THE SHARPLES OIL CORPORATION

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

June 15, 1955

COPY

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

Dear Sir:

Application pursuant to the provisions of DMEA Order 1 is hereby submitted for an exploration project in the San Rafael District, Emery County, Utah, twelve miles southwest of the town of Green River, Utah.

The geologic probability of making a significant discovery of uranium ore is indicated by:

1. Surface outcrops of uranium ore in the Salt Wash member of the Morrison formation on three sides of this property.

2. Known large ore bodies (Four Corners and Uranium Prospectors Company, Ltd.) possessing the same geologic environment in the near vicinity.

3. Fourteen core holes drilled on this property, seven of which have shown U_3O_8 mineralization ranging from poor to three feet of .4% U_3O_8 (with seven feet mineralized).

The project is readily accessible and is located within seventeen miles over good roads from the buying station about to be constructed in Green River.

The Sharples Oil Corporation will provide or contract the necessary manpower, equipment and supervisory personnel to conduct the exploration, including drilling and road building equipment. Adequate quantities of water and necessary supplies are available to carry out the project.

Total cost of the project is $122,280.50, of which it is understood The Sharples Oil Corporation is to participate in the sum of $30,570.13. Full cooperation will be rendered as to monthly reports of progress, geologic data obtained, and results accomplished.

Very truly yours,

THE SHARPLES OIL CORPORATION

Samuel Butler, Jr.

Samuel Butler, Jr., President

rw

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DMEA
Date Rec'd. JUN 17 1955
Form Approved.
Budget Bureau No. 42-R1035.2.

BUREAU OF MINES
Denver, Colorado

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

Not to be filled in by applicant

Docket No. 3871
Metal or Mineral Uranium
Date Received 6/24/55
Estimated Cost $122,280.50
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: THE SHARPLES OIL CORPORATION, Suite 1001 - 1700 Broadway, Denver, Colorado

(*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. Corporation, Delaware.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers. See Attachment #1.

(*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 Unpatented Mineral Location: Bivalve #1, 2, 5, 6, 9, 12; Deseret #1, 2, 3; Geode #1, 2, 3, 4, 5; Sahara #1 to 24, Incl.; Brink #1, 2, 3, 4, Frangipani #1 to 9, Incl.; Gunny Sack #1, 2, 3; Utah State Mineral Lease #8255; situated in the Green River Mining District in Sections 1, 2, 3, 10, 11, 14, 15, 35, T's 21 & 22 S, R 14 East, SLM, Emery County, Utah.

(*b*) State any mine name by which the property is known. None, at present.

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

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property. See Attachments #2-A, #2-B, #2-C.

(*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 Attachment #3.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes. See Attachment #4.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. See Attachment #4.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you. See Attachment #4.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. See Attachment #4.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power. See Attachment #4.

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JUN 24 1955

16-66551-1

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore See Attachment #4.

(*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 contact veins, ore-bearing beds, etc. See Attachment #4.

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract. See Attachment #4.

(*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 Attachment #4.

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: $122,280.50

(*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.). See Attachment #4.

(*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. See Attachment #4.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel. See Attachment #4.

(*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. See Attachment #4.

(*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. See Attachment #4.

(*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. See Attachment #4.

(*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. See Attachment #4.

(*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. See Attachment #4.

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)? See Attachment #4.

(*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 June 15, 1955

THE SHARPLES OIL CORPORATION
(Applicant)

By Samuel Butler Jr.
Samuel Butler, Jr., 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

Attachment #1
The Sharples Oil Corporation
1700 Broadway
Denver, Colorado

LIST OF OFFICERS OF

THE SHARPLES OIL CORPORATION, A DELAWARE CORPORATION

P. T. Sharples	Board Chairman	2300 Westmoreland St., Philadelphia, Pa.
Samuel Butler, Jr.	President	1700 Broadway, Denver, Colorado
Walter E. Cox	Secretary & Treas.	2300 Westmoreland St., Philadelphia, Pa.
W. A. Wiegand	Asst. Secy.-Treas.	1700 Broadway, Denver, Colorado

COPY

Attachment #3
The Sharples Oil Corporation
1700 Broadway
Denver, Colorado

MINING CLAIM - NOTICE OF LOCATION

NAME OF CLAIM	LOCATION DATE	RECORDED BOOK	RECORDED PAGE	NAME(S) OF LOCATORS
B1-VALVE #1	10-30-54	J60	111	JERRY W. HILL AND GEORGE C. WHITLOCK
B1-VALVE #2	11-18-54	J64	229	JERRY W. HILL
B1-VALVE #5	10-30-54	J60	112	JERRY W. HILL AND GEORGE C. WHITLOCK
B1-VALVE #6	11-18-54	J64	230	JERRY W. HILL
B1-VALVE #9	11-12-54	J61	302	JERRY W. HILL AND ACE RAYMOND
B1-VALVE #12	10-30-54	J60	113	JERRY W. HILL AND GEORGE C. WHITLOCK
DESERET #1	9-6-54	J44	150	RAY M. WILLIAMS, GORDON L. BECKSTRAND, AND JERRY W. HILL
DESERET #2	9-6-54	J44	151	RAY M. WILLIAMS, GORDON L. BECKSTRAND, AND JERRY W. HILL
DESERET #3	9-6-54	J44	152	RAY M. WILLIAMS, GORDON L. BECKSTRAND, AND JERRY W. HILL
GEODE #1	8-28-54	J42	166	GEORGE E. BARTSCHI AND LAVON G. HANSEN
GEODE #2	8-28-54	J42	167	GEORGE E. BARTSCHI AND LAVON G. HANSEN
GEODE #3	8-28-54	J42	168	GEORGE E. BARTSCHI AND LAVON G. HANSEN
GEODE #4	8-28-54	J42	169	GEORGE E. BARTSCHI AND LAVON G. HANSEN
GEODE #5	8-28-54	J42	170	GEORGE E. BARTSCHI AND LAVON G. HANSEN
SAHARA #1	10-22-54	J60	116	JOEL L. FRYKMAN, HOWARD R. FOULGER, AND JERRY W. HILL
SAHARA #2	10-22-54	J60	117	JOEL L. FRYKMAN, HOWARD R. FOULGER, JERRY W. HILL, AND GEORGE C. WHITLOCK
SAHARA #3	10-22-54	J60	118	JOEL L. FRYKMAN, HOWARD R. FOULGER, GEORGE C. WHITLOCK, AND JERRY W. HILL
SAHARA #4	10-22-54	J60	119	JOEL L. FRYKMAN, HOWARD R. FOULGER, GEORGE C. WHITLOCK, AND JERRY W. HILL
SAHARA #5	10-22-54	J60	120	JOEL L. FRYKMAN, HOWARD R. FOULGER, GEORGE C. WHITLOCK, AND JERRY W. HILL
SAHARA #6	10-22-54	J60	121	JERRY W. HILL, JOEL L. FRYKMAN, HOWARD R. FOULGER, AND GEROGE C. WHITLOCK
SAHARA #7	10-22-54	J60	122	JOEL L. FRYKMAN, HOWARD R. FOULGER, AND JERRY W. HILL
SAHARA #8	10-22-54	J60	123	JOEL L. FRYKMAN, HOWARD R. FOULGER, AND JERRY W. HILL
SAHARA #9	10-22-54	J60	124	JOEL L. FRYKMAN, HOWARD R. FOULGER, AND JERRY W. HILL
SAHARA #10	10-22-54	J60	125	JOEL L. FRYKMAN, HOWARD R. FOULGER, AND JERRY W. HILL
SAHARA #17	10-23-54	J59	247	JERRY W. HILL, GEORGE C. WHITLOCK, AND JOEL L. FRYKMAN
SAHARA #18	10-23-54	J59	248	JERRY W. HILL, GEORGE C. WHITLOCK, AND JOEL L. FRYKMAN
SAHARA #19	10-23-54	J59	249	JERRY W. HILL, GEORGE C. WHITLOCK, AND JOEL L. FRYKMAN
SAHARA #20	10-23-54	J59	250	JERRY W. HILL, DOUGLAS WHITLOCK, AND JOEL L. FRYKMAN
SAHARA #21	10-23-54	J59	251	JERRY W. HILL, GEORGE C. WHITLOCK, AND JOEL L. FRYKMAN
SAHARA #22	10-23-54	J59	252	JERRY W. HILL, GEORGE C. WHITLOCK, AND JOEL L. FRYKMAN
SAHARA #23	11-12-54	J61	303	JERRY W. HILL AND ACE RAYMOND
SAHARA #24	11-12-54	J61	304	JERRY W. HILL AND ACE RAYMOND
SAHARA #11	8-15-54	J35	181	JOEL L. FRYKMAN AND HOWARD R. FOULGER

NAME OF CLAIM	LOCATION DATE	RECORDED BOOK	RECORDED PAGE	NAME(S) OF LOCATORS
SAHARA #12	8-15-54	J35	182	JOEL L. FRYKMAN AND HOWARD R. FOULGER
SAHARA #13	8-15-54	J35	183	JOEL L. FRYKMAN AND HOWARD R. FOULGER
SAHARA #14	8-15-54	J35	184	JOEL L. FRYKMAN AND HOWARD R. FOULGER
SAHARA #15	8-15-54	J35	185	JOEL L. FRYKMAN, SAMMIE FRYKMAN, AND HOWARD R. FOULGER
SAHARA #16	8-15-54	J35	186	JOEL L. FRYKMAN, GARY FRYKMAN, AND HOWARD R. FOULGER
BRINK #1	8-15-54	J38	115	OTTO BRINKERHOFF
BRINK #2	8-15-54	J38	116	OTTO BRINKERHOFF, COLLEEN B. TANNER
BRINK #3	8-15-54	J38	117	OTTO BRINKERHOFF, COLLEEN B. TANNER
BRINK #4	8-15-54	J38	118	OTTO BRINKERHOFF, COLLEEN B. TANNER
GUNNY SACK #1	8-15-54	J44	3	DALE AND BOYD WHITLOCK
GUNNY SACK #2	8-15-54	J44	4	DALE C. WHITLOCK & BOYD WHITLOCK
GUNNY SACK #3	8-15-54	J44	5	DALE AND BOYD WHITLOCK, AND BESSIE WHITLOCK
FRANGIPANI #1	8-15-54	J44	6	GEORGE C. WHITLOCK AND GLADYS B. WHITLOCK
FRANGIPANI #2	8-15-54	J44	9	GEORGE C. WHITLOCK AND GLADYS B. WHITLOCK
FRANCIPANI #3	8-15-54	J44	7	GEORGE C. WHITLOCK AND GLADYS B. WHITLOCK
FRANGIPANI #4	8-15-54	J44	8	GEORGE C. WHITLOCK AND GLADYS B. WHITLOCK
FRANGIPANI #5	8-15-54	J44	11	GEORGE C. WHITLOCK AND GLADYS B. WHITLOCK
FRANGIPANI #6	8-20-54	J44	10	GEORGE C. WHITLOCK AND GLADYS B. WHITLOCK
FRANGIPANI #7	8-15-54	J44	12	GEORGE C. WHITLOCK AND GLADYS B. WHITLOCK
FRANGIPANI #8	8-15-54	J44	1	DALE C. WHITLOCK AND BOYD WHITLOCK
FRANGIPANI #9	8-15-54	J44	2	DALE C. WHITLOCK AND BOYD WHITLOCK

Attachment #4
The Sharples Oil Corporation
1700 Broadway
Denver, Colorado

DATA SHEET RE: FORM MF-103

Re: Para 4 (a)

No mine workings are located on the property. The Sharples Oil Corporation drilled fourteen (14) wide-spaced drill holes on the property during April and May, 1955. Sample logs and A.E.C. scintillation logs of these holes are enclosed. Location of these holes are shown on the enclosed map of the Sharples properties. Mineralization was found in Holes 2, 4, 5, 6, 7, 11, 11-a, and 12 (colored red on enclosed map).

Re: Para 4 (b)

No past or current ore production.

Re: Para 4 (c)

The enclosed Engineering and Geological report is submitted as a part of this application.

Re: Para 4 (d)

Utah State Highway 24, a good gravelled and well maintained road, passes within one-half mile of this property and good access roads are present to most parts of the property. Road building will be necessary to some drill sights.

Green River, Utah, is the nearest shipping point. Green River is seventeen miles distant from this property (one mile access road, twelve miles gravelled state highway, four miles paved highway).

Green River, Utah, seventeen miles, is the nearest supply and residence point.

Re: Para 4 (e)

Manpower, materials, supplies, and equipment are available to Sharples to conduct exploratory and mining operations. Water is available at the San Rafael River, about one mile from the property. Power would be furnished by gasoline or diesel engine.

Re: Para 5 (a)

Uranium and Vanadium.

Re: Para 5 (b)

See enclosed property map and Engineering and Geological report. An estimated 61,940 feet of drilling is to be accomplished at depths of from 350 feet to 550 feet plus an estimated 4,300 feet of coring, or a total of approximately 138 holes. Also, construction of roads to service some drill sights is to be accomplished.

The specific drilling program is as follows:

FIRST PHASE:

Completion of wide-spaced drilling program on approximately 1,000 foot centers on School Section 2, Township 22 South, Range 14 East, and Sahara, Gumny Sack, Geode, and Bivalve Claims. Fifty non-core holes, average footage drilled 480 feet. These holes marked "1" on enclosed lease map.
Total footage . . . . . 24,000'

Three holes, marked "1-A" on enclosed lease map, to be cored through the Salt Wash member of the Morrison formation, approximately 300 feet. Total footage non-core drilling . . . . . 540'
Total footage cored . . . . . 900'

In lieu of coring all holes it is planned to log each hole with scintillation probe equipped with recording attachment, in order to facilitate correlation of stratigraphic sections, as well as determining the presence of mineralization.

The three cored holes will be used as an aid in determining the depth to the base of the Salt Wash member as well as providing control for the correlation of the scintillation logs.

SECOND PHASE:

Additional drilling on approximately 200 foot centers around first phase holes showing mineralization, to further knowledge of ore trends. Location of second phase holes must necessarily depend upon results of first phase drilling. However, since seven (7) of the first thirteen (13) holes thus far drilled, have shown mineralization it is estimated that the second phase drilling program will equal the first phase in footage. Each hole will be cored through the mineralized portion of the Salt Wash (approximately 40 feet per hole).
50 holes non-core drilling 440 feet each . . . . . 22,000'
50 holes 40 feet core each . . . . . 2,000'

Each second phase hole will be probed with a scintillation probe with recording attachment.

THIRD PHASE:

It is estimated that thirty-five (35) holes drilled on approximately 75 foot centers will be necessary to define the ore trends indicated by the first and second phase drilling. These holes will be cored through the mineralized portion of the Salt Wash.

35 holes non-core drilling, 440 feet each . . . . . 15,400'
35 holes, 40 feet core each . . . . . 1,400'

Each third phase hole will be probed with a scintillation probe with recording attachment.

ACCESS ROADS:

It is estimated that fifty (50) hours of access road building with a D-8 Bulldozer will be necessary to provide ingress and egress for the drill crew.

Re: Para 5 (c)

The work will start within sixty (60) days and be completed within six (6) months from the date of an exploration project contract.

Re: Para 5 (d)

The Sharples Oil Corporation, a Delaware Corporation, is engaged in the exploration and exploitation of crude petroleum and natural gas. This Corporation was organized December 31, 1946 and as of October, 1953, is controlled by The Sharples Foundation, a charitable institution of Philadelphia, Pennsylvania. Prior to December 31, 1946 activities were under the Petroleum Division of The Sharples Corporation of Philadelphia, Pennsylvania.

The Sharples Oil Corporation has producing oil and gas properties located in the states of Wyoming, Colorado, and Texas, containing substantial reserves that are currently being produced within the allowables authorized by various regulatory bodies.

Banking - Credit References:
First National Bank of Chicago
First National Bank of Denver
Dun and Bradstreet rates Sharples AA-A1

Mr. P. T. Sharples of Philadelphia, Pennsylvania, is Chairman of the Board of The Sharples Oil Corporation, The Sharples Corporation and Director of Pennsylvania Salt and Manufacturing Company, Philadelphia Electric Company, Lehigh Valley Railroad and others.

Mr. Samuel Butler, Jr., President of The Sharples Oil Corporation, is a graduate Engineer of the University of Texas, was executive Vice-President of The Sharples Oil Corporation from 1947 to 1953 and has been President of the Corporation since 1953.

