UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

January 19, 1965

Memorandum

To: George P. Selfridge, Chief
Division of Exploration Operations
Washington, D. C. 20240

From: Martin, Field Officer, OME Region III

Subject: DMEA-3[illegible] (Uranium)
Uranium Prospectors Company, Ltd.
Jackpile Claims
Emery County, Utah
Contract Idm-[illegible]
and
DMEA-[illegible] (Uranium)
Pacific Uranium Mines Corporation
[illegible] Claims
Emery County, Utah
Contract Idm-E926
and
DMEA-3[illegible] (Uranium)
Uranium Prospectors Company, Ltd.
Dele[illegible] et al. Claims
Emery County, Utah
Contract Idm-E792

ORIGINAL COPY

This responds to your memorandum dated December 24, 1964 on the subject contracts.

I have reviewed the information furnished by Mr. Roy O. Davis as noted in the copy of the letter which is attached. I have also visited the AEC and E. E. Lewis, in Grand Junction.

I have every assurance that we will receive all royalties due the Government except in the case of Contract Idm-E7[illegible]. Please refer to my memorandum of January 18, 1965 regarding Idm-E7[illegible]

You may be interested in the background of E. E. Lewis, Inc. This outfit consists of a group of young (by our standards) mining engineers and geologists who have all had a great deal of experience in uranium mining and exploration. They usually operate as production managers, as they do on E-792 Vanadium Queen for Climax who is the Operator for the Bankruptcy Court.

The E. E. Lewis agreement with Four Corners is more of a lease and sublease.

As far as I have been able to learn, E. E. Lewis, Inc. is thoroughly reliable and has a good reputation.

Hugh M. Connors

cc: E877
E921
E792
Chron

DEC 2 4 1969

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Exploration Operations

Subject: DMEA-3767 (Uranium)
Uranium Prospectors Company, Ltd.
Jack Rabbit Claims
Emery County, Utah
Contract Idm-E877
and
DMEA-3928 (Uranium)
Pacific Uranium Mines Company
Green River Claims
Emery County, Utah
Contract Idm-E926
and
DMEA-3620 (Uranium)
Uranium Prospectors Company, Ltd.
Dede, et al., Claims
Emery County, Utah
Contract Idm-E792

In response to BME Form 63, Request for Information on Certified Project, regarding the first above listed contract, Mr. Roy O. Davis, Controller, Four Corners Oil & Minerals Co., 613 Farmers Union Building, Denver, Colorado, has furnished a copy of Lease and Mining Claim dated March 25, 1964, relating to Jack Rabbit No. 1 claim leased from C. H. Snow, et al. Also furnished was a copy, undated but apparently executed in April or May 1964, of a Mining Lease, Sublease and Agreement with E. E. Lewis, Inc., P. O. Box 1431, Grand Junction, Colorado, relating to the Jack Rabbit No. 1 and numerous other mining claims.

We are unable to reproduce these documents. It is suggested that you either procure copies from Mr. Davis or borrow his copies long enough to make copies for your file.

Our review indicates that in addition to the Jack Rabbit No. 1 claim on which the Government has a lien for royalty under Contract Idm-E877, the Ajax group, Jeannie No. 1, Red Nos. 1 to 5, and the

Wills group are subordinated under Contract Idm-E926. The Vanura group appear to be the relocated claims formerly described as the Dede, et al., group subordinated under Contract Idm-E792.

Mr. Davis stated that there has not been any production from the land subject to the contract since April 1964. However, it is not clear whether he is referring only to the Jack Rabbit No. 1 claim or whether he means all of the claims.

Please look into this matter at your earliest convenience and advise what the prospects are for receipts of royalty under each of the contracts. You should also ascertain whether any of the other claims listed in Exhibit "A" of the mining lease to E. E. Lewis, Inc., are subject to the Government's lien for royalty.

Enclosure (Form 63 - DMEA-3767)

George C. Selfridge

CEFisher/aaa 12-23-64

cc:
Docket
Director's Reading File
CA & A Division - Idm-E926
Review Committee

E-926

For royalty payment of $368.32, dated July 24, 1964, see transmittal letter file.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

ROYALTY AUDIT CERTIFICATE

I have examined the production, sales, and royalty accounts and records pertaining to the sale of uranium ore by Four Corners Oil & Minerals Company for the period October 17, 1962, through April 3, 1964, from property known as the Green River claims located in Emery County, Utah, on which royalty is payable to the U. S. Government under terms of Contract Idm-E926, Docket DMEA-3928 (uranium), dated March 9, 1956, with

Pacific Uranium Mines Company
Suite 210, 292 South LaCienega Boulevard
Beverly Hills, California

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit established the total sales of ore subject to Government royalty for this period to be $84,306.03 and the amount of royalty payable at rates specified in the contract to be $4,215.29.

Prior Reports of Royalty Review found the sales subject to royalty for the period March 9, 1956, through October 16, 1962, to be $195,251.31 which added to the sales for the subsequent period make a total of $279,557.34. The royalty account as of October 16, 1962, was:

Total Royalty Payable	$ 9,762.56
Total Royalty Paid	9,762.56
Balance of Royalty Due	$ -0-

As of April 3, 1964, the royalty account of this project was found to be:

Total Royalty Payable	$13,977.85
Total Royalty Paid	13,977.85
Balance of Royalty Due	$ -0-

C. E. Fisher

C. E. Fisher, OME Auditor

April 27, 1964

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

ROYALTY AUDIT REPORT

I. INTRODUCTION

On April 3, 1964, an audit was made of the production, sales, and royalty accounts and records pertaining to the value of uranium ore sold during the period October 17, 1962, through April 3, 1964, from property known as the Red Claims Nos. 1 through 5, five of the fifty-four claims located in Emery County, Utah, on which royalty is payable to the U. S. Government under terms of Contract Idm-E926, Docket DMEA-3928 (uranium), dated March 9, 1956, with

Pacific Uranium Mines Company
Suite 210, 292 South LaCienega Boulevard
Beverly Hills, California

This audit was performed in the offices of Four Corners Oil & Minerals Company, Room 613, 1575 Sherman Street, Denver, Colorado, which Company is in possession of Red Claims Nos. 1 through 5 by virtue of a mineral quitclaim deed dated May 2, 1961, executed by Ray Wareham and Maribelle B. Wareham, husband and wife, and Ervin Olsen and Rhoda W. Olsen, husband and wife. The production and sales records were maintained by and were made available for this audit by Roy Davis, the controller of the Four Corners Oil & Minerals Company. H. M. Connors, Acting Field Officer, OME Region III, accompanied this auditor and assisted in the audit, which was performed concurrently with a royalty audit of Four Corners records pertaining to Contract Idm-E877, Docket DMEA-3767 (uranium).

Under this exploration contract with Pacific Uranium Mines Company, all production from 40 full-size and 14 fractional unpatented claims in secs. 22, 26, 27, 34, and 35, T. 21 S., R. 14 E., S.L.B.M., is subject to the Government's royalty. At the time the contract was executed the Operator was in possession by virtue of a July 1, 1955, assignment by Haile Mines of two August 14, 1954, leases granted by Ray Wareham, Ferron, Utah, and others. In consideration of the contract, the several lessors executed a Consent to Lien on February 17, 1956, granting to the Government a lien on the land and any production therefrom to secure the payment of royalty.

Exploration work under the contract was discontinued on August 29, 1956. There was no production during the exploration period and none thereafter by the Operator. However, during 1958 the Operator sub-leased 27 of the claims to Union Carbide Nuclear Company, Box 1049, Grand Junction, Colorado, which, in turn, entered into an

operating agreement with Vitro Uranium Company, 600 West 33rd South, Salt Lake City, Utah. Shipments of production from the Red No. 2 claim started in November 1958 and continued to November 1959. These sales are covered by Report of Royalty Review dated August 16, 1960.

The operations, sales, and royalty settlements by Four Corners from the date it acquired Red Claims Nos. 1 - 5 through September 1962 are covered by Report of Royalty Review dated December 13, 1962. The present audit extends the period of such review through April 3, 1964. Operations are continuing; however, settlements by the purchasers of the ore had not been completed for any month subsequent to February 1964 at the time of this audit.

No production from the other claims under the exploration contract has been reported by the Operator, owners, or lessees, or disclosed by available records.

II. GENERAL INFORMATION

Article 8 and Amendment No. 5 of the contract provide that, if the Government certifies that a discovery or development from which production may be made has resulted from the exploration work, the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land described in Article 2 of the contract for a period of 12 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A certification of discovery or development was issued by the Government on May 8, 1957.

A Report of Review dated March 19, 1959, indicated accepted costs under the exploration contract amounting to $30,208.18 with the Government's contribution on a 75 percent basis being $22,656.14.

III. SCOPE OF AUDIT AND FINDINGS

A considerable amount of preaudit work was accomplished in the OME Washington, D. C., and Denver, Colorado, offices prior to this audit. During this preaudit work a statement of royalty received was prepared from copies of summaries furnished by Four Corners showing computations of royalty remittances. All of the data included in the statement were confirmed by detailed recomputation.

This statement, which is filed as a part of my audit work papers, was reconciled with the production and sales records in the Company's office.

During the audit it was ascertained that Four Corners sells its uranium ore to Vitro Chemical Company, Salt Lake City, Utah. Settlements are made monthly and are computed on the basis of average contents during the month. Ore is shipped from several other properties operated by Four Corners with shipments being regulated to produce the most favorable balance of values during the month. Quantities of U_3O_8 and $CaCO_3$ in the Red Claims ore are based on samplings of that ore. The value of the ore for the purpose of computing the royalty payable to the Government is determined by application of the settlement rates to such quantities. This practice is general throughout the Company's operations and is used in settlements made with property owners and lessees operating in its mines.

Mr. Davis indicated that it is the present intention of the Company to continue operation on the Red Claims and that the prospects are good for repayment of the entire Government advance before the expiration of the royalty period provided by the contract.

IV. CONCLUSION

A summary analysis of the sales of production from March 9, 1956, through February 29, 1964, and the royalty payable thereon and paid through April 3, 1964, follows:

	Union Car.-Vitro Oper.	Four Corners Oper. Prior	Four Corners Oper. This Period	Totals
Dry Weight, Tons	2,794.10	2,245.14	2,026.52	7,065.76
Contents, Lbs.: U_3O_8	15,016.96	20,528.34	18,467.44	54,012.74
V_2O_5	20,962.86	-0-	-0-	20,962.86
U_3O_8 Payments:				
Base	$50,965.97	$71,849.20	$76,713.54	$199,528.71
Premiums	3,203.86	9,165.31	2,628.70	14,997.87
Development	7,508.51	10,264.17	2,918.09	20,690.77
Processing Gains	25,940.68	-0-	-0-	25,940.68
Lime Allowance	-0-	4,490.27	1,165.62	5,655.89
Lime Penalties	-0-	-919.80	-139.83	-1,059.63
Grading Allowances	-0-	3,928.98	1,019.91	4,948.89

	Union Car.- Vitro Oper.	Four Corners Oper. Prior	Four Corners Oper. This Period	Totals
V_2O_5 Payments:				
Base	$ 6,498.48	$ -0-	$ -0-	$ 6,498.48
Processing Gains	2,355.68	-0-	-0-	2,355.68
Total Proceeds	$96,473.18	$98,778.13	$84,306.03	$279,557.34
Royalty at 5%	$ 4,823.65	$ 4,938.91	$ 4,215.29	$ 13,977.85

This audit has confirmed the accuracy and propriety of royalty payments received applicable to sales of production from the Red Claims since May 2, 1961, date of the mineral quitclaim deed.

C. E. Fisher, OME Auditor

April 27, 1964

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

May 5, 1964

RECEIVED
DATE

800

Pacific Uranium Mines Company
292 South LaCienega Boulevard
Beverly Hills, California

Subject: DMEA-3928 (Uranium)
Pacific Uranium Mines Company
Green River Claims
Emery County, Utah
Contract Idm-E926

Gentlemen:

Enclosed is a copy of a Report of Review dated April 27, 1964, on the subject contract.

Yours very truly,

ORIGINAL SIGNED BY

Hugh M. Connors
Acting Field Officer, OME
Region III

Enc.

cc: G. C. Selfridge (2)
E926
Chron

Bldg. 20 - Denver Federal Center
Denver, Colorado 80225

RECEIVED
DATE

May 5, 1964

Four Corners Oil and Minerals Co.
1575 Sherman Street
Denver, Colorado

Subject: DMEA-3928 (Uranium)
Pacific Uranium Mines Company
Green River Claims
Emery County, Utah
Contract Idm-E926

Gentlemen:

Enclosed is a copy of a Report of Review dated April 27, 1964, on the subject contract.

Yours very truly,

ORIGINAL SIGNED BY

Hugh M. Connors
Acting Field Officer, OME
Region III

Enc.

cc: G. C. Selfridge (2)
E926
Chron

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

May 5, 1964

RECEIVED

DATE	

Memorandum

To: Fiscal Section, Office of Management Operations
Office of the Secretary
Department of the Interior
Washington, D. C. 20240

From: Acting Field Officer, GMK, Region III

Subject: IMEA-3928 (Uranium)
Pacific Uranium Mines Company
Green River Claims
Emery County, Utah
Contract IBM-R926

Enclosed is the original of a Report of Review dated April 27, 1964, on the subject contract.

ORIGINAL SIGNED BY

Hugh M. Connors

Enc.

cc: G. C. Selfridge (2)
R926
Chron

APR 29 1964

Memorandum

To: Acting Field Officer, Region III

(Signed) E. D. Tabert

From: Chief, Contract Administration and Audit Division

Subject: DMEA-3928 (Uranium)
Pacific Uranium Mines Company
Green River Claims
Emery County, Utah
Contract Idm-E926

The original and three copies of a Royalty Audit Certificate and Royalty Audit Report covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Office of Management Operations, Office of the Secretary, U. S. Department of the Interior, Washington, D. C. 20240;
(b) One copy for Pacific Uranium Mines Company;
(c) One copy for Four Corners Oil and Minerals Co.; and
(d) One copy for your files.

As evidence of your concurrence, a copy of your letter transmitting copies of the report to Pacific Uranium Mines Company and Four Corners Oil and Minerals Company should be furnished to this Division. If for any reason you do not concur, the original and all copies of the report should be returned to this Division with your comments.

Enclosures

CEFisher/ama 4-28-64

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

E-926

For royalty payment of $224.89, dated March 13, 1964, see transmittal letter file.

Building 20 - Federal Center
Denver 25, Colorado

RECEIVED
1964
CODE
800

March 10, 1964

Mr. Donald M. Hillis
Four Corners Oil & Minerals Co.
Farmers Union Building
1575 Sherman Street
Denver, Colorado

Re: DMMA-3767 (Uranium) and DMMA-3928 (Uranium)
Contract Idm-E877 Contract Idm-E926
Uranium Prospectors Co., Ltd. Pacific Uranium Mines Co.
(Jack Rabbit No. 1 claim) Green River Claims
Emery County, Utah Emery County, Utah

Dear Mr. Hillis:

I have been advised that Mr. Clarence E. Fisher will visit your office on or about Friday, April 3, 1964 to make a royalty audit of the captioned accounts.

Any courtesies shown Mr. Fisher will be greatly appreciated.

Sincerely yours,

ORIGINAL SIGNED BY

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC:ca

cc: Chief, Division of Field Operations, OME
E. D. Talbert, Chief
Contract Administration and Audit Division
Clarence E. Fisher
Royalty Corres. E877
Royalty Corres. E926
Chron

E-926

For royalty payment of $481.77, dated February 27, 1964, see transmittal letter file.

E-926

For royalty payments of $331.67 and $250.41, dated January 27, 1964, see transmittal letter file.

E-926

For royalty payment of $433.08, dated November 19, 1963, see transmittal letter file.

E-926

For royalty payment of $249.20, dated October 18, 1963, see transmittal letter file.

E-926

For royalty payment of $296.36, dated September 20, 1963, see transmittal letter file.

E-926

For royalty payment of $546.96, dated August 21, 1963, see transmittal letter file.

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY
O. M. E
RECEIVED JUL 5 1963
DATE

July 1, 1963 800

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-3928 (Uranium)
Contract Idm-E926
Pacific Uranium Mines Company
(Green River Claims)
Emery County, Utah

On June 26, 1963 I visited the Red claims presently under lease to the Four Corners Oil and Minerals Company. The Red claims are being worked through the Four Corners shaft and Mr. Hovis estimates that there is enough ore remaining on the Red claims to pay in full the amount of Government participation in the contract.

Original signed by

Hugh M. Connors

E-926

For royalty payment of $352.12, dated May 24, 1963, see transmittal letter file.

E-926

For royalty payment of $776.07, dated April 19, 1963, see transmittal letter file.

E-926

For royalty payment of $272.76, dated February 6, 1963, see transmittal letter file.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E926, Docket DMEA-3928 (uranium), dated March 9, 1956, with

Pacific Uranium Mines Company
Suite 210, 292 South LaCienega Boulevard
Beverly Hills, California

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Green River claims located in Emery County, Utah, during the period December 1, 1959, through October 16, 1962.

A certification of discovery or development was issued on May 8, 1957, and, in accordance with Article 8 and Amendment No. 3 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 12 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated March 19, 1959, indicated accepted costs under the exploration contract amounting to $30,208.18 with the Government's contribution on a 75 percent basis being $22,656.14.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established the total sales subject to the Government's royalty for the period to be $98,778.13. Royalty payable to the Government at the rate specified in the contract is $4,938.91.

A prior Report of Royalty Review found the sales subject to the Government's royalty through November 30, 1959, to be $96,473.18 which added to the sales for this subsequent period make a total of $195,251.31. The royalty account as of November 30, 1959, was:

Total Royalty Payable	$4,823.65
Total Royalty Paid	4,823.65
Balance of Royalty Due	$ -0-

As of October 16, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$9,762.56
Total Royalty Paid	9,762.56
Balance of Royalty Due	$ -0-

E. D. Talbert

December 13, 1962 E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW AND REASONS THEREFOR

This contract provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of 40 full-sized and 14 fractional unpatented claims in secs. 22, 26, 27, 34, and 35, T. 21 S., R. 14 E., S.L.B.M. At the time the contract was executed the Operator was in possession by virtue of a July 1, 1955, assignment by Haile Mines of two August 14, 1954, leases granted by Ray Wareham, Ferron, Utah, and others. In consideration of the contract, the several lessors executed a Consent to Lien on February 17, 1956, granting to the Government a lien on the land and any production therefrom to secure the payment of royalty.

Exploration work under the contract was discontinued on August 29, 1956. There was no production during the exploration period and none thereafter by the Operator. During 1958 the Operator subleased 27 of the claims to Union Carbide Nuclear Company, Box 1049, Grand Junction, Colorado, which, in turn, entered into an operating agreement with Vitro Uranium Company, 600 West 33rd South, Salt Lake City, Utah. Shipments of production from the Red No. 2 claim started in November 1958 and continued to November 1959. These sales are covered by a prior Report of Royalty Review.

By a mineral quitclaim deed executed on May 2, 1961, the owners of the claims conveyed all of their interests in the Red Nos. 1 to 5 claims to Four Corners Oil & Minerals Co., 1575 Sherman Street, Denver 3, Colorado. For the period of January 1962 through September 1962, Four Corners has submitted and paid royalty on the basis of summary statements of shipments from the Red claims. No production from the other claims under the exploration contract has been reported by the Operator, owners, or lessees.

This review, the findings of which are subject to revision in the event of future audit by the Government of the producer's or Operator's records or examination of the stoped areas, included a tabulation and recomputation of the monthly statements submitted by Four Corners. The tabulation, which is filed with my audit work papers, is summarized together with the findings of a prior Report of Royalty Review as follows:

Idw-5926 Pacific Uranium Mines Company DMEA-3928

	Prior Review	This Review	Totals
Dry Weight, Tons	2,794.10	2,245.14	5,039.24
Contents, Pounds: U_3O_8	15,016.96	20,528.34	35,545.30
V_2O_5	20,962.86	-	20,962.86
U_3O_8 Payments:			
Base	$50,963.97	$71,849.20	$122,813.17
Premiums	3,203.86	9,165.31	12,369.17
Development	7,508.51	10,264.17	17,772.68
Processing Gains	25,940.68	-	25,940.68
Lime Allowance	-	4,490.27	4,490.27
Lime Penalties	-	-919.80	-919.80
Grading Allowances	-	3,928.98	3,928.98
V_2O_5 Payments:			176397.15
Base	6,498.48	-	6,498.48
Processing Gains	2,355.68	-	2,355.68
Total Proceeds	$96,473.18	$98,778.13	$195,251.31
Royalty @ 5%	$ 4,823.65	$ 4,938.91	$ 9,762.56

The last statement included in the above covered September 1962 shipments, the royalty for which was received on October 16, 1962.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) Proper royalty has been paid on reported production; and

(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

Building 20 - Federal Center
Denver 25, Colorado

RECEIVED
O. M. E.
DEC 28 1962
800

December 18, 1962

Pacific Uranium Mines Company
Suite 210, 292 South LaCienega Boulevard
Beverly Hills, California

Re: SMRA-3928 (Uranium)
Contract Idm-E926
Pacific Uranium Mines Company
(Green River Claims)
Emery County, Utah

Gentlemen:

Enclosed is a copy of the Report of Royalty Review on the subject contract dated December 13, 1962 covering the period December 1, 1959, through October 16, 1962 which shows that no royalty is due the Government at this time.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer
OME, Region III

Enclosure

HMC/lm
cc Chief, Division of Field Operations
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres Idm-E926
Chron

Building 20 - Federal Center
Denver 25, Colorado

December 18, 1962

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-3928 (Uranium)
Contract Idm-E926
Pacific Uranium Mines Company
(Green River Claims)
Emery County, Utah

Attached is the original Report of Royalty Review dated December 13, 1962 on the subject property covering the period December 1, 1959, through October 16, 1962.

Original signed by

Hugh M. Connors

Attachments

cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm-E926
Chron

December 13, 1962

Memorandum

To: Acting Field Officer, Region III

From: E. D. Talbert, Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMMA-3928 (Uranium)
Pacific Uranium Mines Company
Green River Claims
Emery County, Utah
Contract Idm-E926

The original and two copies of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, U. S. Department of the Interior, Washington 25, D. C.;
(b) One copy for Four Corners Oil & Minerals Co.; and
(c) One copy for your files.

As evidence of your concurrence, a copy of your letter transmitting the copy to Four Corners Oil & Minerals Co. should be furnished this Division. If for any reason you do not concur, the original and both copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 12-13-62

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

E-926

For royalty payment of $388.04, dated October 16, 1962, see transmittal letter file.

E-926

For royalty payment of $221.61, dated September 19, 1962, see transmittal letter file.

For royalty payments of $792.01 and $319.49, dated August 3, 1962, see transmittal letter file.

E-926

For royalty payments of $1,233.57, $838.81, and $1,145.38, dated May 1, 1962, see transmittal letter file.

APR 1 1 1962

Mr. John F. Balander
Controller
Four Corners Oil & Minerals Co.
1575 Sherman Street
Denver 3, Colorado

Re: DRA-3928 (Uranium)
Pacific Uranium Mines Company
Green River Claims
Emery County, Utah
Contract Ida-8926

Dear Mr. Balander:

This is in response to your letter of March 30, 1962, requesting certain information relating to the subject contract.

Under the terms of the contract and certification, the Government has royalty rights on production from the Red No. 1 to 5 claims, inclusive, and other claims listed in the contract for the period March 9, 1956, to March 9, 1966, or until the sum of $22,656.14 contributed by the Government has been repaid. You will note that Red No. 6 claim is not included in the contract. Any change of ownership of the claims does not affect the Government's royalty rights.

To date, the Government has been paid $4,823.65 in royalties, leaving a balance of $17,832.49 due the Government.

At present, there are no other operations contributing royalties from claims subject to this contract.

Sincerely yours,

George Fumich, Jr.

Director

FMMurphy/gla 4-3-62
Rewritten: WMGriswold/gla 4-10-62
cc to: Director's Reading File
Region III (2) w/2 cys incoming letter
Contract Division
Docket
Code 500

800

Four Corners Oil & Minerals Co.

[redacted]
ALPINE 5-0387
DENVER 3 COLORADO

March 30, 1962.

Director, Office of Mineral Exploration
Washington 25, D.C.

Dear Mr. Fumich:

This letter is to notify you that we have purchased by mineral quitclaim deed all of the right, title and interest from C.H. Snow, Don C. Snow, Virginia Snow, Ray Wareham, Maribelle B. Wareham, Ervin Olsen and Anoos W. Olsen in the following Green River mining claims in Emery County, Utah

Red #1 through #6
The west one-half of Lone Susan No 1
The west one-half of Lone Susan No 2
Lone Susan Fraction No.1
Lone Susan Fraction No.2

It is our understanding that when Pacific Uranium Mines Company was sub-lessee of certain mining claims in this area, the Warehams, Olsens and Brown as apparent owners of these mining claims authorized the obtaining of a loan from Defense Minerals Exploration Agency under Docket DMEA 3928, Contract Idm-E 926. Please advise this company as promptly as possible as to whether any of our purchased claims are subject to a lien from any loan that your office made to Pacific Uranium Mines Company on our mining claims, and, if so, all details pertinent to the indebtedness that we may be subject to, including the original total loan, any payments by lessees or owners, the present outstanding balance and whether any other mining operation is contributing royalties from subject lands other than those held by us.

Very truly yours,

John F. Delander

John F. Delander
Controller

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY O. M. E. RECEIVED OCT 10 1960		
DATE	INITIALS	CODE
		800

October 6, 1960

Therald N. Jensen
Attorney at Law
Price, Utah

Re: Docket No. EMEA-3928 (Uranium)
Contract No. Idm-E926
Pacific Uranium Mines Company
(Green River Claims)
Emery County, Utah

This will acknowledge receipt of your letter dated October 5, 1960 concerning the subordination of the Red Claims No. 1 to 5 inclusive.

As stated in my letter to you of October 3, 1960, there is a balance of $17,832.49 due the Government from future production of ore, from any one or more claims listed in the consent to lien dated February 17, 1956, or until March 9, 1968, whichever occurs first. In other words the repayment of the Government's contribution to the exploration of these claims may be paid from the ore produced from any one or more claims covered by the consent to lien.

If the Red Claims, or any other group of claims, covered by the consent to lien could be excluded, it would certainly not be to the best interests of the Government, since the Government's chances of obtaining repayment of it's contribution to the exploration would be lessened.

