm, will supply surveying instruments and transportation for technical personnel.

Paragraph 5. The exploration project.

(a) The mineral for which this project will explore is Uranium.

(b) Proposed work, etc.

The Exploration Plan recommended to the Defense Exploration Administration and to New-Mar Uranium Corporation, are as follows:

Stage I:

Approximately 10,000 lineal feet of rim-stripping by bulldozer should be done on the claims in the approximate location shown on Plate I.

Radiometric surveys should be made in areas where it is not feasible to expose the contact rim by stripping.

Geo-Engineering, 304 Main Street, Grand Junction, Colorado

Application for DMEA Project on the Ed and Elk Groups Prepared for New-Mar Uranium Corp., 718 Majestic Building, Denver, Colorado

- - - - - - - - - - - - - - - - - - - -

Drilling of 400 proposed holes at sites to be selected and submitted to the DMEA Field Team for approval as data from rim-stripping is obtained. Depth of the holes is estimated to range from 150 feet to 175 feet and the average depth of such 400 holes is estimated to be 165 feet, the aggregate footage thus being 66,000 feet.

Stage II:

Drilling of 400 additional test holes following the usual pattern of fifty foot spacing in and around the areas where the Stage I stripping and drilling has revealed favorable geology. Locations of such Stage II holes to be made with the approval of the DMEA Field Team as data from the preliminary work is accumulated and evaluated. Estimated depths of the Stage II holes is the same as for Stage I drilling, i.e., 165 feet per hole and the proposed 400 holes will thus involve an aggregate of 66,000 feet.

Geologic Control of Drilling.

Applicant's consulting geologists will maintain close geologic control over the drilling and will locate and relocate proposed drill sites with prior DMEA approval, in the light of continually developing information.

Logging and Sampling.

A sampler who will also act as a field assistant for surveying will be employed to do the logging and sampling. An accurate log will be maintained by the driller. Barren core will be arranged on the ground or otherwise preserved and properly identified so that the geologist or sampler can carefully check the driller's log. Core from each run will be carefully dropped out of the core barrel into a wooden trough and will be carefully examined by the sampler or other competent individual, using a field gamma ray detecting device. If any trace of mineralization is found, the complete core run will be arranged in a core box provided with a hinged lid and will be properly preserved until the geologist can properly sample the same. Core losses will be prorated proportionately, regardless of lithology. Each sample will be carefully described by the geologist in a bound field book, as it is placed in the sample rack. All samples will be sent to commercial assayers for percentage determination of U_3O_8, V_2O_3, and $CaCO_3$.

(c) Duration of Project.

The work will start within 90 days from the date of an exploration contract. It is estimated that it will require 24 months to complete this project. To the extent feasible, only one drill will be employed because the use of two drills tends to result in inadequate geological control, wasted footage and an increase in exploration costs per ton of ore discovered.

Geo-Engineering, 304 Main Street, Grand Junction, Colorado

Application for DMEA Project on the Ed and Elk Groups Prepared for New-Mar Uranium Corp., 718 Majestic Building, Denver, Colorado.

- - - - - - - - - - - - - - - - -

(d) Ability, Operating Experience, etc.

Applicant's President, Mr. Newton, has completed five successful years in the consumer finance business as manager and vice-president of one company. Dr. David Powers, Dentist, has had business experience in operating his own office

Geo-Engineering, a firm of professional engineers and geologists, with offices conveniently located at Norwood, Colorado, and at Grand Junction, Colorado, will act as consultants to New-Mar for this project. A brief description of the experience background of the three general partners of Geo-Engineering is given below.

Louis P. Gaggini, who is Chief Geologist for Geo-Engineering, began working in uranium in 1941, as geologist for the Union Mines Development Corporation, a contractor for the United States Army Manhattan Engineering Project. Subsequent experience in carnotite exploration included almost two years with the Exploration Branch of the Atomic Energy Commission in Grand Junction and six months with the United States Vanadium Company. Mr. Gaggini was for two years Mining Superintendent of the Dulaney Mining Company, where he was in charge of all mining and exploration. This company is at present mining large tonnages from ore bodies which were discovered during that period. From August, 1952 to February, 1953, Mr. Gaggini was manager of the Colorado Uranium Division of the J. R. Simplot Company. During this period Mr. Gaggini successfully prepared applications for and administered for several months two large DMEA projects.

Harold A. Culp is a geologist and geophysicist and a co-partner in Geo-Engineering with Mr. Gaggini and Mr. Lewis D. Anderson Since graduating with a degree in economic geology from Oregon State College in 1941, Mr. Culp has, in addition to uranium, worked with gold, oil, copper, cobalt and tungsten; this includes 6 years' experience in metal mining and 5 years of geophysical prospecting in oil and mining. In addition to mine management for others, he has operated a mine in which he shared a 1/3 investment interest. His work has included the preparation of Defense Minerals Exploration Administration projects and, after approval of loan applications by that agency, supervision of the project. During 1953-54, Mr. Culp was project geologist and then acting superintendent of the Bull Canyon Mines of the J. R. Simplot Company.