Mr. David M. Evans, Chief Geologist of The Sharples Oil Corporation, is a graduate of the Colorado School of Mines (Geological Engineer, 1936). Since 1945 Mr. Evans has been with The Sharples Oil Corporation in Denver, Colorado, and is quite familiar with the sedimentary geology of the Four Corners Area.

Mr. Douglas V. Watrous, who will supervise the project, as a Consultant, is a graduate Mining Engineer (Colorado School of Mines, 1940), has been engaged in mining and exploration in Colorado and Utah for the past fifteen (15) years.

Re: Para 6 (a)

DRILLING:

Enclosed are photo copies of bids, labeled as Attachment #4-A, by Ray Drilling Company, Inc., Minerals Engineering Company, and B. H. Mott & Sons, Inc. for the proposed drilling program. It is planned to use Ray Drilling Company for this work, since they were low bidder.

Thus, from Ray Drilling Company's bid:

FIRST PHASE DRILLING:

24,540 feet non-core drilling @ $1.45 per foot	$ 35,583.00
900 feet of coring @ $3.75 per foot average	3,375.00

SECOND PHASE DRILLING:

22,000 feet non-core drilling @ $1.40 per foot average . . .	30,800.00
2,000 feet of coring @ $4.50 per foot average	9,000.00

THIRD PHASE DRILLING:

15,400 feet non-core drilling @ $1.40 per foot average . . .	21,500.00
1,400 feet of coring @ $4.50 per foot average	6,300.00
Standby time for drill rig, cleaning holes for probing 225 hours @ $12.50 per hour	2,812.50
Contract Scintillation Probing - 138 holes @ $45.00 each . .	6,210.00
50 hours with D-8 Bulldozer @ $14.00 per hour to provide access roads for drill rigs	700.00

Re: Para 6 (b)

Services and expenses of engineer to supervise project in the field. Three months at $1,000.00 per month	3,000.00
General supervision and consulting	2,000.00

Re: Para 6 (c)

Furnished by Drilling Contractor.

Re: Para 6 (d)

Sharples will furnish vehicles at no cost to project.

Re: Para 6 (e)

Furnished by Drilling Contractor.

Re: Para 6 (f)

None.

Re: Para 6 (g)

Assaying, Chemical - 120 analyses @ $5.00 . . . . . $	600.00
Core Boxes for 4,300 feet of core	400.00

Re: Para 6 (h)

None.

TOTAL $122,280.50

Re: Para 7 (a)

Yes.

Re: Para 7 (b)

Money

RECEIVED
MAY 25 1955

209 State Exchange Building
Phone 5-9345
Salt Lake City 1, Utah

May 22, 1955

Sharples Oil Company,
1700 Broadway,
Denver 2, Colorado

Re: Drilling Program - Green River, Utah

Gentlemen:

We are pleased to submit a proposal covering the drilling and/or coring of your claims at Green River, Utah. The following unit prices shall apply for drilling and/or coring a minimum of 10,000 lineal feet of 4-1/4" minimum diamter hole:

Depth Range Feet	Drill/Foot	Core/Foot
0 to 100 feet	$1.00	$1.75
100 to 200 feet	$1.20	$2.25
200 to 300 feet	$1.45	$3.00
300 to 400 feet	$1.70	$3.75
400 to 500 feet	$1.95	$4.50

We reserve the right to drill with air or water whichever method proves most efficient. We shall guarrantee the hole for 12 hours and there will be no charge for holes not drilled to completion depth. Standby time will be at the rate of $12.50 per drill hour after three hours.

We understand that you will furnish us with the right of ingress and egress and that we shall carry sufficient insurance on our crews and equipment to comply with the laws of the State of Utah. We shall operate a minimum of two drills on the contract and should complete ten thousand feet within thirty days.

Please advise if we can furnish any further information.

Very truly yours,

RAY DRILLING COMPANY, INC.

Andrew Wiegand
President

In Triplicate

CLASS OF SERVICE

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

WESTERN UNION

W. P. MARSHALL, PRESIDENT

FX-1201

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=Int'l Letter Telegram

VLT=Int'l Victory Ltr.

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

KC166

1955 MAY 26 AM 10 59

K GJA069 PD=GRAND JUNCTION COLO 25 1008AMM=

:DAVID EVANS, V SHARPLESS OIL CORP=

:1001 MILE HIGH BLDG DVR=

BID FOR ESTIMATING PURPOSES YOUR DRILLING PROGRAM

:QUEENRIVER UTAH PLUGGING TO 500 FEET 2.75 PER FOOT CORING

TO 200 FEET 3.50 PER FOOT PRICES BASED ON MINIMUM OF

[illegible] FEET =

JOHN R MOTT B H MOTT & SONS INC=

[illegible] 200 3.50 [illegible]

Attachment #4-A
The Sharples Oil Corporation
1700 Broadway
Denver, Colorado

MINERALS ENGINEERING COMPANY
P. O. BOX 1951
GRAND JUNCTION, COLORADO

THE SHARPLES OIL CORP.
RECEIVED
MAY 23 1955

May 21, 1955

Sharples Oil Corporation
1001 Mile High Center
Denver 2, Colorado

Attention Mr. David M. Evans

Gentlemen:

Pursuant to our telephone conversation of May 20, 1955, please accept the following quotations as our bid for $60,000 diamond drilling on your property in Section 2, T22S, R14E in Emery County, Utah:

Depth	Price per Foot Air Plug	Wet Plug	BX Core
0-200 feet	$ 1.35	$ 2.25	$ 2.95
200-400 feet	1.65	2.85	3.95
400-500 feet	1.95	3.90	5.35

We also have a charge for stand-by time at $12 per hour which is any delay time caused or requested by you.

It is our understanding you will provide all access and drill roads suitable for 2-wheel drive vehicles.

Reaming and casing of the cored zone, if this should prove necessary, will be at $2.00 per foot.

We will sustain any and all costs of actual drilling and maintain a competent crew skilled in taking cores in the Colorado Plateau on the operation.

It is our understanding this drilling would not start for approximately three months, and we would want two weeks' notice if contract is awarded us.

Yours truly,

MINERALS ENGINEERING COMPANY

Edson Foster

Edson Foster
Assistant Drill Superintendent

EF/k

MINING LEASE

THIS LEASE AND AGREEMENT, made and entered into this 20th day of December, 1954, by and between George C. Whitlock and Gladys B. Whitlock, his wife; Douglas Whitlock; Howard R. Foulger and Violet B. Foulger, his wife; Joel L. Frykman and Ada L. Frykman, his wife; Sammie Frykman, a single woman; Jerry W. Hill and Lucille B. Hill, his wife; Gordon L. Beckstrand and Norma S. Beckstrand, his wife; Ray M. Williams and Carrie P. Williams, his wife; LaVon G. Hansen and Evelyn B. Hansen, his wife; Dale Whitlock and Bessie Whitlock, his wife; Boyd Whitlock and Marjorie Whitlock, his wife; Colleen B. Tanner and J. Blair Tanner, her husband; Otto Brinkerhoff and Verda Brinkerhoff, his wife; George E. Bartschi and Bernice B. Bartschi, his wife; Ace Raymond and Arvilla W. Raymond, his wife, hereinafter called "Lessors", and THE SHARPLES OIL CORPORATION, a Delaware Corporation, 1700 Broadway, Denver, Colorado, hereinafter called "Lessee",

WITNESSETH:

WHEREAS, the said Lessors represent and covenant that they are the owners and holders of the hereinafter described Mineral Lease and Mining Claims affecting lands in Township Twenty-two (22) South, Range Fourteen (14) East, S.L.M., Emery County, Utah, to-wit:

(a) Mineral Lease, dated the 24th day of June, 1954, between the State of Utah, as Lessor, and George C. Whitlock and Jerry W. Hill, as Lessees, covering all of Section 2, Township 22 South, Range 14 East, S.L.M., hereinafter called "State Lease"; and

(b) Mining Claims identified and described as follows:

Name of Claim or Lease:	Name of Claim Owner or Holder of Lease:	Legal Description:
Bi-Valve Claims (6)	George C. Whitlock Jerry W. Hill Ace Raymond	Sec. 35, T. 21 S, R. 14 E Sec. 2, T. 22 S, R. 14 E
Frangipani Claims (7)	George C. Whitlock Gladys B. Whitlock	Sec. 1, T. 22 S, R. 14 E
Frangipani Claims (2)	Dale C. Whitlock Boyd Whitlock	Sec. 1, T. 22 S, R. 14 E
Brink Claims (4)	Otto Brinkerhoff Colleen B. Tanner	Sec. 1, T. 22 S, R. 14 E

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The Sharples Oil Corporation
1700 Broadway
Denver, Colorado

Deseret Claims (3)	Jerry W. Hill Gordon L. Beckstrand Ray M. Williams	Sec. 1, T. 22 S, R. 14 E
Geode Claims (5)	LaVon G. Hansen George E. Bartschi	Sec. 1, T. 22 S, R. 14 E. Sec.11, T. 22 S, R. 14 E.
Sahara Claims (24)	Jerry W. Hill Howard R. Foulger George C. Whitlock Joel L. Frykman Sammie Frykman Gary Frykman Douglas Whitlock Ace Raymond	Sec. 1, T. 22 S, R. 14 E. Sec.11, T. 22 S, R. 14 E.
Gunny Sack Claims (3)	Dale C. Whitlock Boyd Whitlock	Sec. 3, T. 22 S, R. 14 E. Sec. 10, T. 22 S, R. 14 E. Sec. 11, T. 22 S, R. 14 E.

hereinafter called "Mining Claims".

and

WHEREAS, it is the desire of the Lessors to give and grant unto Lessee the exclusive right, privilege and option of exploring and mining said State Lease and Mining Claims for uranium and mineral content and Lessee is willing to undertake the exploration and development of said Lease and Claims upon and subject to the terms and provisions hereinafter set forth,

NOW, THEREFORE, for and in consideration of the premises and the agreements hereinafter contained to be kept and performed by the parties hereto, it is agreed as follows:

I

Lessors agree to furnish to Lessee with the original or certified copies of the State Lease, Location Notices, Abstracts of Title, Powers of Attorney and such other title information as may be in the possession of Lessors pertaining to the title to the lands covered by said State Lease and the Mining Claims herein described.

In addition to the title papers hereinabove mentioned, George C. Whitlock and Jerry W. Hill shall promptly, after the

execution hereof by all parties, execute and deliver to Lessee a good and sufficient Assignment of the State Lease and to assist Lessee in procuring the necessary approval of the Assignment of said State Lease to Lessee. All time period herein mentioned shall be extended for such period as may be required to obtain approval of the Assignment of the State Lease to Lessee herein, insofar only as this lease pertains to the State Lease, this extension will not apply to the Mining Claims.

II

Subject to the acceptance of titles by Lessee, Lessee shall have and is hereby given and granted a period of one hundred and thirty-two (132) days from date hereof for the exclusive right and privilege to enter upon the lands hereinabove described and referred to for the purpose of investigating the mineral possibilities of said lands and for the purpose of conducting such exploration thereon as in the opinion of Lessee may be necessary or advisable in the premises. During said period, Lessee agrees to cause the Mining Claims herein described and referred to to be surveyed by a competent surveyor or engineer and, upon completion of such survey, Lessee shall furnish George C. Whitlock, one of the Lessors, with a map of such survey. At or before the expiration of said one hundred and thirty-two (132) day period, Lessee shall advise Lessors whether or not it desires to conduct exploratory drilling upon said lands and in the event Lessee conducts such exploratory drilling, Lessee shall within said one hundred and thirty-two (132) day period enter upon said lands and with reasonable diligence conduct drilling thereon of a cumulative total footage of not less than twenty thousand feet (20,000') within twelve (12) months of the date hereof. The depth of each exploratory hole drilled upon said

area, however, shall be determined by Lessee in its sole option and discretion. In like manner, Lessee shall have the option and discretion to drill such exploratory holes upon such spacing pattern as it may elect.

Exploratory drilling shall be defined as a pattern wherein drill holes are a minimum of five-hundred (500) feet apart.

It is agreed that, upon completion of 20,000 feet of drilling as stated above, that a boundary line shall be drawn embracing all holes and an area extending four-hundred (400) feet outward from the peripheral drill holes. This area is designated as area A and this Lease shall then be validated as to this said area A, subject to the terms and provisions hereof.

In the event Lessee does not elect, within the one hundred and thirty-two (132) day period hereinabove mentioned, to do any exploratory drilling upon said lands, this Agreement shall thereupon terminate and each of the parties shall be relieved of and from any and all further obligations hereunder.

III

If, the presence of an ore body or ore bodies of commercial uranium content is established, Lessee shall promptly thereafter commence operations for the mining and production of such commercial uranium ore, and if commercial uranium ore is produced as the result of such operations, Lessee shall, if a suitable market exists and as hereinafter provided in paragraph V, commence the production and marketing of said ore within two hundred ten (210) days from the establishment of such commercial ore body or bodies. In the event, however, a suitable market for such ore is not available to Lessee, the time for production and marketing of such ore shall be extended for such period or periods as may be necessary to establish a suitable market for such ore.

In the event commercial production of uranium ore is established by Lessee, Lessee shall thereafter prosecute mining operations with reasonable diligence, having due regard for market demand and the return of a reasonable profit to Lessee after deducting all the costs of operations, handling, transportation and marketing.

IV

On all ores mined, produced and marketed, Lessee shall pay Lessors the following royalties:

(a) On all ore mined, produced and marketed from the Mining Claims, a royalty of twelve and one-half per cent (12-1/2%) of the proceeds received by Lessee from the purchaser less haulage and development allowances, but including twelve and one-half per cent (12-1/2%) of any discovery bonus received by Lessee on account of the sale of such ore. Lessee shall receive all haulage allowance and shall pay all haulage expenses. Said royalty shall be paid or accounted for on or before the twenty-fifth day of the calendar month next following the month in which Lessee receives payment from the purchaser of the ore. It is further understood that any payments accruing hereunder shall be less any and all taxes levied or assessed against the same or the production of ore by which the same are determined which Lessee may be authorized or required by law to deduct and pay for the account of Lessors.

(b) On all ores mined, produced and sold from the State Lease, a royalty equal to twenty-five per cent (25%) of the net profits realized by Lessee from the sale of such ores or 2-1/2% overriding royalty whichever is greater the overriding royalty to be calculated as above provided. For the purpose hereof, the term "net profits" shall be defined as the amount of money received

by Lessee from the sale of any ore from said State Lease, including any bonus or premium payments, after deducting therefrom the following specific items:

(1) Twelve and one-half per cent (12-1/2%) royalty payable to the State of Utah;

(2) Twenty-five Dollars ($25.00) per ton, as delivered to the ore purchaser according to its records, to cover all costs of drilling, mining and transportation of such ore to the ore purchaser;

(3) Taxes levied and assessed against the property, the severance or production of the ore, and such other taxes as now or may hereafter affect or be levied against ore produced and marketed hereunder.

Lessee shall pay minimum delay rentals owing to State of Utah on said State lease for 1955 and each year thereafter while it holds said lease and shall comply with minimum requirements to keep said lease in force and effect.

It is mutually agreed that no advance or minimum royalty shall be payable to Lessors until after the expiration of the two-hundred and ten (210) day period as stated in paragraph III hereof, thereafter Lessee shall pay to Lessors, as an advanced or minimum royalty under this Lease, whether the quantity of ore mined and sold shall produce that amount or not, the sum of Five Hundred Dollars ($500.00) per month. Any payment of royalty may be carried forward for a period of one year from the month in which the royalty was payable in order to satisfy the minimum or advance royalty requirements hereof or any portion thereof not used for such purpose may be withheld by lessees on account of any advance royalty payment made for a period of one year prior to the month first mentioned. Lessee is to receive credit for advanced royalties against true ore royalties earned by Lessors, provided that this credit shall not be retroactive for a period beyond one year from

the month for which advanced royalty was made. Similarly true ore royalties may not be carried forward, to apply on the said $500.00 per month minimum royalty, for a period exceeding one year from the month in which the royalty was earned.

VI

Lessee shall keep and maintain true and accurate records of all of its drilling and mining operations open to the inspection of a designated agent of Lessors at all reasonable times. Lessors or their agent shall have the right to go upon the demised premises at all reasonable times for the purpose of inspection, all at the risk of such inspector.