It might be well for you to inform Mr. Olsen that should he sell or lease any of his mining claims subordinated to the Government by the above mentioned consent to lien, he should inform the buyer or lessee of the Government's prior right to royalty on all ore produced. We have had cases in the past where the owner had forgotten his obligation to the Government and had given another a lease on the property without informing the lessee of the Government's royalty rights. In those cases we have had to collect the royalty due the Government from the signer of the consent to lien.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME, Region III

HMC/lm
cc: Chief, Division of Field Operations (2)
Contract Corres E926
Chron

THERALD N. JENSEN
ATTORNEY AT LAW
PRICE, UTAH
MEDFORD 7-1542

October 5, 1960

EXTRA COPY
O. M. E.
RECEIVED OCT 10 1960

DATE	INITIALS	CODE
	OME	

Mr. Hugh M. Connors
Acting Field Officer, OME, Region III
U.S. Department of The Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Re: Docket No. DMEA-3928 (Uranium)
Contract No. Idm-E926
Pacific Uranium Mines Company
(Green River Claims)
Emery County, Utah

Dear Mr. Connors:

Thank you very much for your prompt and complete letter of October 3, 1960. The problem which confronts me is this: My client, Mr. Olsen, is a co-owner in the claims Red No. 1 to 5, inclusive. He has no interest in the other claims. I gather from your letter that there was a single contract on the exploration project and I am wondering under the circumstances what procedure should be followed in allocating the repayment between the owners of the respective claims. I will certainly appreciate any assistance you may render me in connection with this matter.

Thank you.

Very truly yours,

T. N. Jensen

TNJ:mb

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY
O. M. E
RECEIVED OCT 6 1960
DATE | IN | CODE
800

October 3, 1960

Therald N. Jensen
Attorney at Law
Price, Utah

Re: Docket No. DMEA-3928 (Uranium)
Contract No. Idm-3926
Pacific Uranium Mines Company
(Green River Claims)
Emery County, Utah

Dear Mr. Jensen:

Your letter to the Atomic Energy Commission dated September 26, 1960 has been forwarded this office for reply. On February 17, 1956 Ervin Olsen and Rhoda W. Olsen, husband and wife, signed a consent to lien to the United States of America on the following unpatented lode mining claims situated in Emery County, Utah, described as follows; Red No. 1 to 5 inclusive; Ajax No. 1 to Ajax No. 25 inclusive; Ajax Fraction No. 1 to Ajax Fraction No. 9 inclusive; Ajax Fraction Nos. 13, 14, and 21, Wills No. 1 to Wills No. 9 inclusive, Wills Fraction Nos. 8 and 9; Jeannie No. 1. All of said claims are situated in portions of sections 22, 26, 27, 34, and 35 in T. 21 S., R. 14 E.

The contract, dated March 9, 1956, covered an exploration project estimated to cost $73,840. Total accepted costs of the project were $30,200.18, of which the Government paid $22,656.14. The amount to be repaid the Government by means of royalty on production of ore, in accordance with the contract, is $22,656.14. The Government percentage royalty period extends to March 9, 1968.

The Royalty Review, dated August 16, 1960, on the subject project showed that $4,823.65 in royalty had been paid through November 30, 1959 leaving a balance of $17,832.49 due the Government from future production of ore, or until March 9, 1968, whichever occurs first.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME, Region III

HMC/lm

cc: R. E. Toole, Chief
Leasing & Development Branch
Production Evaluation Division
Chief, Division of Field Operations (2)
Contract Corres. E926 Chron

UNITED STATES
ATOMIC ENERGY COMMISSION
GRAND JUNCTION OPERATIONS OFFICE
GRAND JUNCTION, COLORADO

September 29, 1960

IN REPLY REFER TO: PLD:RHT

EXTRA COPY O. M. E RECEIVED OCT 6 1960		
DATE	IN	CODE

Mr. Hugh M. Connors, Acting Field Officer
Office of Minerals Exploration, Region III
Building 20, Federal Center
Denver 25, Colorado

Dear Mr. Connors:

Attached is a letter from Mr. Therald N. Jensen, Attorney of Price, Utah requesting information that your office may wish to supply. Also attached is our letter to Mr. Jensen informing him that we have forwarded his letter to you.

Very truly yours,

R. H. Toole

R. H. Toole, Chief
Leasing & Development Branch
Production Evaluation Division

Attachment:
Ltr dtd 9/26/60 fm T.N. Jensen to AEC
Ltr dtd 9/29/60 fm R.H. Toole to T.N. Jensen

THERALD N. JENSEN
ATTORNEY AT LAW
PRICE, UTAH
MEDFORD 7-1542

September 26, 1960

EXTRA COPY
O. M. E
RECEIVED OCT 6 1960

DATE	INITIALS	CODE

Atomic Energy Commission
Grand Junction
Colorado

Gentlemen:

I am not certain just how this letter should be addressed and I will ask that you place it on the appropriate desk or forward it to the appropriate office for attention. I am writing this letter on behalf of Mr. Ervin Olsen. He is one of the co-owners of the unpatented uranium claims situated in Emery County, Utah, identified as Red 1 to 5 inclusive and situated in Section 22, Township 21 South, Range 14 East of the Salt Lake Meridian. During the year 1954, on August 18, 1954, Mr. Olsen and his co-owner Ray Wareham leased the Red claims to Haile Mines, Inc., a Delaware corporation with its place of business at 500 5th Avenue, New York 36, New York. Subsequently the lease was assigned to Union Carbide Corporation. We believe that a DMEA loan was secured by Haile Mines for the purpose of prospecting these claims and other claims.

Mr. Olsen would like information as to the amount of money which has been withheld from production on account of this DMEA loan and what, if any, continuing liability exists with respect to the claims above identified. The lessee, Haile Mines, also leased some adjacent property in which the Wills Numbers 1 to 9 inclusive, Ajax and other claims were involved.

Unfortunately Mr. Olsen does not have copies of any papers which he may have signed in connection with the DMEA application and I would like to know just what his obligation has been and what if any obligation continues. Specifically I would also like to know whether any withholding has been made from the Red claims to pay for any portion of the contract obligation of the Ajax claims.

Your early response to this letter will be appreciated and I am having Mr. Olsen sign this letter which will be his authorization for you to furnish me the requested information.

Very truly yours,

T. N. Jensen

TNJ:mb

The foregoing request is approved this 26th day of September, 1960.

Signed in the Presence of:

Ervin Olsen

Marion Olsen

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E926, Docket No. DMEA-3928 (Uranium), dated March 9, 1956, with

Pacific Uranium Mines Company
Suite 210, 292 South LaCienega Blvd.
Beverly Hills, California

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Green River claims located in Emery County, Utah, during the period March 9, 1956, through November 30, 1959.

A certification of discovery or development was issued on May 8, 1957, and, in accordance with Amendment No. 5 of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 12 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final audit dated March 19, 1959, indicated accepted costs under the exploration contract amounting to $30,208.18 with the Government's contribution, on a 75 percent basis, being $22,656.14.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established the total value of production for the period to be $96,475.18, consisting of $77,915.58 for U_3O_8 and V_2O_5 produced through April 1959 and $18,557.60 for uranium ores produced thereafter. Royalty due the Government at rates specified in the contract is $4,823.65. The royalty paid and the balance due are as follows:

Total Royalty Due	$4,823.65
Total Royalty Paid	4,823.65
Balance of Royalty Due	$ -0-

C. E. Fisher

C. E. Fisher, OME Auditor

August 16, 1960

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

No production was accomplished by the Operator named in the contract who assigned its interest to Union Carbide Corporation on March 21, 1958. Subsequently production was accomplished by Vitro Uranium Company under a working agreement with Union Carbide Nuclear Co., a subsidiary of Union Carbide Corporation. Royalty was initially paid on the basis of the value of the ore mined and delivered to Union Carbide Nuclear Co. determined according to A.E.C. schedule through April 1959. Royalty due to the Government was subsequently recomputed based on the value of U_3O_8 and V_2O_5 recovered and sold by Union Carbide Nuclear Co. and proper additional royalty was paid to the Government.

Subsequent to April 1959 the production from the mine has become the property of Vitro Uranium Company under terms of the working agreement. Royalty due to the Government has been computed and paid on the basis of the value of the ore determined according to the A.E.C. schedule.

In a letter dated June 20, 1960, the Chief, Leasing and Development Branch, Production Evaluation Division of the Grand Junction office of the A.E.C., advised that no application for certification of these claims had been received by that office by April 18, 1960, the last date for making such application. Thus, no initial production bonus is payable on production from this property.

My review included a tabulation and recomputation of copies of settlement data received in support of royalty payments. This tabulation is included among my audit work-papers and the results are summarized in the attached Schedule "A".

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) Inspection reports by field representatives of the Government and other correspondence in the Washington office files indicate that all production through November 1959 has been reported and proper royalty has been paid to the Government;
(2) There has been no production from the property subsequent to November 1959; and
(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

Schedule "A"

Idm-E926 | Pacific Uranium Mines Company | DMEA-3928

Summary of Production, Value and Royalty

Production	3/9/56 to 4/30/59	5/1/59 to 11/30/59	3/9/56 to 11/30/59
Crude Ore - SDT	1,595.67	1,198.43	2,794.10
Assays			
U_3O_8 - Pounds	10,291.51	4,725.45	15,016.96
" - " - in excess 4#/SDT	3,908.83	362.98	4,271.81
V_2O_5 - Pounds	17,811.39	3,151.47	20,962.86
Packed			
U_3O_8 (Average recovery = 78.08%)	8,035.61		
V_2O_5 (" " = 36.89%)	6,569.31		
Value of Production			
U_3O_8 - Base	$36,020.30	$14,945.67	$50,965.97
" - Premium in excess 4#/SDT	2,931.63	272.23	3,203.86
" - Development allowance	5,145.77	2,362.74	7,508.51
" - Processing gain	25,940.68	-0-	25,940.68
" - AEC bonus	-0-	-0-	-0-
	$70,038.38	$17,580.64	$87,619.02
V_2O_5 - Base	$ 5,521.52	$ 976.96	$ 6,498.48
" - Processing gain	2,355.68	-0-	2,355.68
	$ 7,877.20	$ 976.96	$ 8,854.16
Total value	$77,915.58	$18,557.60	$96,473.18
Royalty due	$ 3,895.77	$ 927.88	$ 4,823.65
Royalty paid	$ 3,895.77	$ 927.88	$ 4,823.65

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

EXTRA COPY
O. M. E
RECEIVED AUG 15 1960

DATE	INITIALS	CODE

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Pacific Uranium Mines Co. -- Contract Assigned to Union Carbide Nuclear Co.

Address P. O. Box 1049

Grand Junction, Colorado

Exploration Contract No. Idm E926

Docket No. 3928

			Check One Yes	Check One No
1.	(a)	Does the Operator stockpile ore subject to royalty repayment?		X
	(b)	If so, is segregation and identification procedure adequate?		
2.	(a)	Does Operator commingle production subject to DMEA or OME royalties with exempt production?		X
	(b)	If so, do you consider the allocation of the commingled production equitable?		
3.	(a)	Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
	(b)	If so, are adequate records maintained on such material to protect the Government's interest?		
4.		Do you consider the assay controls in effect are adequate?	X	
5.		Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6.		Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?	X	
7.		Does the Operator buy from or sell to other Operators?	X	
8.		Comment on any item 2 (b) to 6 if answer is No.		

8-11-60
Date

Hugh M. Lennox
Mining Engineer

EXTRA COPY O. M. E RECEIVED AUG 24 1960		
DATE	IN	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

August 22, 1960

Pacific Uranium Mines Company
Suite 210, 292 South LaCienega Blvd.
Beverly Hills, California

Re: Docket No. DMRA-3928 (Uranium)
Contract Ldm-E926
Pacific Uranium Mines Company
(Green River claims)
Emery County, Utah

Gentlemen:

Attached is a copy of the Report of Royalty Review pertaining to the captioned contract.

This report of Royalty Review shows that your Royalty account is in balance.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer
OME, Region III

Enclosure
HMC/lm
cc: Chief, Division of Field Operations (2)
Royalty Corres E926
Chron

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY O. M. E RECEIVED AUG 24 1960		
DATE	TIME	CODE
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August 22, 1960

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D. C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket No. DMRA-3928 (Uranium)
Contract IBm-E926
Pacific Uranium Mines Company
(Green River claims)
Emery County, Utah

Enclosed is the original Report of Royalty Review on the subject contract through November 30, 1959.

Original signed

Hugh M. Connors

Attachments
cc: Chief, Division of Field Operations (2)
Royalty Corres. E926
Chron

AUG 17 1960

Memorandum

To: Acting Field Officer, Region III

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-3928 (Uranium)
Pacific Uranium Mines Company
Green River claims
Emery County, Utah
Contract Idm-E926

Attached are the original and two copies of a Report of Royalty Review on the above cited project. If you concur in the facts stated in the report distribution should be made as follows:

(a) Original of the report to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.;
(b) One copy to the Operator; and
(c) One copy for your file.

As evidence of your concurrence, a copy of your letter transmitting the Operator's copy should be furnished to this Division. If for any reason you do not concur, the original and both copies of the report should be returned to this Division with your comments.

Attachments

CEFisher/ama
August 17, 1960

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Rothrock

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 15 1960

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August 11, 1960

Memorandum:

To: E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Washington 25, D. C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: DMEA-3928 (Uranium)
Contract Idm-E926
Pacific Uranium Mines Company
(Green River claims)
Emery County, Utah

Attached are the original and one copy of a check sheet of examining engineer on the subject property in accordance with your request of August 8, 1960.

Hugh M. Connors

Hugh M. Connors

AUG 8 1960

Memorandum

To: Acting Field Officer, Region III

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-3928 (Uranium)
Pacific Uranium Mines Company
Green River claims
Emery County, Utah
Contract Idm-8926

Reference is made to your memoranda dated June 21 and July 12, 1960.

The Solicitor of the Department of the Interior has expressed the opinion that the basis on which royalty has been paid for the period subsequent to April 1959 (that is, on basis of value of the mined ore determined according to AEC schedule) is applicable under provisions of the contract and the effective regulations. Thus, it would appear that proper royalty has been paid on the reported production.

Please forward an original and one copy of Check Sheet of Examining Engineer to be used in support of a Report of Royalty Review being prepared by this Division.

CEFisher/ama
August 8, 1960

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Selfridge

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

AUG 3 1960

Memorandum

To: Acting Director, Office of Minerals Exploration

From: The Solicitor

Subject: DMRA-3928 (uranium)
Pacific Uranium Mines Company
Green River Claims
Emery County, Utah
Contract Idm-E926

Your undated memorandum asks certain questions concerning the payment of the Government's royalty under the subject contract.

The pertinent facts and circumstances as set forth in your memorandum and disclosed by an examination of the record are as follows:

The contract is dated March 9, 1956 and royalty is to be paid to the United States for a period ending March 9, 1968 (see Amendment No. 5). A certification of discovery and development dated May 8, 1957, was issued to the Operator, Pacific Uranium Mines Company, based on the results of exploration under the contract. On March 21, 1958, the Operator assigned all of its interest in the contract to Union Carbide Corporation. This assignment was never approved by the Government.

On September 15, 1958, Union Carbide Nuclear Company, a division of Union Carbide Corporation, made a contract with Vitro Uranium Company, a division of Vitro Corporation of America, to conduct certain mining operations on a portion of the property subject to the contract described as mining claims Red No. 1 and Red No. 2, located in Section 22, T. 21 S., R. 14 E., Salt Lake Meridian, in Emery County, Utah. Under Article 3(a) of that contract ore developed and mined shall become and remain the property of the Union Carbide Corporation. Article 3(g) then provides that if Union Carbide declines to accept delivery at its mills of any ore mined by Vitro, the declined ore shall be purchased by Vitro at a price to be an amount equal to 30 percent of the gross value thereof on the stockpile on said property (determined by rates established by AEC). From September 15, 1958, through April 1959, ore produced from the property was processed by

Union Carbide which made preliminary payments of royalty to CME based on the full value of the ore determined by AEC regulations. Subsequently, an adjustment was made for the royalties for this period based on the value of the refined products sold to AEC. During the period from May through November 1959, the production from the property was sold to Vitro at 30 percent of its gross value as provided in Article 3(g) of the contract dated September 15, 1958. Union Carbide has continued to pay the Government's royalties based on the full value of the ore determined according to the AEC schedule of rates. No subsequent adjustment based on the refined products has been made because Vitro, rather than Union Carbide, will process and sell the refined products.

Thus, subsequent to April 1959, Union Carbide has, in effect, been selling ore in the ground to Vitro at a price equal to 30 percent of the value of the ore after it is mined. Vitro has mined the ore and sold a refined product. Union Carbide has paid the Government royalty based on the full value of the mined ore rather than on the basis of 30 percent of such value which it receives from Vitro.

Based on the facts recited above, our opinion is requested regarding which of the following bases for computing royalty due the Government, for the period during which Vitro has sold the refined product, is acceptable under the provisions of Article 8 of the exploration contract:

(1) The basis on which settlements have been made, that is, on the value of the mined ore;

(2) The amount Union Carbide received from Vitro, that is, 30 percent of the value of the mined ore; or

(3) The value of the refined products sold by Vitro.

The exploration contract is on Form MF-200 (revised June 1954). Article 8(a) of the contract provides for certification in writing to the Operator of discovery or development. Article 8(c) then provides as follows:

> "The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); <u>except</u>, that charges of <u>the buyer</u> arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by <u>the buyer</u>, sampling and assaying to determine the value of the production sold, and freight paid by <u>the buyer</u> to a carrier

(not the Operator), shall be allowed as deductions in arriving at the 'gross proceeds' as that term is used herein. Any costs of treatment processes, sampling, or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the 'gross proceeds' as that term is here used. The term 'treatment processes,' as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing."

The regulations of the Office of Minerals Exploration, 30 CFR 301.11(d) follow substantially the contract provisions quoted above.

In view of the provisions of the contract and the regulations, in our opinion, the first category of the bases mentioned above is applicable here and the Operator is required to pay royalty on the full value of the mined ore.

OK by Mr. Johnson per Entrale on original see docket.

Although it is not necessary to the conclusion reached, we would like to point out that the assignment of March 21, 1958, from the Operator to Union Carbide Corporation conveying all of its right, title and interest in the subject contract, did not, without more, convey the Operator's interest in the mining property involved. It may be that the Operator and Union Carbide have made arrangements concerning the mining property. However, there is nothing in the record to support this conclusion.

GEORGE W. ABBOTT
The Solicitor

Charles M. Soller

By:
Charles M. Soller
Associate Solicitor
Division of Mineral Resources

DMEA-3928, Idm-E926, Pacific Uranium Mines Company
File Items Pertaining to Royalty Obligations

2/17/56 Consent to Lien (all claims, except Red Claims) by 8 individuals.

3/9/56 DMEA Contract with Pacific Uranium as principal & surety.

8/30/56 DMEA contract terminated by notice dated 12/8/58.

5/8/57 Certification of Discovery and Development to Pacific Uranium.

3/11/58 Option to Sublease (some claims, incl. Red Claims) to Union Carbide.

3/21/58 DMEA Contract assigned to Union Carbide (no Gov't. approval).

7/28/58 Union Carbide letter advises Option exercised.

9/15/58 Mining Contract (as owner, Red Claims 1 & 2 only) with Vitro Uranium Corporation, provides:

First - Vitro to mine ore,

Second - Receive 70% of gross ore value for work,

Third - All mined ore to remain property of Union Carbide, except Vitro obligated to purchase at 30% of gross ore value any ores declined by Union Carbide's mills.

11/4/59 Executive Officer advised Union Carbide royalty due on "yellowcake" instead of ore, as paid.

12/14/59 Union Carbide submitted check for difference on production through April 1959, but stated that subsequent production was sold as "ore" to Vitro.

9/58-4/59	Initial payment, ore basis	$2,480.96	
	Adjustment (approx. 57% addt'l.)	1,414.87	$3,895.77
5/59-11/59	Payment, ore basis		927.88
	Total		$4,823.65
	Estimated addt'l. (57%) if royalty possibly due on "yellowcake" & "redcake"		$ 528.90

Talbot 8/3/60

7/18/60

Memorandum

To: Associate Solicitor - Division of Mineral Resources

From: Acting Director, OME

Subject: DMEA-3928 (Uranium)
Pacific Uranium Mines Company
Green River claims
Emery County, Utah
Contract Ida-E926

A certification of discovery or development dated May 8, 1957, was issued to the Operator, Pacific Uranium Mines Company, based on the results of exploration under the subject contract. On March 21, 1958, the Operator assigned all of its interest in and to the contract to Union Carbide Corporation. This assignment was never assented to by the Government.

As of September 15, 1958, Union Carbide Nuclear Company, Division of Union Carbide Corporation, entered into an agreement with Vitro Corporation of America whereby the latter company was to operate the property. From that date through April 1959 ore produced from the property was processed by Union Carbide Nuclear Company, who made preliminary payments of royalty to OME based on the full value of the ore determined by AEC regulations. Subsequently, an adjustment was made in the royalty payments for this period based on the value of the refined products sold to the AEC.

During the period May through November 1959 the production from the property was sold to Vitro Corporation of America at 30 percent of its gross value as provided in Article Third (g) of the agreement dated September 15, 1958. Union Carbide Nuclear Company has continued to pay the Government's royalty based on the full value of the ore determined according to the AEC schedule of rates. No subsequent adjustment based on the refined products has been made because Vitro, rather than Union Carbide, will process and sell the refined products.

Thus, subsequent to April 1959, Union Carbide has, in effect, been selling ore in the ground to Vitro at a price equal to 30 percent of the value of the ore after it is mined. Vitro has mined the ore and sold a refined product. Union Carbide has paid the Government royalty based on the full value of the mined ore rather than on the basis of 30 percent of such value which it receives from Vitro.

Your opinion is requested regarding which of the following bases for computing royalty due to the Government, for the period during which Vitro has sold the refined product, is acceptable under the provisions of Article 8 of the exploration contract:

(1) The basis on which settlements have been made, that is, on the value of the mined ore;

(2) The amount Union Carbide received from Vitro, that is, 50 percent of the value of the mined ore; or

(3) The value of the refined products sold by Vitro.

(signed) FRANK E. JOHNSON

Acting Director

CEFisher/fw-7/15/60

cc: Docket
Director's Read File
CA&A Division
Mr. Fisher
Chron.
Mr. Kirkemo

E-926

For royalty payment of $73.83, dated July 12, 1960, see transmittal letter file.

EXTRA COPY O. M. E. RECEIVED JUL 14 1960		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

July 12, 1960

Memorandum

To: E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Washington 25, D.C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket No. DMEA 3928 (Uranium)
Contract Idm-E926
Pacific Uranium Mines Co., Assignor
Union Carbide Corporation, Assignee
(Green River Claims)
Emery County, Utah

Reference is made to your memorandum dated June 24, 1960 on the subject contract. Attached is a letter dated June 3, 1960 from the Union Carbide Nuclear Company which answers your questions. The check for $73.83 and the attached data sheets which accompanied the attached letter will be forwarded in the regular manner.

Original signed by

Hugh M. Connors

Attachments
HMC/lm
cc: Royalty Corres. E926
Chron

UNION CARBIDE NUCLEAR COMPANY • DIVISION OF UNION CARBIDE CORPORATION

P. O. BOX 1049, GRAND JUNCTION, COLORADO

July 8, 1960

OME
DEPARTMENT OF THE INTERIOR
JUL 11 1960
REGION III
DENVER, COLORADO

United States Department of the Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Attention: Hugh M. Connors

Re: Docket No. DMEA 3928 (Uranium)
Contract Idm-E926
Pacific Uranium Mines Co., Assignor
Union Carbide Corporation, Assignee
(Green River Claims)
Emery County, Utah

Dear Sir:

We have your letter of June 29, 1960 concerning the above captioned claims.

Enclosed you will find our check for $73.83 representing adjustment of royalty on November production. As you surmised, we used the Vitro percentage of actual value in our original calculation. We have been unable to find however, that the settlement assay for U308 should be 0.19%.

In answer to your other questions, Union Carbide Corporation has not received the initial production bonus on ore from these claims as the claims were not certified for bonus. There has been no production subsequent to December 21, 1960.

5/8 1959

We hope this is the information you require.

Yours very truly,

UNION CARBIDE NUCLEAR COMPANY

D. E. Clark
Office Manager

DEC/CSB/ah

Enclosure

E 926

$73.83

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY O. M. E		
RECEIVED	5	1960
DATE		CODE
		800

June 29, 1960

Mr. D. E. Clark, Office Manager
Union Carbide Nuclear Company
P. O. Box 1049
Grand Junction, Colorado

Re: Docket No. DMEA 3928 (Uranium)
Contract Dma-E926
Pacific Uranium Mines Co., Assignor
Union Carbide Corporation, Assignee
(Green River Claims)
Emery County, Utah

Dear Mr. Clark:

Will you please advise if the Union Carbide Corporation has received the initial production bonus from ore produced from the captioned claims.

It appears that the "Ore Settlement" dated December 21, 1959 was improperly computed resulting in an underpayment of royalty to the Government. The average settlement assay for U_3O_8 is shown as 0.18% whereas it should be 0.19% and the price per pound is shown as $2.195 instead of $3.30 provided in the AEC schedule. The price for V_2O_5 used in the computation is $.217 instead of $.31 per pound. It would seem that this settlement has been based on 70% of actual values for uranium and vanadium which is the percentage of Vitro's interest in the ore under terms of the contract dated September 15, 1958. Will you please forward this office your check for the appropriate adjustment of this ore settlement.

Also will you please advise as to whether there has been any production from the captioned property subsequent to December 21, 1959. Your prompt reply to the these questions as noted above will be appreciated.

Yours very truly,

Original signed by
Hugh M. Connors
Acting Field Officer
OME, Region III

HMC/lm
cc: Chief, Division of Field Operations (2)
E. D. Talbert, Acting Chief,
Contract Administration and Audit Division

JUN 24 1960

Memorandum

To: Acting Field Officer, Region III

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: OMSA-3928 (Uranium)
Pacific Uranium Mines Company
Green River claims
Emery County, Utah
Contract Idm-8926

Thanks for your memorandum of June 21, 1960. The letter dated June 20, 1960, from the Atomic Energy Commission is the best collateral verification of the status of the matter of initial production bonus relating to these claims. However, audit procedure requires that an audit or review be based on representations made by the individual or company whose records are under investigation. It is therefore desirable that our records show affirmation by Union Carbide that initial production bonus has not been received. This is especially desirable in view of the fact that Articles Second (b) and Third (g) of the agreement dated September 15, 1958, with Vitro reserve to Union Carbide the right to any initial production bonus applicable to the property.