Lewis D. Anderson, mining engineer, is a graduate from the Colorado School of Mines (registered mining engineer #1844 in Colorado). From December, 1946 through 1948, Mr. Anderson worked as engineer and shift boss for the Resurrection Mining Company at Leadville, Colorado. From January, 1949 through April, 1950, he worked as mining engineer in the General Chemical Division of Allied Chemical and Dye. He was mine foreman of the Rico-Argentine Mining Company, Rico, Colorado, from June, 1950 to October, 1951. Mr. Anderson then accepted employment

- - - - - - - - - - - - - - - - -

as Division Engineer for the Dulaney Mining Company in the Gateway, Dove Creek, Monticello, and Gyp Valley areas. From June, 1952 to 1954, Mr. Anderson's duties as mining engineer covered both the mining and milling of uranium-vanadium ores and included jurisdiction over the United States Vanadium Company's uranium operations in the Edgemont, South Dakota area.

Paragraph 6. Estimate of costs.

Applicant requests that this exploration project contract be placed upon a unit cost basis. Costs of the project are calculated in terms of the cost per foot of drilling, except for the costs of sample analysis and of rim-stripping, reflected by separate units of cost.

DETAIL OF COSTS OF PROJECT

(a) Independent Contracts.

Drilling will be done by qualified private contractors. The prices quoted by competent firms active in the uranium field are used as the unit cost in estimating the drilling cost at $2.0303 per foot. Such cost is estimated upon the basis of an average depth of 165 feet, assuming maximum depth of 175 feet. The prices quoted for hole depths 0 feet to 200 feet are $2.00 per foot for drilling (rotary rig with air or water, as may be required) and $2.25 for coring. It is estimated that 40% of the holes will be cored and there will be 50 feet of coring in each hole cored. The project provides for 400 Stage I holes and 400 Stage II holes, being a total of 800 holes of 165 feet average depth, or 132,000 feet, making a drilling cost of $268,000.00. See Schedules 1, 2 and 3.

Road building and drill site preparation is estimated at eighty days of bulldozer work spread over the period of the drilling. Rental, with an operator, is quoted at $100 per day. Because many hole locations will be made after evaluating results of previous drilling, it will be necessary to transport the equipment to the project several times. A minimum of eight such trips at $100 per round trip is believed necessary. See Schedule 3.

(b) Labor, Supervision and Consultants.

Geo-Engineering will supervise, direct and act as consulting geologists for $1,666.00 per month and expenses. A draftsman and a stenographer will be provided on an hourly basis to prepare necessary project reports. A field assistant will be employed by Geo-Engineering or New-Mar Uranium Corp. to help with surveying and act as sampler. Such costs and expenses are estimated at $62,050.00 for the project. See Schedule 4, Item 6(B).

- - - - - - - - - - - - - - - - - - - -

(c) Operating Materials, Supplies, Etc.

Expenses for office supplies, map and drill log reproductions for monthly reports and correspondence with DMEA, etc., are estimated at $250.00 per month, or $6,000.00 for the project. Expenses for survey stakes, timber crayons, water bags, sample containers, etc. are estimated at $175.00 for the project. See Schedule 4, Item 6(C).

(d) Operating Equipment.

All operating equipment will be provided by independent contractors or by Geo-Engineering.

(e) Rehabilitation and Repairs.

None needed.

(f) New Buildings, Improvements and Installations.

Rental of one trailer house for field office and quartering supervisory personnel at $50.00 per month for 24 months is included in the estimated cost of the project. See Schedule 4, Item 6(F).

(g) Miscellaneous.

Expense of New-Mar Uranium Corp. for accounting and record keeping for project, etc. is estimated at $100.00 per month. Additional expenses for payroll taxes, estimated at 10% of salary items in (b) supra (wages of draftsman, steno, field assistant) are included at $70.30 per month. Schedule 4, Item 6(G).

(h) Contingencies.

Drilling contractors vary the drilling charge with depth of the hole. Estimate for drilling cost is based upon an average depth of 165 feet. However, it is probable that few, if any, holes will be less than 150 to 175 feet, while many may exceed 175 or even 200 feet. In such event, the drilling cost will exceed $2.0303 per foot. Estimates for road, trail and site construction may be inadequate in that they are based merely upon hourly rates for tractor and bulldozer work, whereas some rock drilling and blasting may be required. 15% is added for such contingencies. Labor, supervision and consultant payments are based on monthly or hourly charges. Any event which might prolong the project will increase such costs. 10% is added to cover such contingencies. Operating materials and supplies have been estimated at a minimum. Unforeseen destruction or consumption could easily increase these costs by 20%. Miscellaneous costs, supra, are increased 50% to cover omitted items, unforeseeable

extra help requirements, taxes, etc. Schedule 4, item 6(H).