VII

Lessee shall carry on all drilling and mining operations in strict conformity with all laws and regulations pertaining to such operations and in accordance with good mining practice, shall carry Workmen's Compensation Insurance, and shall pay all State and Federal taxes and exactions under operations hereunder, including any production taxes, and shall save and keep harmless Lessors of and from any and all liability of every kind and character arising out of its drilling or mining operations hereunder. Lessee shall carry Public Liability Insurance to the extent of One Hundred Thousand Dollars ($100,000.00) for the protection of Lessors and Lessee against claims of third persons who may sustain injuries while in or upon the leased premises.

VIII

Lessee shall post notices at or near its workings upon said premises, reciting in substance that all work is being conducted and carried on by Lessee and that Lessors will not be liable for

any claims or acts of any kind or character arising out of Lessee's work hereunder.

IX

Lessee agrees to perform prior to May 15, 1955, enough work to meet the annual assessment requirements on said unpatented claims. If requested to do so the Lessee shall provide the Lessors with full and adequate information to allow preparation of proper affidavits as to said annual work and labor and the lessee on request of lessors will cause one of its employees to execute any proper affidavit submitted to it for such purpose. The Lessor nevertheless shall be responsible for the preparation and recording of such proofs of labor. Lessee further agrees to post the required notices on the claims with respect to the performance of said assessment work.

Lessee will on or before January 1st of each succeeding year after July 1st, 1956, complete or agree to complete necessary assessment work on all unpatented claims on or before July 1st of that year, or Lessee shall on or before January 1st of said year assign to Lessors those claims on which it does not complete or agree to complete necessary assessment work.

X

In the event the survey of the lands affected hereby discloses any fractions of land or open areas contiguous to said claims which are not subject to prior locations or in the event Lessors hereafter locate any claims within fifteen hundred (1500) feet of the end or side line of any of the claims hereinabove specifically described, such fractions or areas shall be located in the name of George C. Whitlock for himself and as agent for Lessors and all claims of Lessors within fifteen hundred feet (1500) of the end or side line of any of the claims hereinabove

described shall be considered as being part of the lands affected hereby and shall be subject to all of the terms and provisions hereof. If, however, there are located by Lessee claims or fractional claims between the property herein leased and claims which Lessee also leases from Ouray Venture then such intervening property shall be located one half in names of lessors and one-half in names of lessors of said Ouray property.

XI

At any time within ninety (90) days after the designation of said Area A, Lessee shall have the right to initiate a second twenty-thousand feet (20,000') drilling program to be completed within twelve (12) months in the same manner as the initial drilling program.

After this second drilling program has been completed, Area B shall be designated in the same manner as the above referred to Area A and the same terms shall apply to said Area B.

In a similar manner, within ninety (90) days after the designation of Area B, Lessee may initiate a third drilling program to earn the romaining acreage, except that, if twenty-thousand feet (20,000') of drilling is not necessary, the amount of drilling and the length of time shall be reduced in proportion to the acreage that this area, designated as Area C, bears to the acreage in the above referred to Areas A and B.

In the event ore bodies of commercial value are established upon either of said areas B or C by Lessee, Lessee shall proceed with the development and operation thereof for the production of commercial ore and in each instance shall have a period of two hundred ten (210) days from the establishment of such commercial

ore body within which to place the same in production and to proceed with the marketing thereof, having due regard for market demand and the realization of a reasonable profit by Lessee.

The minimum royalty hereinabove provided with reference to the first area selected by Lessee shall not apply to either of the remaining areas, it being understood and agreed that only one minimum royalty shall be due and payable to Lessors pursuant to the provisions hereof.

In the event Lessee does not elect to conduct exploratory drilling upon either of the remaining areas, as hereinabove provided, this agreement as to the area or areas not selected by Lessee shall cease and terminate and each of the parties hereto shall be relieved of and from any and all further obligations hereunder as to said area or areas.

XII

Lessee shall always have the right at any time to release and relinquish its interest in and to the State Lease and Mining Claims hereinabove described as to all or any portion of the lands covered thereby by notifying Lessors in writing of its intention so to do and by tendering to Lessor at the time of such notice a good and sufficient release and surrender of the rights and interests which it has indicated in its notice it desires to release and surrender. In the event of any such release or surrender by Lessee, this agreement shall cease and terminate as to the interest so surrendered and Lessee shall be relieved of and from any and all further obligations hereunder, except to do

annual assessment work unless released or surrendered on or before January 1 of any year and except to completethe minimum footage of exploratory drilling undertaken for any designated area.

Lessee shall have the right at any time and from time to time to remove all machinery and equipment placed on the premises affected hereby, including the right, at any time within six (6) months from the surrender or termination hereof, to remove all buildings, structures, materials and supplies placed in or upon said premises by Lessee, provided it is not then in default hereunder.

XIII

When any operations provided for herein are delayed or interrupted or prevented by storm, flood, inclement weather, acts of God, fire, war, riot, strikes, differences with workmen, failure of carriers to transport or furnish facilities for transportation, or, as the result of some order, requisition or necessity of the government, State or Federal, or as the result of any cause whatsoever beyond the reasonable control of Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this agreement to the contrary notwithstanding. All obligations hereunder shall be suspended for such period or periods during which the United States or any of its agents or representatives shall suspend the purchase of fissionable materials or reduce the price as now fixed by the Atomic Energy Commission for fissionable materials and the term hereof shall be extended during such period or periods without the conduct of

of any operations by Lessee and for such period thereafter as may be reasonably necessary to permit Lessee to resume operations.

XIV

Lessors will cooperate with Lessee at all times during the term of this lease to enable Lessee to obtain contracts with the United States or agencies thereof or any state or agency thereof, pursuant to programs or procedures, now existing or established in the future, of the United States government or agencies thereof, or of any state or agency thereof, to explore and develop mineral deposits on the leasehold; and Lessors when requested by Lessee from time to time shall, as owner of the mining claims and property subject to this lease execute all contracts relating to such exploration and development work which may be required by the United States or agencies thereof or by any State or agency thereof or may be required to comply with any such governmental program or procedure.

XV

It is further understood and agreed that in the event Lessee fails to perform any of the agreements herein contained to be kept and performed by Lessee, Lessors or any one of them shall have the right to declare this agreement forfeited and terminated by giving Lessee not less than sixty (60) days notice in writing setting forth in detail the default claimed by Lessors, and upon failure or refusal by Lessee to cure and correct such default within sixty (60) days from receipt of such notice, this agreement shall, thereupon, terminate and Lessee shall surrender and deliver possession of all the lands herein described to Lessors and shall reassign the State lease to the original Lessees therein named.

XVI

Lessors hereby make, constitute and appoint George C. Whitlock their agent and attorney for and on their behalf to receive all payments provided for herein and to distribute such payments among lessors as their interests appear and Lessee shall be relieved of and from any and all obligation to look to the application by said agent and attorney of any amounts paid or tendered to him pursuant to the provisions hereof. Lessee, if so requested in writing by said George C. Whitlock may make all payments provided for herein to the account of Green Raphael Uranium in The Carbon Emery Bank, Price, Utah, as agent and attorney for Lessors. If said bank fails or dissolves or refuses to accept payments, then payments may be made to George C. Whitlock as above provided and said bank or its successors as to such payments is hereby made the agent of Lessors or their successors in title to receive and distribute all of such payments. All payments made to George C. Whitlock or to said bank for the credit of Green Raphael Uranium or such other person as Lessors may designate in writing before actual notice to Lessee of any change in ownership shall be binding upon Lessors' successors in title.

XVII

All of the provisions hereof shall extend to and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto respectively and the privilege of assigning, in whole or in part, is expressly conceded by each party to the other, but it is expressly understood that no change in the owner-

ship of any payments or royalties accruing hereunder to Lessors or in the ownership of any part of the lands affected hereby or any partition thereof shall impose any additional obligations upon Lessee. No such change of ownership in the payments or royalties accruing hereunder to Lessors or in the ownership of any part of the lands affected hereby or any partition thereof shall impose any additional obligations upon Lessee. No such change of ownership in the payments or royalties which may accrue hereunder, whether by conveyance, descent, will, partition or otherwise, shall require Lessee to alter the manner of payments, as hereinabove provided. The State School lease if assigned shall always remain subject to the terms of this lease.

XVIII

This lease shall be and remain in full force and effect for a preliminary term of twelve (12) months from the date hereof and as long thereafter as ore is being mined and marketed from the premises herein described or operations are being performed thereon in accordance with the provisions hereof.

XIX

All notices permitted or required to be given pursuant to the provisions hereof shall be given by ordinary mail, postage prepaid, or by pre-paid telegram, addressed to the parties hereto, as follows:

For Lessors: George C. Whitlock
c/o Carbon Emery Bank
Price, Utah

For Lessee: The Sharples Oil Corporation
1700 Broadway
Denver, Colorado

The addresses hereinabove given may be changed at any time by either party in the manner hereinabove provided.

XX

The provisions hereof shall extend to and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.

This lease shall be binding on all persons who sign it, regardless of whether all owners of said property sign or not.

This lease may be executed in counterpart and any executed counterpart hereof shall be held to be part and parcel of same instrument.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands as of the day and year first above written.

Jerry W. Hill

Lucille B. Hill

Gordon L. Beckstrand
By Jerry W. Hill, attorney in fact.

Norma S. Beckstrand
By Jerry W. Hill, attorney in fact.

Ray M. Williams
By Jerry W. Hill, attorney in fact.

Carrie P. Williams
By Jerry W. Hill, attorney in fact.

LaVon G. Hansen
By Jerry W. Hill, attorney in fact.

Evelyn B. Hansen
By Jerry W. Hill, attorney in fact.

George C. Whitlock

Gladys B. Whitlock

Douglas Whitlock

Howard S. Foulger

Violet B. Foulger

Joel L. Frykman

Ada L. Frykman

Sammie Frykman

George E. Bartschi
By Jerry W. Hill, attorney in fact

Bernice B. Bartschi
By Jerry W. Hill, attorney in fact.

Ace Raymond AKA Acel Raymond
By Jerry W. Hill, attorney in fact.

Arwilla W. Raymond
By Jerry W. Hill, attorney in fact

J. Blair Sanger
By George C. Whitlock, atty in fact

Dale Whitlock also known as Dale C. Whitlock
By. George C. Whitlock atty in fact

Bessie Whitlock
by. George C. Whitlock atty in fact.

Boyd Whitlock
by. George C. Whitlock atty in fact

Marjorie Whitlock
by George C. Whitlock atty in fact

Colleen B. Sanger
by. George C. Whitlock atty in fact.

Otto Brinkerhoff
by. George C. Whitlock atty in fact.

Verda Brinkerhoff
by George C Whitlock, atty in fact

LESSORS

ATTEST:

Assistant Secretary

THE SHARPLES OIL CORPORATION

By Samuel Ruttan
President

Lessee

STATE OF UTAH }
COUNTY OF Carbon } SS

On this 20th day of April, 1955, before me personally appeared George C. Whitlock, Gladys S. Whitlock, Douglas Whitlock, Howard R. Soulger, Violet B. Soulger to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal this 20 day of April, 1955.

My Commission Expires [illegible]

STATE OF UTAH)
COUNTY OF Weber) SS

On this 21st day of April, 1955, before me personally appeared Joel L. Frykman & Ada L. Frykman to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal this 21st day of April, 1955.
My Commission Expires July 14, 1956 Ida W. Holmes
Notary Public

STATE OF UTAH)
COUNTY OF Cache) SS

On this 22nd day of April, 1955, before me personally appeared Jerry W. Hill & Lucille B. Hill to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same at their free act and deed.

Given under my hand and seal this 22nd day of April, 1955.
My Commission Expires 8-21-1955 George A. Parker
Notary Public

STATE OF UTAH)
COUNTY OF Salt Lake) SS

On this 22nd day of April, 1955, before me personally appeared Lennie Frykman to me known to be the person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free act and deed.

Given under my hand and seal this 22nd day of April, 1955.
My Commission Expires 10/30/57 Reed F. Cowan
Notary Public

STATE OF UTAH)
COUNTY OF Emery) ss.

On this 4 day of June, 1955, before me personally appeared Jerry W. Hill, as Attorney in Fact for Gordon L. Beckstrand, Norma S. Beckstrand, Ray M. Williams, Carrie P. Williams, LaVon G. Hansen, Evelyn B. Hansen, George E. Bartschi, Bernice B. Bartschi, Ace Raymond also known as Ace S. Raymond, Arvilla W. Raymond; to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as the free act and deed of Gordon L. Beckstrand, Norma S. Beckstrand, Ray M. Williams, Carrie P. Williams, LaVon G. Hansen, Evelyn B. Hansen, George E. Bartschi, Bernice B. Bartschi, Ace Raymond also known as Ace S. Raymond, and Arvilla W. Raymond.

Given under my hand and seal this 4 day of June, 19[illegible].

My Commission Expires August 26, 1956 Mrs Paul B Baker
Notary Public

STATE OF UTAH)
COUNTY OF Emery) ss.

On this 4 day of June, 1955, before me personally appeared George C. Whitlock, as Attorney in Fact for J. Blair Tanner, Dale Whitlock also known as Dale C. Whitlock, Bessie Whitlock, Boyd Whitlock, Marjorie Whitlock, Colleen B. Tanner, Otto Brinkerhoff, and Verda Brinkerhoff; to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as the free act and deed of J. Blair Tanner, Dale Whitlock also known as Dale C. Whitlock, Bessie Whitlock, Boyd Whitlock, Marjorie Whitlock, Colleen B. Tanner, Otto Brinkerhoff, and Verda Brinkerhoff.

Given under my hand and seal this 4 day of June, 1955.

My Commission Expires Aug. 26, 1956 Mrs Paul B Baker
Notary Public

STATE OF COLORADO)
) ss
COUNTY OF DENVER)

On the 10th day of June, A.D., 1955, personally appeared before me SAMUEL BUTLER, JR., who acknowledged and did say that he is the President of THE SHARPLES OIL CORPORATION, and that said instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors and said SAMUEL BUTLER, JR. acknowledged to me that said corporation executed the same.

Given under my hand and seal this 10th day of June, 1955.

Doris N. Pitt
Notary Public

My Commission expires March 3, 1958

Residing at Denver, Colorado

Proof-Read

C7

MINERAL LEASE NO. 8255

UTAH STATE LEASE

FOR

APPLICATION NO. 4775

GRANT: School

URANIUM AND VANADIUM

THIS INDENTURE OF LEASE AND AGREEMENT entered into in duplicate this 24 day of June 1954 by and between the State Land Board, acting in behalf of the State of Utah, hereinafter called the Lessor, and

GEORGE C. WHITLOCK

party of the second part, hereinafter called the Lessee, under and pursuant to Title 65, Utah Code Annotated, 1953.

WITNESSETH: That the Lessor, in consideration of the rents and royalties to be paid and the covenants to be observed by the Lessee, as hereinafter set forth, does hereby grant and lease to the Lessee the exclusive right and privilege to mine, remove, and dispose of all of the said minerals in, upon, or under the following described tract of land situated in Emery county, State of Utah, to-wit:

All of Section Two (2), Township Twenty-two (22) South, Range Fourteen (14) East, Salt Lake Meridian.

containing a total of 635.40 acres, more or less, together with the right to use and occupy so much of the surface of said land as may be required for all purposes reasonably incident to the mining, removal, and disposal of said minerals, according to the provisions of this lease, for a period of ten years, beginning January 2nd, first succeeding the date of issuance hereof, and as long thereafter as said minerals may be produced in commercial quantities from said lands, upon condition that at the end of each twenty (20) year period succeeding the first day of the year in which this lease is issued, such re-adjustment of terms and conditions may be made as the Lessor may determine to be necessary in the interest of the State.

ARTICLE I

It is expressly understood and agreed that this lease is granted subject in all respects to and under the conditions of the laws of the State of Utah and existing Rules and Regulations or Rules and Regulations as may be hereafter approved and adopted by the State Land Board.

ARTICLE II

It is further expressly understood and agreed that this lease covers only the mining, removal, and disposal of the minerals specified in this lease, but the Lessee shall promptly notify the Lessor of the discovery of any minerals excepting those enumerated herein.

ARTICLE III

The Lessee in consideration of the granting of the rights and privileges aforesaid, hereby covenants and agrees as follows:

FIRST: To pay to the Lessor as rental for the land covered by this lease the sum of Fifty (50) Cents per acre per annum. All such annual payments of rental to be made in advance on the 2nd day of January of each year, except the rental for the year in which this lease is issued, which is payable on the execution of this lease, such rental to be credited against the royalties as they accrue for the year.