Apparently the "Ore Settlement" dated December 21, 1959, is improperly computed resulting in an underpayment of royalty to the Government. The average settlement assay for U_3O_8 is shown as 0.18% whereas it should be 0.19% and the price per pound is shown as $2.195 instead of $5.30 provided in the AEC schedule. The price for V_2O_5 used in the computation is $.217 instead of $.31 per pound. It would seem that this settlement has been based on 70% of actual values for uranium and vanadium which is the percentage of Vitro's interest in the ore under terms of the contract dated September 15, 1958.

Will you please request Union Carbide to advise with respect to the initial production bonus and to make an appropriate adjustment with respect to the royalty paid applicable to the settlement dated December 21, 1959? Also, advice as to whether there has been any production subsequent to the latter date would be appreciated.

CEFisher/ama
June 24, 1960

Copy to: Docket
Director's Reading File
CA & A Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 23 1960

DATE	INITIALS	CODE
6/23	Coe	210
		800

June 21, 1960

Memorandum

To: E. D. Talbert, Acting Chief
Contract Administration and Audit Division

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket No. DMEA-3928 (Uranium)
Contract No. Idm-E926
Pacific Uranium Mines Company
(Green River Group of claims)
Emery County, Utah

This is in response to your memorandum of June 8, 1960 on the subject contract. Attached is a copy of a letter from the Atomic Energy Commission which states in effect that no bonus has been paid and no bonus will be paid on production of U_3O_8 from the subject property.

It is my understanding from the reply to our letter of November 4, 1959, that since April 1959 Royalty should be paid on the basis of the U_3O_8 content of the ore instead of Royalty based on the price of yellowcake.

Hugh M. Connors

Hugh M. Connors

Attachments

UNITED STATES
ATOMIC ENERGY COMMISSION
GRAND JUNCTION OPERATIONS OFFICE
GRAND JUNCTION, COLORADO

OME
DEPARTMENT OF THE INTERIOR
JUN 21 1960
REGION III
DENVER, COLORADO

June 20, 1960

IN REPLY REFER TO: PLD:RHT

Mr. Hugh M. Connors, Acting Field Officer
Office of Minerals Exploration
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. DMEA-3928 (Uranium)

Dear Mr. Connors:

Your letter of June 13, to Mr. Kenneth L. Burson, has been referred to me for reply.

We have checked our records and can find no record of having received an application for certification of the claims named in Docket No. DMEA-3928 (Uranium) nor can we find that Pacific Uranium Mines Company have ever filed application for certification of claims in that area. Domestic Uranium Program Circular 6 provides that applications for certification must have been received by this office not later than April 18, 1960. Therefore it is now too late to make application.

If you require additional assistance in this matter, please let us know.

Very truly yours,

R H Toole

R. H. Toole, Chief
Leasing & Development Branch
Production Evaluation Division

EXTRA COPY O. M. E RECEIVED JUN 16 1960		
DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

June 13, 1960

Mr. Kenneth L. Burson, Director
Finance Division
Grand Junction Operations Office
Atomic Energy Commission
Grand Junction, Colorado

Dear Mr. Burson:

Re: Docket No. DMRA-3988 (Uranium)
Contract No. Am-E926
Pacific Uranium Mines Company
(Green River Group of claims)
Emery County, Utah

Will you please advise whether there has been a final determination as to the eligibility of the captioned property for the initial production bonus and the amount of any bonus that may have been paid by the AEC on this property.

According to our records more than 10,000 pounds of U_3O_8 has been produced from the property from November 1958 through December 1959. Your early reply will be appreciated.

Very truly yours,

Original signed by

Hugh M. Connors
Acting Field Officer
OME, Region III

HMC/lm
cc: Chief, Division of Field Operations (2)
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Corres. E 926
Chron

CA & A Division

JUN 8 1961

Memorandum

To: Acting Field Officer, Region III

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: Docket No. DMEA-3928 (Uranium)
Pacific Uranium Mines Company
Green River ~~Group of~~ claims
Emery County, Utah
Contract No. Ida-8926

This Division is contemplating the issuance of a Report of Royalty Review pertaining to the subject contract. Our review of the Washington office files has indicated some matters on which further information is deemed to be desirable and necessary.

No royalty has been received based on any bonus payments by the Atomic Energy Commission. In a letter dated August 24, 1959, Leland O. Erdahl, Acting Chief, Contract Finance Branch, Finance Division, AEC, Grand Junction, Colorado, advised Mr. Finch, the OME auditor formerly assigned to Region III, as follows:

> "Claims are not certified nor has an application for certification been received. Since the certification of the property is contingent upon several factors, it would be impossible to state at this time whether the listed production will be eligible for bonus. At the present time, it is not eligible."

Will you please advise whether there has been a final determination as to the eligibility of this property for the initial production bonus and the amount of any bonus that may have been paid by AEC? According to our records more than 10,000 pounds of U_3O_8 from this property were received at the buying station during the period November 1958 through April 1959.

In a letter dated December 14, 1959, with which Union Carbide Nuclear Company transmitted to Region III check No. 1105 in the amount $1,414.81 for the difference between royalty on gross value of U_3O_8 and V_2O_5 and royalty previously paid based on value of ore produced during the period November 1958 through April 1959, a statement was made that "since April 1959, we have not been processing

the ore, but selling it to Vitro Uranium Company". From this statement it appears that the sales to Vitro are made under provisions of paragraph (g) of the Third part of the contract between Union Carbide and Vitro dated September 15, 1958, and that the "Ore Settlement" statements received in support of royalty payments for the period subsequent to April 1959 represent computation of the value of the ore under AEC regulations rather than any settlements made between those companies. Your advice on the matter would be appreciated.

The review indicates that proper royalty has been received for the period ending with April 1959, except for possible royalty on AEC bonus payments. However, there is a question regarding the basis on which royalty is due to the Government on production subsequent to that date; accordingly, all available information is desired as a basis for proper determination.

CEFisher/ama
June 7, 1960

Copy to: Docket
Director's Reading File
CA & A Division

E-926

For Certificate of Deposit No. 67, dated January 6, 1960, giving royalty payment of $217.51, see E-866.

QUADRUPLICATE Treasury Department Circular No. 945-Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

12/17/59 (Date sent)

62 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colorado

(3) The Sum of $ 2,491.73

Deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo.
(Name and location of depositary)

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 2,491.73		$

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5) 14-23-040

Office of Minerals Exploration
224 New Custom House
Denver 2, Colorado

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

12/17/59
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

E-987 Hamilton, Simpson Mining, et, al.	927.44
E-926 Pacific Uranium Mines	1,414.81
E-1163 Jenkins & Hand	149.48
	2,491.73

QUADRUPLICATE Treasury Department Circular No. 945-
Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957
by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

11/4/59 (Date sent) 50 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colorado

Deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo.
(Name and location of depositary)

(3) The Sum of $ 129.18

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 129.18		$ E-926

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
14-23-040
Office of Minerals Exploration
224 New Custom House
Denver 2, Colorado

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

H. E. E. S.
(Authorized signature)

NOV 4 1959
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

EXTRA COPY
O. M. E.
RECEIVED NOV 6 1959
DATE | INITIALS | CODE
800

Building 20 - Federal Center
Denver 25, Colorado
November 4, 1959

Union Carbide Nuclear Company
P. O. Box 1049
Grand Junction, Colorado

Re: Docket No. DMEA 3926 (Uranium)
Contract DMe-E926
Pacific Uranium Mines Company, Assignor
Union Carbide Corporation, Assignee
(Green River claims)
Emery County, Utah

Gentlemen:

Reference is made to Article 8(c) of the captioned contract which provides that the Government's royalty shall be a percentage of the gross proceeds from the production sold, in the form sold.

You sell the production in the form of yellowcake so the royalty should be based on the price you receive for yellowcake instead of the value of ore before milling as shown in A.E.C. Circular 5.

Royalty settlements to date are accepted as preliminary payments subject to adjustment when the value of the production in the form sold has been determined on a quarterly or other interim basis.

Very truly yours,

Original signed by

J. W. Townsend
Executive Officer, OME
Field Team, Region III

EMC:ltm

cc: Chem. Op. Comm. (2)
Roy. Corres E926
Chron.

OCT 12 1959

Memorandum

To: Mr. Donald T. Finch, OME Auditor

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: Docket No. DMEA-3928 (Uranium)
Pacific Uranium Mines Company
Contract No. Idm-E926

Thanks for your memorandum dated October 5, 1959, and attachments showing the royalty status of this contract.

Your footnote on the "Summary of Production of Uranium Ores" points out that royalty paid to date has been computed on the value of ore before milling or concentration, based on A. E. C. Circular 5, rather than on gross proceeds in the form sold as provided by Article 8(c) of the contract. The situation in this case appears to be analogous to that in connection with Contract No. Idm-E323, Docket No. DMEA-3514, Climax Uranium Company, which was the subject of the Operating Committee's letter to Mr. Townsend dated June 9, 1958.

A review of the docket files does not indicate that Union Carbide Nuclear Company has been informed that the royalty settlements to date are accepted as preliminary payments subject to adjustment when the value of the production in the form sold has been determined.

It is suggested that you invite Mr. Townsend's attention to this matter.

CEFisher/ama
October 9, 1959

Copy to: Docket
Director's Reading File
CA & A Division

Official

~~[illegible]~~ COPY O. M. E. RECEIVED OCT 9 1959		
DATE	INITIALS	CODE
10/12	Murphy	500
		225

Building 20 - Federal Center
Denver 25, Colorado

October 5, 1959

Memorandum

To: E. D. Talbert, Acting Chief
Contract Administration and Audit Division

From: Donald T. Finch, OME Auditor

Subject: Union Carbide Nuclear Co. assignee Pacific Uranium Company
Contract Ldm-E 926, Docket No. ~~[illegible]~~ 3928 (Uranium)
Green River Claims, Emery County, Utah
(Special Report of Royalty Status.)

The exploration contract is dated March 9, 1956. It was with the Pacific Uranium Company. A Certification of Discovery or Development was issued May 8, 1957 and accordingly royalty is payable on all production from the land described in Section 2 of the contract for a maximum of 12 years from the date of the contract. A report of review in lieu of final cost audit dated March 19, 1959, indicated accepted costs under the exploration contract to be $30,208.18 with Government participation on a 75% basis being $22,656.14.

The royalty correspondence files show a copy of assignment of the contract to Union Carbide Corporation on March 31, 1958. Production of Uranium ores from the property ~~were~~ was first sold in November, 1958. This production was accomplished under a working agreement for mining between Union Carbide Nuclear Co., a subsidiary of Union Carbide Co., and Vitro Uranium Company with all ore remaining the property of Union Carbide Nuclear Company, which is a processor of Uranium ores under contract with the A.E.C.

Enclosed is a summary of production for the months of November 1958 thru May 1959. All liquidation settlement sheets in this tabulation have been confirmed by recomputation and I have confirmed the production with A.E.C. The indicated receipts for royalty have been reconciled with the finance records at Denver. (See schedule enclosed).

Additional enclosures are:

(a) Confirmation letter to A.E.C. 8/17/59.

(b) Reply from A.E.C. 8/24/59.

(c) Letter from Union Carbide Nuclear Company dated 8/25/59 outlining arrangement with Vitro Uranium Company for operations of mining property.

Original in Contract File

It is believed these enclosures are self explanatory.

This summary of the royalty status is submitted for informational purposes and in order your office will have the advantage of my work in process on this contract.

Donald T. Finch

Donald T. Finch

UNION CARBIDE NUCLEAR COMPANY ASSIGNEE
PACIFIC URANIUM COMPANY

CONTRACT NO. IDM-E926 DOCKET NO. DMEA 3928

SUMMARY OF PRODUCTION OF URANIUM ORES
March 9, 1956 to May 31, 1959
(This Production Confirmed with AEC)

Gross Weight, Pounds	4,093,920
Dry Weight, Pounds	3,668,629
Dry Weight, Tons	1,834.314
Assays - (Average)	
U_3O_8	.316
V_2O_5	.526
Pounds U_3O_8	11,609.07
Base Payment U_3O_8	$40,631.77
Development Allowance	$ 5,804.55
Premium	
Excess of 4 pounds U_3O_8 per Ton	
Pounds of excess U_3O_8	4,271.81
Amount of Premium	$ 3,203.86
Pounds V_2O_5	19,308.59
V_2O_5 Payment	$ 5,985.66
Total	$55,625.84
Average Value Per Dry Ton	$ 30.33
Royalty Percentage	5%
Royalty Due (On Basis Computed)	$ 2,781.29
Royalty Paid (See attached Reconciliation)	2,781.29

Note: Above ore is mined by Vitro Uranium Corporation under a mining contract. Production remains the property of Union Carbide Nuclear Company. Union Carbide Nuclear Company has reported production values on basis set forth in A.E.C. Circular 5 revised October 9, 1953 instead of on basis of value in the form disposed of Viz ("Yellow Cake"). Royalty has been paid on the values computed by the Union Carbide Nuclear Company.

UNION CARBIDE NUCLEAR COMPANY ASSIGNEE
PACIFIC URANIUM COMPANY

CONTRACT NO. IDM-1926 DOCKET NO. DMEA 3928

RECONCILIATION OF ROYALTIES RECEIVED BY FINANCE
WITH PRODUCTION CONFIRMED WITH A.E.C.

			Royalty Paid	
November 1958			$258.66	
December 1958			478.37	
January 1959			576.38	
February 1959			581.76	
		Total C.D. 59-135		$1,875.17
March	1959	(C.D. 59-135)	$369.27	
		(C.D. 60-25)	39.51	408.78
April	1959	(C.D. 59-150)	$175.37	
		(C.D. 60-25)	21.64	197.01
May	1959	(C.D. 60-25)		183.40
April 29, 1959		(59/4-28) (C.D. 60-30)		116.93
Total Royalty Receipts on Production Confirmed with A.E.C.				$2,781.29
Total Royalty Collected Per Finance Records at C.D. 60-30 as of September 14, 1959				2,988.32
Less: July Production Reported by Operator after Confirmation with A. E. C. Royalty Payment included with C.D. 60-25 (5% of $4,140.53)				207.03
Total Royalty Paid on Confirmed Production as above				$2,781.29

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY O. M. E. RECEIVED OCT 9 1959		
DATE	INITIALS	CODE
10/9	RCW	225
		800

October 5, 1959

Memorandum

To: E. D. Talbert, Acting Chief
Contract Administration and Audit Division

From: Donald T. Finch, OME Auditor

Subject: Union Carbide Nuclear Co. assignee Pacific Uranium Company
Contract Idm-E 926, Docket No. DMEA 3928 (Uranium)
Green River Claims, Emery County, Utah
(Special Report of Royalty Status.)

The exploration contract is dated March 9, 1956. It was with the Pacific Uranium Company. A Certification of Discovery or Development was issued May 8, 1957 and accordingly royalty is payable on all production from the land described in Section 2 of the contract for a maximum of 12 years from the data of the contract. A report of review in lieu of final cost audit dated March 19, 1959, indicated accepted costs under the exploration contract to be $30,208.18 with Government participation on a 75% basis being $22,656.14.

The royalty correspondence files show a copy of assignment of the contract to Union Carbide Corporation on March 31, 1958. Production of Uranium ores from the property ~~were~~ was first sold in November, 1958. This production was accomplished under a working agreement for mining between Union Carbide Nuclear Co., a subsidiary of Union Carbide Co., and Vitro Uranium Company with all ore remaining the property of Union Carbide Nuclear Company, which is a processor of Uranium ores under contract with the A.E.C.

Enclosed is a summary of production for the months of November 1958 thru May 1959. All liquidation settlement sheets in this tabulation have been confirmed by recomputation and I have confirmed the production with A.E.C. The indicated receipts for royalty have been reconciled with the finance records at Denver. (See schedule enclosed).

Additional enclosures are:

(a) Confirmation letter to A.E.C. 8/17/59.

(b) Reply from A.E.C. 8/24/59.

(c) Letter from Union Carbide Nuclear Company dated 8/25/59 outlining arrangement with Vitro Uranium Company for operations of mining property.

It is believed these enclosures are self explanatory.

This summary of the royalty status is submitted for informational purposes and in order your office will have the advantage of my work in process on this contract.

Donald T. Finch

Donald T. Finch

UNION CARBIDE NUCLEAR COMPANY ASSIGNEE
PACIFIC URANIUM COMPANY

CONTRACT NO. IDM-E926 DOCKET NO. DMEA 3928

SUMMARY OF PRODUCTION OF URANIUM ORES
March 9, 1956 to May 31, 1959
(This Production Confirmed with AEC)

Gross Weight, Pounds	4,093,920
Dry Weight, Pounds	3,668,629
Dry Weight, Tons	1,834.314
Assays - (Average)	
U_3O_8	.316
V_2O_5	.526
Pounds U_3O_8	11,609.07
Base Payment U_3O_8	$40,631.77
Development Allowance	$ 5,804.55
Premium	
Excess of 4 pounds U_3O_8 per Ton	
Pounds of excess U_3O_8	4,271.81
Amount of Premium	$ 3,203.86
Pounds V_2O_5	19,308.59
V_2O_5 Payment	$ 5,985.66
Total	$55,625.84
Average Value Per Dry Ton	$ 30.33
Royalty Percentage	5%
Royalty Due (On Basis Computed)	$ 2,781.29
Royalty Paid (See attached Reconciliation)	2,781.29

Note: Above ore is mined by Vitro Uranium Corporation under a mining contract. Production remains the property of Union Carbide Nuclear Company. Union Carbide Nuclear Company has reported production values on basis set forth in A.E.C. Circular 5 revised October 9, 1953 instead of on basis of value in the form disposed of Viz ("Yellow Cake"). Royalty has been paid on the values computed by the Union Carbide Nuclear Company.

UNION CARBIDE NUCLEAR COMPANY ASSIGNEE
PACIFIC URANIUM COMPANY

CONTRACT NO. IDM-E926 DOCKET NO. DMEA 3928

RECONCILIATION OF ROYALTIES RECEIVED BY FINANCE
WITH PRODUCTION CONFIRMED WITH A.E.C.

		Royalty Paid	
November 1958		$238.66	
December 1958		478.37	
January 1959		576.38	
February 1959		581.76	
	Total C.D. 59-133		$1,875.17
March 1959	(C.D. 59-135)	$369.27	
	(C.D. 60-25)	39.51	408.78
April 1959	(C.D. 59-150)	$175.37	
	(C.D. 60-25)	21.64	197.01
May 1959	(C.D. 60-25)		183.40
April 29, 1959	(59/4-28) (C.D. 60-30)		116.93
Total Royalty Receipts on Production Confirmed with A.E.C.			$2,781.29
Total Royalty Collected Per Finance Records at C.D. 60-30 as of September 14, 1959			2,988.32
Less: July Production Reported by Operator after Confirmation with A. E. C. Royalty Payment included with C.D. 60-25 (5% of $4,140.53)			207.03
Total Royalty Paid on Confirmed Production as above			$2,781.29

224 New Customhouse
Denver 2, Colorado

August 17, 1959

Mr. Roland O. Erickson, Acting Chief
Contract Finance Branch
Finance Division, Atomic Energy Commission
Grand Junction Operations Office
Grand Junction, Colorado

Re: Certification and Production
Green River Claims, Thompson Mining District
Emery County, Utah
Contract Min-5226, Docket No. DMA 5226
Vitro Uranium Corporation, Lessee
Union Carbide Corporation, Assignee,
Pacific Uranium Mines Company
List of Claims attached

Dear Mr. Erickson:

The Office of Minerals Exploration has a contract with the subject group for exploration of uranium on the attached list of claims. The date of the exploration contract is March 9, 1956.

At the present time, OME is engaged in making an audit of production and royalty due the United States Government since March 9, 1956. The records available to OME indicate the following production from the property since that date:

All deliveries were to Union Carbide Nuclear Company, a subdivision of Union Carbide Corporation.

Date Received	Date of Settlement Sheet on File	Pounds U_3O_8
November, 1958	March 25, 1959	936.67
December, 1958	March 25, 1959	1931.62
January, 1959	March 25, 1959	2410.77
February, 1959	March 25, 1959	2456.24
March, 1959	April 7, 1959	1530.46
April, 1959	May 6, 1959	635.75
Total pounds U_3O_8 produced March 9, 1956 to Aug. 14, 1959		10291.51

It will be appreciated if you will advise if the foregoing data agrees with your records. Please show liquidation number and dates if available for any additional production.

Also please advise if the first 10,000 pounds of this U308 production is eligible for AEC Production Bonus. If it is eligible, have the producers made application and received payment of such bonus?

The last AEC Circulars No. 5 and No. 6, which I have on file, were revised by Amendment, October 9, 1955. If there has been subsequent amendments to these two Circulars, please send me a copy of each.

Thank you for your cooperation.

Very truly yours,

Donald T. Flach

Donald T. Flach
OIE Auditor

DTF:ltm

cc: Subject

UNITED STATES
ATOMIC ENERGY COMMISSION
GRAND JUNCTION OPERATIONS OFFICE
GRAND JUNCTION, COLORADO

[illegible] 24, 1959

[illegible]

Mr. Donald [illegible] Finch, OME Auditor
[illegible] Department of the Interior
[illegible] Minerals Exploration
[illegible] Warehouse
[illegible], Colorado

Re: Certification and Production
Green River Claims, Uinta Mining District
Emery County, Utah
Contract Idm-E926, Docket No. DMEA 3928
Vitro Uranium Corporation, Lessee
Union Carbide Corporation, Assignee
Pacific Uranium Mines Company

Dear Mr. Finch:

We agree with your letter of August 17, 1959, as to production for the period March 9, 1956 to June 30, 1959 except for the following additional production:

Claim	Date 1959	Liq. No.	Delivered to:	Pounds U308
Red No. 2	April	59/4-28	Vitro Uranium Company	508.81
Red No. 2	May	59/5-26	Vitro Uranium Company	808.75

Claims are not certified nor has an application for certification been received. Since the certification of the property is contingent upon several factors, it would be impossible to state at this time whether the listed production will be eligible for bonus. At the present time, it is not eligible.

Figures for the period July 1 through August 14, 1959 are not available at this time.

Our latest AEC Circulars No. 5 and No. 6 are the same as yours.

Very truly yours,

Leland O. Erdahl

Leland O. Erdahl, Acting Chief
Contract Finance Branch
Finance Division

UNION CARBIDE NUCLEAR COMPANY • DIVISION OF UNION CARBIDE CORPORATION

P. O. BOX 1049, GRAND JUNCTION, COLORADO

August 25, 1959

OME
REGION III
DENVER, COLORADO

Mr. J. W. Townsend
Executive Officer, OME
Field Team, Region III
United States Department of Interior
Building 20, Federal Center
Denver 25, Colorado

Re: Docket No. DMEA 3928, Contract No. Idm-E926
Pacific Uranium Company and Union Carbide Corporation
Emery County, Utah

Dear Sir:

Your letter of August 19 was received in which you make inquiries concerning the above mining contract.

Item 1: By mining contract dated September 15, 1958, Vitro Uranium Corporation is to mine Pacific Uranium's claims Red No. 1 and No. 2 for Union Carbide. Vitro is to receive 70% of the ore value and 100% of the development allowance. Union Carbide is to pay for ore haulage. The ore is to remain the property of Union Carbide and be delivered to their mills. However, Paragraph [illegible] of the third part states that if Union Carbide for any reason declines to accept delivery of the ore mined, Vitro shall purchase the ore from Carbide at 30% of the gross value.

Item 2: The contract also provides that the contractor shall not be entitled to any portion of the initial production bonus nor for any economic allowance under the Internal Revenue Laws.

Item 3: The development allowance was inadvertently left off of the two settlements dated April 7, 1959, and May 6, 1959. Adjustment was made on settlement dated August 20, 1959, paid by check No. 21458.

Attached you will find two copies of the instrument executed in conjunction with this mining contract. We trust that this answers the questions you posed in your letter of August 19. If we can be of any more service do not hesitate to call on us.

Very truly yours,

UNION CARBIDE NUCLEAR COMPANY

I. R. van Fleet
Assistant Manager of Mines

OME
DEPARTMENT OF THE INTERIOR
AUG 27 1959
REGION III
DENVER, COLORADO

E-926

For Certificate of Deposit No. 30, dated September 14, 1959, giving royalty payment of $116.93, see E-597.

EXTRA COPY
O. M. E.
RECEIVED AUG 31 1959

DATE	INITIALS	CODE
		800

Building 20 - Federal Center
Denver 25, Colorado

August 28, 1959

Union Carbide Nuclear Company
P. O. Box 1049
Grand Junction, Colorado

Re: Docket No. DMEA 3928 (Uranium)
Contract No. Idm-1926
Pacific Uranium Mines Company, Assignor,
Union Carbide Corporation, Assignee
(Green River claims)
Emery County, Utah

Gentlemen:

A check of A. E. C. records in conjunction with the royalty audit that is in progress disclosed that the following shipments have been made on which royalty had not been paid to the Government.

Claim	Date	Liq. No.	Delivered to:	Pounds U3O8
Red No. 2	April, '59	59/4-28	Vitro Uranium Company	508.81
Red No. 2	May, '59	59/5-26	Vitro Uranium Company	808.75

Subsequent to check of A. E. C. records, the settlement sheet and royalty payment have been received on a lot of 808.75 Pounds U3O8, dated August 20, 1959, with receiving date 5-1 -- 5-31-59, but the settlement sheet does not bear the liquidation number 59/5-26. Please advise concerning it.

Please forward royalty payment and settlement sheets on liquidation number referred to above as 59/4-28 and for liquidation number 59/5-56 if it is not the same as the one received under date of August 20, 1959.

Very truly yours,

Original signed by

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JWT/cg

cc: Chmn. Op. Comm. (2)
Finch
Roy. Corres. E-926
Chron.

QUADRUPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colorado

8/27/59 (Date sent)

25 (Deposit No.)

Deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo.
(Name and location of depositary)

(3) The Sum of $ 451.58

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 451.58		$

E-925

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
14-23-040
Office of Minerals Exploration
224 New Custom House
Denver 2, Colorado

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Shiflett
(Authorized signature)

AUG 27 1959
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

E-926 Pacific
Uranium

451.58

FEDERAL RESERVE BANK
1959 AUG 27 PM 12 20
MAIL DEPT-2

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 31 1959

DATE	INITIALS	CODE
		800

EXTRA COPY
O. M. E.
RECEIVED AUG 24 1959

DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado
August 19, 1959

Union Carbide Nuclear Company
P. O. Box 1049
Grand Junction, Colorado

Re: Docket No. DMEA 3926 (Uranium)
Contract No. Ma-8916
Pacific Uranium Mines Company, Assignor,
Union Carbide Corporation, Assignee
(Green River Claims)
Emery County, Utah

Gentlemen:

An Audit by the Contract Administration and Audit Division, OME, of production and royalty due the Government since March 9, 1956, is currently in progress, as a result of which, the following questions require clarification:

(1) The contract was assigned from Pacific Uranium Mines Company to Union Carbide Corporation, but it appears that ore from the property is being sold by Vitro Uranium Company. The question arises, what is the arrangement between Union Carbide Corporation and Vitro Uranium Company, that is, has the property been leased to Vitro Uranium Company, or are they merely performing contract mining?