Analytical Work

The cost of analytical work is not included in or covered by the drilling costs, supra, or in the cost per foot of drilling. A separate unit cost of $6.00 per sample is included in the project. It is estimated that 1600 samples may be assayed. The contract price of independent assayers is $6.00, being:

U_3O_8	$3.50
V_2O_5	1.50
$CaCO_3$	1.00
	$6.00

It is estimated that the project will require an average of 2 assays per hole or analysis of 1600 samples at $6.00 each.

Rim Stripping

Rim-stripping will be done by qualified private contractors. The prices quoted in the area by competent firms for operator and rental of heavy equipment are $150.00 per day. It is estimated that approximately 10,000 feet of rim-stripping will require 68 days. One day each way is allowed for moving on and off the property. Costs and unit costs per lineal foot are thus estimated at 70 days. The approximate location of rim-stripping is shown on Plate 1.

Summary of Costs (from Schedule 5)

I.	Costs of Drilling, including all costs of project except analytical work and rim-stripping, shown separately:	$402,202.40
	Calculated unit cost: 132,000 feet drilling at $3.0460 per foot.	
II.	Analytical Work, contract unit cost 1600 samples at $6.00 each	9,600.00
III.	Cost of Rim-Stripping, supra (Estimated on basis of 90 days at $150.00 per day) 10,000 feet at $1.05	10,500.00
	TOTAL FOR PROJECT	422,302.40
	Amount to be paid by New-Mar Uranium Corp. (25%)	105,575.60
	Amount of Defense Minerals Exploration Administration Loan Requested	$316,726.80

(Note: Detail of estimated costs shown on Schedules 1, 2, 3 and 4, and Summary shown on Schedule 5.)

Geo-Engineering, 304 Main Street, Grand Junction, Colorado

Application for DMEA Project on the Ed and Elk Groups Prepared for New-Mar Uranium Corp., 718 Majestic Building, Denver, Colorado

- - - - - - - - - - - - - - - - - -

Paragraph 7. Applicant's share of Cost

In accordance with the Defense Minerals Exploration Administration Regulations applicant, New-Mar Uranium Corp., is prepared to assume 25% of the cost of this project in the following manner, to-wit:

The company will perform all of the necessary work and pay for all of the labor, materials and supplies. Reimbursement of the company by the DMEA will be pursuant to the Summary of Costs immediately hereinabove, less 25%, i.e. the amount to be loaned by the Government will be 75% of the above shown unit costs for each of the units of work performed.

Respectfully submitted as a part of "Application for Aid in an Exploration Project" upon Form MP-103, attached hereto and made a part hereof.

NEW-MAR URANIUM CORP.

By _____ President

Application prepared, approved and recommended by:

Geo-Engineering (a partnership)
Louis F. Gaggini
Harold A. Culp
Lewis D. Anderson

By _____

SCHEDULE 1.

DRILL HOLE DEPTH

It is estimated that drilling depths will range from 150 to 175 feet and will average 165 feet. Stage I drilling proposes 400 holes, average depth 165 feet.

Stage I Drilling:

400 holes - average depth 165 feet (est'd) .. total 66,000 feet

Stage II drilling:

400 holes - average depth 165 feet (est'd) .. total 66,000 feet

TOTAL PROJECT ..... 132,000 feet

SCHEDULE 2.

DRILLING SUMMARY

	Holes	Est. Depth per Hole	Est. Non-Core Drilling Per Hole	Est. Coring per Hole
Stage I:	160	165	115	50
	240	165	165	0
Stage II:	160	165	115	50
	240	165	165	0
TOTAL	800			

	Holes	Est. Total Feet Drilling	Est. Non-Core Drilling	Est. Core Drilling
Stage I:	160	26,400	18,400	8,000
	240	39,600	39,600	0
Stage II:	160	26,400	18,400	8,000
	240	39,600	39,600	0
		132,000	116,000	16,000
Price per foot		$2.0303	$2.00	$2.25
Cost		$268,000.00	$232,000.00	$36,000.00

SCHEDULE 3

ESTIMATES OF AMOUNTS TO BE PAID TO INDEPENDENT CONTRACTORS (excluding rim-stripping & analysis)