SECOND: To pay a royalty of 12½% of the gross amount received for or the gross value of the leased substances, including the State's royalty share of any bonus received by the Lessee from the sale of the leased substances. The basis for computing the amount due to the Lessor shall be as follows:

(a) If the leased substance extracted are sold under a bonafide contract of sale the amount of money or its equivalent actually received by the owner, Lessee, or other person operating the leased premises from the sale of the leased substances less a reasonable cost, if any, of transporting the leased substances from the place where extracted to the place where under the contract of sale, the leased substances are to be delivered.

(b) If the leased substances extracted are treated at a mill, smelter, processing plant, or reduction works which receives the leased substances from independent sources and which is owned or controlled by the same interests owning or controlling the mine, such disposal shall be treated as a sale within the meaning of this section for the purpose of determining gross proceeds or otherwise, and in such determination a rate or charge for sampling, assaying, milling, smelting, or refining the leased substances therefrom shall be deducted which shall not exceed an amount to be determined by applying the same rates as are applied by such mill, smelter, or reduction works or competing works, and ores of substantially like character and in like quantities received from independent sources. In the event of controversy the Lessor shall have the power to determine such rates and charges. Transportation charges may also be deducted as provided in sub-division (a) hereof.

(c) If a mill or other reduction works is operated exclusively in connection with a mine such mill or reduction works shall be treated as a part of the mine and the cost of operating such mill or reduction works shall, for the purpose of fixing the royalty imposed by this lease, be regarded as part of the cost of mining, and the cost of assaying, sampling, smelting, refining, and transportation only shall be deducted as herein provided.

Attachment #2-B
The Sharples Oil Corporation
1700 Broadway
Denver, Colorado

THIRD: Said royalties to be paid quarterly on or before the 15th day of the month next succeeding the quarter in which the material is produced.

FOURTH: To prepare and forward to the State Land Office, on or before the 15th day of the month next succeeding the quarter in which the material is produced, a certified statement as to the production, market, and price received on all of the leased substances disposed of from said lands, and such other additional information as the State Land Board may from time to time require.

FIFTH: That at the option of the Lessor it may require the payment of royalties in kind, F.O.B., at the lease-site; the amount being 12½% of the leased substances extracted.

SIXTH: To commence actual operations upon the land included herein on or before **December 31, 1954** and there after to diligently operate the property in accordance with the provisions contained in this lease. Failure to so continue the operation of the land included herein for a period of more than six (6) months without prior written approval of the State Land Board shall be cause for forfeiture, and that upon the violation of this provision or any of the other terms of this lease the Lessor may at its option after thirty (30) days notice by registered mail cancel this lease. After the expiration of the said thirty (30) days and the cancellation of the lease no notice of such cancellation need be given the Lessee.

SEVENTH: To keep at the mine office clear, accurate and detailed maps on tracing cloth, on a scale not more than 50 feet to the inch, of the workings in each section of the leased lands and on the lands adjacent, and to be so arranged with reference to a public land corner that the maps can be readily and correctly superimposed, and to furnish to the Lessor annually, or upon demand, certified copies of such maps and such written statements of operations as may be called for. All surveys shall be made by a licensed engineer and all maps certified to by him.

EIGHTH: To not at any time fence any watering place upon the lands leased where the same is the only accessible and feasible source of water incident to the lands leased. Nor shall the Lessee or assigns at any time permit or contribute to the pollution of any surface or subsurface water available, naturally or otherwise, for domestic or irrigation use.

NINTH: To not sell, assign, mortgage, pledge, hypothicate, or otherwise transfer or incumber this lease or any intetrest therein, nor sublet any portion of the leased premises, or any of the rights and privileges herein granted, without the writtten consent of the Lessor being first had and obtained.

ARTICLE IV

The Lessor hereby excepts and reserves from the operation of this lease:

FIRST: The right to permit for joint or several use such easements or rights-of-way upon, through, or in the land hereby leased as may be necessary or appropriate to the working of these or other lands belonging to or administrated by the Lessor containing mineral deposits or for other use.

SECOND: The right to use, lease, sell, or otherwise dispose of the surface of said lands or any part thereof, under existing State Laws or Laws hereafter enacted, insofar as said surface is not necessary for the use of the Lessee in the mining, removal, or disposal of the leased substances therein, and to lease other mineral deposits, excepting those enumerated herein which may be contained in said lands.

ARTICLE V

Upon cancellation of this lease for any cause herein the Lessee shall be entitled to remove from the lease holdings only personal property prior to complete fulfillment of the provisions of this lease, and that improvements attached to the land such as buildings, timbering, or other construction or construction material in place, shall remain undisturbed upon the ground and the property surrendered in good usable condition.

ARTICLE VI

It is mutually understood and agreed that it shall be the responsibility of the Lessee to slope the sides of all operations of a surface nature to an angle of not less than 45° or to erect a barrier around such operation as the State Land Board may require. Such sloping or fencing shall become a normal part of the operation of the lease so as to keep pace with such operation to the extent that such operation shall not constitute a hazard.

ARTICLE VII

It is mutually understood and agreed by the parties hereto that all of the terms, covenants, conditions, and obligations in this lease contained, shall be binding upon the heirs, executors, administrators, and assigns of the Lessee.

ARTICLE VIII

It is mutually understood and agreed that the Lessee may terminate this lease at any time upon giving three (3) months notice in writing to the Lessor and upon payment of all rents and royalties and other sums due and payable to the Lessor, and upon complying with the terms of this lease with respect to the preservation of the workings in such order and condition as to permit of the continued operation of the leased premises.

ARTICLE IX

It is mutually understood and agreed by and between the parties hereto that the Lessor, its officers and agents, shall have the right at all times to go in and upon the leased lands and premises, during the term of said lease to inspect the work done and the progress thereof on said lands and the products obtained therefrom, and to post any notices on the said lands that it may deem fit and proper; and also shall permit any authorized representatives of the Lessor to examine all books and records pertaining to operations under this lease, and to make copies of and extracts from the same, if desired.

ARTICLE X

It is mutually understood and agreed that this lease is issued only under such title as the State of Utah may now hold, the Lessor shall not be liable for any damages sustained by the Lessee, nor shall the Lessee be entitled to or claim any refund of rentals or royalties or other monies theretofore paid to the Lessor.

ARTICLE XI

LESSEE agrees to observe faithfully the provisions of Title 65, Chapter 1, Section 18, Utah Code Annotated 1953.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names the day and year first above written.

APPROVED AS TO FORM:
ATTORNEY GENERAL
By Alan B. Taylor

STATE OF UTAH, STATE LAND BOARD

By
EXECUTIVE SECRETARY LESSOR

George C. Whitlock
LESSEE

STATE OF UTAH
COUNTY OF } ss.

On the 18 day of August 1954, personally appeared before me A. N. Smith who being by me duly sworn did say that he is the Executive Secretary of the State Land Board of the State of Utah and that said instrument was signed in behalf of said Board by resolution of the Board, and said A. N. Smith acknowledged to me that said Board executed the same in behalf of the State of Utah.

Given under my hand and seal this 18 day of August 1954

My commission Expires: 8/4/54

Donald A. Prince
Notary Public, residing at: S. L. C. Ut.

STATE OF UTAH
COUNTY OF Emery } ss.

On the 13 day of August 1954, personally appeared before me the signer of the above instrument, who duly acknowledged to me that he executed the same.

Given under my hand and seal this 13 day of August 1954

My commission Expires:
Aug-8-1956.

Leon D. Ralphs.
Notary Public, residing at:

STATE OF UTAH
COUNTY OF } ss.

On the day of 19, personally appeared before me

who being by me duly sworn did say that he is an officer of and that said instrument was signed in behalf of said corporation by resolution of its Board of Directors, and said acknowledged to me that said corporation executed the same.

Given under my hand and seal this day of 19

My commission Expires:

Notary Public, residing at:

Assign 7 in Lease
Oil-Gas & Min. interest
10-15-1954 ASSIGNED FOR $ 80.00
TO Jerry H. Gibb
OF Castle Dale, Utah
STATE LAND BOARD
By Gibb

10-22-54

4-1 1955 ASSIGNED FOR $ 10
TO Vaughey & Vaughey Co
OF Price, Utah
STATE LAND BOARD
By Gibb

APR 8 1955

STATE LAND BOARD

1954 OCT 4 AM 12

STATE OF UTAH

FORM 84 3M 8-54

ASSIGNMENT

Mineral Lease No. 8255

Grazing Lease No.

Certificate No.

Application No. 4775

For and in consideration of the sum of AN AGREEMENT TO DRILL AND MINE. Dollars

XX (we) hereby sell, assign and transfer unto ASSIGN SUBJECT TO TERMS OF LEASE AGREEMENT, TO SHARPLES OIL CORPORATION, A DELAWARE CORPORATION, OF 1700 BROADWAY, DENVER, COLORADO, all (our) right, title and interest in and to

ML# 8255; GL#; Cert. #; embracing the following described land:

ALL OF SECTION 2

ALL of Section 2 Township 22 SOUTH Range 14 EAST

Salt Lake Meridian, in the County of EMERY State of Utah.

Witness (our) hand(s) this FIRST day of APRIL, 1955.

Two Witnesses:

VAUGHEY AND VAUGHEY

By: W. T. BLACKBURN

ONE OF THE PARTNERS

STATE OF COLORADO,
CITY AND County of DENVER } ss.

On the FIRST day of APRIL, A. D. 1955, personally appeared before me W. T. BLACKBURN the signer of the above instrument, who duly acknowledged to me that HE executed the same.

Alice C. Nelson
Notary Public.

My commission expires MARCH 7, 1959.

Affidavit of Citizenship of Assignee

I, (we) on oath, do solemnly swear that I am (we are) at the present time (a)* Citizen(s) of the United States of America and over the age of twenty-one years, and I (we) hereby assume and agree to perform all of the covenants and obligations of said lease on the part of the lessee(s) to be kept and performed.

Subscribed and sworn to before me this day of , 19

Notary Public.

My commission expires

NOTE—*Insert here whether native born or naturalized. If naturalized, it will be necessary to file with this office Proof of Citizenship or Declaration of Intention to become a citizen, in the form of a letter or certificate of verification from Court of Issuance, and registration fee of $1.00.

INSTRUCTIONS—Assignment must be submitted in duplicate. The original Certificate, Grazing Lease, or Mineral Lease must be produced with the Assignment. Fees: Total Assignment, $2.00; Partial Assignment, $7.00.

If a Corporation, see other side for Acceptance of Assignment.

UTAH STATE LAND OFFICE

Acceptance of Assignment

Certificate No.....

Grazing Lease No.....

Mineral Lease No. 8255

Comes now The Sharples Oil Corporation a corporation of Denver, Colorado, and hereby accepts the Assignment from Vaughey & Vaughey of Denver, Colorado assigning to The Sharples Oil Corporation Cert. #.....; GL #.....; ML # 8255, which Assignment is dated April 1, 1955, subject to all of the covenants and obligations of said Lease.

IN WITNESS WHEREOF, The Sharples Oil Corporation has executed this Acceptance this 9th day of May, 1955.

THE SHARPLES OIL CORPORATION

(SEAL)

By Samuel Butler Jr. President

By W. A. Wiegand Asst. Secretary

State of Colorado
County of Denver } ss.

On this 9th day of May, A. D. 1955, personally appeared before me Samuel Butler, Jr. and W. A. Wiegand who ~~being by me duly sworn did~~ did affirm and say, each for himself, that he, the said Samuel Butler, Jr. is the President (officer) and he, the said W. A. Wiegand is the Asst. Secretary (officer) of The Sharples Oil Corporation and that the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors, and said Samuel Butler, Jr. and W. A. Wiegand each duly acknowledged to me that said corporation executed the same and that the seal affixed is the seal of said corporation.

Doris R. Pitt
Notary Public

My commission expires March 3, 1955

Residence Denver, Colorado

Attachment #2-C
The Sharples Oil Corporation
1700 Broadway
Denver, Colorado

URANIUM GEOLOGY OF THE SHARPLES LEASED PROPERTIES, SAN RAFAEL DISTRICT, EMERY CO., UTAH.

INTRODUCTION

The Sharples leased properties consist of the following:

School Section 2-22S-14E

Bivalve Claims 1, 2, 5, 6, 9, in Sec. 35-T21S-R14E

Bivalve Claims 9, 12, in Sec. 1, T22S, R14E

Frangipani Claims 1-9, Sec 1, T22S-R14E

Deseret Claims 1-3, Sec 1, T22S-R14E

Brink Claims 1-4, Sec 1, T22S-R14E

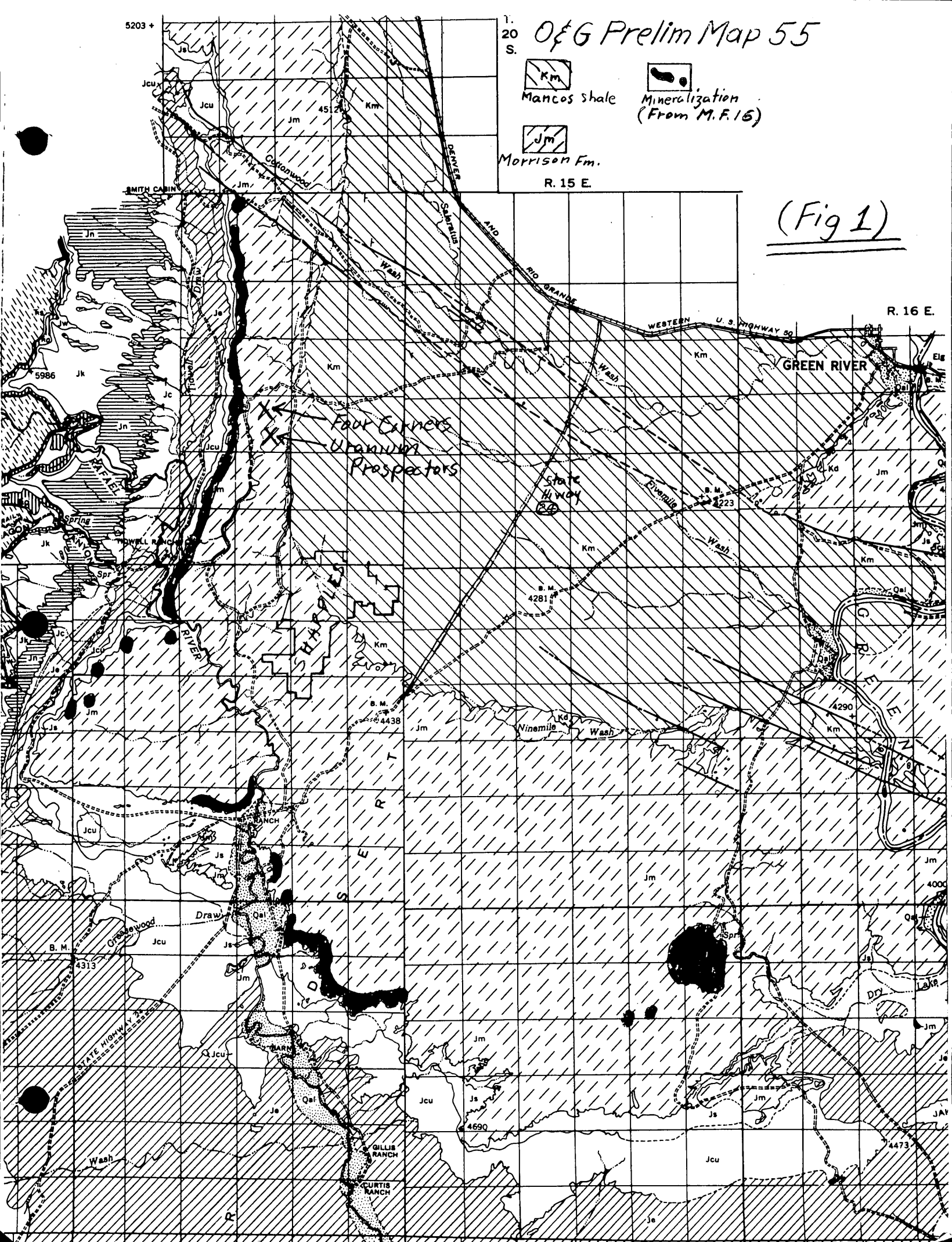
Geode Claims 1-5, secs. 1 & 11, T22S-R14E

Gunny Sack Claims 1-3, Secs 3, 10, & 11, T22S-R14E

Sahara Claims 1-24, Secs., 10 & 11, T22S-R14E

As indicated in Fig. 1, these properties are located 17 miles southwest of the town of Green River, Utah, in the San Rafael District, State highway 24, a good gravelled road passes within 1½ miles of the property, and fair access roads lead to nearly all parts of the property.