Forwarding of two copies of any instrument executed in conjunction with the matter will be appreciated.

(2) What is the status of the AEC Bonus?

(3) Why was the development allowance eliminated from the last two settlement sheets dated April 7, 1959, and May 6, 1959?

Prompt forwarding of the above requested information will be appreciated.

Very truly yours,

Original signed by

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JWT:lm

cc: Chem. Op. Comm. (2) w/copy Finch Memorandum 8/17/59
Hasler
Roy. Corres. 3926
Finch
Caren.

EXTRA COPY
O. M. E.
RECEIVED AUG 24 1959

DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado
August 17, 1959

Memorandum

TO: J. W. Townsend, Executive Officer, OME Field Team, Region III

From: Donald T. Finch, OME Auditor

Subject: Vitro Uranium Corporation, Lessee, Union Carbide Company, Assignee Pacific Uranium Mines Company (Green River Claims, Emery County, Utah, Docket No. EMRA 3928 (Uranium) Contract No. Xm-1886

The royalty correspondence files show copy of assignment of original contract to Union Carbide Corporation on March 21, 1958.

On March 24, 1959, Mr. M. F. Robertson, Mining Engineer, USBM, advised your office of ore shipments by Vitro Uranium Company which he describes as lessee from Union Carbide Nuclear Company and Pacific Uranium Mines Company.

On April 7, 1959, royalty payments were transmitted by letter from Union Carbide Nuclear Company, a division of Union Carbide Corporation, P. O. Box 1049, Grand Junction, Colorado. These royalty payments were supported by copies of "Contract Mining Settlement" which indicated Vitro Uranium Company as "Contract Miner". These statements contain the usual settlement sheet data. Production reported covers the period November 1958 to April 30, 1959. Royalty payments made do not include any royalty on AEC Production Bonus. If production bonus is applicable to this production, it appears there is $1750.00 additional royalty due on the reported production.

Another point was noted that the settlement sheets applicable to November 1958, thru February 1958, carried a value for AEC Development Allowance of $.50 per pound of U_3O_8 content. Settlement sheets applicable to March and April 1959 production, do not reflect this allowance. If such allowance is applicable to the March and April production, it appears there is an additional royalty due of $61.15.

Based on our telephone conference today, it is understood your office may wish to contact the Union Carbide Corporation for clarification of the following points:

OME
DEPARTMENT OF THE INTERIOR
AUG 18 1959
REGION III
DENVER, COLORADO

1. What is the nature of the arrangement with Vitro Uranium Corporation. (ie.) Is it a true lease, or is it merely performing contract mining? It seems this point should be determined in order to establish if there is a sale of ore by "Vitro" to "Union Carbide".

2. What is the status of the AEC Production Bonus?

3. Why was the development allowance eliminated from the last two settlement sheets?

The completion of the royalty review will be deferred pending the receipt of your reply to this memorandum and also the receipt of my request for production confirmation from the AEC.

Donald T. Finch

Donald T. Finch

DTF:ltm

cc: 6
Chron.

TRIPLICATE
Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957
by Treasury Department, Fiscal Service.

Treasury Department Circular No. 945 -

CERTIFICATE OF DEPOSIT
Standard Form 219

5/21/59 (Date sent)

150 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colo.

(3) The Sum of $ 5,403.00

Deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo.
(Name and location of depositary)

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ ~~XXXXX~~ 5,403.00		$

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)

14-23-040
Office of Minerals Exploration
224 New Customhouse
Denver 2, Colo.

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

MAY 2 2 1959

(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor for his retained copy.

E-926 Pacific
Uranium Mining 175.37
E-1127 Mid-Continent 5,227.63
5,403.00

DENVER BRANCH
FEDERAL RESERVE BANK

1959 MAY 21 PM 2 15

MAIL DEPT-2

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 25 1959

DATE	INITIALS	CODE
		800

E-926

For Certificate of Deposit No. 135, dated April 14, 1959, giving royalty payment of $369.27, see E-345.

QUADRUPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

(2) For Consolidated Abstract of Treasury Regional Office at (city and state) Denver, Colo.

4/9/59 (Date sent)

133 (Deposit No.)

Deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo. (Name and location of depositary)

(3) The Sum of $ 1,875.17

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 1,875.17		$

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
14-23-040
Office of Minerals Exploration
224 New Customhouse
Denver 2, Colo.

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

APR - 9 1959

(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

E-926 Pacific Uranium
Mines - 1,875.17

OFFICIAL FILE COPY

REC'D 13 1959

DATE		CODE
4-13	C	22 U
		806

1959 APR 9 PM 12 1

224 New Customhouse
Denver 2, Colorado
April 7, 1959

EXTRA COPY
O. M. E.
RECEIVED APR 13 1959
CODE
800

Mr. A. E. Barley, President
Pacific Uranium Mines Company
Suite 210
292 South La Cienega Blvd.
Beverly Hills, California

Re: Docket [redacted] 3928 (Uranium)
Contract [redacted]-E926
Green River, et al. claims
Emery County, Utah

Dear Mr. Barley:

We have been advised that two shipments of ore were made from the captioned property during November and December 1958. One shipment contained 145.10 and the other shipment contained 296.78 dry tons of ore.

Please furnish this office two copies of the instrument, giving another the right to mine and remove ore from the subcontracted property, in the event that the Pacific Uranium Mines Company did not mine or ship these two lots of ore. Also, please forward this office three copies of each settlement sheet and your check for the amount of royalty due.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer
OME Field Team, Region III

NMC/ff
cc: Chmn. Op. Comm. (2) w/copy of Robertson's memo dated
Robertson March 24, 1959
Royalty file, E926
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

P. O. Box 360
Grand Junction, Colorado

MAR 24 1959
REGION III
DENVER, COLORADO

March 24, 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: H. F. Robertson

Subject: DMEA 3928 (Uranium), Contract Idm-E 926, Pacific Uranium Mines Company (Red No. 2 claim), Emery County, Utah. Production during period July 1 - December 31, 1958.

The following two shipments of ore were taken from ground subject to DMEA royalty and were shipped by Vitro Uranium Company, lessee of the present owners, Union Carbode Nuclear Company and Pacific Uranium Mines Company. Apparently the production has not been reported to your office.

Liq. No.	Date	Dry Tons	Lbs. U_3O_8	Lbs. V_2O_5
None	Nov. 1958	145.10	986.65	1,683.15
None	Dec. 1958	296.78	1,991.62	3,218.01
Total		441.88	2,978.27	4,901.56

According to the A.E.C. production records, the ore is first taken to the U.C.N. concentrator at Green River, Utah, then to the U.C.N. mill at Rifle, Colorado. The Tonnage and grade values in the A.E.C. records appear to refer to raw ore before treatment in the U.C.N.concentrator.

I contacted Mr. T. S. Ary of Union Carbide Nuclear Company regarding the unpaid royalty. He, in turn, informed the company accounting department that the royalty was due. In the near future, you should receive settlement sheets and royalty on the two shipments made during the period July 1 - December 31, 1958. I assume that any other past-due royalty will be paid at the same time since the company now knows that it is liable for payment of royalty on future production from the subordinated ground.

H. F. Robertson
Mining Engineer

MAR 23 1959
O.M.E.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Pacific Uranium Mines Company
122½ South Vermont Avenue
Los Angeles 4, California

pertaining to Exploration Project Contract No. Idm-E926, DMEA No. 3928, including Amendments Nos. 1 through 5, for the months of April 1956, to August 1956, inclusive, covering a project for the exploration of Uranium on property known as Green River Group of Claims located in Emery County, Utah.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team reports and correspondence, and a determination of the reasonableness and propriety of the costs.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by Contractor		$30,473.19
Exceptions: (Schedule attached)		
Prior to this review	$ 10.88	
Less: Reinstatement by review	0.00	
Herewith	254.13	265.01
Total Accepted Cost		$30,208.18

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Twenty Two Thousand Six Hundred Fifty-six and 14/100th Dollars is valid and proper, provided that the Regional Executive Officer, the Director, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Amount payable to Operator	$22,656.14
Amount reimbursed	22,346.74
Balance due Operator	$ 309.40

Donald T. Finch

March 19, 1959

Donald T. Finch
OME Auditor

REASONS FOR REPORT OF REVIEW IN LIEU OF FINAL AUDIT

Contract Idm-E926 Docket No. DMEA 3928

PACIFIC URANIUM MINES COMPANY

(a) The monthly reports were supported by documentary proof of that portion ($28,323.25) of the costs which covered work performed at unit rates under independent contract (per summary attached).

(b) The balance ($1,884.93) of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed; and

(c) The administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible further disallowances thereunder.

SCHEDULE OF EXCEPTIONS

Contract Idm-E926 Docket No. DMEA 3928

PACIFIC URANIUM MINES COMPANY

Prior Disallowances by Field Team, Region III

3 ft. of Core Drilling at $3.50/ft. claimed for Hole No. M-4 in excess of footage shown by lithographic log (Stage II)	$ 10.50	
Incidental Allowance at $0.125/ft. applicable to foregoing 3 ft.	.38	
Total Prior Disallowances		$ 10.88

Disallowances During Review

7½ hours truck time charged to Stage II bulldozing which was not authorized by Exploration Contract	$ 71.07	

The following Core Drilling footage claimed was in excess of the applicable lithographic log. All excess applicable to Stage I:

Hole No.	Footage claimed	Footage per log	Difference
D-1	319.50	319.80	.30
D-24	181.50	181.60	.10
D-2	379.00	377.00	2.00
D-19	198.00	153.00	45.00
D-20	305.50	305.80	.30
D-25	265.00	265.30	.30
D-30	333.50	333.00	.50
D-31	397.00	392.00	5.00
D-34	363.00	364.00	1.00

Net excess core footage at $3.50/ft 50.50 Ft.	$176.75	
Incidental Allowance at $0.125/ft. applicable to the foregoing 50.50 ft.	6.31	
Total Disallowance during Review		$254.13
Total Disallowances		$265.01

The Executive Officer of the Field Team, Region III, and the Auditor concur with the foregoing disallowances.

SUMMARY OF DOCUMENTED COSTS

Contract Idm-E926 | Docket No. DMEA 3928

PACIFIC URANIUM MINES COMPANY

	Stage I	Stage II	Total
Independent Contracts			
Bulldozing			
20 hours at $11.00/hr.	$ 220.00		
25.5 hours at $10.00/hr.		$ 255.00	
Total Bulldozing			$ 475.00
Drilling			
Non-core			
7,338 ft. at $1.50/ft.	$11,007.00		
3,517 ft. at $1.50/ft.		$ 5275.50	
Total Non-core Drilling			$16,282.50
Core			
2,170.50 ft. at $3.50/ft.	$ 7,596.75		
1,134 ft. at $3.50/ft.		$ 3,969.00	
Total Core Drilling			$11,565.75
Total Documented Costs	$18,823.75	$ 9,499.50	$28,323.25
Fixed Unit Costs			
Chemical Analyses			
15 at $5.00/each	$ 75.00		
8 at $5.00/each		$ 40.00	
Incidental Allowance			
9,508.5 ft. of accepted Drilling at $0.125/ft.	$ 1,188.56		
4,651 ft. of accepted Drilling at $0.125/ft.		$ 581.37	
Total Fixed Unit Costs	$ 1,263.56	$ 621.37	$ 1,884.93
Total Accepted Costs	$20,087.31	$10,120.87	$30,208.18

MAR 23 1959

Memorandum

To: Donald T. Plank, OGC Auditor

From: Jay L. Chambers (Signed) J. L. Chambers
Contract Administration and Audit Division

Subject: Docket No. [illegible] (Remedial)
Pacific Western Mines Company
Contract No. [illegible]

Your Report of Review on the subject contract is acceptable and normal distribution is authorized.

OMcCarthy/[illegible]
March 23, 1959

cc: Docket
Director's Reading File
Mr. Chambers

RECEIVED
DATE
800

224 New Customhouse
Denver 2, Colorado
March 13, 1959

Memorandum

To: Donald T. Finch, OME Auditor

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 3928 (Uranium) Contract Idm-E926,
Pacific Uranium Mines Company, (Green River claims)
Emery County, Utah

The subject contract was terminated effective August 30, 1956, in accordance with the provisions of Amendment No. 5, item 4(a)(1), to the contract, and the Operator was so notified by letter of December 5, 1958, from the Acting Director, OME, a copy of which is attached for your records.

The Operator's final report has been received, therefore, final payment of the Operator's account is in order, contingent on release to this office of a Certificate and Report of Audit, or Report of Review, of reported project costs, whichever the case indicates.

Work or service completed on a fixed unit cost basis consisted of Incidental Allowance for 14,210 feet of drilling, and analysis of 23 samples for uranium content. Pre-audit analysis indicates that additional disallowance of 50.5 feet will be made, which will bring the acceptance total for this item to 14,159.5 feet.

The sum of $500.00 was withheld from reimbursement to the Operator in processing its final accounting report, which was for the month of August, 1956.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosure

JBC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Hasler
Robertson, OME/GJ
Corres.file, Rg. III
Cooper
Chron

224 New Customhouse
Denver 2, Colorado
March 31, 1959

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 3928 (Uranium) Contract Idm-4926, Pacific Uranium Mines Company, (Green River group of claims) Emery County, Utah - FINAL PAYMENT

Reference is made to our memorandum of October 3, 1956, whereby we forwarded the final Form MF-104, Operator's Monthly Report and Voucher, for the month of August 1956, and requested that you withhold an amount of $500.00 from reimbursement to the Operator, pending performance of additional work under the contract.

Contract work was not resumed by the Operator and the contract was terminated under the provisions of Amendment No. 5, effective August 30, 1956. The Operator's final report has been received, therefore final payment to the Operator is to be made on the following basis, which is in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, OME, dated March 19, 1959, which includes audit disallowance of costs in the amount of $254.13.

Basis for Final Payment

Total accepted cost----------	$30,208.18
Government participation at 75 percent---	22,656.14
Total prior payments----------	22,346.74
Balance due the Operator----------	$ 309.40

J. W. Townsend

JWC:bmh

cc: Chem. Op. Comm. (2)
Harshman
Hasler
Robertson, OME/GJ
OME/DPC
Corres.file, Reg. III
Cooper
Chren
MF-104 file, Reg. III

$ 309.40
MS
4/1/59 OME-59-99

Form MF-104 (Rev.) (April 1952)

Budget Bureau No. 42-R1036.5

RECEIVED OCT - 8 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1956 Docket No. DMEA 3928 Contract No. Ida-5926

Operator's Name Pacific Uranium Mines Company Minerals Uranium

Address 292 South La Cienega Blvd., Beverly Hills, Calif.

Contract Amount, $ 73,306.00 Government Participation: 75 % Amount, $ 54,980.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling nonecore	5,275.50	11,007.00	16,282.50			
Bulldozing	3,979.50	7,773.50	11,753.00			
Crosscutting						
Drifting						
Bulldozing	546.07		546.07			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	40.00	75.00	115.00			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Incidental allowance (4654 x 0.125)	561.75	1,194.87	1,776.62			
(8) Contingencies (specify):						
TOTALS	10,422.82	20,050.37	30,473.19	10,411.94	20,050.37	30,462.31

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Sept 10, 1956 Payee Hughell Evans

Per _____ Title vice-president

When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 7308.96

Signature _____ (Authorized Certifying Officer)

Date 10/4/56 Vou. No. DMA 56-43

(See other side)

Note: Withheld 500.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idh-E926 in accordance with the terms of the contract.

Signature Carl Behn (7,817,12) Off. Title Mining Engineer Date 9/17/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Harvey Title Executive Officer Date OCT 3 1956

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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OCT - 8 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1956 Docket No. DMEA 3928 Contract No. Idm-5926
Operator's Name Pacific Uranium Mines Company Minerals uranium
Address 292 South La Cienega Blvd, Beverly Hills, Calif

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Stage 1 Drilling-non core				11,007.00	7338	1.50	7200	* 1.50
Drifting -core				6,773.50	2221	3.50	2480	3.50
Crosscutting Bulldozing		220.00	20	220.00	20	11.00	20	11.00
Raising Incidental Allowed				1,194.87	9559	0.125	9680	0.125
Shafts Assays				75.00	15	5.00	30	5.00
Winzes II Drilling: Core Drilling-Noncore		5,275.50	3517	5,275.50	3517	1.50	13000	1.50
Churn -core		3,979.50	1137	3,979.50	1137	3.50	2000	3.50
Auger Bulldozing		326.07	33	326.07	33	10.00	80	**11.00
Stripping Incidental Allowed		581.75	4654	581.75	4654	0.125	15000	0.125
Trenching Assays		40.00	8	40.00	8	5.00	45	5.00
III Pits Drilling-noncore							10800	1.50
Roads and Trails -core							1200	3.50
Bulldozing							61	11.00
Incidental assays							12000	0.125
TOTAL DISTRIBUTED COSTS		10,422.82		30,473.19			39	TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		10,422.82		30,473.19				73,306.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Sept 10, 1956 Operator Hughell W Evans

Per Title Vice-president

NOTE.—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.

(Instructions on reverse)

REMARKS: Note: Amendment No 2 to contract dated 25 June 1956.
*Letter dated 22 June 1956 requested excess funds in core drilling be used to offset over-expenditure of funds in non-core drilling
** 7½ hrs trucking charge @ 9.50 /hr, 25½ hrs bulldozer @ $10.00/hr

(For Government use only)

Carl Belan

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

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OCT - 8 1956

Administrative Audit Difference Statement

Pacific Uranium Mines Company
122½ South Vermont Avenue,
Los Angeles 4, California

Date: October 4, 1956
Payee's Reference: August 1956

FINAL DISTRIBUTION
MADE OCT 5 1956

Gentlemen:

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed	$	10,422.02
Difference	$	10.08
Amount Approved	$	10,411.94

The reason for the difference was due to:

Disallow:

Claimed 295 ft core-drilling in hole M-4. However lithologic log indicates 292 ft. drilled.

(1)	3 ft. core drilling @ $3.50 per ft.	$10.50
(2)	Incidental allowance for 3 ft of drilling @ .125 per ft.	.38
	Total Amount to be disallowed.	$10.08

Withhold - $500.00 pending performance of additional work under Stage II, and for Stage III.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

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

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OCT - 3 1956

224 New Customhouse
Denver 2, Colorado

October 3, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 3928 (Uranium) Contract Idm-E926, Pacific Uranium Mines Company (Red, Ajax and Wills claims) Emery County, Utah - Operator's Monthly Progress Report for the month of August, 1956

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report and Engineer's Report for the above period.

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended on the following basis, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

All currently approved work has been completed, therefore withhold an amount of $500.00 pending the performance of additional work under Stage II and/or Stage III, if requested by the Operator and approved by the Government.

The Operator has reported the cost of 295 feet of drilling in Hole M-4. However, the lithologic log for Hole M-4 indicates a total depth of only 292 feet. The cost of 3 feet of core drilling is to be disallowed as indicated below, subject to possible reinstatement if substantiated by a corrected lithologic log for the hole and an explanatory statement from the Operator.

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Disallow

a) the cost of three feet of core drilling in Hole M-4 at $3.50 per foot - - - - - - - - - - - $10.50

b) incidental allowance for three feet of drilling at $0.125 per foot - - - - - - - - - - - 0.38

Total amount to be disallowed $10.88

Reconciliation with Amount Reported by the Operator on Form MF-104 for August, 1956

Amount reported -	$10,422.82
Amount to be disallowed - - - - - - - - - - - - - - - - - - -	10.88
Total accepted cost for August, 1956 - - - - - - - - - - -	$10,411.94
Government participation at 75 percent - - - - - - - -	$ 7,808.96
Amount to be withheld - - - - - - - - - - - - - - - - - -	500.00
Balance due the Operator	$ 7,308.96

Remarks

Date of Report - - - - - - - - - - - - September 10, 1956
Date Received in Field Office - - - September 14, 1956
Date Received in Region Office - - September 19, 1956
Reason for delay - Held in Regional Office pending return of signed narrative report from Operator.

W. M. TRAVER

W. M. Traver

Enclosures

JDC:jy
cc: MF-104 File E926
Sec. Op. Comm. (2)
Shaw (2)
Harshman)
Townsend) w/copy engr's report
Chron.

DMEA
DEPARTMENT OF THE INTERIOR

SEP 19 1956
REGION III
DENVER, COLORADO

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SEP 20 1956

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
September 18, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: Carl Belser

Subject: DMRA 3928 (Uranium) Contract Idm-E926, Pacific Uranium Mines Company, (Red, Ajax and Willis claims) Emery County, Utah -- Progress report for August 1956

Drilling progress was inspected on August 31, 1956.

Drilling, which had been suspended for July, was resumed on August 1, and Stage II drilling was completed on August 30. All holes were drilled as shown, with the exception of holes M3 and M7, which had to be shifted a few feet because of boulders. The following holes were completed during August 1956:

Hole	Footage non-core	Footage core	Footage Total	% Core Recovery	Uranium Mineralization
M-1	281	70	351	74	4 Anomalies - slight
M-2	373	48	421	92	3 Anomalies - slight
M-3	165	89	254	79	223.8'-225.8' - 0.45% U_3O_8
M-4	225	70	295	87	188.3'-188.8' - 0.01%
M-5	270	74	344	96	Barren
M-6	347	78	425	60	2 Anomalies - slight
M-7	170	69	239	64	3 Anomalies - slight
M-8	207	78	285	83	2 Anomalies - slight
M-9	255	78	333	88	320'-321.1' - 0.07% U_3O_8
M-10	320	80	400	78	392' and 397' - slight "
M-11	170	85	255	91	169', 199' and 212' - slight "
M-12	195	75	270	81	220' and 264' - slight anomalies
M-13	192	75	267	98	(215'-216' - 1.48% U_3O_8
M-14	192	70	262	91	(225.5'-225.8' - 0.45% U_3O_8
					(248.9'-249.3' - 0.03% "
					(249.3'-250.3' - 0.50% "
M-15	155	98	253	91	243.7' - slight anomaly
15	3517	1137	4654	84	All cores 'BX' or larger

6 samples were run for uranium and vanadium.

Allowed costs are as follows:

Non-core drilling, 3517 feet at $1.50 a foot	$5275.50
Core drilling, 1137 feet at $3.50 a foot	3979.50
Incidental allowance 4654 feet at $0.125 a foot	581.75
Bulldozing, Stage I, 20 hrs. at $11.00/hr	220.00
*Bulldozing, rigger, travel time, 32.607 hrs at $10.00/hr	326.07
Chemical Assays, 6 at $5.00 each	40.00
Total	$10422.82

* The statement for Stage II bulldozing is somewhat irregular but is not out of line and was paid for by the operator.

Payment of 75 percent of the above amount or $7,817.12 is recommended.

Carl Balser

Carl Balser
Mining Engineer

CB/mw
cc: 6
Idm-2926
Chron

AUGUST NARRATIVE REPORT

DMEA 3928 CONTRACT IDM-E926

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INTRODUCTION:

Stage II drilling was begun August 1, 1956, and completed August 29, 1956. This report covers the work done in August under DMEA Docket No. 3928, Contract IDM-E926. No work was done under this contract during the month of July, 1956. Included with this narrative report are DMEA Forms MF-104 and 104 A, Monthly Exploration Drilling Summary, Assay Result Sheets, Radiometric Logs, Drill Hole Progress Map, Drill Hole Cross Sections, signed bills pertinent to the contract, and the Drillers' Daily Logs.

STAGE II SUMMARY

Stage II was started and completed in August, 1956. In twenty-five working days 15 holes were drilled, of which two were classified as ore holes, two as mineralized and eleven as favorable.

The total Stage II expenditures amounted to $11,449.36, of this $10,202.82 was authorized by the contract and $1246.54 was on Pacific's own account. The authorized expenditures were distributed as follows: drilling, non-core $5275.50; core, $3,979.50; bulldozing, $546.07; assaying, $40.00; incidental, $581.75. The expenditures on Pacific's own account were as follows: standby time, $312.50; bulldozing, $25.00; incidental, $909.04. The average weekly expense for the month of August was $2860.00.

Stage III plans as yet are not complete, therefore they will be covered under a separate report which the operator should submit the latter half of September. Sufficient favorability was encountered in Stages I and II, according to the operator, to warrant a full-scale Stage III drilling program.

DRILLING

A total of 3517 feet of non-core, and 1137 feet of core, or a combined total of 4654 feet of hole were drilled in August.

The monthly average core recovery was 84%. The recovery on drill holes D-6 and D-7 was especially low, 60% and 64% respectively. Alternating mudstone and sandstone seams and some fracturing seemed to be the cause for this low recovery.

A considerable amount of standby time was charged against the operator during August--25 hours. Eleven hours were the result of waiting for USGS and AEC logging units to probe holes before the casing was pulled. Fourteen hours were the result of the lack of a bulldozer. Three drill roads which had been prepared at the start of Stage II proved to be inaccessible due to sand or steep grades. A dozer had been arranged for in advance, but a cloudburst trapped the dozer truck in a dry wash and two days passed before other arrangements for transportation could be made. One drill was kept on standby during part of this period. But all drills were laid off on August 18 and 19 during the time of road preparation. A bulldozer repaired the grades and sites on August 18th.

The operator plans on having considerably less standby time in Stage III because the contractor will attempt to drill without using casing.

BULLDOZING

Twenty-seven bulldozer hours at $10 per hour were spent in the preparation of drill roads and grades. The total cost for bulldozer work was $351.07. Included in this cost is $71.07 for transportation and $10 for the use of a ripper.

Two and one-half bulldozer hours were spent in the preparation of offset grades around D-19. This expense which amounted to $25 was not authorized by the contract.

RADIOMETRIC PROBING

All holes drilled during August were probed by the USGS, AEC and Pacific. The radiometric logs included with this report only show the radiometric information gained from either ore or mineralized holes. The probing information on all barren holes is shown at the bottom of Drill Hole Log.

A probe and 240 feet of cable were lost in drill hole M-13. Two days were spent in an unsuccessful attempt to recover this equipment.