Explanation	Units	No. of Units	Cost/unit	Total Cost/Item	Grand Total
Drilling Contractor:					
Stage I Drilling (See Schedule 2)					
400 holes @ 165 feet	feet	(66,000)			
Non-core drilling	feet	58,000	$2.00	$116,000.00	
Core drilling	feet	8,000	2.25	18,000.00	
Stage II Drilling (See Schedule 2)					
400 holes @ 165 feet	feet	(66,000)			
Non-core drilling	feet	58,000	2.00	116,000.00	
Core drilling	feet	8,000	2.25	18,000.00	
TOTAL DRILLING		132,000		$268,000.00	$268,000.
Bulldozer & Tractor Contractor:					
Moving on & off property	rd. trip	8	100.00	800.00	
Rental with operator	Day	80	100.00	8,000.00	
TOTAL					8,800.
Total estimated to be paid to independent contractors-feet		132,000	$2.096		$276,800.

(Note: Amounts to be paid contractors for rim-stripping and analytical work are shown separately; see Schedule 5)

SCHEDULE 4 - OTHER COSTS

	Item & MF-103 heading Letter	Cost Per Month	Cost Project	Unit Cost 132,000 ft.
6(b)	**Labor, Supervision &Consultants**			
	Geo-Engineering fees	$1,666.00	39,984.00	
	Expenses (other than personal)	250.00	6,000.00	
	Draftsman (80 hrs. per mo. @ $3.00	240.00	5,760.00	
	Steno-typist (40 hrs. per mo. @ $2.20)	88.00	2,112.00	
	Sampler - field assistant	375.00	9,000.00	
	Total, Item 6(b)	$2,619.00	$62,856.00	$.4761
6(c)	**Operating Materials, Supplies, etc.**			
	Office supplies, map and drill log reproductions for monthly reports and correspondence with DMEA, etc.	250.00	6,000.00	
	Survey stakes, timber crayons, water bags, sample containers, etc.		175.00	
	Total, Item 6(c)		$6,175.00	$.0467
6(d)	**Operating Equipment**			
	All operating equipment will be provided by independent contractors or by Geo-Engineering		None	
6(e)	**Rehabilitation and Repairs**			
	None needed		None	
6(f)	**New Buildings, Improvements & Installations**			
	Rental of one trailer house	50.00	1,200.00	$.0090
6(g)	**Miscellaneous**			
	Expense for accounting and record keeping for project,etc.	100.00	2,400.00	
	Payroll taxes, estimated at 10% of Items in (b) supra - wages of draftsman, steno, field assistant	70.30	1,687.20	
	Total, Item 6(g)	$170.30	$4,087.20	$.0309
6(h)	**Contingencies**			
	15% of $276,800.00	$41,520.00	(Schedule 3)	
	10% of 62,856.00	6,285.60	(Item 6(b))	
	20% of 6,175.00	1,235.00	(Item 6(c))	
	50% of 4,087.20	2,043.60	(Item 6(g))	
	Total, Item 6(h)	$51,084.20	$51,084.20	$3870

SCHEDULE 4 - Continued

RECAPITULATION

Item	Cost Project	Unit Cost
6(b)	$62,856.00	$.4761
6(c)	6,175.00	.0467
6(d)	None	None
6(e)	None	None
6(f)	1,200.00	.0090
6(g)	4,087.20	.0309
6(h)	51,084.20	.3870
	$125,402.40	$.9497

SCHEDULE 5

SUMMARY OF COSTS AND
CALCULATION OF UNIT COSTS

Letter Heading	Description of Item	No. of Units	Unit Cost	Cost Project
6(a)	Drilling - Independent Contractor. See Schedule III	132,000	$2.0963	$276,800.00
6(b)	Labor, Supervision & Consultants. See Item 6(b) Schedule 4	"	.4761	62,856.00
6(c)	Operating, Material, Supplies See Item 6(c) Schedule 4	"	.0467	6,175.00
6(d)	Operating, equipment, etc. See Item 6(d) Schedule 4	"	None	None
6(e)	Rehabilitation and repairs See Item 6(e) Schedule 4	"	None	None
6(f)	New Building, etc. See Item 6(f) Schedule 4	"	.0090	1,200.00
6(g)	Miscellaneous See Item 6(g) Schedule 4	"	.0309	4,087.20
6(h)	Contingencies See Item 6(h) Schedule 4	"	.3870	51,084.20
	TOTAL PROJECT AND CALCULATED UNIT COST BEFORE RIM-STRIPPING AND ANALYTICAL WORK	132,000	$3.0460	$402,202.40
	Analytical	1600 samples @ $6.00		9,600.00
	Rim-Stripping (Estimated on basis of 70 days at $150.00 per day)			10,500.00
		10,000 feet @ $1.05		
		TOTAL PROJECT		$422,302.40