Small deposits of uranium and radium have been mined sporadically in this district since 1916. However, the ore bodies were small, and little, if any profit was made in mining them. Within the last year Four Corners Uranium Co., and Uranium Prospectors Co. Ltd., have done exploratory drilling of the Salt Wash one half to one mile east of its outcrop, and they have discovered large commercial deposits of uranium at depths ranging from 70 feet to 500 feet. Four Corners is currently in production, and Uranium Prospectors are sinking a 300 foot shaft, and is expected to be in production soon.


O&G Prelim Map 55
(Fig 1)
T. 20 S.
Km
Mancos shale
Mineralization (From M.F. 16)
Jm
Morrison Fm.
R. 15 E.
R. 16 E.
Four Corners Uranium Prospectors
State Hwy 24
GREEN RIVER
WESTERN U. S. HIGHWAY 50
DENVER AND RIO GRANDE
Cottonwood Wash
Salt Wash
Dry Wash
Fivemile Wash
Ninemile Wash
Spring Wash
Draw
Creosotewood
Dry Lake
RIVER
STATE HIGHWAY 24
SMITH CABIN
HOWELL RANCH
BARN
GILLIS RANCH
CURTIS RANCH
B. M. 4281
B. M. 4223
B. M. 4438
B. M. 4313
4512
5986
5203
4290
4690
4473
Jcu
Jm
Jn
Jk
Jc
Je
Js
Kd
Qal
Spr

As can be seen in Fig. 1, the Salt Wash rim is mineralized to the West, South, and Southeast of the Sharples properties. Several small mining operations are being conducted on these deposits at the present time.

It was this presence of mineralization in the outcrop, and the discovery of large ore bodies by Four Corners and Uranium Prospectors, that encouraged Sharples to undertake exploration of these properties.

Geologic Investigations in the San Rafael District include the following:

1. Mineral Investigations Field Studies Map MF16, compiled by W. I. Finch, shows the mineralized Salt Wash outcrops in this area.
2. Oil and Gas Investigations Preliminary Map 55, by A. A. Baker, shows the Areal Geology of this area.
3. RME3102. "Some Stratigraphic Sedimentary and Structural Relations of Uranium Deposits in the Salt Wash Sandstone" by Wm. Lee Stokes.
4. Geologic Structure Map of parts of Emery, Wayne, and Garfield Counties, Utah by A. A. Baker and others. U. S. G. S.

GEOGRAPHY

The Sharples properties are located on the east flank of the San Rafael Swell that rises steeply to the west of the San Rafael River, two miles west of the property. A relatively flat plain in the lower shale of the Brushy Basin member of the Morrison forms the surface over the southwestern part of the property. Small valleys run northeast into low strike ridges capped by sandstones of the upper Brushy Basin over most of the property. The Mancos Shale plain laps over the Brushy Basin on the eastern part of the property.

Surface elevation on the Sharples properties ranges from 4400 feet to 4550 feet. The area is drained by intermittent streams that run southwest one mile into the San Rafael River, the nearest source of water. Vegetation is sparce, and bedrock well exposed.

Meagre livestock raising is the only industry in addition to mining.

The climate is hot in summer, cold in winter, and semi-arid, affording year around operations in normal years.

GEOLOGY

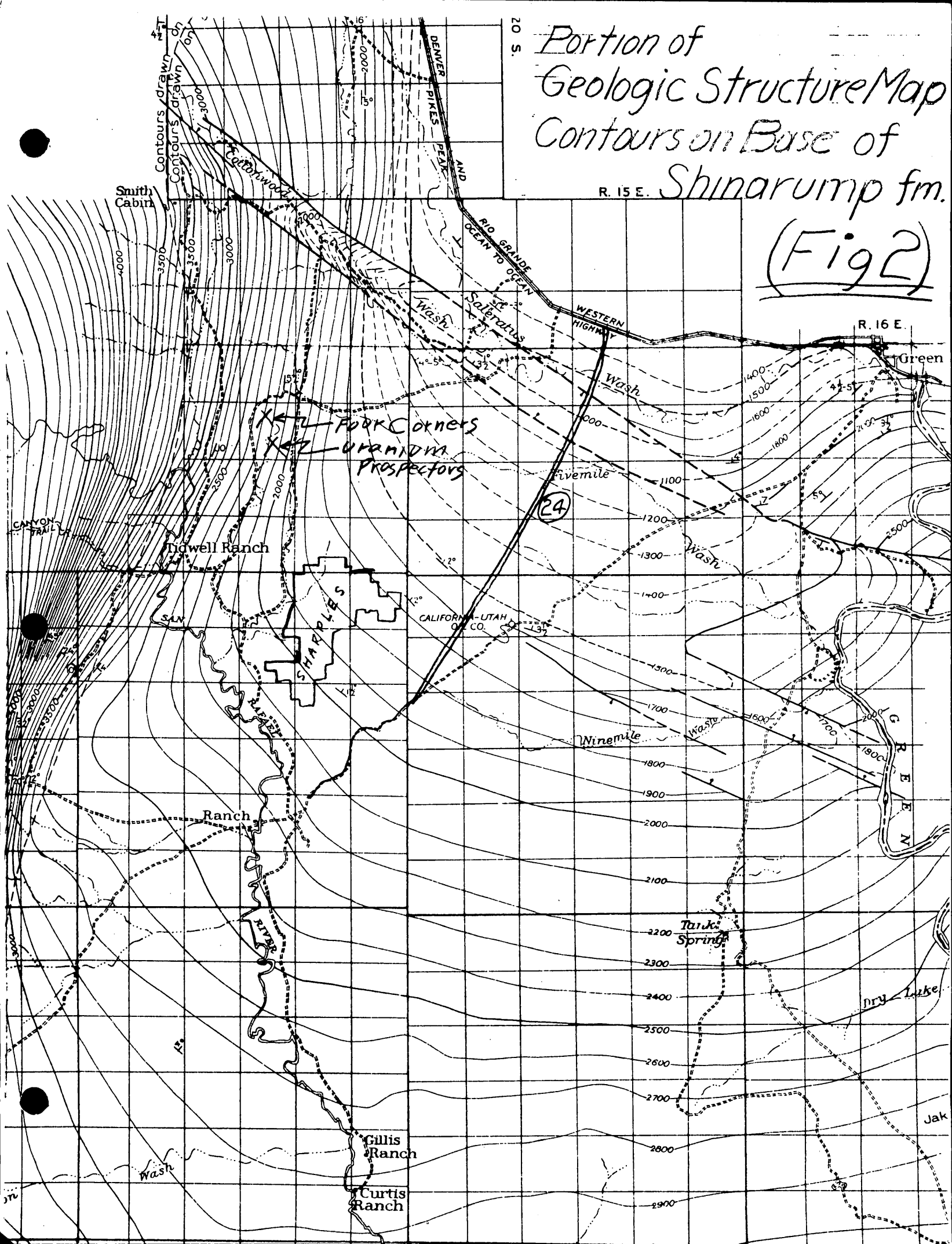
Three miles west of the property the San Rafael Swell rises sharply, exposing Permian through Jurassic rocks, dipping east at 20 to 45 degree dips. Two miles west of the Sharples property where the Salt Wash outcrops along the San Rafael River, the dip flattens to 7 or 8 degrees, and continues to flatten eastward to about 2 degrees across the property. (See Fig. 2)

There is some northwest southeast trending faulting in the area, however, none has been observed in the area of these leases.

STRATIGRAPHY

The Summerville formation of jurassic age underlies the Morrison formation, and outcrops along the San Rafael River two miles west of the property. It is a thin regularly bedded red sandy mudstone with thin beds of sandstone.

Unconformably overlying the Summerville formation is the Salt Wash member of the Morrison Formation. It consists of interbedded gray, medium grained sandstone and red, gray and purple mudstone. It forms a rough ledgy slope where it outcrops two miles west of the Sharples property. A fluvial deposit, its sandstone exhibit typical buried stream characteristics. Cross bedding is common among the sands which locally contain fossil trees, bones, carbonaceous "trash" and uranium ore. This member is about 300 feet thick.


Portion of
Geologic Structure Map
Contours on Base of
Shinarump fm.
(Fig 2)
Contours drawn on
Contours drawn on
DENVER AND RIO GRANDE
PIKES PEAK
OCEAN TO OCEAN
WESTERN HIGHWAY
R. 15 E.
R. 16 E.
20 S.
Smith Cabin
Cottonwood
Wash
Saleratus
Wash
Fivemile
Wash
Ninemile
Wash
Green
Fork Corners
Uranium Prospectors
24
CANYON TRAIL
Tidwell Ranch
SAN RAFAEL RIVER
SHARPLES
CALIFORNIA-UTAH OIL CO.
Ranch
Tank Springs
Dry Lake
Gillis Ranch
Curtis Ranch
Wash
GREEN
Jak

The Brushy Basin shale member of the Morrison formation (Jurassic) overlies the Salt Wash. It consists of varicolored bentonitic mudstone, with lenses of sandstone, conglomerate, and limestone. This member outcrops over the western portion of the Sharples leases. Silicified wood, and dinosaur bones are locally present. The Brushy Basin is about 200 feet thick in this area.

The Dakota Sand of Cretaceous age, buff to light brown in color, is found above the Morrison, and is five to ten feet thick in this area.

The basal portion of the Mancos Shale of Cretaceous age, is the youngest formation exposed in this area. It is a steel gray marine shale with occasional thin sandstone stringers. The Mancos shale is present over the eastern part of the Sharples leases.

URANIUM DEPOSITION IN THE SALT WASH MEMBER

In RME 3102, concerning Uranium ore deposition in the Salt Wash in the San Rafael District, Stokes says,

"In the San Rafael River Area, the ore bearing Salt Wash sandstones, dips eastward and outcrops in the form of a cuesta ridge, the dip-slope side of which is two to four miles wide where the San Rafael River cuts the east flank of the San Rafael Swell.

The ore deposits are similar to those of other saltwash districts, and is of relatively high uranium content, and the number of trees replaced with uranium minerals is relatively great. Also, notable are the number of dinosaur bones, some of which are mineralized.

The Salt Wash of the San Rafael area shows a high proportion of conglomerate, especially in the higher portion. This phase is abundantly cross-bedded and also contains fossil trees, bones and uranium ore. The lower portions are composed of finer sediments, but the segregation of the sand into definite channels is well marked. Some channels can be traced as discrete bodies for as much as

a mile. There is little tendency for the Salt Wash to form "Rims" or continuous cliffs except, perhaps, in the very basal part.

Detailed mapping of sedimentary features along about eight miles of exposure shows that the general trend of the rivers which deposited the Salt Wash was about 20 to 30 degrees east of north. A second well marked trend occurs chiefly in the vicinity of the best mineralization trends of about 45 degrees east of south. There were no apparent differences in the type of material present in the two trends. There appears a distinct tendency for the channel segments to curve toward the right (looking down stream). This makes it appear they may have been turning away from the area of the Swell."

"Ore sands in the Salt Wash have properties that are average or nearly so. These sands are not found in flood plains or in the central portions of channels, but rather along or near the banks and associated with organic material deposited in the same environment."

EXPLORATORY DRILLING

Before Sharples did any drilling in this area, Vaughey and Vaughey drilled several exploratory holes in section 3-22S-14E, immediately west of the Sharples Property. Mineralization was found in three holes drilled on this property. It is also understood that the A.E.C. encountered mineralization in a hole drilled immediately south of the Sharples Property.

During April and May, 1955, Sharples drilled fourteen exploratory holes on this property. Thirteen holes were spaced at approximately 1000' intervals, and one hole was drilled eight feet south of hole 11, in an attempt to get a good core and scintillation log of the hole showing the best mineralization. The location of these holes is shown on the enclosed lease map. Eight of the fourteen holes drilled showed mineralization in some degree. These holes are

colored red on the map. Six of the holes were barren. These holes are colored blue on the map.

Copies of the sample logs and Scintillation logs of all wells are included with this report. All holes were immediately probed with a Babel Counter after being drilled, and then logged with Scintillation counter by the A.E.C.

Below is a tabulation of the mineralization found in these holes:

Hole 2. Scintillation counter shows mineralization from 420 to 440, in shale.

Hole 4. Babel Probe showed mineralization from 198-200, 223-24, and 232-236. Washed hole out several times, but were unable to get scintillation probe in hole.

Hole 5. Mineralization indicated from 251--55, and 340--360, in sand.

Hole 6. Mineralization indicated from 85--93, in shale, and from 315--25 in sand.

Hole 7. Slight mineralization, 100-10 in sand, 330--40 in sand, and 353-55 in sand.

Hole 11. Mineralization present in this hole from 393.5 to 400 feet. Averaged .4% on Babel Probe, with a high of 1% at 395.95. The Scintillation Probe was unable to get below 396. However, the scintillation log indicates mineralization from 392--total depth reached. Mineralization in sand.

Hole 11-A This hole drilled eight feet south of hole 11. Mineralization 393--400. 21% U_3O_8. Mineralization in shale.

Hole 12. Mineralization in sandy shale 305--10, and slight mineralization 392--95 in sand.

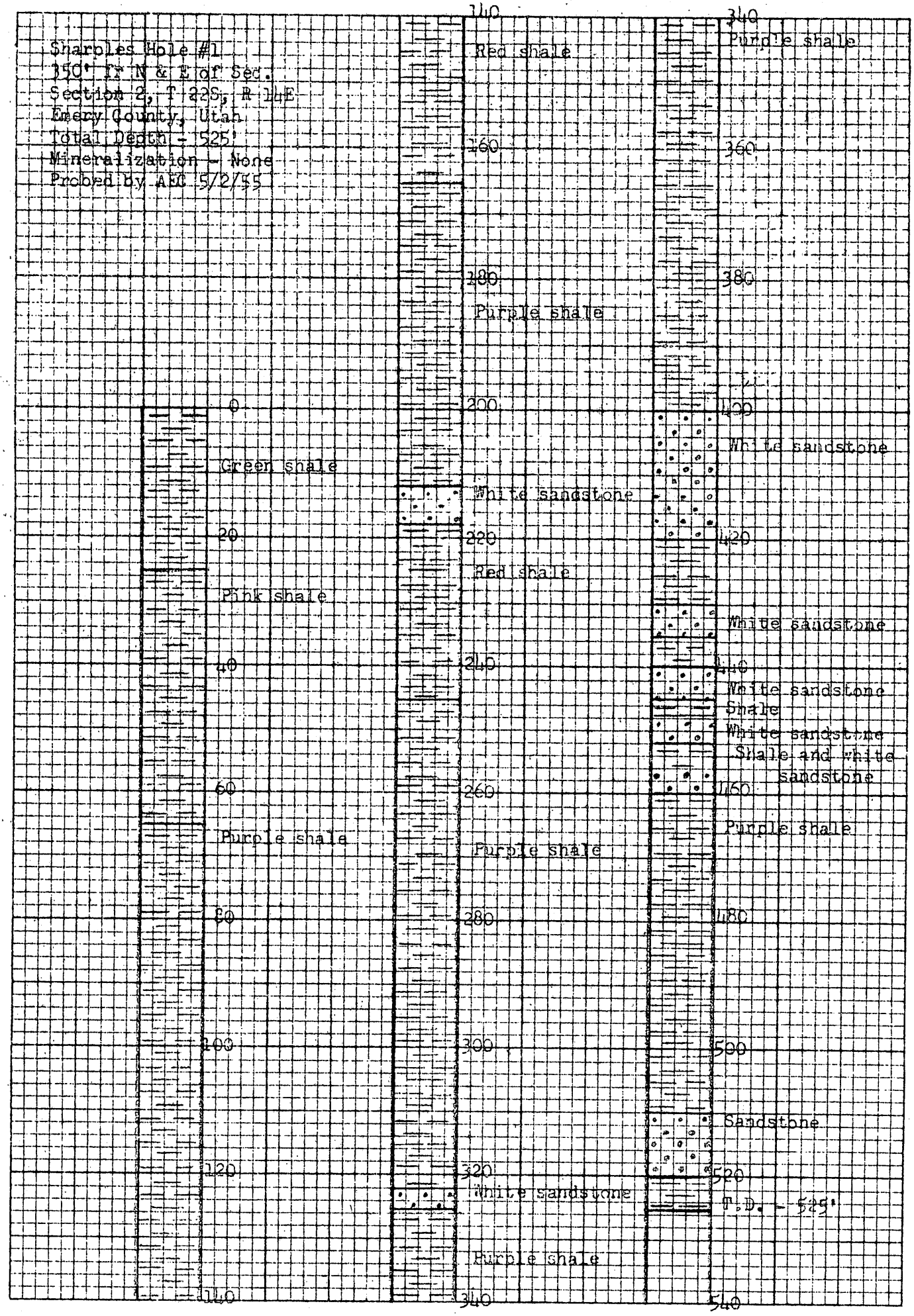
CONCLUSIONS AND RECOMMENDATIONS

The mineralization found in the first fourteen holes drilled on the Sharples property is most encouraging. Continuation of the wide spaced drilling program appears warranted. It is recommended that mineralization found in this first phase drilling be further defined by a second phase drilling program on approximately 200 foot centers around all holes showing mineralization and that this followed up with third phase drilling on 75 foot centers to delineate any Ore bodies that may be present.