RECLASSIFICATION OF DRILL HOLES

To be consistent in the classification of drill holes within the Wareham Claim group, it is necessary to reclassify G-33 and G-20. These holes were drilled in the Spring of 1955 and classified as "mineralized" and "ore" respectively. It has been the operator's policy to classify holes as "ore" when they show one foot or more of 0.20% or better uranium mineralization.

G-33 shows on its AEC radiometric log 1.6 feet of 0.60% U_3O_8, and therefore has been reclassified as an ore hole. The original chemical assay on this hole was low, but since the chemical and radiometric assays check on D-19, (40 feet northwest) it is now assumed the original chemical assays on G-33 were off. This was suspected at the time the hole was drilled but was not proved.

The chemical assay on G-20 shows 2.3 feet of 0.13% U_3O_8. This hole has been reclassified as mineralized.

Hugh W Evans
Vice president
Pacific Uranium Mines Company

HUGH W. EVANS
207 Fifth Avenue
Salt Lake City, Utah

Pacific Uranium Mines Company
MONTHLY EXPLORATION DRILLING SUMMARY

Location: Green River, Utah Month: August, 1956 Engineer in Charge: H. W. Evans

STATISTICAL

Hole No.	Contractor	Date Started	Date Completed	Coordinates North	Coordinates East	Collar Elev.	Depth	Footage Plug	Footage Core	% Core Rec.	Standby Time	Cost Plug	Cost Core	Cost Other	Cost Total
M-1	Scott & Poc	8/3	8/9	501386	495808	4407	351	281	70	74		421.50	245.00		666.50
M-2	Scott	8/6	8/14	501303	496199	4449	421	373	48	92		559.50	168.00		727.50
M-3	Scott & Poc	8/9	8/21	501167	494977	4400	254	165	89	79		247.50	311.50		559.00
M-4	Scott & Poc	8/1	8/7	501148	495324	4399	295	225	70	87	3/4 hr.	337.50	245.00	9.38	591.88
M-5	Scott & Poc	8/1	8/4	501064	495715	4401	344	270	74	96	1½ hr.	405.00	259.00	18.75	682.75
M-6	Scott	8/20	8/23	500975	496120	4442	425	347	78	60		520.50	273.00		793.50
M-7	Scott & Poc	8/9	8/15	500852	494807	4396	239	170	69	64	1½ hr.	255.00	241.50	18.75	515.25
M-8	Scott & Poc	8/2	8/11	500768	495198	4399	285	207	78	83		310.50	273.00		583.50
M-9	Scott & Poc	8/2	8/9	500684	495590	4402	333	255	78	88	2 hr.	382.50	273.00	25.00	655.50
M-10	Poc	8/21	8/29	500601	495980	4434	400	320	80	78		480.00	280.00		760.00
M-11	Scott & Poc	8/10	8/22	500500	494694	4408	255	170	85	91	1½ hr.	255.00	297.50	18.75	571.25
M-12	Scott & Poc	8/7	8/11	500381	495061	4400	270	195	75	81	3/4 hr.	292.50	262.50	9.37	564.37
M-13	Scott	8/10	8/11	500093	494557	4423	267	192	75	98		288.00	262.50		550.50
M-14	Scott & Poc	8/12	8/17	500017	494951	4393	262	192	70	91	3 hr.	288.00	245.00	37.50	570.50
M-15	Scott	8/12	8/16	499619	494812	4390	253	155	98	91	(14 hr.*)	232.50	343.00	175.00	750.50
Total	15 holes	26 working days					4654	3517	1137	84		$5275.50	$3979.50	$312.50	$9567.50

*Delay due to inability of Engineer in charge to procure a bulldozer.

GEOLOGICAL

Hole No.	Contact Depths JM66 JMSW			Ore Bearing Sandstone From	To	Thickness	Classification Ore	Min'	Fav	Unf	Assay Chemical Interval	Mineral	%	Radiometric Interval	%	Remarks
M-1	303			303	345	42			X							
M-2	380			382	416	34			X							
M-3	191			191	246	55		X			223.8-4.8	U308	0.09	224.8-5.8	0.04	First hole lost
M-4	231			231	273	42			X							V205-0.38 & 0.18
M-5	294			294	339	45			X							
M-6	383			383	423	40			X							
M-7	185			190	223	33			X							
M-8	234			234	280	46			X							
M-9	286			286	327	41		X			320.0-1.1	U308	0.07			V205-0.02
M-10	372			372	399	27			X							
M-11	190			190	223	33			X							
M-12	228			228	266	38			X							
M-13	194			194	267	71	X				215.0-6.0	U308	1.48	225.5-5.8	0.44	3.6 V205 in M-13
M-14	222			222	255	33	X				248.8-9.3	U308	0.03	249.3-50.3	0.50	V205-0.06 trace
M-15	162(?)			212	249	37			X							
Totals and Averages						41	2	2	11	0						

**Total does not include bulldozing or incidental costs

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PACIFIC URANIUM MINING COMPANY
Green River, Utah-GRZ4

RADIOMETRIC LOGS

Hole No.	Date Probed	Max Depth Probed	Depth	% U_3O_8	Classification
M-3	8/21/56	251	224.5	0.03	Min
			225.0	0.02	
			225.4 peak	0.21	
			225.5	0.06	
			226.0	0.12	
			226.5	0.20	
			227.0	0.08	
M-9	8/9/56	332.5	45.5	anomaly	Min
			48.1		
			320.1	0.10	
			320.5 peak	0.60	
			320.6	0.58	
			321.1	0.19	
			321.6	0.04	
			322.1	0.02	
			322.6	0.01	
			323.1	0.03	
			323.1	0.03	
			323.6	0.05	
			324.1	0.05	
			324.6	0.01	
M-13	8/11/56	263.5	216.0	0.04	Ore
			216.5	0.16	
			217.0	0.98	
			217.5	1.50	
			218.0	0.36	
			218.5	0.06	
			229.0	anomaly	
M-14	8/17/56	260	223.5	anomaly	
			248.0	0.04	
			248.5	0.16	
			249.0	0.78	
			249.2 peak	0.98	
			249.5	0.62	
			250.0	0.11	
			250.5	0.04	

Form DMEA-101 (Rev.) (April 1953)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036

RECEIVED
AUG 10 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1956 Docket No. DMEA 3928 Contract No. Idm-E926
Operator's Name PACIFIC URANIUM MINES COMPANY Minerals Uranium
Address 292 South La Cienega Blvd., Beverly Hills, Calif.
Contract Amount, $ 73,840.00 Government Participation: 75 % Amount, $ 55,380.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling noncore	2,605.50	8,401.50	11,007.00			
Bulldozing core	752.50	7,021.00	7,773.50			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	15.00	60.00	75.00			
Payroll Taxes						
Liability Insurance						
Incidental Allowance (1952 x 0.125)	244.00	950.87	1,194.87			
(8) Contingencies (specify):						
TOTALS	3,617.00	16,433.37	20,050.37	3,652.00	16,433.37	20,085.37
				35.00		35.00
					16,398.37	20,050.37
					$ 2739.00	

I certify that the above bill is correct and just and that payment therefor has not been received.
Date June 22, 1956 Payee Hugh W. Evans
Per _____ Title Vice-President

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
Signature _____ (Authorized Certifying Officer)
Date 8/7/56 Vou. No. Dma 57-16
(See other side)

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

4 Previous Disallowance

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED
AUG 10 1956

Month of ....., 195..... Docket No. DMEA ..... Contract No. .....
Operator's Name ..... Minerals .....
Address .....
Contract Amount, $..... Government Participation: .....% Amount, $.....

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form } Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS						

I certify that the above bill is correct and just and that payment therefor has not been received.

Date ..... *Payee .....

Per ..... Title .....

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$.....

Signature .....
(Authorized Certifying Officer)

Date ..... Vou. No. .....

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMA-E-922 in accordance with the terms of the contract.

Signature Earl Baker ($2,739.00) Title Mining Engineer Date 7/13/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Lamey Title Executive Officer Date AUG 3 1956

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1953)

Budget Bureau No. 42-R115

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
AUG 10 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1956 Docket No. DMEA 3928 Contract No. Idm-E926

Operator's Name Pacific Uranium Mines Company Minerals Uranium

Address 292 South La Cienega Blvd., Beverly Hills, Calif.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
STAGE								
I ~~Drifting~~ Drilling-noncore		2,605.50	1737	11,007.00	7338	1.50	8082	12,123.00
~~Crosscutting~~ -core		752.50	215	7,773.50	2221	3.50	2720	9,520.00
~~Raising~~ Incidental Allowed		244.00	1952	1,194.87	9559	0.125	10802	1,350.25
~~Shafts~~ Assays		15.00	0	75.00	15	5.00	30	150.00
II ~~Winzes~~ Drilling-noncore							13000	19,500.00
~~Drilling-Core~~ -core								7,000.00
~~Shaft~~ Incidental All.								1,875.00
~~Auger~~ Assays								225.00
III ~~Stripping~~ Drilling-noncore								16,200.00
~~Trenching~~ -core								4,200.00
~~Test Pits~~ Incidental Allowed								1,500.00
~~Roads and Trails~~ assays								195.00
		3,617.00		20,050.37				
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								73,840.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date June 20, 1956 Operator Hughes Evans

Per ..... Title Vice-President

Remarks:

NOTE.—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.

(Instructions on reverse)

(For Government use only) Carl Brian

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

RECEIVED
AUG 10 1956

Administrative Audit Difference Statement

Pacific Chemical Mines Co.
1223 Cook Permit Bldg.
Los Angeles 4, California

Date: August 7, 1956
Payee's Reference: June 1956

FINAL DISTRIBUTION
MADE AUG 8 1956

Gentlemen:

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ 3,617.00

Difference $ 15.00

Amount Approved $ 3,602.00

The reason for the difference was due to:

Explanation:

All samples have now been analyzed for both Cerium and Vanadium therefore the previously disallowed costs are to be reinstated.

April 1956, 2 samples @ $7.50 per sample $ 7.50
May 1956, 1 sample @ $7.50 per sample 7.50

Total Amount to be reinstated. $ 15.00

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

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

RECEIVED
AUG 10 1956

224 New Customhouse
Denver 2, Colorado

August 3, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3928 (Uranium) Contract Idm-E926, Pacific Uranium Mines Company (Red, Ajax and Wills claims) Emery County, Utah - Operator's Monthly Progress Report for the month of June, 1956

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended on the following basis, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, and also subject to subsequent audit by the Contract Administration and Audit Division, DMEA.

Reinstatement:

The costs reported for 10 samples analyzed for Uranium were disallowed in processing the April, 1956 and May, 1956 vouchers, inasmuch as the contract stipulates that samples are to be analyzed for both Uranium and Vanadium, at a fixed unit cost per sample. All samples have now been analyzed for both Uranium and Vanadium, therefore the previously disallowed costs are to be reinstated as follows

April, 1956, two samples analyzed for Uranium at $3.50 per sample- - - - - - - - - - - - - - - -	$ 7.00
May, 1956, eight samples analyzed for Uranium at $3.50 per sample- - - - - - - - - - - - - - - -	28.00
Total amount to be reinstated	$ 35.00

Reconciliation with Amount Reported by the Operator on Form MF-104 for June, 1956

Amount reported on Form MF-104 for June, 1956- - - - -	$3,617.00
Amount to be reinstated- - - - - - - - - - - - - - - - - - -	35.00
Total acceptable costs	$3,652.00
Government participation at 75 percent- - - - - - - - - - -	$2,739.00

Note: The plug bit footage actually drilled and reported exceeds the plug bit footage set up in the contract under "Fixed Unit Costs" for Stage I. However, as neither the aggregate core and plug drill footage nor the aggregate core and plug drilling cost has been exceeded for Stage I drilling, the variation is deemed to be allowable.

Remarks

Date of Report - - - - - - - - - - - - - - - - - June 28, 1956
Date Received in Field Office- - - - - - - - - June 25, 1956
Date Received in Region Office- - - - - - - - August 2, 1956

W. M. TRAVER

W. M. Traver

Enclosures

JDC:jy
cc: MF-104 File E926
Sec. Op. Comm. (2)
Shaw (2)
Townsend w/copy engr's report
Chron.

DMEA
Date Rec'd
JUL 18 1956
BUREAU OF MINES
Denver, Colorado

RECEIVED
JUL 10 1956

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
July 17, 1956

DMEA
Date Rec'd.
AUG 2 1956
BUREAU OF MINES
Denver, Colorado

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: Carl Balser

Subject: DMEA 3928, (Uranium) Contract Idm-2926, Pacific Uranium Mines Company, (Red, Ajax and Willa claims) Emery County, Utah — Progress report for June 1956

Drilling progress was inspected on July 9, 1956. The first stage drilling was completed on June 10. The following holes were completed during June 1956:

Hole	Footage non-core	Footage Core	Footage Total	% Core Recovery	Uranium Mineralization
D-14	272.0	64.0	336.0	96.4	Barren
D-28	370.0	23.0	393.0	90.1	Anomaly only
D-31	350.0	47.0	397.0	97.6	Barren
D-32	415.0	48.0	463.0	93.1	Barren
D-34	330.0	33.0	363.0	82.5	Barren
	1,737.0	215.0	1,952.0	91.9	

Ten samples, taken previously, were run for vanadium. These samples are from holes D-11, D-12, and D-19 and complete the 10 samples previously submitted for uranium.

The cost of 1,737.0 feet of non-core drilling at $1.50 a foot is $2605.50, the cost of 215 feet of core drilling at $3.50 a foot is $752.50, the cost of 10 chemical analyses at $5.00 each is $50.00, and the incidental allowance for 1,952 feet of drilling at $.125 a foot is $244.00 or a total of $3,652.00.

Payment for 75 percent of the above amount or $2,739.00 is recommended.

Total Stage I Holes

Holes Drilled in	No. Holes	Footage non-core	Footage Core	Footage Total	% Core Recovery	Samples
April	12	2791.5	773.0	3564.5	94.0	5
May	14	2809.5	1233.0	4042.5	85.0	0
June	5	1737.0	215.0	1952.0	91.9	10
	31	7338.0	2221.0	9559.0	89.6	15

Total Stage I Costs

7338 feet non-core drilling at $1.50/ft	$11,007.00
2221 feet core drilling at $3.50/ft	7,773.50
9559 feet incidental expense at $.125/ft	1,194.87
15 chemical analyses at $5.00 each	75.00
	20,050.37

The general provisions of the contract have been read by the inspecting engineer and as far as can be determined, have been complied with except in the probing of drill holes. All holes were probed by U.S.G.S., A.E.C., and Pacific with the exception of hole D-28 where A.E.C. lost their probe. However, Pacific's radiometric logs show that D-14 was probed to a point 26 feet above the bottom. As this hole was cored the last 64 feet it is believed that the probing done in June gave the desired information. No one was at the property on the day of inspection. Mr. Kellogg was contacted by telephone and asked to be sure and probe all future holes their entire depth.

Carl Belser

Carl Belser
Mining Engineer

cc: 6
CB/mw
Idm-5926
Chron

John P. Kellogg, *Manager*
Robert L. Redmond, *Chief Geologist*
Main Office in Los Angeles

Mining
Exploration
Geology
Engineering

PACIFIC URANIUM MINES

1924 White Avenue
GRAND JUNCTION, COLORADO
Phone 487 or 488

June 22, 1956

RECEIVED
AUG 10 1956

Mr. John F. Shaw
U. S. Bureau of Mines
Room 137, Bldg. 20
Denver Federal Center
Denver 2, Colorado

RE: DMEA 3928 (Uranium)
Green River, Utah
Contract IDM-E926

Dear Mr. Shaw:

Enclosed herewith are the June and Stage 1 final report, a letter requesting approval for Stage II drilling and a letter requesting a third amendment to the contract.

Mr. Traver's letter dated June 19, 1956 stated that all our chemical assays must be for both uranium and vanadium. Those samples previously submitted which were only run for uranium have not been run for vanadium too, and these assay results are attached with this letter. The costs of these assays have been included on the June MF-140 and 104-A forms. Unfortunately the May Monthly Report and forms were submitted before we received Mr. Traver's letter and therefore his request to revise the 104 forms was not complied with. I hope that now these assays have been run, it will not be necessary to revise the May 104 forms.

Yours very truly,

PACIFIC URANIUM MINES

John P. Kellogg

John P. Kellogg

JPK:EOB

Date 6/22/56

Minerals Assay Laboratory

Phone 1441

L#3435

5[illegible] Noland Avenue -:- Grand Junction, Colorado

NAME Pacific Uranium Mines ADDRESS 1924 White Ave. City

LAB	SAMPLE RECEIVED 6/22/56				PERCENT URANIUM	PERCENT VANADIUM	PERCENT LIME AS. CaCO3	PERCENT TUNGSTEN OXIDE	PERCENT MOLY AS. MO
2062	#29676	4/25/56	D-11	369.5-370.0		0.55			
2063	#29679	4/25/56	D-11	371.0-371.5		0.09			
2064	#29683	4/30/56	D-19	103.5-104.5		0.21			
2065	#29684	4/30.56	D-19	104.5-105.5		0.04			
2066	#29685	4/30/56	D-19	105.5-106.5		0.17			
2067	#29686	4/30/56	D-19	106.5-107.5		1.95			
2068	#29687	4/30/56	D-19	107.5-108.5		2.74			
2295	# 29690		D-12	216.9-217.1 Int.1.2		0.03			
2296	#29691		D-12	219.2-220.2 Int. 1.0		0.03			
2297	#29692		D-19	151.5-152.8		0.06			

TOTAL CHARGES $15.00

John P. Kellogg, *Manager*
Robert L. Redmond, *Chief Geologist*
Main Office in Los Angeles

Mining
Exploration
Geology
Engineering

PACIFIC URANIUM MINES

1924 White Avenue
GRAND JUNCTION, COLORADO
Phone 487 or 488

June 22, 1956

Mr. W. M. Traver
Executive Officer
224 New Custom House
Denver 2, Colorado

RE: Docket DMEA 3928 (Uranium)
Contract Idn-E-926

Dear Mr. Traver:

Stage I was completed June 10, 1956, and with the exception of noncore drilling there remained an excess of funds in every account. See chart below for details:

STAGE I EXPENDITURES

Drilling

Originally Auth.	$12,123.00	$9,520.00	$21,643.00	$150	$1,350.25
Amended (D-23, 26 & 29 omitted)	10,800.00	8,680.00	19,480.00	150	1,210.00
Actual	11,007.00	7,773.50		75	1,194.87
Surplus		906.50		75	15.13
Deficit	207.00				

The $207.00 represents 138 feet of excess noncore footage drilled.

Request our contract be amended so that $207.00 of the surplus in the core drilling fund be used to offset the $207.00 deficit in the noncore drilling fund. If this is not possible, the operator requests that the $207.00 of the authorized Stage II noncore drilling money be applied against this excess cost in Stage I. The contract does make provisions for this type of exchange between Stage I and Stage II.

Yours truly,

Hugh W. Evans

Hugh W. Evans
Chief Engineer

HWE:EOB

RECEIVED
AUG 10 1956

JUNE NARRATIVE REPORT
DMEA 3928 CONTRACT IDM-3926

INTRODUCTION

Stage I was completed June 11, 1956. This report covers briefly the work done in June and summarizes all Stage I work. The operator's requests for Stage II drilling and a third amendment to the contract are enclosed with this report. Also included are DMEA Forms MV 104 and 104-A, Monthly Exploration Drilling Summary, Drill Hole Logs, Radiometric Logs, Drill Hole Progress Map, Drill Hole Cross Sections, and signed bills pertinent to the contract.

PROGRESS

The last five holes of Stage I were drilled in June. Of these, only one was favorable and four were unfavorable. Three of the originally planned Stage I holes (D-23, 26 and 29) were omitted.

DRILLING

The core recovery in June was 93% which was a considerable improvement over May and nearly equal to April.

A total of 1737 feet of noncore and 215 feet of core footage was drilled in June. Some difficulty was experienced in locating the orebearing sandstone on drill holes D-28, 32, and 34. For all intense purposes no orebearing sandstone was found in D-34.

Ten hours standby time was charged in June. Three and one-half hours for necessary probing delays on D-31 and 34, and six and one-half hours for washing out and casing D-15 and 20. Because no unit had been able to probe the lower portions of D-15 and D-20, and because excessive core loss had been experienced in these zones, the engineer-in-charge had these holes washed, cased, and probed.

EXPENDITURES

During June a total of $3,921.65 was spent. Of this $3,617.00 was authorized by the contract and $304.65 was not authorized. The authorized expenditures were distributed as follows: $3,358.00 for drilling, $244.00 for incidentals and $15.00 for chemical assays. The unauthorized expenditures were distributed as follows: $125.00 for standby time and $179.65 for incidentals. The average operating weekly expense for June was $2605.

RADIOMETRIC PROBING

All holes drilled in June were probed by the USGS, AEC and Pacific with the exception of D-28. D-28 was not probed by the AEC because a rock in this hole almost caused the AEC unit to lose its probe.

As mentioned under "Drilling" above, D-15 and D-20 were washed, cased and probed again this month. D-15 proved to be barren, but D-20 showed an anomaly at 253 feet.

STAGE I SUMMARY

Stage I drilling began April 10, 1956, and was completed June 11, 1956. During this period 31 holes were drilled of which five were classified as ore holes, six as mineralized, nine as favorable, and eleven as unfavorable. The total footages drilled and costs, etc. are shown in chart form below:

XJ

STAGE I SUMMARY CHART

	DRILLING			EXPENDITURES	
Month	Total	Noncore	Core	Authorized by Contract	In Excess of Contract
April	3564.5	2791.5	773.0	$ 7,370.31	$ 690.34
May	4148.5*	2915.5*	1233.0	9,063.06	1,597.93
June	1952.0	1737.0	215.0	3,617.00	304.65
TOTAL	9665.0*	7444.0*	2221.0	$20,050.37	$2,592.92
			GRAND TOTAL		$22,643.29

*Includes 106' of unauthorized drilling

The expenditures in excess of those authorized by the contract were primarily for drill site and access road preparation and salaries. These expenses were provided for in the incidental allowance of the contract ($0.125 per foot drilled), but this allowance has proved adequate only for the cost of core boxes, hole markers, other minor field expenses, and a portion of salaries involved.

Sufficient favorability was encountered in Stage I drilling to warrant further exploration of the northwest portion the claims covered by DMEA Project No. 3928. The Stage II exploration drilling program is discussed in a letter enclosed with this report.

Hugh W. Evans
II

Pacific Uranium Mines Company
MONTHLY EXPLORATION DRILLING SUMMARY

Location: Green River Month: June 1956 Engineer in Charge: H. W. Evans

STATISTICAL

Hole No.	Contractor	Date Started	Date Completed	Coordinates North	Coordinates East	Collar Elev.	Depth	Footage Plug	Footage Core	% Core Rec.	Standby Time	Cost Plug	Cost Core	Cost Other	Cost Total
D-14	Scott	6/ 7/56	6/ 8/56	500380	495250	4442	336	272	64	96		608.00	224.00	77.00	709.00
D-28	Scott	6/ 5/56	6/11/56	498012	495335	4411	393	370	23	90		555.00	80.50	66.00	701.50
D-31	Scott & Pac	5/29/56	6/ 9/56	496375	494820	4424	397	350	47	98	18.75	525.00	164.50	62.75	752.25
D-32	Scott	5/30/56	6/ 5/56	496200	495577	4420	463	415	48	93		622.50	168.00	44.00	834.50
D-34	Scott & Pac	5/28	6/ 6/56	494693	495077	4358	363	330	33	82	25.00	495.00	115.50	30.50	641.00
D-15		Washed and cased for probing									43.75			43.75	43.75
D-20		Washed and cased for probing									37.50			37.50	37.50
Total	5 holes	11 working days					1952	1737	215	93	125.00	2605.50	752.50	361.50	3719.50

GEOLOGICAL

Hole No.	Contact Depths Jmbb Jmsw			Ore Bearing Sandstone From	To	Thickness	Classification Ore	Min'	Fav	Unf	Assay Chemical Interval	Chemical Mineral	Chemical %	Radiometric Interval	Radiometric %	Remarks
D-14	263			263/304	282/332	19/28			✓							
D-28	360			360	387	27				✓						
D-31	351			351	392	38 *				✓						* 2 MS splits
D-32	440			440	455	15				✓						
D-34	288			288	296	8				✓						

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PACIFIC URANIUM MINES COMPANY
GREEN RIVER, UTAH - DMEA 3928

RADIOMETRIC LOGS

DRILL HOLE	DATE	TOTAL DEPTH	DEPTH PROBED	DEPTH	PERCENT V_3O_8	REMARKS
D-14	6/ 9/56	336	310	Barren		
D-28	6/11/56	393	390	362	Anomaly	
D-31	6/ 8/56	397	395	Barren		
D-32	6/ 6/56	463	458	Barren		
D-34	6/ 6/56	364	360	Barren		
	Washed, cased, and probed					
D-15	6/11/56	278	278	Barren		
D-20	6/11/56	306	305	253.0	0.08%	

DRILL HOLE LOG

Pacific Uranium Mines Company

Type of Drill Mayhew 1000 2 3/8" Core

Contractor Scott

Drill-hole No. D-32
Total depth 463
Collar elev. 4420
Area Green River, Utah
Coordinates North 496,200
East 495,577

Claim Ajax No. 13
Date started 5/30/56
Date completed 6/ 5/56
Logged by H. W. Evans
Tie
Core checked for Rad. X Hole probed AEC, USGS

Summary

Fav. Ore OBSS 440-455 Thick 15 SS color Gy Gn Cbn N
Unf. X Min. Barren

MS color under OBSS Gy ,

Depth From	Depth To	Description: Rock	Color	Grain	Cbn	Thick	Remarks
0	380					380'	Plug
380	381	ST	Rd Br	VF	N	1	
381	382	SS	rWh Br	M	N	1	
382	385	St	Rd Gn	VF	N	3	
385	400	MS	GnGy	VF	N	15	
400	404	ST	Rd Gy	VF	N	4 4	
404	408	MS	Rd Gn	VF	N	4	Mattled
408	443					35	Plug--440 443 Rd Br SS
443	445	SS	Gy Gn	VC-F	N	12	A Gn Gy MS gls @ top. Dense
							at base. S cgl near top
455	457	ST	Gy	VF	N	2	
457	463	MS	Rd Gn	VF	N	6	Mattled

Total footage cored 48
Core pulled 44.7
Per cent core recovery 93.1 %

Lime content Medium in upper portion of OBSS, otherwise A.

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks

Counter used Babbel 610

Drill-hole No. D-32

DRILL HOLE LOG

Pacific Uranium Mines Company

Type of Drill Mayhew 1000 & Joy--BX core

Contractor Scott--Pocahontas

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Drill-hole No. D-34
Total depth 364
Collar elev. 4358
Area Green River, Utah
Coordinates North N 494,693
East E 495,077

Claim Ajax No. 5
Date started 5/28/56
Date completed 6/ 6/56
Logged by H. W. Evans
Tie
Core checked for Rad. X Hole probed USGS&AEC

Summary

Fav. Ore OBSS (?)288-296 Thick 8 SS color Gy Gn Cbn N
Unf. X Min. Barren
MS color under OBSS Gn Rd

Depth From	Depth To	Rock	Color	Grain	Cbn	Thick	Remarks
0	288					288	Plug
288	296	SS	Gy Gn	F-C	N	18	Long vert fractures @ top.
							Very dense SS w/s CG @ base.
296	308	ST/MS	GnRdWh	VF	N	12	
308	320					12	Plug Br Rd sandy MS
320	325	St/MS	Rd Br	VF	N	5	Sandy ST
325	330	MS	Gn Rd	VF	N	5	
330	338					8	Plug VF muddy Br SS
338	339	MS	Rd Gy	F	N	1	
339	340	SS	Wh	F	N	1	
340	341	MS	Rd Br	F	N	1	
341	364					23	Plug VF sandy MS w/s SS sms

Total footage cored 33
Core pulled 27.2
Per cent core recovery 82.5 %

Lime content Abundant

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks

Counter used Babbel 610

Drill-hole No. D-34

DRILL HOLE LOG

Pacific Uranium Mines Company

Type of Drill Maynew 1000 & Joy--BX core

Contractor Scott & Pocahontas

Drill-hole No. D-31

Total depth 397

Collar elev. 4428

Area Green River, Utah

Coordinates North 496,375

East 494,820

Claim Ajax No. 13

Date started 5/29/56

Date completed 6/ 8/56

Logged by H. W. Evans

Tie

Core checked for Rad. X Hole probed USGS,AEC

Summary

Fav. Ore OBSS 351-392 Thick 38 SS color GYWH Cbn N

Unf. X Min. (2 MS splits) Rd Gy

MS color under OBSS ,

Depth		Description					
From	To	Rock	Color	Grain	Cbn	Thick	Remarks
0	350					350	Plugs
350	351	MS	Rd Gn	VF	N	1	
351	353.5	SS	GN	VF	N	2.5	S Gn MS gls--very dense
353.5	354.5	MS	Rd	VF	N	1	
354.5	362	SS	Gy	F to VC	N	7.5	S p ls and angular poorly
							sorted SS @ ase. Fract
							30° off Vert @ 357.
362	364	MS	Dr Gn	VF	N	2	
364	392	SS	GyWH.Gn	VF	N	5	

Total footage cored 47

Core pulled 45.9

Per cent core recovery 97.5 %

Lime content Sp thru center of O SS, otherwise A

Sample		Probe			Core Cuttings						Remarks
Base	Thick	Cir.	Set	Read	Cir.	Set	Read	Chemical %	%	%	

Counter used Pabel 610

Drill-hole No. D-31

DRILL HOLE LOG

Pacific Uranium Mines Company

Type of Drill Mayhew 1000--2 3/8" Core

Contractor Scott

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Drill-hole No. D-14
Total depth 336
Collar elev.
Area Green River
Coordinates North 500,380
East 495,250

Claim Red No. 4
Date started 6/7/56
Date completed 6/8/56
Logged by H. W. Evans
Tie
Core checked for Rad. X Hole probed AEC, USGS

Summary

Fav. X Ore OBSS 263-282 Thick 19' SS color Wh-Gy Cbn N-Sp
Unf. Min. 304-332 28' Gy-Wh N
Barren
MS color under OBSS Gn, Gy-Gn

Depth From	Depth To	Description: Rock	Color	Grain	Cbn	Thick	Remarks
0	240					240	Plug
240	250	CG	Wh Gy	Cgl	N	10	Fgr-SS sm 242-44
250	250.8	MS	Rd Br	VF	N	0.8	
250.8	263					12.2	Plug--Gy Br sandy MS
263	281	SS	Sh Gy	F-VC	N-sp	18	Cbn in thn sms and
							Gy Gn MS gls & SMS @ base
281	282	CG	Sh Gy	Cgl	Sp	1	
282	284	MS	Gn	VF	N	2	
284	304					20	Plug-Gy sandy MS
304	306	CG	Gy-Wh	Cgl	N	2	
306	314	SS	GyWh	VC	N	8	S Dr Gr Ms sms
314	320	CG	Gy Wh	Cgl	N	6	
320	332	SS	Gy Wh	CF	N	12	Fine at ase. A Gy ms
							sms & gts
332	334	ST	Gy Gn	VF	N	2	
334	336	MS	Gn Rd	VF	N	2	

Total footage cored 63.8
Core pulled 61.5
Per cent core recovery 96.4 %

Lime content Varied from Sp to A

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks

Counter used Ba bel 610

Drill-hole No. D-14

DRILL HOLE LOG

Pacific Uranium Mines Company

Type of Drill Mayhew 100 2 3/8" Core

Contractor Scott Bros.

Drill-hole No. D-28

Total depth 393

Collar elev. 4411

Area Green River, Utah

Coordinates North 498,012

East 495,335

Claim Ajax No. 16

Date started 6/5/56

Date completed 6/10/56

Logged by H. W. Evans

Tie

Core checked for Rad. X Hole probed UsGs (AEC probe stuck in hole)

Summary

Fav. Ore OBSS 360-387 Thick 27 SS color Wh Gy Cbn N

Unf. X Min.

(Too thin) Barren-anomaly MS color under OBSS Gy Gn

Depth From	Depth To	Description: Rock	Color	Grain	Cbn	Thick	Remarks
0	370					370	Plus--Gy,M,SS 360-370
370	387	SS	Wh Gy	VC-M	N	17	Alt feldspar & A Gn & Gy
							MS flks near top. SS
							generally porous. Thn cgl
							sm 371. Dr Gy MS
							sms & cls & possibly S
							cbn @ base.
387	393	ST/MS	GytoGnRd	VF	N		

Total footage cored 23

Core pulled 20.7

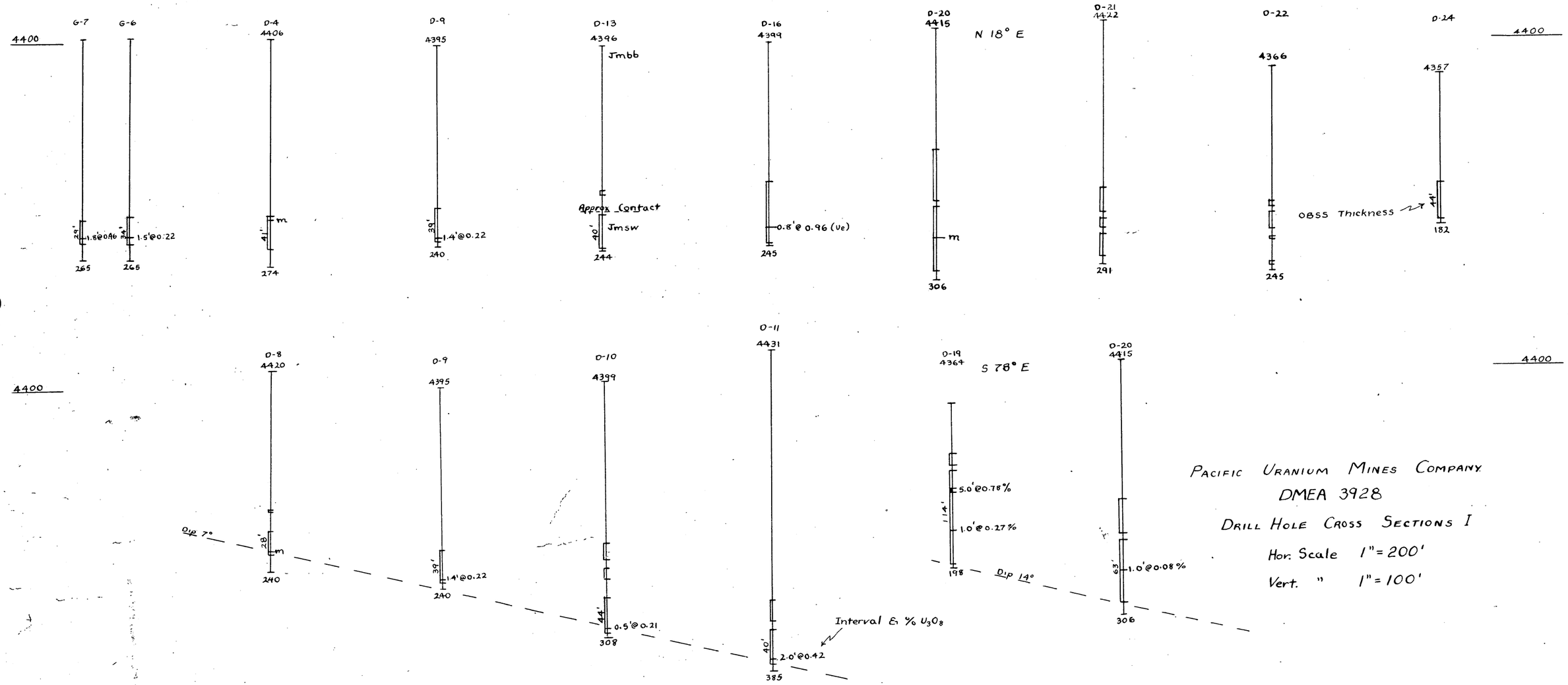
Per cent core recovery 90.1 %

Lime content S in upper portion of SS & A @ base.

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks
362.4											anomaly only

Counter used Babbel

Drill-hole No. D-28



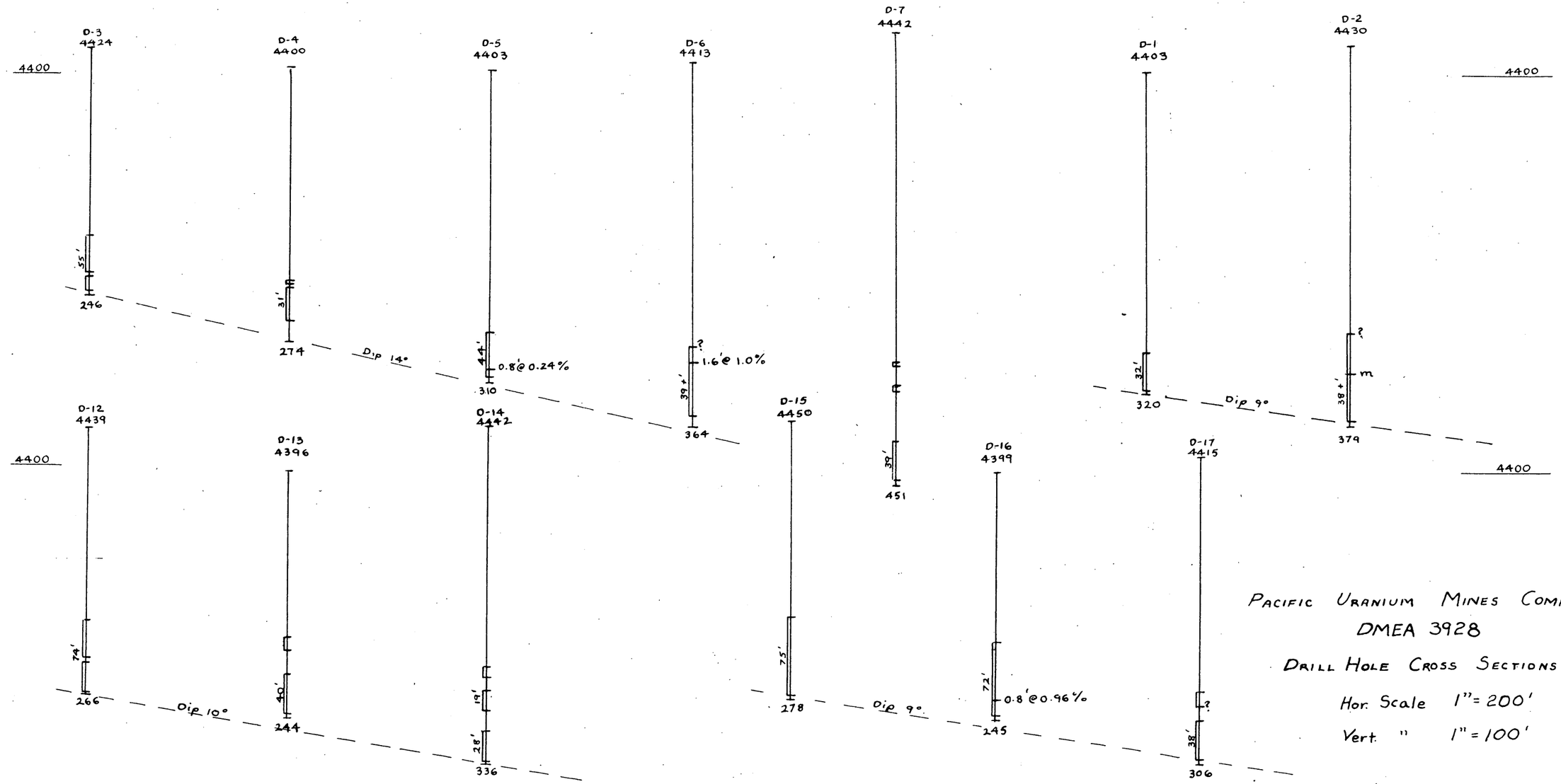
PACIFIC URANIUM MINES COMPANY

DMEA 3928

DRILL HOLE CROSS SECTIONS I

Hor. Scale 1" = 200'

Vert. " 1" = 100'



PACIFIC URANIUM MINES COMPANY

DMEA 3928

DRILL HOLE CROSS SECTIONS II

Hor. Scale 1" = 200'

Vert. " 1" = 100'

Figure 11 for Fisher Engineering

RED 1
RED 2
RED 3
RED 4
RED 5
AJAX FR 21
AJAX 21
AJAX 25
AJAX 24
AJAX 23
AJAX 22
AJAX 16
AJAX FR 1
AJAX 15
AJAX 14
AJAX FR 14
AJAX 13
AJAX FR 13
AJAX 12
AJAX 11
D-1
D-2
D-3
D-4
D-5
297.0-.8@0.24
D-6
302.2-3.8 @ 1.0+
D-7
D-8
D-9
231.5-2.9 @ 0.22
D-10
297.5-8.0 @ 0.21
D-11
369.5-71.5 @ 0.42
D-12
216.9-8.1 @ 0.35
D-13
D-14
D-15
D-16
225.4-6.2 @ 0.16
D-17
D-18A
D-19
103.5-8.5 @ 0.78
151.5-2.8 @ 0.27
D-20
D-21
D-22
D-24
D-25
D-27
D-28
D-30
D-31
D-32
D-33
D-34
M-1
M-2
M-3
M-4
M-5
M-6
M-7
M-8
M-9
M-10
M-11
M-12
M-13
M-14
M-15
Generally favorable unfavorable
500,000 N
498,000 N
496,000 N
494,000 N
494,000 E
496,000 E
N
PACIFIC URANIUM MINES COMPANY
DMEA 3928
DRILL HOLE PROGRESS MAP
MONTHS
Apr
May
Jun
LEGEND
Ore hole
Mineralized
Barren
Proposed Stage II
SCALE 1" = 400'

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

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JUL 23 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1956 Docket No. DMEA 3928 Contract No. Idm-E 926
Operator's Name PACIFIC URANIUM MINES COMPANY Minerals URANIUM
Address 292 South La Genega Blvd. Beverly Hills, Calif.
Contract Amount, $ 73,840.00 Government Participation: 75 % Amount, $ 55,380.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling noncore	4,214.25	4,187.25	8,401.50			
~~Building~~ core	4,315.50	2,705.50	7,021.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	28.00	32.00	60.00			
Payroll Taxes						
Liability Insurance						
Incidental Allowance (40425 ft X 0.125)	505.31	445.56	950.87			
(8) Contingencies (specify):						
TOTALS	9,063.06	7,370.31	16,433.37	9,035.00	7,370.31	16,405.37
				4	7.00	7.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date June 16, 1956 *Payee [signature]
Per _____ Title Vice-President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the ~~amount of~~: 7,363.31 16,398.37
$ 1776.30
Signature [signature]
(Authorized Certifying Officer)
Date 7/9/56 Vou. No. DMA 57-6
(See other side)

4 Previous Disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Ida-E 426 in accordance with the terms of the contract.

Signature Carl Nelson ($6,776.30) Title Mining Engineer Date 6/21/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. James Title Executive Officer Date JUL 5 1956

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUL 23 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1956 Docket No. DMEA 3928 Contract No. Idm-E 926
Operator's Name PACIFIC URANIUM MINES COMPANY Minerals URANIUM
Address 292 South La Geneva Blvd., Beverly Hills, Calif.

	OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
STAGE I	~~Drifting~~ non-Drilling core		4,214.25	2809.5	8,401.50	5601	1.50	8082	12,123.00
	~~Crosscutting~~ core		4,315.50	1233	7,021.00	2006	3.50	2720	9,520.00
	~~Raising~~ Incidental allowance		505.31	4042.5	950.87	7607	0.125	10802	1,350.25
	~~Shafts~~ Assays		28.00	8	60.00	5-10*	5.00-3.50	30	150.00
II	~~Winzes~~ Drilling-noncore							13000	19,500.00
	~~Drillings-Core~~ core							2000	7,000.00
	Indc. ~~Charges~~ allowance							15000	1,875.00
	~~Ager~~ Assays							45	225.00
III	~~Stripping~~ Drilling noncore							10000	16,200.00
	~~Trenching~~ core							1200	4,200.00
	~~Tests~~ Incidental allowance							12000	1,500.00
	~~Roads and Trans~~ Assays							39	195.00
	TOTAL DISTRIBUTED COSTS		9,063.06		16,433.37				TOTAL COSTS AUTHORIZED BY CONTRACT
	Operating Equipment Purchased								
	Initial Rehabilitation and Repairs								
	New Buildings, Improvements, etc.								
	TOTAL COSTS								73,840.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date June 16, 1956 Operator Hugh Evans

Per Title Vice-President

REMARKS: * Five samples for U_3O_8 & V_2O_5 @ $5.00 each. Ten samples for U_3O_8 only @ $3.50 each.

→ NOTE.—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.

(Instructions on reverse)

(For Government use only) Carl Behr

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

FINAL DISTRIBUTION
MADE JUL 17 1956

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

RECEIVED
JUL 23 1956

Administrative Audit Difference Statement

Pacific Uranium Mines Co.
1223 South Vermont Ave.,
Los Angeles 6, California

Date: May 9, 1956
Payee's Reference: May 1956

Gentlemen:

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ 2,055.00

Difference $ 20.00

Amount Approved $ 2,035.00

The reason for the difference was due to:

Deduction:

Analysis of 0 samples @ $5.00 ea. = $0.00

The instant situation that is also are to be analyzed for U_3O_8 & U_2O_5, at the contract rate of $5.00 per sample. No provision is made for analysis of U_3O_8 content alone.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

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

RECEIVED
JUL 23 1956

224 New Customhouse
Denver 2, Colorado

July 5, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3928 (Uranium) Contract Idm-E926, Pacific Uranium Mines Company (Red, Ajax, and Wills claims) Emery County, Utah - Operator's Monthly Progress Report for the month of May, 1956

Enclosed are the original and four copies of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

Except as noted it is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deductions.

Disallow the amount of $28.00 for 8 samples which were analyzed for U_3O_8 only instead of for both U_3O_8 and V_2O_5 as stipulated in the contract. The amount may be reclaimed in a subsequent report if the reclaim is supported by copies of analysis returns showing the results of analysis for both elements.

Remarks

Date of Report----------June 16, 1956
Date Received in Field Office---------- June 20, 1956
Date Received in Region Office---------- July 5, 1956

W. M. TRAVER

W. M. Traver

Enclosures
JWT:jy
cc: MF-104 File E926
Sec. Op. Comm. (2)
Shaw (2)
Townsend Chron.

DMEA
Date Rec'd
JUL 5 1956
BUREAU OF MINES
Denver, Colorado

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
July 3, 1956

Memorandum

RECEIVED
JUL 23 1956

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Kmar
Supervising Mining Engineer

From: Carl Belzer

Subject: DMEA 3928 (Uranium) Contract IAm-8926, Pacific Uranium Mines Company (Red, Ajax, and Wills claims) Emery County, Utah -- Progress report for May 1956

Drilling progress was inspected on June 4, 1956. The following holes were drilled in May:

Hole	Footage Non-core	Footage Core	Footage Total	% core Recovery	Uranium Mineralization
D-2	337.0	42.0	379.0	83.3	Barren
D-12	186.0	80.0	266.0	97.1	216.9'-218.1' -0.35% 219.2'-220.2' -0.13%
D-15	189.0	89.0	278.0	89.0	Barren
D-16	162.5	83.0	245.5	65.5	225.6'-226.2' -eU .96% 226.9'-227.1' -eU1.00%
D-17	234.0	72.0	306.0	71.0	Barren
D-18A	246.0	89.0	335.0	88.3	Barren
D-19	81.0	117.0	198.0	89.5	103.5'-106.5' -0.78% 151.5'-152.8' -0.27%
D-20	168.0	137.5	305.5	75.5	Barren
D-21	181.0	110.0	291.0	90.3	Very slight
D-22	134.0	111.0	245.0	83.3	Barren
D-25	204.0	61.0	265.0	92.7	Barren
D-27	160.0	55.0	215.0	98.2	Barren
D-30	217.0	116.5	333.5	87.8	Very slight
D-33	310.0	70.0	380.0	86.3	Barren
14	2809.5	1233.0	4042.5	85.0	

The General Provisions section of Exhibit "A" have been complied with to the best of the engineer's knowledge and belief with the exception of probing.

Five holes were probed their entire depth, 4 others were probed to a distance of 10 feet or less from the bottom, and the remaining five holes were probed to depths of from 8 feet to 87 feet below the caving zone. The two deepest holes were probed their entire depth. Both small and large caves often stop a probe from reaching the bottom of a hole.

Not being able to measure the "stick up" and rods on the completion of a hole, the engineer is dependent for drilling data upon the drilling contractor's invoice, the driller's daily logs, and a check of the core. All core is checked both in the tenth and against drilling records. The records of the various holes as to total depth and probing follow:

	Depth of Holes				Probing		
Hole	Drilling Contractor's Invoice	Driller's Daily Logs	Core Discription	Drilling Summary	Depth Probed	Top Cave	Probing Shortage
D-2	379	379	377	379	379	337	0
D-12	266	266	266	266	266	186	0
D-15	278	278	278	278	197	189	81
D-16	243.5	245.6	245.5	245.5	243	162.5	1.5
D-17	306	305	306	306	289	234	17.
D-18A	335	335	335	335	336	246	(-1)
D-19	198	198	153*	198	168	81	30
D-20	305.5	305.8	305.5	305.8	212	168	93.5
D-21	291	291	291	291	291	181	0
D-22	245	245	245	245	239	134	6
D-25	265	265.4	265.3	265	255	204	10
D-21	215	215	215	215	183	160	32
D-30	333.5	333.4	333	333.5	330	217	3.5
D-33	380	380	380	380.0	380	310	0
	4042.5						274.5

All holes were probed to below the top of the cored section.
*"O.B.S.B. 80'-194' thickness 114' Hole depth 198'."
All cores from holes checked with distances shown on the 104's.

Incidental allowance of $.125 a foot covers supervision, probing, bulldozing, core boxes, transportation, and general supplies. The operator's statement shows an excess of incidental costs for May of $.395 a foot over the allowable $.125 a foot.

It is the engineer's belief that the entire length of each hole has been reasonably well determined as to uranium values either by probing or by core, or both and, if possible, the operator should be paid for the drilling.

All core was "NX" or "BX" size. Core recovery dropped from 94 percent in April to 85 percent in May. A total of 47 hours of bulldozing was also completed during the month but has not been allowed. Eight assays were made in May but only for U_3O_8 and are disallowed.

The cost of 2809.5 feet of non-core drilling at $1.50 a foot is $4,214.25, the cost of 1,213.0 feet of core drilling at $3.50 a foot is $4,315.50, and the incidental allowance for 4042.5 feet of drilling at $0.125 a foot is $505.31, or a total of $9,035.06.

Payment of 75 percent of the above amount or $6,776.30 is recommended.

Carl Balser

Carl Balser
Mining Engineer

CB/mr
cc: 6
IGm-5926
Chron

RECEIVED
JUL 23 1956

June 16, 1956

Mr. John F. Shaw
U. S. Bureau of Mines
Room 137, Bldg. 20
Denver Federal Center 2, Colorado

Re: DMEA 3928 (Uranium)
Green River, Utah
Contract IDM-E926

Dear Mr. Shaw:

Attached is our report of progress for May, 1956, including narrative, Government forms, summary of drilling and drill hole logs, and progress map.

Included in the first copy of the report being submitted are receipts for drilling and assaying, and the daily reports turned in by the drill contractor.

Five copies of the report are enclosed.

Yours very truly,

John P. Kellogg

John P. Kellogg

COPY

MAY NARRATIVE REPORT

DMEA 3928 CONTRACT IDM-E926

INTRODUCTION:

This report covers the work done on DMEA Project No. 3928 from May 1 to 31, 1956. During this month a good ore discovery was made, some drilling problems were encountered, the drill site dozer work for Stage I was completed and two amendments to the contract were requested.

Included with this report are DMEA Forms MF-104 and 104A, Monthly Exploration Drilling Summary, Drill Hole Logs, Radiometric Logs, Driller's Daily Reports, signed originals of bills pertinent to the contract and a Drill Hole Progress Map. Because Stage I will be completed by the second week in June, no drill hole cross sections have been included with this report. Detailed cross sections will be presented with the final report on State I.

PROGRESS:

Fourteen of the remaining 22 holes on Stage I were completed during May. Of these, two were classified as ore holes, one as mineralized, five as favorable and six as unfavorable.

D-19 was the best of the two ore holes drilled. Five feet of this hole from 103.5 to 108.5 assayed 0.78% uranium oxide. Forty-eight feet below this ore zone was a second ore zone (151.5 to 152.8) 1.3 feet thick assaying 0.27% uranium oxide. /1 The ore bearing sandstone in D-19 was 114 feet thick, and it was hit 34 feet above its estimated depth. The drillers had partially plugged through the upper ore zone before the engineer-in-charge realized that the cuttings were highly radioactive.

At this depth, 106 feet, the drilling was stopped, the rig moved four feet to the southwest and the hole redrilled. On the second hole, coring was begun at 81 feet. The boxed core from this hole was taken by the USGS for more detailed geologic study after the operator had logged and split the core to its satisfaction.