Respectfully submitted,

David M. Evans, Geol. Engr.

Sharples Hole #1
350' fr N & E of Sec.
Section 2, T 22S, R 14E
Emery County, Utah
Total Depth - 525'
Mineralization - None
Probed by AEC 5/2/55



EUGENE DIETZGEN CO.
MADE IN U. S. A.
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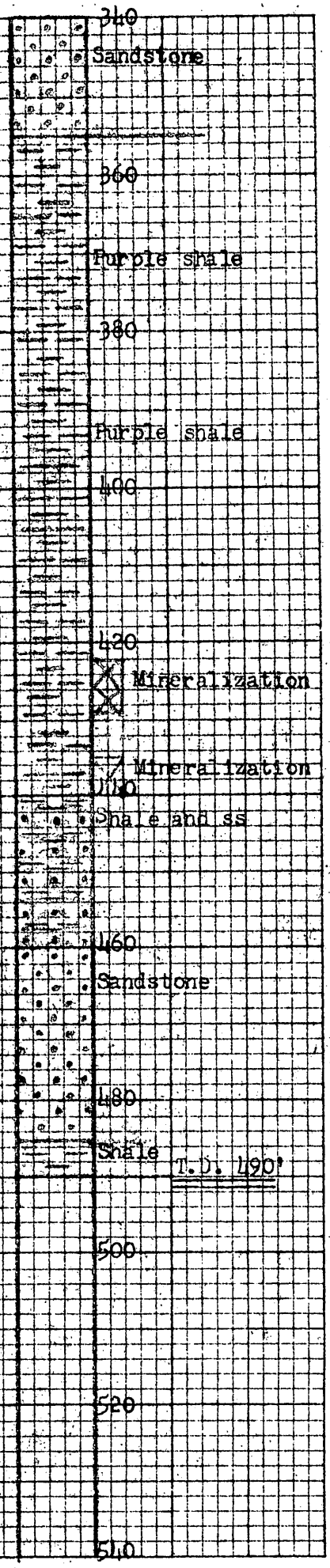
10 X 10 PER INCH

Sharples Hole #2
1350' fr. N, 100' fr. W of Sec.
Section 2, T 22S, R 14E
Emery County, Utah
Total Depth - 490'
Mineralization - Babel Probe
422-28 & 435-40
Probed by AEC 5/2/55



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Sharples Drill Hole #3
2050' fr. N & 250' fr. W of Sec.
Section 2, T 22S, R 11E
Emery County, Utah
Total Depth - 410'
Mineralization - None
Probed by AEC 4/14/55

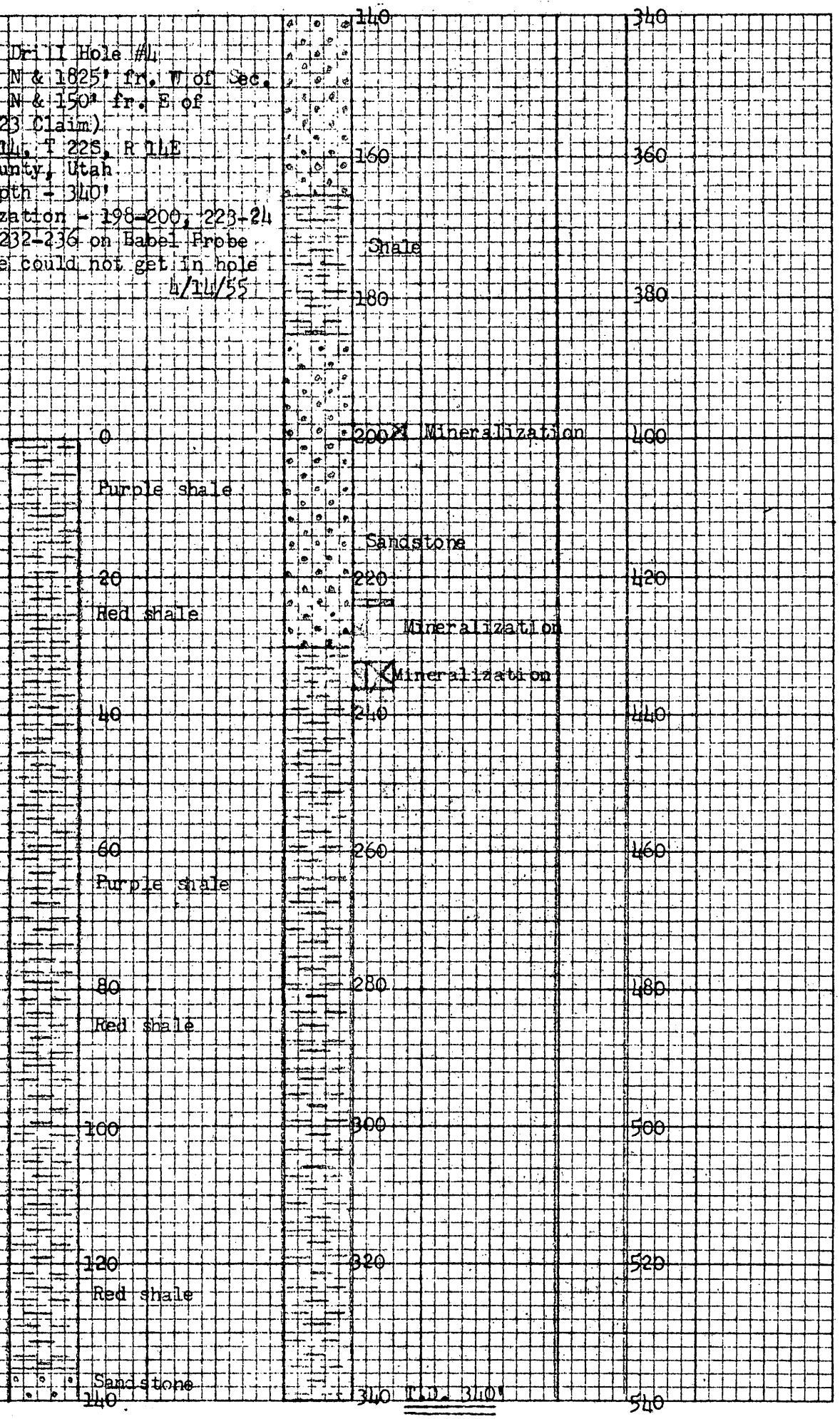
0
Sandstone
Purple shale
20
Gray shale
40
Sandstone
Sandstone and shale
Purple shale
60
80
Red shale
Purple shale
100
Sandstone
120
Purple shale
140

140
Pink shale
160
180
Purple shale
200
Purple shale
220
240
Sandstone
Purple shale
260
Red shale
280
300
320
340

340
Shale and sandstone
360
Sandstone
380
400
Shale and ss
T.D. 410'
420
440
460
480
500
520
540

EUGENE DIETZGEN CO. MADE IN U.S.A.
NO 340 -10 DIETZGEN GRAPH PAPER 10 X 10 PER INCH

Sharples Drill Hole #4
600' fr. N & 1825' fr. W of Sec.
(50' fr. N & 150' fr. E of
Sahara 23 Claim)
Section 14, T 22S, R 14E
Emery County, Utah
Total Depth - 340'
Mineralization - 198-200, 223-24
and 232-236 on Babel Probe
AEC Probe could not get in hole
4/14/55



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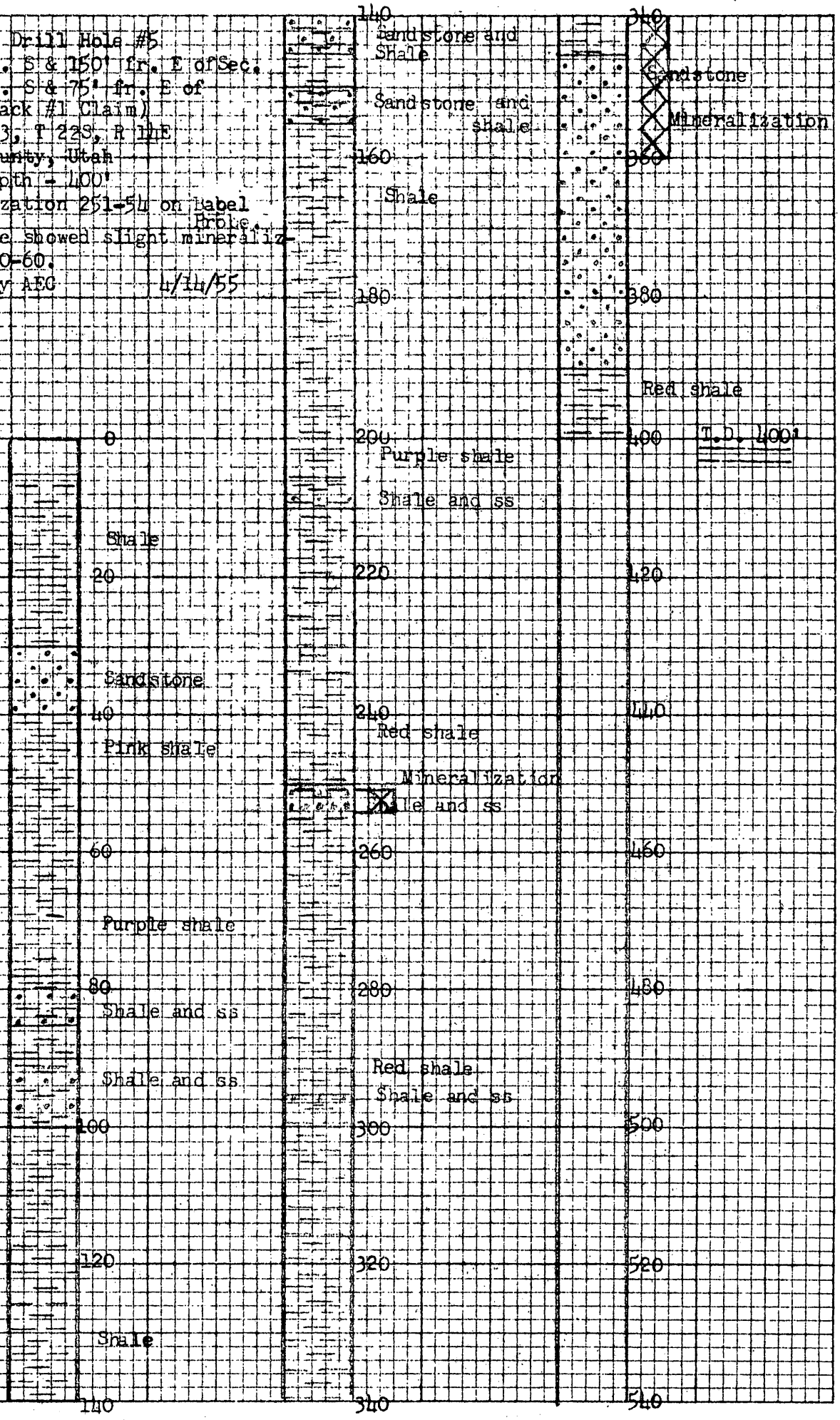
Sharples Drill Hole #5
1850' fr. S & 150' fr. E of Sec.
(325' fr. S & 75' fr. E of
Gunny Sack #1 Claim)
Section 3, T 22S, R 14E
~~Emery County, Utah~~
Total Depth - 400'
Mineralization 251-54 on Babel Probe.
AEC Probe showed slight mineralization 340-60.
Logged by AEC 4/14/55



EUGENE DIETZGEN CO.
MADE IN U.S.A.
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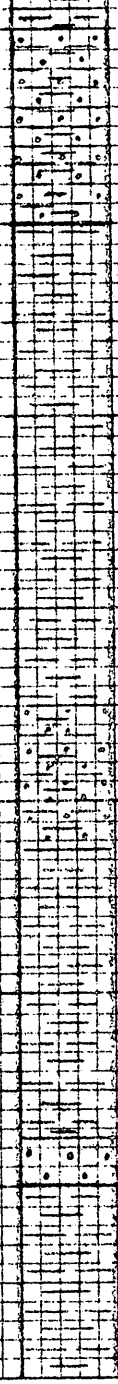
10 X 10 PER INCH

Sharples Drill Hole #6
950' fr. S & 200' fr. E of Sec.
(950' fr. S & 100' fr. E Gunny
Sack Claim 2)
Section 3, T 22S, R 14E
Emery County, Utah
Total Depth - 420'
Slight Mineralization 318'-23'
Probed by AEC 4/14/55

0
Sandstone
Red shale
20
Sandstone
and shale
40
60
Red shale
80
100
Red shale
120
140



140
Red & green
shale
160
180
Red shale
200
White sandstone
and shale
Dark sandstone
and shale
220
Purple shale
240
Red shale
260
Red shale and
sandstone
280
Purple shale
300
Sandstone
Mineralization
340

340
360
Red shale and
sandstone
380
400
Sandstone and
shale
420
T.D. 420'
440
460
480
500
520
540

EUGENE DIETZGEN CO.
MADE IN U. S. A.
NO. 340 -10 DIETZGEN GRAPH PAPER
10 X 10 PER INCH

Sharples Drill Hole #7
125' fr. S & 300' fr. E of Sec &
Gunny Sack #2 Claim
Section 3, T 22S, R 14E
Emery County, Utah
Total Depth 422'
Slight Mineralization 100-15,
353-55
Probed by AEC 4/14/55

0
White sandstone
Red shale

White shale

20
Red shale

Purple shale

40

Red shale

60

Purple shale

80

Red shale

Sandstone
100
Mineralization
Shale with
sandst.

120

Red shale with
sandstone

140

140

Red shale

160
Shale with ss

Sandstone with
shale

180

Sandstone with
shale

200

Red shale

220

240

260
Shale with
sandstone

280

Sandstone

300

Red shale

320
Shale with ss

340

340
Sandstone

Mineralization

360

Sandstone with
shale

380

400

Purple shale
420
T.D. 422'

440

460

480

500

520

540

EUGENE DIETZGEN CO.
MADE IN U.S.A.
NO. 340 -10 DIETZGEN GRAPH PAPER
10 X 10 PER INCH

Sharples Drill Hole #8
460' fr. S & 750' fr. W of Sec.
Section 2, T 22S, R 14E
Emery County, Utah
Total Depth - 440'
Mineralization - None
Probed by AEC 5/3/55

0
Sandstone
Pink shale
Purple shale
20
Green shale
40
60
80
100
120
Purple shale
140

140
Shale with Sandstone
160
Shale with ss
180
Sandstone with shale
200
Sandstone with shale
220
240
Pink shale
Shale with Sandstone
260
280
300
Red shale w/ss
320
340

340
Sandstone
360
Red shale
Shale with ss
380
Sandstone
400
Purple shale
T.D. 440'
420
440
460
480
500
520
540

EUGENE DIETZGEN CO.
MADE IN U. S. A.
NO 340 -10 DIETZGEN GRAPH PAPER
10 X 10 PER INCH

Sharples Drill Hole #9
450' fr N & 600' fr W of Sec.
(200' fr S & E of Gunny Sack
#3 Claim)
Section 11, T 22S, R 14E
Emery County, Utah
Total Depth - 405'
Mineralization - None
Probed by ABC 5/3/55

0
Purple shale

20
Pink shale

40

60

80

Sandstone with shale
100

Sandstone with shale
120

140

140
Sandstone with shale

160

180

200
Purple shale

Pink shale with sandstone

220
Purple shale

Sandstone with shale
240

260

280

300

Sandstone with shale
320

340

340
Sandstone

360
Sandstone with shale

380

400
T.D. 405'

420

440

460

480

500

520

540

EUGENE DIETZGEN CO
MADE IN U. S. A.
NO. 340 10 DIETZGEN GRAPH PAPER
10 X 10 PER INCH

Sharples Drill Hole #10
1125' fr. N & 750' fr. W of Sec.
(275' fr. N & 50' fr. E of Sahara
#1 Claim)
Section 11, T 22S, R 11E
Emery County, Utah
Total Depth - 425'
Mineralization - None
Probed by AEC 5/5/55

0
Purple shale

20

Gr. shale

40

60
Pink shale

White shale

80

100
Shaly sandstone

120
Purple shale

140

140
Gray shale

160
Pink shale

180

200
Purple shale

220

240

Pink sandstone

Purple shale

260

280

Shale with
sandstone

300

320

340

340
White sandstone

360

Shale with
sandstone

380

400
Sandstone

Purple shale

420
T.D. 425'

440

460

480

500

520

540

EUGENE DIETZGEN CO.
MADE IN U. S. A.
NO. 340 -10 DIETZGEN GRAPH PAPER
10 X 10 PER INCH

Sharples Drill Hole #11
125' fr. N & 1625' fr. W of Sec.
(125' fr. N & 650' fr. E of
Sahara 6 Claim)
Section 11, T 22S, R 14E
Emery County, Utah
Total Depth - 425'
Good Mineralization - 391-6
(Could not get AEC Probe below 396
However, Babel Probe showed
Mineralization 391-400 with av.
.35% U_3O_8 from 393.5 to 397.1
(3.6'))

Probed by AEC 5/3/55

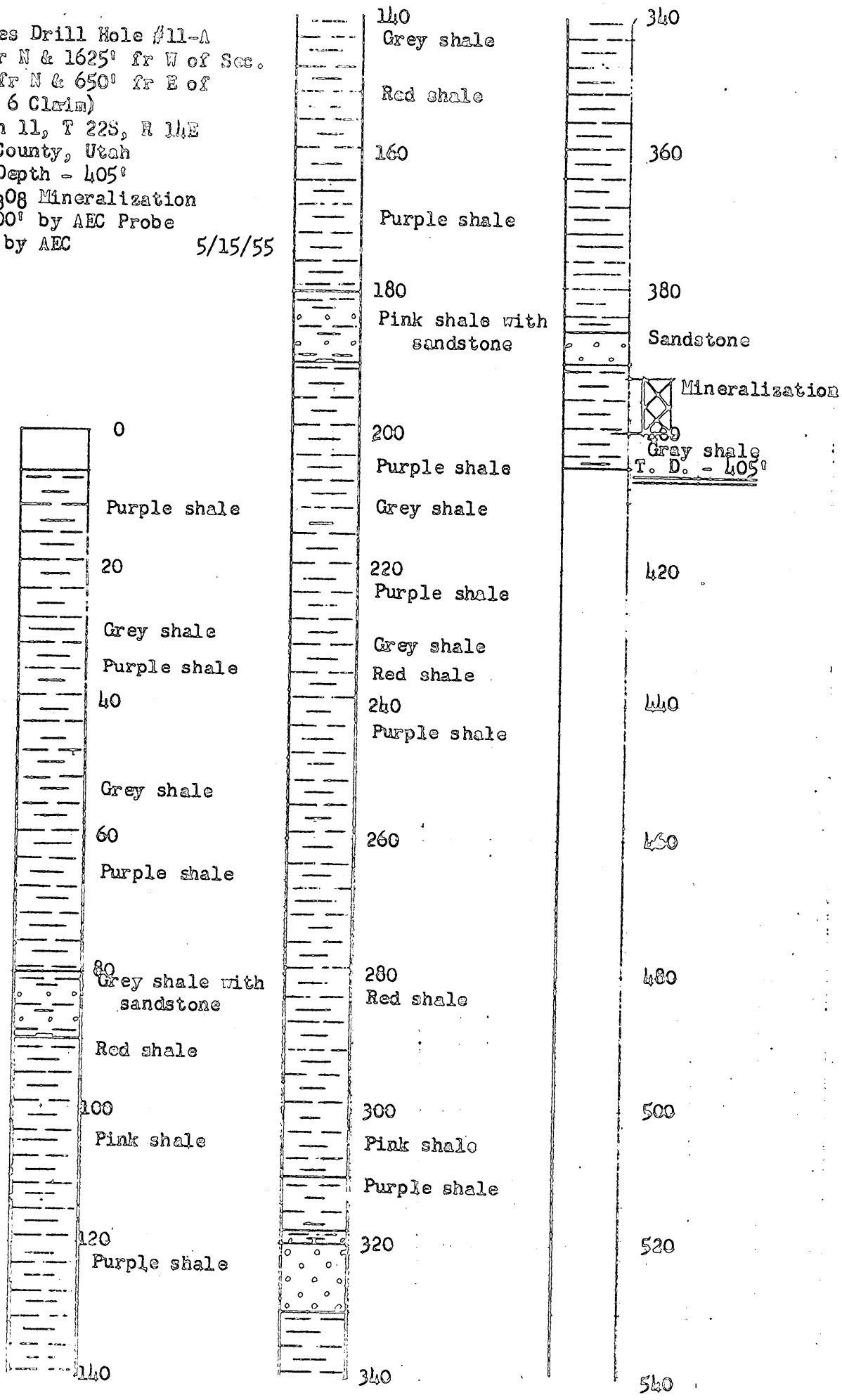
0
Gr. shale
Purple shale
20
Sandstone
Gr. shale
Purple shale
40
Pink shale
60
80
Pink sandstone
Purple shale
Pink sandstone
100
Purple shale
Pink shale
120
140

140
160
Shale with sandstone
Red shale
180
Sandstone
200
Purple shale
220
Sandstone
Pink shale
240
Purple shale
Red shale
260
280
Shale with sandstone
300
Red shale
320
Red shale
340

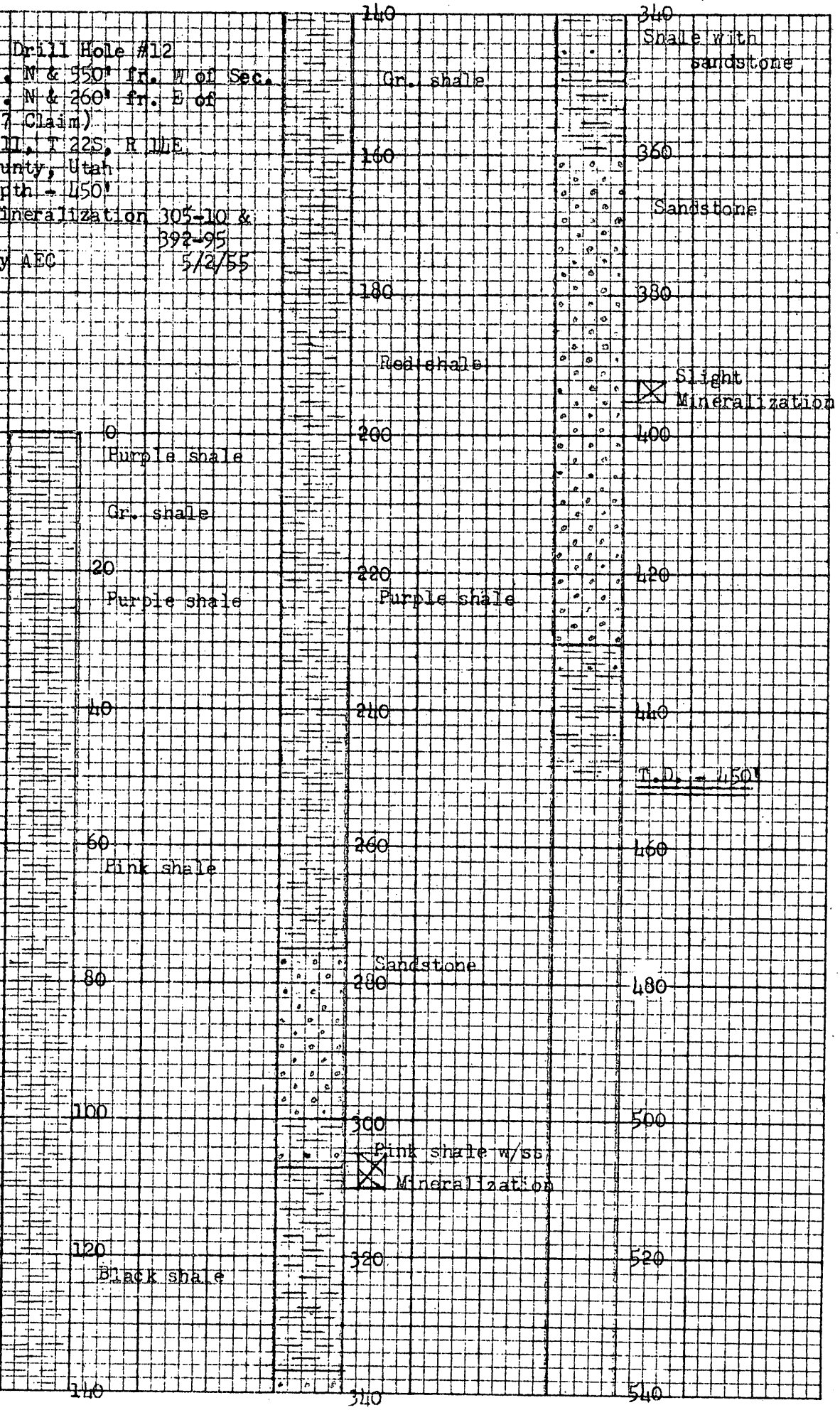
340
Shale with sandstone
360
Sandstone
380
Mineralization
400
Shale with sandstone
420
Shale
T.D. 425'
440
460
480
500
520
540

EUGENE DIETZGEN CO.
MADE IN U.S.A.
NO. 340 10 DIETZGEN GRAPH PAPER
10 X 10 PER INCH

Sharples Drill Hole #11-A
133' fr N & 1625' fr W of Sec.
(133' fr N & 650' fr E of
Sahara 6 Claim)
Section 11, T 22S, R 14E
Emery County, Utah
Total Depth - 405'
.21% U_3O_8 Mineralization
392'-400' by AEC Probe
Logged by AEC 5/15/55



Sharples Drill Hole #12
2060' fr. N & 550' fr. W of Sec.
(100' fr. N & 260' fr. E of
Sahara 7 Claim)
Section 11, T 22S, R 11E
Emery County, Utah
Total Depth - 450'
Slight Mineralization 305-10 &
392-95
Probed by AEC 5/2/55



EUGENE DIETZGEN CO.
MADE IN U. S. A.
NO. 340 -10 DIETZGEN GRAPH PAPER
10 X 10 PER INCH

Sharples Drill Hole #13
2050' fr. N & 1350' fr. W of Sec.
(100' fr. S & 50' fr. E of
Sahara 2 Claim)
Section 11, T 22S, R 11E
Emery County, Utah
Total Depth - 450'
Mineralization - None
Probed by AEC 5/2/55

0
Sandstone
Purple shale
20
40
60
80
100
Pink shale
Purple shale
120
140

140
160
180
200
220
240
260
280
Shale with sandstone
Shale
300
Sandstone
320
340

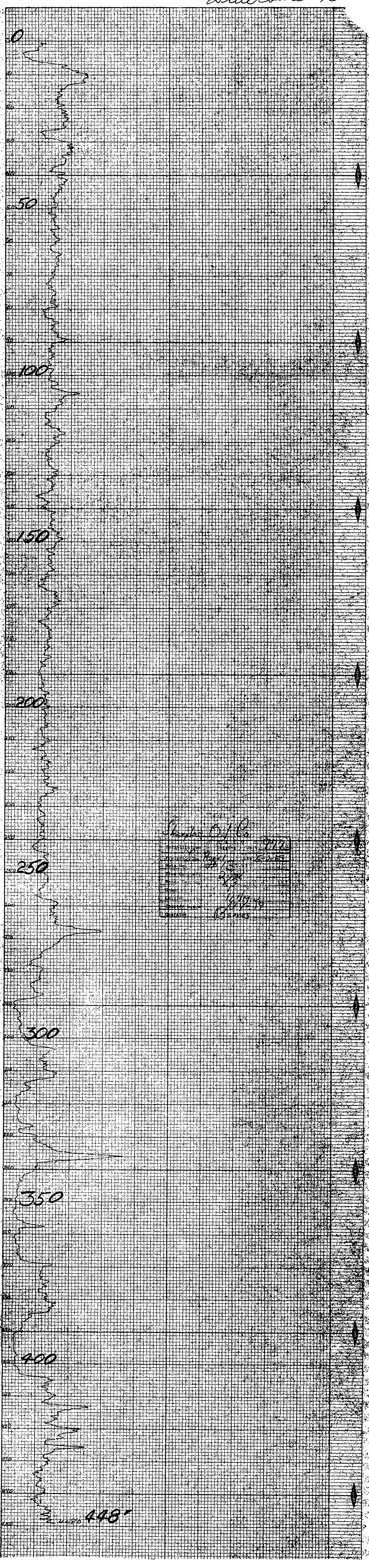
340
Shale with sandstone
360
380
Purple shale
400
420
Shale with sandstone
440
T.D. 450'
460
480
500
520
540

EUGENE DIETZGEN CO.
MADE IN U. S. A.
NO. 340 -10 DIETZGEN GRAPH PAPER
10 X 10 PER INCH

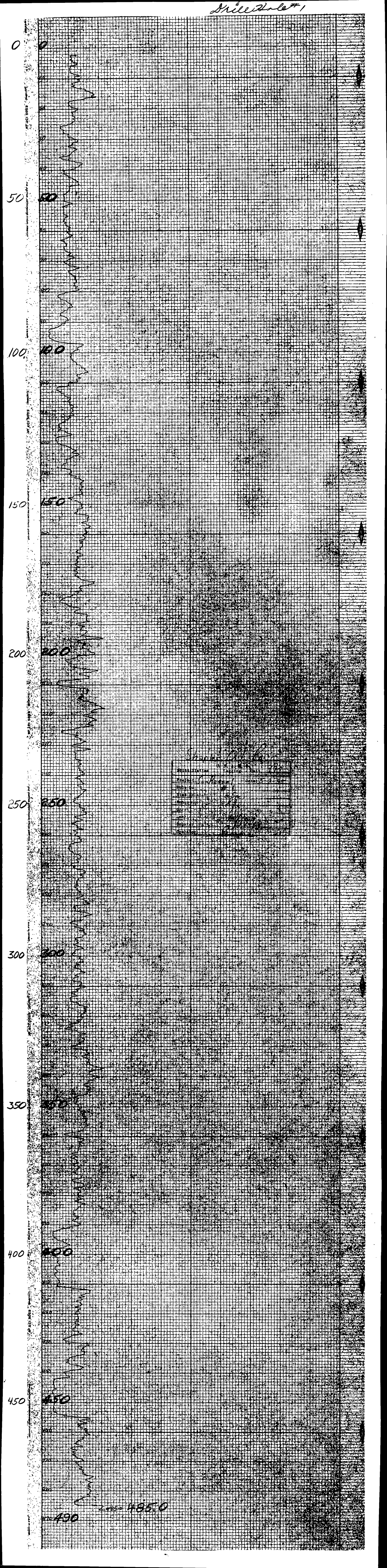
Drill Hole #2

0
50
100
150
200
250
300
350
400
450
Diamond Drill Co.
Property Lake Placer
Hole No. #2
Date Commenced 5-2-53
Date Completed
Total Depth
Casing Left in
Contractor
Hole was started at 34.3 ft. on May 2, 1953 the bottom of hole was 20 ft.