D-12, which lies 800 feet north of D-19, was the only other ore hole drilled in May. It showed two thin zones, one from 216.9 to 218.1 which assayed 0.35% uranium and one from 219.2 to 220.2 which assayed 0.13% uranium.

D-16 indicated radiometrically from 225.4 to 226.2, an interval of 0.8 feet, 0.96% uranium. Because the thickness indicated was less than 1.0 feet, this hole was not classified as an ore hole. Although this interval fell well within the zone cored, because of a very low core recovery, 28% through this interval, the ore indicated radiometrically could not be found in the core. D-16 lies 600 feet northeast of D-19.

/ 1 : Forty feet N 56° E from D-19 lies drill hole G-35 which was completed May 19, 1955. The core interval cut at this time was from 150 to 175 feet and no ore was found in this zone. However, a radiometric log of this hole made on June 1, 1955, by the AEC indicates ore zone from 110 to 115 feet which corresponds with the upper ore zone in D-19.

DRILLING:

The average core recovery dropped from 94% in April to 85% in May. D-16 and D-20 accounted for a large portion of this core loss. Both these holes had fairly thick, loose sandstone seams in the zones cored. A similar sandstone seam was also found near the base of D-15. In the upper part of D-17, a small piece of metal in the bottom of the hole caused a good deal of core loss through grinding.

The Scott Bros Drilling Company experimented with a Joy 750 coring rig on holes D-27 and D-16. Starting May 14, 1956, they subcontracted a portion of the coring to the Pocahontas Drilling Company; D-17, 18A, 21 and 22. In general, this arrangement has proved satisfactory to the operator. The one problem is that Pocahontas must case their BX-sized holes and in May this resulted in two hours standby time being charged against the operator for delay time while probing D-21. In future drilling, there will be additional standby time charged and this cost is not covered by the DMEA contract.

After a field inspection by Mr. Frank Byers, the request made in April to move holes D-14, 17, 18 and 23 was revised as follows:

HOLE	MOVE DISTANCE	MOVE DIRECTION	FROM	REMARKS
D-14B	130'	S 87° E	D-14A	Near D-14 location
D-17B				Original D-17 location
D-18B	20'	N 15° E	D-18A	
D-23				Omit
D-26				Omit
D-29				Omit

D-17B and 18B were drilled during May on the basis of verbal approval given by DMEA field inspectors. Because both D-14B and 17B fall within 50 feet of their original locations, the "B" designation has been dropped from the hole number. D-18B has been marked as D-18A, the "A" indicating a move in excess of 50 feet.

During May, 2809.5 feet of non-core and 1233.0 feet of core drilling was completed.

BULLDOZING:

Early in May the bulldozer work necessary for drill site preparation and access roads was completed:

HOLE	TIME	COST
D-12	2 hrs.	22.00
D-14	7	77.00
D-15	2	22.00
D-16	2	22.00
D-17	3	33.00
D-18	1	11.00
D-20	2	22.00
D-21	6	66.00
D-22	2	22.00
D-28	6	66.00
D-30	2	22.00
D-31	4	44.00
D-32	4	44.00
D-33	1	5.50
D-34	1	5.50
Moving on	3	33.00
	47 hrs	$517.00

The cost of bulldozing was not covered under the original contract except under the incidental allowance which has proved inadequate. In order that operator may be reimbursed for some of this cost a second amendment to the contract was suggested. It was requested that the money not expendent due to the omission of holes D-23, 26 and 29, be used for drill site preparation and access roads for Stages I, II and III.

EXPENDITURES:

In May, a total of $10,660.99 was spent on DMEA Project No. 3928. Of this, $9,063.06 was authorized by contract and $1,597.93 was not authorized. The authorized expenditures were distributed as follows: $8,529.75 for drilling, $28.00 for assaying and $505.31 for incidentals. The unauthorized expenditures, the full cost of which must be born by the operator, were distributed as follows: $517.00 for bulldozing, $25.00 for standby time, $159.00 for 106 feet of unauthorized non-core drilling, and $896.93 for additional incidental costs. The average cost per week for the month of May was $2,490.

GENERAL INFORMATION:

There was a tremendous variation in sandstone thickness found in the holes drilled during May. Planned detailed cross sectioning should explain this variation, but for the time being it appears to be result of separate sandstone rims merging into one continuous sandstone unit.

DMEA Project No. 3928 was visited by the USGS regional geological and engineering personnel as well as by Denver Regional and Washington officials during May.

HHOEvans

Pacific Uranium Mines Company
MONTHLY EXPLORATION DRILLING SUMMARY

Location: GREEN RIVER, UTAH Month: MAY, 1956 Engineer in Charge: H. W. EVANS

STATISTICAL

Hole No.	Contractor	Date Started	Date Completed	Coordinates North	Coordinates East	Collar Elev.	Depth	Footage Plug	Footage Core	% Core Rec.	Standby Time	Cost Plug	Cost Core	Cost Other	Cost Total
D-2	Scott	4-25	5-3	501,360	496,035	4430	379	337.0	42.0	83	-	505.50	147.00	-	652.50
D-12	"	5-7	5-9	500514	494485	4439	266	186.0	80.0	97	-	279.00	280.00	22.00	581.00
D-15	"	5-9	5-26	500134	494361	4450	278	189.0	89.0	89	-	283.50	311.50	22.00	617.00
D-16	" - Joy	5-7	5-10	500050	494752	4399	245.5	162.5	83.0	66	-	243.75	290.50	22.00	556.25
D-17	" - Poc	5-28	5-30	499970	495140	4415	306	234.0	72.0	71	-	351.00	252.00	33.00	636.00
D-18A	" - Poc	5-14	5-24	499713	495411	4398	335	246.0	89.0	88	-	369.00	311.50	11.00	691.50
D-19	"	4-29	5-1	499754	494236	4364	198	81.0	117.0	90	-	121.50	409.50	-	531.00
D-20	"	5-12	5-27	499670	494627	4415	305.5	168.0	137.5	75	-	252.00	481.25	22.00	755.25
D-21	" - Poc	5-15	5-24	499291	494502	4422	291	181.0	110.0	90	2	271.50	385.00	91.00	747.50
D-22	" - Poc	5-17	5-29	498910	494376	4366	245	134.0	111.0	83	-	201.00	388.50	22.00	611.50
D-25	"	5-2	5-7	498447	494642	4363	265	204.0	61.0	93	-	306.00	213.50	-	519.50
D-27	" - Joy	5-1	5-2	498067	494517	4352	215	160.0	55.0	98	-	240.00	192.50	-	432.50
D-30	"	5-17	5-23	497139	495048	4343	333.5	217.0	116.5	88	-	325.50	407.75	22.00	755.25
D-33	"	5-24	5-25	495452	495328	4351	380	310	70.0	86	-	465.00	245.00	5.50	715.50
Misc						**	106	106				159.00	***	33.00	192.00
Total	14 holes	25 working days													
							4148.5	2915.5	1233.0	85	2	4373.25	4315.50	305.50	8994.25
													8,688.75		

** Extra 106' on D-19 *** Bulldozer haulage

GEOLOGICAL

Hole No.	Contact Depths Jmbb-Jmsw			Ore Bearing Sandstone From	To	Thickness	Classification Ore	Min'	Fav	Unf	Assay Chemical Interval	Mineral	%	Radiometric Interval	%	Remarks
D-2	285			337	375	38			X							Lost 1st hole
D-12	191			191	265	74 *	X				216.9-8.1	U_3O_8	0.35	Same	0.40	3.3' @ 0.16%
D-15	197			197	272	75 *			X							Not probed to bot.
D-16	168			168	241	73 *		X						225.4-6.2	0.96	Core lost thru ore
D-17	262			262	300	38				X						
D-18A	293			293	326	33				X				Chemical		Lost 1st hole
D-19	80			80	194	114 *	X				103.5-8.5	U3O8	0.78	151.5-2.8	0.27	
D-20	145			145	290	145 *			X							Not probed to bot.
D-21	200			200	230	30				X						Lower SS 29' thk
D-22	177			177	194	17				X						
D-25	210			210	218	8				X						
D-27	155			155	208	53			X							
D-30	291			291	322	31				X						
D-33	311			311	375	64			X							
						56.6	2	1	5	6						

* Upper and lower sandstones merged into one unit.

PACIFIC URANIUM MINES COMPANY
GREEN RIVER, UTAH - DMEA 3928

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RADIOMETRIC LOGS

HOLE NO.	DATE PROBED	MAX. DEPTH PROBED	DEPTH *	$\%U_3O_8$	CLASSIFICATION
D-2	5-3-56	379'		Barren	
D-12	5-9-56	266	217.5	0.10	
			218.0	0.26	
			218.5	0.56	
			219.0 Peak	0.79	
			219.5	0.60	
			220.0	0.35	
			220.5	0.27	
			221.0	0.34	
			221.5	0.26	
			222.0	0.07	
			1.2 @ 0.79% & 1.0 @ 0.34%		Ore
D-15	5-26-56	197.0		Barren (?)	
D-16	5-11-56	243.0	224.5	0.09	
			225.0	0.30	
			225.5	0.79	
			225.7 Peak	0.96	
			226.0	0.97	
			226.5	0.17	
			227.0	0.02	
			0.8' @ 0.96%		Mineral
D-17	6-4-56	289.0		Barren	
D-18	5-25-56	336.0		Barren	

* Interval at this depth 0.5 feet

HOLE NO.	DATE PROBED	MAX. DEPTH PROBED	DEPTH *	$\%U_3O_8$	CLASSIFICATION
D-19	5-12-56	168.0	103.0	0.08	
			103.5	0.19	
			104.0	0.37	
			104.5	0.44	
			105.0	0.37	
			105.5	0.41	
			106.0	0.54	
			106.5	0.85	
			107.0	1.00	
			107.5 Peak	1.00	
			108.0	1.00	
			108.5	1.00	
			109.0	1.00	
			109.5	0.77	
			110.0	0.08	
			1.8@ 1.00% - or 5.5@ 0.73%		Ore
			151.0	0.04	"
			151.5	0.13	"
			152.0	0.35	"
			152.5	0.61	"
			152.7 Peak	0.67	41'
			153.0	0.56	"
			153.5	0.26	"
			154.0	0.07	"
			1.2@ 0.44%		Ore

HOLE NO.	DATE PROBED	MAX. DEPTH PROBED	DEPTH *	$\%U_3O_8$	CLASSIFICATION
G-35	5-12-56	157.0	109.5	0.07	
			110.0	0.20	
			110.5	0.38	
			111.0 Peak	0.38	
			111.5	0.30	
			112.0	0.22	
			112.5	0.19	
			113.0	0.20	
			113.5	0.48	
			114.0	0.72	
			114.3 Peak	0.85	
			114.5	0.72	
			115.00	0.43	
			115.5	0.23	
			116.0	0.07	
			1.2@ 0.38 & 1.2@ 0.85% or		Ore
				5.5@ 0.20%+	"
			152.0	0.07	"
			152.5	0.12	36'
			153.0	0.12	"
			153.5	0.06	"
			1.0@ 0.12		Mineral
			155.5	0.06	"
			156.0	0.12	"
			156.5	0.35	2'
		Max. Depth---	157.0	0.56	"
		Probed	? @ ?		Ore (?)

HOLE NO.	DATE PROBED	MAX. DEPTH PROBED	DEPTH *	$\%U_3O_8$	CLASSIFICATION
D-20	5-29-56	212		Barren (?)	
D-21	5-24-56	291	263-0	Anomaly	
D-22	5-30-56	239		Barren	
D-25	5-8-56	255		Barren	
D-27	5-8-56	183		Barren	
D-30	5-24-56	330	255	Anomaly	
D-33	5-25-56	380		Barren	

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JUL 23 1956

DRILL HOLE LOG

Pacific Uranium Mines Company

Type of Drill ~~Mayhew 1000 Spec 2-3/8"~~ Core
Contractor ~~Scott Bros~~

Drill-hole No. D-2
Total depth 379.0
Collar elev. 4430
Area Green River, Utah
Coordinates North 501,360
East 496,035

Claim Red #2
Date started 5/2/56
Date completed 5/3/56
Logged by J. H. Volgamore
Tie
Core checked for Rad. ____ Hole probed AEC-USGS

Summary

Fav. X Ore ____ OBSS 337-375 Thick 38' Plus SS color Lt Gy Cbn N
Unf. ____ Min. weakly
MS color under OBSS Gn

Depth From	Depth To	Rock	Color	Grain	Cbn	Thick	Remarks
0	337					337	Plug
337	339	SS	Lt Gy	F-M	N	2	AGn MS fks & gls.
339	349	CG	Lt Gy	Cgl	N	10	Qtz pbls to 10 mm. A Gn MS fks.
349	365	SS	Lt Gy	VF-F	N	16'	St at top
365	368	CG	Lt Gy	Cgl	N	3'	367-367.5 Alt Feldspar grains
368	375	SS	Lt Gy	F	N	7'	
375	377	MS-ST	Gn	VF	N	2'	

~~Note: Originally began hole on 4/25/56 but abandoned it on 4/27/56 when a piece of steel was dropped down the hole.~~

Total footage cored 42.0
Core pulled 35.0
Per cent core recovery 83.3%

Lime content Sparse

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Set	Read	Chemical %	%	%	Remarks
326.8	2.4'	AEC		260cps							weakly min.

Counter used ____ Drill-hole No. D-2

DRILL HOLE LOG

Pacific Uranium Mines Company

Type of Drill Mayhew 1000 - 2-3/8" Core

Contractor Scott Bros.

Drill-hole No. D-12

Total depth 266.0

Collar elev. 4439

Area Green River, Utah

Coordinates North 500,514

East 494,485

Claim Red #1

Date started 5/7/56

Date completed 5/9/56 @ 1:00PM

Logged by J. H. Valgamore

Tie

Core checked for Rad. ___ Hole probed USGS-AEC

Summary

Fav. X Ore X OBSS 191-265 Thick 74' SS color Lt Gy Wh Cbn S@237

Unf. Min. 4' & 1' MS splits

MS color under OBSS Gn ST

Depth From	Depth To	Rock	Color	Grain	Cbn	Thick	Remarks
0	186					186	Plug
186	191	ST	Gn	VF	N	5'	Sp MS pbls to 5 mm.
191	213	SS	Lt Gy	Wh F	N	22'	SS VC gr. near top. Thn CG seam @207. S Gn MS fks &gls at top & at 207. S pbls in SS.
213	216	CG	Lt Gy	Cgl	N	3'	VA Gn-Bk MS gls. Pbls to 10 mm.
216	229	SS	Gy Bk-Wh	F to C	N	13'	S pbls to 4mm. A Alt feldspar xtls & Bk MS gls @ 221 & 225. Sample #1 & #2 taken in mineralized zone 218 to 220.
229	233	ST	Gn	VF	N	4'	
233	238	SS	LtGyWh	VF	S	5'	X6'd 2 @237-8 also Bk Cbn Fks generally silty SS.
238	239	ST	Gn	VF	N	1'	
239	265	SS	LtGyWh	VF	N	26'	Hard glassy texture 249-252. V Sp Gn MS fks. 259.
265-	266	ST	Gn	VF	N	1'	Actually only 0.2' of ST at base.

Total footage cored 80.0

Core pulled 77.7

Per cent core recovery 97.1%

Lime content Not recorded.

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read U_3O_8	Core X Cuttings Cir.	Set	Read	Chemical U %	%	%	Remarks
218.1	1.2'	USGS		0.40				0.35			
220.2	1.0'	USGS		0.18				0.13			

Counter used

Drill-hole No. D-12

DRILL HOLE LOG

Pacific Uranium Mines Company

Type of Drill Mayhew 1000 - 2-3/8 Core

Contractor Scott Bros.

Drill-hole No. D-15

Total depth 278.0

Collar elev. 4450

Area Green River, Utah

Coordinates North 500,134
East 494,361

Claim Red No. 5

Date started 5/9/56

Date completed 5/26/56 @ 5:00 pm *

Logged by J. H. Volgamore & H. W. Evans

Tie

Core checked for Rad. X Hole probed PAC to 197 only.

Summary

Fav. X Ore OBSS 197-272 Thick 75 SS color GyWh Cbn A@ 218-9, 259

Unf. Min. Barren (?) MS color under OBSS GnGy, 269-70

Depth From	Depth To	Rock	Color	Grain	Cbn	Thick	Remarks
0	189					189.0	Plugged
189	197	ST	Gn	VF	N	8.0	Grading into Sandy St
197	198	SS	LtGyWh	F-C	N	1.0	A GnMS fks.
198	201	CG	Wh	Cgl	N	3.0	Pbls to 20mm. A Gn MS gls.
201	241	SS	LtGy	VF/VC	N-A	40.0	A cbn at 218-9. S core loss. Vert. Frac. @ 227. Pbls. A GyGn MS fls. & alt. feldspar Grain size vaies from VF to VC but it is comrser at top.
241	245.5	ST,MS,SS	GyGnWh	VF-M	N	4.5	SS with ST & MS
245.5	272	SS	GyWh	F-M	N-A	26.5	S core loss. A cbn at 259 & 269-70, Vert. frac. @ 265. DrGn MS gls @ base
272	278	MS	GnGy	VF	N	6.0	

~~* Hole bottomed first at 245.5 but later deepened to 278 on the basis of geologic info fr. surrounding holes. This hole caved almost as rapidly as it could be cleane A rock at 65' prevented USGS & AEC from probing the hole.~~

Total footage cored 89

Core pulled 79.8

Per cent core recovery 89 %

Lime content Varied from Sp to A

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks

Counter used Babbel 610 Drill-hole No. D-15

DRILL HOLE LOG
Pacific Uranium Mines Company
Type of Drill Joy - BX core
Contractor Scott Bros.

Drill-hole No. D-16
Total depth 245.5
Collar elev. 4399
Area Green River, Utah
Coordinates North 500,050
East 494,752

Claim Red No. 5
Date started 5/7/56
Date completed 5/10/56 @ 5:00 pm
Logged by J. H. Volgamore
Tie
Core checked for Rad. Hole probed USGS-AEC

Summary

Fav. X Ore OBSS 168.5-241 Thick 72.5 SS color Gy Cbn A fr. 228 to 238.
Unf. Min. X
MS color under OBSS GnRd Mottled

Depth From	Depth To	Rock	Color	Grain	Cbn	Thick	Remarks
0	162.5					162.5	Plugged
162.5	168.5	MS	RdGn	VF	N	6.0	S Siltstone
168.5	179.0	SS	LtGyWh	VF-VC	N	10.5	VA alt feldspar. Good sorting @ top. Core loss by grinding
179.0	182.0	CG	LtGyWh	Cgl	N	3.0	Pbls to 10mm. A GnMS gls.
182.0	206	SS	M-Lt gy	VF-VC	N	24.0	A Gn MS sms. S Pbls. A alt feldspar & S Gn MS fks at base.
206	209	CG	Lt GY	Cgl	N	3.0	A Gn MS gls.
209	241	SS	Lt GyBr to DKGY	F-C	A	32.0	2'CG SM at 222-4 & S CG in sms below. High core loss thru section. GN/BK MS gls. A alt feldspar at base.
241	245.5	MS	GN-RD	VF	N	4.5	S Siltstone. Mottled RD & GN.

Total footage cored 83.0
Core pulled 54.4
Per cent core recovery 65.5 %

Lime content Varies from Sp to S throughout SS

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Set	Read	Chemical %	%	%	Remarks
226.2	0.8	AEC	9,550cps	0.96							No core
227.1	017	USGS	32,000cps	1.00 +							recovery

Counter used Drill-hole No. D-16

DRILL HOLE LOG

Pacific Uranium Mines Company

Type of Drill Mayhew 1000 & Joy BX core

Contractor Scott Bros & Pocahontas

Drill-hole No. D-17
Total depth 306
Collar elev. 4415
Area Green River, Utah
Coordinates North 499,970
East 495,140

Claim Red No. 4
Date started 5/28/56
Date completed 5/30/56
Logged by
Tie
Core checked for Rad. X Hole probed USGS,PAC

Summary

Fav. Ore OBSS 262-300 Thick 38 SS color GyBrWh Cbn Sp-N
Unf. X Min.
MS color under OBSS Gn

Depth From	Depth To	Description: Rock	Color	Grain	Cbn	Thick	Remarks
0	234					234.0	Plug
234	248	SS&CG	Gy	F to C	N-A	14.0	Thk CG seams in SS. A cbn fks 240-2. (Very high core loss thru this section due to metal pieces jamming core barrel)
248	262	MS	DrGyGn	VF	N	14.0	
262	287	SS	GyBrWh	F-MC	N-Sp	25.0	S phls & alt. feldspar in SS. S cbn fks in seams
287	290	CG	GyWh	Cgl	Sp	3.0	A DrGyGn MS gls.
290	300	SS	GyWh	F-VC	Sp-N	10.0	Vert. fract. @ 290. A DrGy MS gls @ base.
300	304.5	MS	GnRd	VF	N	4.5	Gn at base of SS and then mottled.
304.5	306	ST	GnRdGy	VF	N	1.5	S SS in ST

Total footage cored 72.0
Core pulled 51.1
Per cent core recovery 71.0 %

Lime content low thru OBSS but high above and below.

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks

Counter used Babbel 610 Drill-hole No. D-17

DRILL HOLE LOG
Pacific Uranium Mines Company
Type of Drill Mayhew 1000 - Joy-Mayhew 1000 Spec.
Contractor Scott Bros. -Pocohantas - Scott **

Drill-hole No. D-18A
Total depth 335'
Collar elev. 4398
Area Green River, Utah
Coordinates North 499,713
East 495,411

Claim Ajax Fraction No. 21
Date started 5/14/56
Date completed 5/24/56
Logged by H. W. Evans
Tie
Core checked for Rad. x Hole probed USGS & AEC

Summary

Fav. Ore OBSS 293-326 Thick 33' SS color Wh-Br-Gy Cbn N-S
Unf. X Min. Barren
MS color under OBSS thn Gn, then Rd-Gn mat.

Depth From	Depth To	Rock	Color	Grain	Cbn	Thick	Remarks
0	246					246'	Plug
246	252	MS & ST	Rd-Gn	VF	N	6'	Mottled Color
252	263	SS	Gn-Wh	F to C	N	11'	Dense thn MS sms at top. Porous with S pbls.
263	274	CG	Gn-Wh	VC	N	11'	Quite dense with matrix of $CaCo_3$ & poorly sorted SS
274	290	MS & ST	Dr-Lt				
			Gy-gn	VF	N	16'	
290	293	MS	Gy Gn	VF	N	3'	Sandy
293	309	SS	Wh, Br, Gy	VC	N	16'	S small pbls.
309	314	CG	Wh, Br, Gy	VC	N	5'	Some 15 mm pbls, SS matrix
314	326	SS	Wh, Br, Gy	VC-M	N	12'	Some large pbls. Gn MS gls. at base.
326	335	MS	Gn & Rd	F	N	9'	Some ST
							** Pocahontas lost 46' at drill pipe & 140' of casing in hole at 322'. Mayhew 1000 Spec redrilled hole.

Total footage cored 89.0
Core pulled 78.6
Per cent core recovery 88.3%

Lime content Sp to M in OBSS but otherwise quite A.

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks

Counter used
Drill-hole No. D-18 A

DRILL HOLE LOG

Pacific Uranium Mines Company

Type of Drill Mayhew 1000 Spec 2-3/8" Core

Contractor Scott Bros.

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Drill-hole No. D-19

Total depth 198'

Collar elev. 4364

Area Green River, Utah

Coordinates North 499,754

East 494,236

Claim Red #5

Date started 4/29/56

Date completed 5/1/56

Logged by H. W. Evans

Tie

Core checked for Rad. X Hole probed AEC, USGS, PAC;

Summary

Fav. X Ore X OBSS 80-194 Thick 114' SS color Wh-Gy Cbn Afr150-2'

Unf. Min.

MS color under OBSS Gn

Depth From	Depth To	Rock	Color	Grain	Cbn	Thick	Remarks
0	81					81	Plug
81	93	SS	Wh	FtoVC	N	12'	S CG @ base
93	103	CG	Gy-Wh	Cgl	N	10'	S SS seams. Matrix Mgr'd SS
103	108	SS	Dr Gy-Bk	F-M	A	5'	ore from 103.5 to 108.5
108	115	SS	Gy	M	S	7'	Some CG. Yellow SS @ 113
115	126	CG	Gy-Dr Gy	Cgl	N	11'	M gr SS as matrix
126	142	SS	Wh	M-C	N	6'	CG seams. Porous. Fine Gy, Ms fks.
142	150	CG	Gy	Cgl	N	8'	
150	153						

~~Note: Plugged thru ore at 108' on first hole so offset 3' to 5 and redrilled hole.~~

Total footage cored 117

Core pulled 104.9

Per cent core recovery 89.5%

Note: Core loss not in ore zones

Lime content Low from 81 to 149 but otherwise high

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core x Cuttings Cir.	Core x Cuttings Set	Core x Cuttings Read	Chemical U_3O_8 %	Chemical %	Chemical %	Remarks
104.5	1.0'							0.04			
105.5	1.0'							0.08			
106.5	1.0'							0.40			
107.5	1.0'							2.09			
108.5	1.0'							1.31			Avg. 5' @0.78%
152.8	1.3'							0.27			

Counter used

Drill-hole No. D-19

DRILL HOLE LOG

Pacific Uranium Mines Company

Type of Drill Mayhew 1000 - 13/4" core

Contractor Scott Bros.

Drill-hole No. D-20

Total depth 305.8'

Collar elev. 4415

Area Green River, Utah

Coordinates North 499,670

East 494,627

Claim Red No. 5

Date started 5-12-56

Date completed 5-27-56 *

Logged by J. H. Volgamore & H. W. Evans

Tie

Core checked for Rad. X Hole probed AEC, USGS & POC

Summary

Fav. X Ore OBSS 145(?)-200 Thick 63' SS color Lt GYWH Cbn N

Unf. Min. 215-290 75' Lt Dr GY A 245 to 50

MS color under OBSS GN, Gn GY

Depth From	Depth To	Rock	Color	Grain	Cbn	Thick	Remarks
0	168					168	Plug
168	176.5	SS	Lt GyWh	F	N	8.5	A Alt feldspar. Sp Ins Gn MS
176.5	197	CG	" " "	Cgl	N	20.5	F to VC SS sms at top. Alt
							feldspar & Gn MS gls.
197	208	SS	Lt Gy	F	N	11.0	S CG sms. A Ins. Gn MS at base
208	215	ST/MS	Gn RD	VF	N	7.0	Gn St on top & bottom.
215	230	CG	Lt GyWh	VF-C	N	15.0	S thk SS sms & matrix of F to
							C SS in CG. Sp Gn MS spks &
							fks.
230	241	SS	Lt GyWh	FC	N	11.0	Thn CG lenses. A Gn lok
							MS gls.
241	242	ST	Gy Gn	VF	N	1.0	
242	263	SS	Gy	VF-M	N-A	21.0	A cbn streaks 245-50. A
							Gn & Bk MS gls @ 250
263	265	ST	Gn	VF	N	2.0	
265	290	SS	Dk Gy-Gy	M-F	N-M	25.0	Many thn cbs sms @ base.
							Porous SS. High core loss
							265-276. S Bk to Dk Gy MS
							fks in SS.
290	305.8	MS/ST	GnGy	F	N	15.8	High core loss.
							* Stopped coring at 250.8 but
							of no bits on 5-14-56. Comp-
							leted hole 5-27-56.