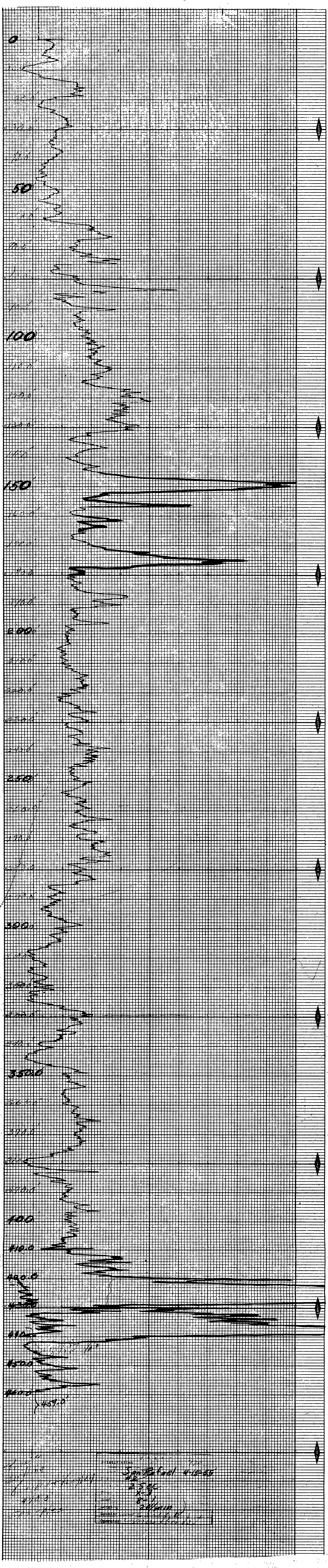
Drill Hole #13



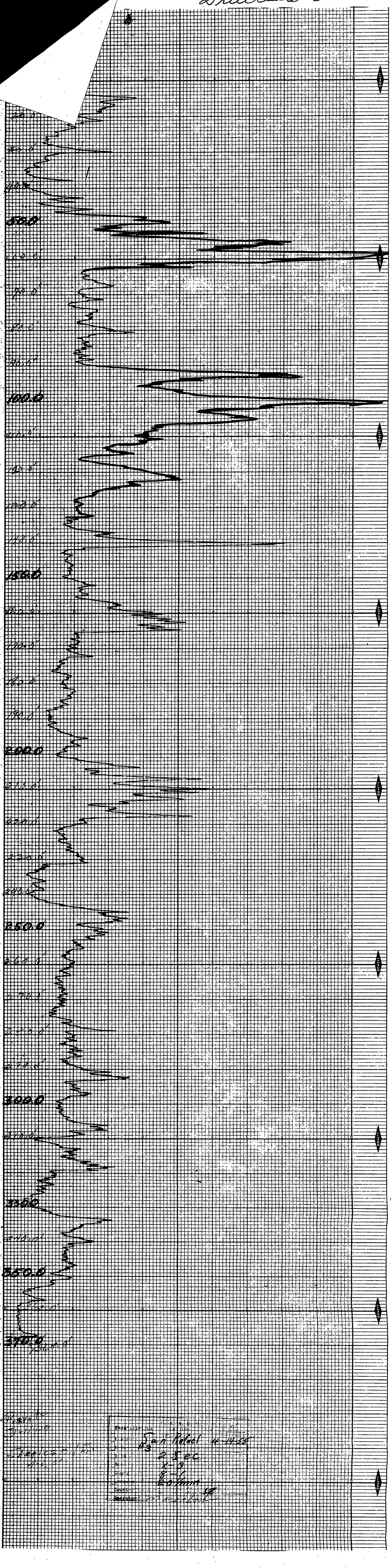
Drill Hole #1



Drill Hole #2


0
50
100
150
200
250
300
350
400
410.0
420.0
450.0
459.0
Sam Rafael 4-15-56
#2
2 sec
X-5
8-1
20 min

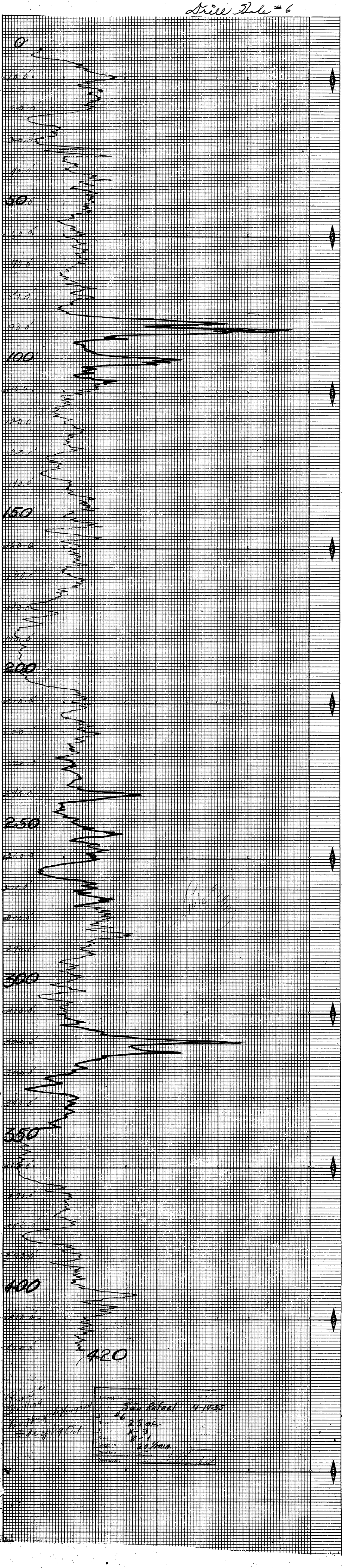
Drill Hole #3


50.0
100.0
150.0
200.0
250.0
300.0
350.0
400.0
DOWN
UP
San Rafael 4-14-55
#3
2 Sec
X-3
8-1
Column
18

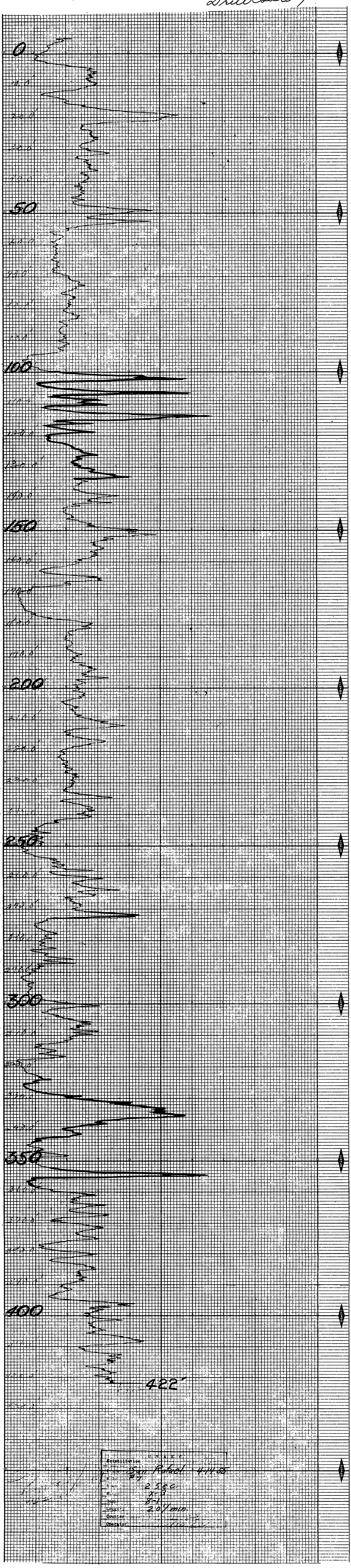
Drill Hole #5

0
10.0'
20.0'
30.0'
40.0'
50
60.0'
70.0'
80.0'
90.0'
100
110.0'
120.0'
130.0'
140.0'
150
160.0'
170.0'
180.0'
190.0'
200
210.0'
220.0'
230.0'
240.0'
250
260.0'
270.0'
280.0'
290.0'
300
310.0'
320.0'
330.0'
340.0'
350
360.0'
370.0'
380.0'
384
390.0'
Calibration
San Rafael
#5
2 Sec
X-3
S-1
20/min
Operator

Drill Hole #6


0
50
100
150
200
250
300
350
400
420
San Rafael 4-14-55
#6
25 sec.
X-1
Z-1
20 Trans.
Location
Operator

Drill Hole #7

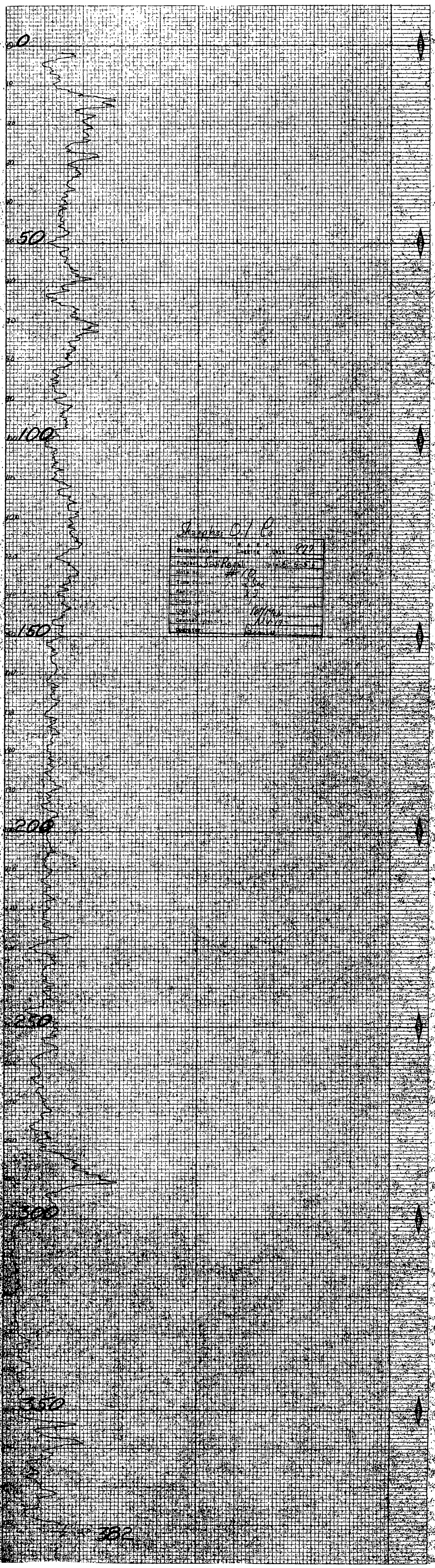

0
50
100
150
200
250
300
350
400
422'
U.S.A.E.C.
Scintillation
Date San Rafael 4-14-55
#7
Time 2 sec
R x-3
Scale 8-1
Counter 20/min.
Operator

Drill Hole #8

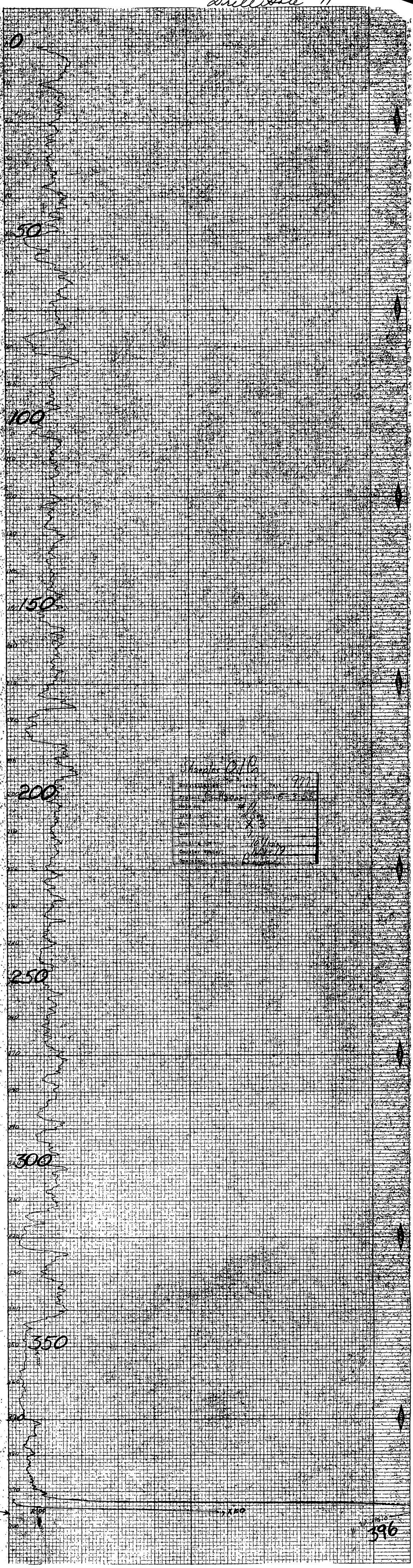
0
50
100
150
200
250
300
350
390
Project: Jen Rice
Date: 6-3-55
Hole No: #8
Range: x3
Operator: Barnes

Drill Hole #9

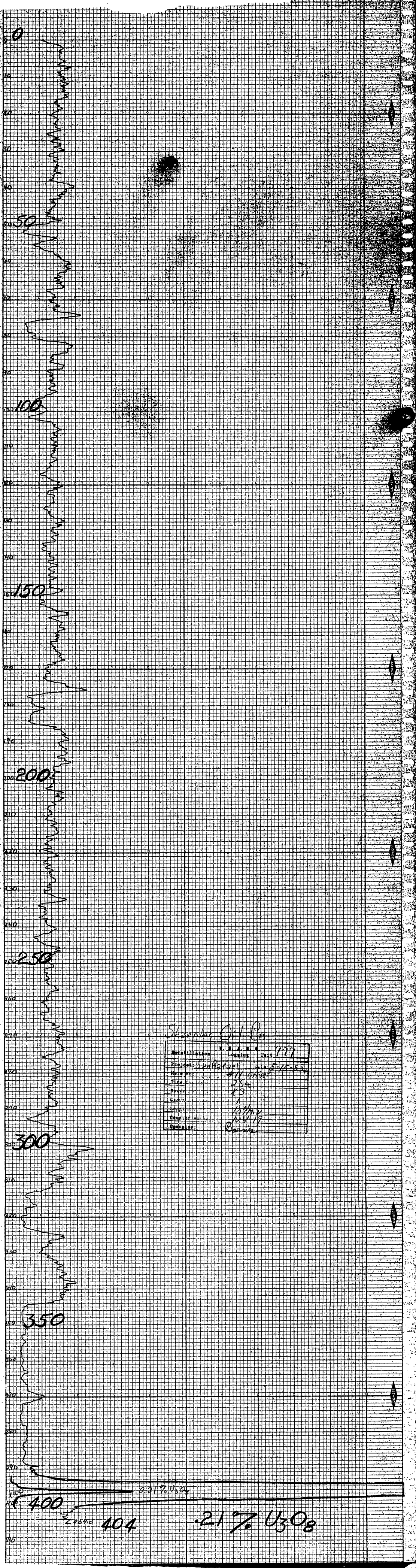
Drill Hole #10



Drill Hole #11



Drill Hole #11-A



R. 14 E.
SECTION 35
JIM CLAIMS
BASIN CLAIMS
SECTION 36
STAR CLAIMS
BIVALVE 5
BIVALVE 1
BIVALVE 6
BIVALVE 2
BIVALVE 9
T. 21 S.
T. 22 S.
FRANGIPANI 1
FRANGIPANI 3
FRANGIPANI 4
BIVALVE 12
FRANGIPANI 2
FRANGIPANI 5
FRANGIPANI 7
FRANGIPANI 6
GEODE 5
GEODE 4
DESERET 1
DESERET 2
DESERET 3
FRANGIPANI 8
SECTION 1
FRANGIPANI 9
BRINK 1
BRINK 2
SECTION 3
SCHOOL
SECTION 2
GUNNY SACK 1
GERTRUDE CLAIMS
GEODE 3
REGAL CLAIMS
BRINK 3
BRINK 4
GUNNY SACK 2
GUNNY SACK 3
SAHARA 6
GEODE 1
GEODE 2
SAHARA 1
SAHARA 2
SAHARA 3
SAHARA 4
SAHARA 5
FREDDY CLAIMS
GOD'S WILL CLAIMS
SAHARA 7
SAHARA 8
SAHARA 9
SAHARA 10
SAHARA 11
SAHARA 22
SAHARA 17
SECTION 10
SECTION 11
SAHARA 21
SAHARA 18
SAHARA 19
SAHARA 15
SAHARA 14
SAHARA 13
SAHARA 12
DESERT QUEEN CLAIMS
SAHARA 20
SAHARA 24
SAHARA 16
SAHARA 23
DESERT QUEEN CLAIMS
SECTION 15
SECTION 14
R. 14 E.
Drill Hole—Mineralized
Drill Hole—Non Mineralized
Proposed 1st Phase Core Hole
Proposed 1st Phase Drill Hole
SHARPLES OIL CORPORATION
LEASED PROPERTIES
T. 21-22 S., R. 14 E., S. L. M.
EMERY COUNTY, UTAH
SCHOOL SECTION 2
BIVALVE 1, 2, 5, 6, 9, 12
FRANGIPANI 1 TO 9, INCL.
DESERT 1, 2, 3
BRINK 1, 2, 3, 4
GEODE 1, 2, 3, 4, 5
GUNNY SACK 1, 2, 3
SAHARA 1 TO 24, INCL.
0 500 1000 1500 2000 1/2 MILE
SCALE