Total footage cored 137.8

Core pulled 103.8

Per cent core recovery 75.5 %

Lime content Below 250 A. Above 250 not recorded.

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks

Counter used Babbel 610

Drill-hole No. D-20

DRILL HOLE LOG

Pacific Uranium Mines Company

Type of Drill Mayhew 1000 - Jay - BX core

Contractor Scott Bros. - Pocahontas

Drill-hole No. D-21
Total depth 291
Collar elev. 4422
Area Green River, Utah
Coordinates North 499,291
East 494,502

Claim Red No. 5
Date started 5-15-56
Date completed 5-24-56
Logged by H. W. Evans
Tie
Core checked for Rad. X Hole probed USGS-AEC

Summary

Fav.		Ore	OBSS	200-230	Thick	30'	SS color GY	Cbn N
Unf.	X	Min.		254-283		29'	GY	N

MS color under OBSS GN, GN

Depth From	Depth To	Rock	Color	Grain	Cbn	Thick	Remarks
0	181					181	Plug
181	200	MS/ST	RD-GN	VF	N	19	Dense Gn ST @ base
200	208	SS	GY	F-C	N	8	Course at base
208	212	CG	"	M Cgl	N	4	Some large pbls. Poorly sorte
212	230	SS/CG	"	VC	N	18	CG sms in SS with mostly CG @ base. Fract 10° off vert @ 217. Perous
230	238	MS	GN-RD	F	N	8	S Siltstone
238	248	SS	GY	M	N-S	10	Wh alt feldspar spks. Dense
248	254	MS	DkGN	F	N	6	
254	283	SS	GY	F-M	N	29	A Fractures 20-40° off vert 270 to 280. Gn MS ags @ base. Dense.
283	291	ST/MS	GN,RD	VF	N	8	Very dense. Mottled color @ base.

Total footage cored 110
Core pulled 99.3
Per cent core recovery 90.3 %

Lime content Sp to M in upper SS but otherwise A

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks

Counter used

Drill-hole No. D-21

DRILL HOLE LOG

Pacific Uranium Mines Company

Type of Drill Mayhew 1000 - Jay - BX core

Contractor Scott Bros. - Pocahontas

Drill-hole No. D-22

Total depth 245

Collar elev. 4366

Area Green River, Utah

Coordinates North 498,910

East 494,376

Claim Ajax No. 23

Date started 5-17-56

Date completed 5-29-56 *

Logged by H. W. Evans

Tie

Core checked for Rad. X Hole probed USGS, AEC POC

Summary

Fav. Ore OBSS 177-194 Thick 17' SS color Lt GY Cbn A @ 186

Unf. X Min.

Barren

MS color under OBSS GN-RD,

Depth From	Depth To	Rock	Color	Grain	Cbn	Thick	Remarks
0	134					134	Plug
134	145	SS	GYWHGN	F-M	N	11	Fractures 30° off Vert at top & base. A Gn MS fks & alt feldspar particles
145	163	MS/ST	GY-RDGN	VF	N	18	CN @ top, Mottled RD to Gn below. Sandy MS @ base.
163	169	SS	GYWH	VF	N	6	GN MS seams & gls.
169	177	MS/ST	RD-GN	VF	N	8	
177	194	SS	Lt GY	M-VC	N-A	17	Dk BK cbn seam @ 186. S GN & DK GY MS gls & seams.
194	213	MS & ST	GN-RD GY	VF	N	19	V limy. 2' LS seam @ 206-8
213	216	SS	GN, GN, RD	VF	N	3	Dense & muddy
216	235	MS&ST	RDGNGY	VF	N	19	
235	239	SS	DK GY	VF	Sp	4	Thn Gn MS seams & fks
239	245	MS&ST	RD, GN	VF	N	6	
							* Hole plugged by Scott 6° off vert. Pocahontas re-drilled hole

Total footage cored 111.0

Core pulled 92.5

Per cent core recovery 83.3 %

Lime content Lower in SS than in MS. S in OBSS

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks

Counter used Babbel 610

Drill-hole No. D-22

DRILL HOLE LOG

Pacific Uranium Mines Company

Type of Drill Mayhew 1000 - 2 3/8" core

Contractor Scott Bros.

Drill-hole No. D-25
Total depth 265.3
Collar elev. 4363
Area Green River, Utah
Coordinates North 498,447
East 494,642

Claim Ajax No. 23
Date started 5-2-56
Date completed 5-7-56
Logged by J. H. Volgamere
Tie
Core checked for Rad. ___ Hole probed USGS-AEC

Summary

Fav. ___ Ore ___ OBSS 210.3-17.5 Thick 7.2' SS color Lt Gy Cbn N
Unf. X Min. ___ Barren
MS color under OBSS RD,GY,GN,

Depth From	Depth To	Rock	Color	Grain	Cbn	Thick	Remarks
0	192					192.0	Plug
192	198.3	MS	RD,GY,GN	VF	N	6.3	MS & ST
198.3	210.3					12.0	Plug
210.3	217.5	SS	Lt GY	F-M	N	7.2	S CG @ base along with A Gn MS gls.
217.5	238.5	MS	RD,GY,GN	VF	N	21.0	Mottled color. A ST in MS
238.5	248.0	ST	GN	VF	N	9.5	
248.0	255.5	MS	RD,GN	VF	N	7.5	Mottled
255.5	259.0	ST	GN	VF	N	3.5	
259.0	265.3	MS	RD GN	VF	N 6.3	Mottled	

Total footage cored 61.3
Core pulled 56.8
Per cent core recovery 92.7%

Lime content Some to abundant in OBSS

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks

Counter used ___ Drill-hole No. D-25

DRILL HOLE LOG
Pacific Uranium Mines Company
Type of Drill Mayhew 1000 Spar & Joy BX core
Contractor Scott Bros.

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Drill-hole No. D - 27
Total depth 215.0'
Collar elev. 4352.0
Area Green River, Utah
Coordinates North 498,067
East 494,517

Claim Ajax #22
Date started 5/1/56
Date completed 5/2/56
Logged by J. H. Volgamore
Tie
Core checked for Rad. x Hole probed AEC&USGS

Summary

Fav. X (?) Ore OBSS 160-217' Thick 57' plus SS color LtGyGnWhGn A @ 192' only
Unf. Min.
Barren
MS color under OBSS Gn,

Depth From	Depth To	Rock	Color	Grain	Cbn	Thick	Remarks
0	160.0						
160	181	SS	LtGyWh	VF to MF	N	21.0	S Ins Gn MS & alt. feldspar xytals cgl pbls @ 171.
181	185	MS	GyGn	VF	N	4.0	Very sandy
185	194	SS	LtGy	F-C	S	9.0	A Cbn flks @ 192.
194	198	CG	LtGy	Cgl	N	4.0	VF cgl with pbls to 4 mm sparse A Alt feldspar.
198	207.5	SS	LtGyWh	VF-Cgl	N	9.5	S Alt MS gls at top. Cgl seams at 203 & base containing VA GyGn.
207.5	209.0	ST	Gn	VF	N	1.5	
209.0	215.0	MS	RdGn	VF	N	6.0	Mottled color

Total footage cored 55.0
Core pulled 54.0
Per cent core recovery 98.2%

Lime content Generally SP except A fr. 182-187 & fr. 204 to bot.

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks

Counter used
Drill-hole No. D - 27

DRILL HOLE LOG

Pacific Uranium Mines Company

Type of Drill Mayhew 1000-Doc-2-3/8" core

Contractor Scott Bros.

Drill-hole No. D-30

Total depth 333.2

Collar elev. 4343

Area Green River, Utah

Coordinates North 497,139

East 495,048

Claim Ajax No. 14

Date started 5/17/56

Date completed 5/23/56 @ 10:00 AM

Logged by H. W. Evans

Tie

Core checked for Rad. X Hole probed AEC

Summary

Fav. Ore OBSS 291-322 Thick 31' SS color Wh-Gy Cbn N

Unf. X Min.

MS color under OBSS Dr Gn,

Barren

Depth From	Depth To	Description Rock	Color	Grain	Cbn	Thick	Remarks
0	197					197'	Plug
197	198	SS	Wh	C	N	1'	
198	201	MS	Rd-Gn	VF	N	3	
201	220					19'	Plug
220	229	MS	Gn	VF	N	9'	
229	235	MS-St	Gn	VF	N	6'	
235	238	MS	Gn	VF	N	3'	S rd MS
238	240	St	Gn	VF	N	2'	Dense
240	258	MS-ST	Gn	VF	N	18'	
258	268	MS	Rd-Gn	VF	N	10'	
268	269	SS	Wh-Gn	F-M	N	1'	
269	270	MS	Rd-Gn	F	N	1'	
270	284	SS	Wh-Gn-Rd	F-M	M	14'	Dense with many Rd & Gn MS seams.
284	291	MS	Rd-Gn	F	N	6'	S ST
291	322	SS	Wh Gy	VC-M	N	31'	Quite porous with some CG seams and pbls in SS. Many Gn MS galls near base.
322	333	MS	Gn-Rd	VF	N	11'	Dr Gn MS at base of SS; below this MS is mottled Gn & Rd.

Total footage cored 117.1

Core pulled 102.8

Per cent core recovery 87.8%

Lime content Varies considerably but generally low in OBSS.

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks

Counter used

Drill-hole No. D-30

DRILL HOLE LOG

Pacific Uranium Mines Compa[illegible]

Type of Drill Mayham 1000 - 2 3/8" Core

Contractor Scott Bros.

Drill-hole No. D - 33

Total depth 380'

Collar elev. 4351

Area Green River, Utah

Coordinates North 495,452

East 495,328

Claim Ajax No. 14

Date started 5/24/56

Date completed 5/25/56

Logged by H. M. Evans

Tie

Core checked for Rad. x Hole probed AEC-USGS

Summary

Fav. x Ore 313-373 OBSS 313-373 Thick 60' SS color WhGn Cbn @ 356 only

Unf. Min.

Barren

MS color under OBSS DrGyGn

Depth		Description					
From	To	Rock	Color	Grain	Cbn	Thick	Remarks
0	242.1					242.1	Plug
242.1	244.8	SS	Wh-Gn	M	N	2.7	MS at top
244.8	245.1	MS	RdGn	VF	N	0.3	
245.1	313.2					68.1	Plug
313.2	315	CG	WhGn	Cgl	N	1.8	Plugged thru 2' of SS
							above Cgl.
315	361	SS	WhGn	F to MC	N-A	46.0	S Gn MS flks & gls. Also
							pbls. Good porous SS @ 340.
							A cbn @ 356 in the seam. SS
							becomes coarser with depth.
							Thn Gn & Rd MS seam @ 317.
361	362.5	CG	WhGn	Cgl	N	1.5	Cgl pbls small
362.5	368.5	SS	WhGn	F-M	N	6.0	Comparatively dense SS
368.5	373	SS-CG	WhGn	M-Cgl	Sp	4.5	SS & CG poorly sorted. S
							Cbn & MS seams
373	374	MS	DrGyGn	VF	N	1.0	
374	375	SS	GyGn	F	N	1.0	Dense SS
375	380	MS	RdGn	VF	N	5.0	

Total footage cored 69.8

Core pulled 60.2

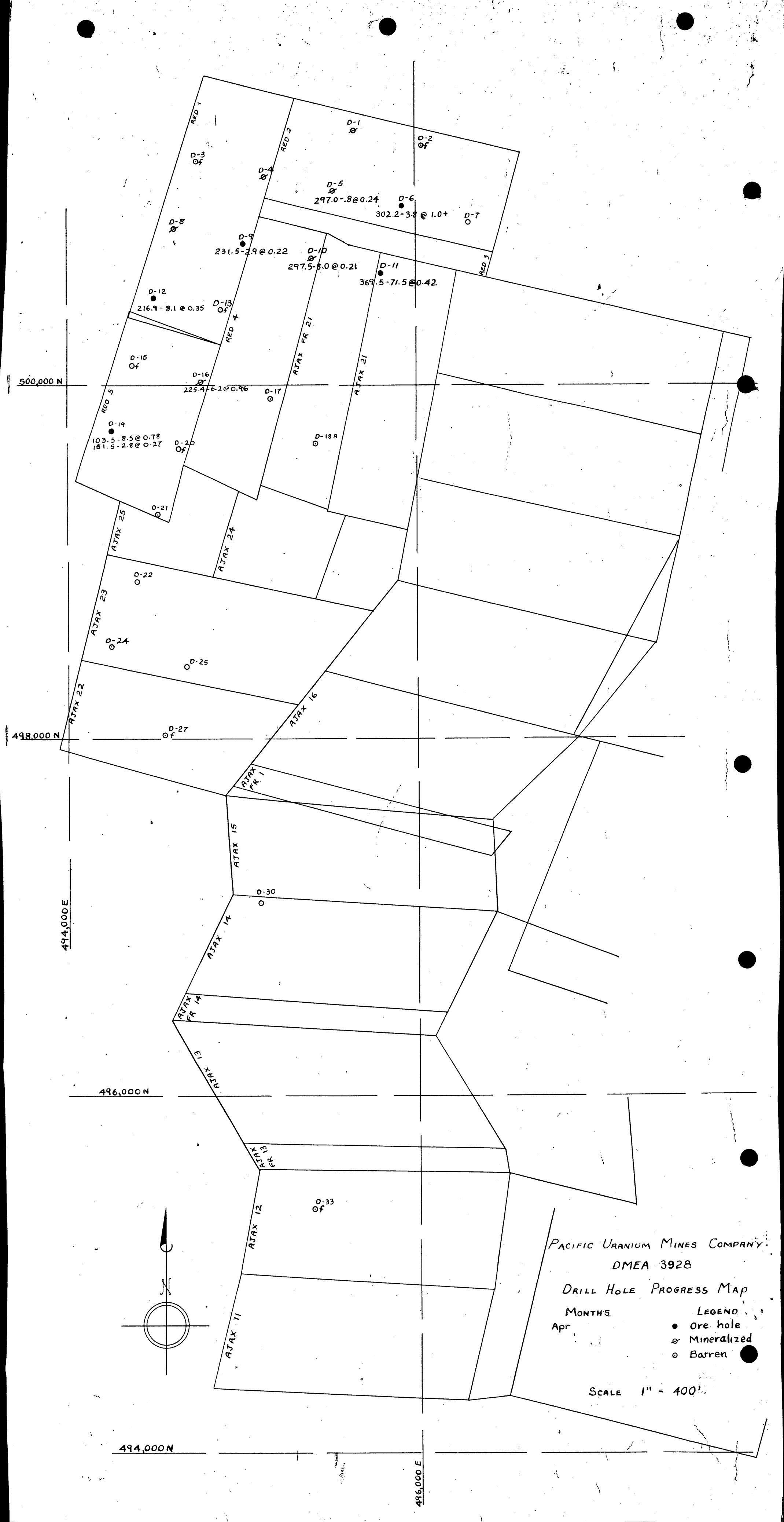
Per cent core recovery 86.3%

Lime content Abundant at top & bot. of SS but less abundant thru central portion.

Sample		Probe			Core Cuttings						Remarks
Base	Thick	Cir.	Set	Read	Cir.	Set	Read	Chemical %	%	%	

Counter used

Drill-hole No. D - 33


PACIFIC URANIUM MINES COMPANY
DMEA 3928
DRILL HOLE PROGRESS MAP
MONTHS
Apr
LEGEND
Ore hole
Mineralized
Barren
SCALE 1" = 400'
RED 1
RED 2
RED 3
RED 4
RED 5
AJAX FR 21
AJAX 21
AJAX 25
AJAX 24
AJAX 23
AJAX 22
AJAX 16
AJAX FR 1
AJAX 15
AJAX 14
AJAX FR 14
AJAX 13
AJAX FR 13
AJAX 12
AJAX 11
D-1
D-2
D-3
D-4
D-5
297.0-.8@0.24
D-6
302.2-3.8 @ 1.0+
D-7
D-8
D-9
231.5-2.9 @ 0.22
D-10
297.5-8.0 @ 0.21
D-11
369.5-71.5@0.42
D-12
216.9-8.1 @ 0.35
D-13
D-15
D-16
225.4-6.2@0.96
D-17
D-18 A
D-19
103.5-8.5@0.78
151.5-2.8@0.27
D-20
D-21
D-22
D-24
D-25
D-27
D-30
D-33
500,000 N
498,000 N
496,000 N
494,000 N
494,000 E
496,000 E

Form MF-104 (Rev.)
(April 1956)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED JUN 27 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1956 Docket No. DMEA 3928 Contract No. IDM-E926
Operator's Name PACIFIC URANIUM MINES Minerals
Address 292 South La Cienga Blvd., Beverly Hills, California
Contract Amount, $ 73,840.00 Government Participation: 75 % Amount, $ 55,380.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Noncore	4187.25		4187.25			
~~Bulldozing~~ Drilling, core						
Crosscutting	2705.50		2705.50			
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	32.00		32.00			
Payroll Taxes						
Liability Insurance						
Incidental Allowance	445.56		445.56			
(8) Contingencies (specify):						
TOTALS	7370.31		7370.31	7363.31	—	7363.31

I certify that the above bill is correct and just and that payment therefor has not been received.

Date ..... *Payee John P. Kellogg

Per ..... Title General Manager

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 5532.48

Signature [illegible]
(Authorized Certifying Officer)

Date 6/20/56 Vou. No. DMA 56-122

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Edm-E928 in accordance with the terms of the contract.

Signature [illegible] (35,527,73) Title [illegible] Date 6/13/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Shaver Title Executive Officer Date JUN 19 1956

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
JUN 27 1956

Month of April 1956 Docket No. DMEA 3928 Contract No. IDM-3926
Operator's Name PACIFIC URANIUM MINES Minerals Uranium
Address 292 South La Cienga Blvd., Beverly Hills, California

Operation	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Stage I								
~~Drifting~~ Noncore Drilling		4187.25	2791.5	4187.25	2791.5	1.50	8082	12123.00
~~Crosscutting~~ Core Drilling		2705.50	773	2705.50	773	3.50	2720	9520.00
~~Raising~~ Incidental allowed		445.56	3564.5	445.56	3564.5	0.125	10802	1350.25
~~Shafts~~ Chemical Analyses		32.00	5 & 2 *	32.00	5 & 2	5.00 & 3.50	30	150.00
~~Winzes~~ **Stage II** Noncore Drilling							13000	19500.00
Drilling: Core							2000	7000.00
~~Chem.~~ Incidental allowed							15000	1875.00
Stage III Chemical Analyses							45	225.00
~~Stripping~~ Noncore Drilling							10800	16200.00
~~Trenching~~ Core Drilling							1200	4200.00
~~Test Pits~~ Incidental allowed							12000	1500.00
~~Roads and Trails~~ Chem. Analyses							39	195.00
Total Distributed Costs		7370.31		7370.31				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								73840.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date _____ Operator John P. Kellogg

Per _____ Title General Manager

Remarks: *
Five samples analyzed for U_3O_8 and V_2O_5 @ $5.00 each.
Two samples analyzed for U_3O_8 only @ $3.50 each.

NOTE.—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.

(Instructions on reverse)

(For Government use only) Carl Below

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

FINAL DISTRIBUTION

MADE JUN 2 0 1956

RECEIVED

JUN 2 7 1956

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

Pacific Uranium Mines Company
1223 South Vermont Ave.,
Los Angeles 6, California

Date: June 20, 1955
Payee's Reference: April 1956

Gentlemen:

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed	$ 7,370.31
Difference	$ 7.00
Amount Approved	$ 7,363.31

The reason for the difference was due to:

Disallow:

Analysis of 2 samples for Uranium content at (9.50 per analysis = $7.00. The contract stipulates that samples are to be analyzed for U_3O_8 and U_2O_5 at the combined rate of ($5.00 per sample. No provisions do made for analysis of U_3O_8 content alone.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

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

RECEIVED
JUN 8 1956

224 New Customhouse
Denver 2, Colorado

June 19, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 3928 (Uranium) Contract Idm-E926, Pacific Uranium Mines Company (Red, Ajax and Wills claims) Emery County, Utah - Operator's Monthly Progress Report for the month of April, 1956

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 75 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deduction.

Disallow the amount of $7.00 reported for the analysis of two samples for Uranium content at $3.50 per analysis. The contract stipulates that samples are to be analysed for U_3O_8 and V_2O_5 at the combined rate of $5.00 per sample. No provision is made for analysis of U_3O_8 content alone.

Remarks

Date of Report----------Not dated
Date Received in Field Office---------- June 7, 1956
Date Received in Region Office---------- June 18, 1956

W. M. TRAVER

W. M. Traver

Enclosures
JDC:jy
cc: MF-104 File E926
Sec. Op. Comm. (2)
Shaw (2)
Townsend w/copy engr's report Chron.

DMEA
Date Rec'd
JUN 18 1956
BUREAU OF MINES
Denver, Colorado

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
June 15, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: John F. Shaw
Supervising Mining Engineer

From: Carl Belser

Subject: DMEA 3928, Contract Ida-2926 (Uranium), Red, Ajax, and Wills claims, Pacific Uranium Mines Company, Emery County, Utah -- Progress Report for April 1956.

Drilling progress was inspected on May 2, 1956. Scott Brothers, the drilling contractors, were using two Mayhew 1,000 chain pulldowns and a Joy 75. Drilling started on April 10. Hugh Evans was the geologist in charge. The following holes were drilled in April 1956:

Hole	Footage Non-Core	Footage Core	Footage Total	% Core Recovery	Remarks
D-1	287.0	32.5	319.5	86	
D-3	185.0	61.0	246.0	98	
D-4	201.0	73.0	274.0	100	
D-5	255.0	55.0	310.0	98	297.0'-297.8' - 0.24%
D-6	320.0	44.0	364.0	98	302.2'-303.8' - 1.00% Eu
D-7	371.0	80.0	451.0	91	
D-8	185.0	55.0	240.0	94	
D-9	185.0	55.5	240.5	83	231.5'-232.9' - 0.22%
D-10	206.0	102.5	308.5	88	297.5'-298.0' - 0.21%
D-11	284.0	101.5	385.5	92	370.0'-370.5' -0.02%;370.5'-371'-63% 371.0'-371.5'-0.87%;371.5'-372.0'-.26%
D-13	188.0	56.0	244.0	92	
D-24	124.5	57.0	181.5	91	
Total	2791.5	773.0 (21.69%)	3564.5	94.0	

All holes 'BX' size or larger. A-2, D-25, and D-27 were being cored.

~~Drilling started.~~

The cost of 2791.5 feet of non-core drilling at $1.50 a foot is $4,187.25; the cost of 773 feet of core drilling at $3.50 a foot is $2,705.50; the incidental allowance for 3,564.5 feet of drilling at $0.125 a foot is $445.56; the cost of 5 chemical assays for U_3O_8 and V_2O_5 at $5.00 each is $25.00 and the cost of 2 chemical analyses for U_3O_8 at $3.50 each is $7.00; or a total of $7,370.31.

Payment of 75 percent of the above amount or $5,527.73 is recommended. The driller's logs have been retained in this office.

Carl Belser
Carl Belser

cc 6
Jan. 2006

John P. Kellogg, *Manager*
Robert L. Redmond, *Chief Geologist*
Main Office in Los Angeles

Mining
Exploration
Geology
Engineering

PACIFIC URANIUM MINES

1924 White Avenue
GRAND JUNCTION, COLORADO
Phone 487 or 488

May 14, 1956

Mr. John F. Shaw
U. S. Bureau of Mines
Room 137, Bldg. 20
Denver Federal Center 2, Colorado

Re: DMEA 3928 (Uranium)
Green River, Utah
Contract IDM-E926

Dear Mr. Shaw:

Attached is our report of progress for April, 1956, including narrative, Government forms, summary of drilling and drill hole logs, and progress maps.

Included in the first copy of the report being submitted are photostated copies of receipts pertinent to the loan.

Four copies of the report are being submitted to you, and one copy to J. W. Hasler, of the Geological Survey, in Grand Junction.

Yours very truly,

John P. Kellogg

John P. Kellogg

RECEIVED
JUN 27 1956

APRIL NARRATIVE REPORT

DMEA 3928 CONTRACT IDM-E926

Introduction:

On April 10, 1956, Scott Bros. Drilling Company began work with one Mayhew 1000 Special drilling rig on the Pacific Uranium Mines Company DMEA 3928 uranium exploration project on the Green River Desert, Utah. A second rig began drilling on this project April 13, 1956. These two rigs continued drilling on an eleven-days-on and three-days-off schedule throughout the month of April. This narrative report covers the period from April 10 to April 30, 1956. Included with this report are DMEA Forms MF-104 and -104A; Monthly Exploration Drilling Summary; Drill Hole Logs, Drill Hole Cross Sections, and Drill Hole Progress Map.

Progress:

Twelve of the 34 holes on Stage I were completed during April. Of these, three are classified as ore holes, five as mineralized, three as favorable, and one as unfavorable. The best ore hole was D-11 which had a 2-foot interval with a chemical assay of 0.42% U_3O_8. (On May 1, 1956, D-19 was completed, which proved to be an excellent ore hole: 5.0' averaging 0.78% U_3O_8. The details of this hole will be included in the May report.)

Drilling:

The Scott Bros. Drilling Company is doing a satisfactory job of drilling. Their core recovery for the month of April averaged 94%, with the major portion of the core loss occurring in barren mudstone sections.

The drillers are experiencing some difficulty in removing mudstone from their core barrels, and consequently are reluctant to core through very much mudstone, requiring close supervision in the bottoming of holes.

Correlating the ore-bearing sandstone from one drill hole to the next has been somewhat of a problem on the Stage I 400-foot grid pattern. In some holes (D-6), the sandstone has been encountered considerably higher than its estimated depth; while in others (D-7), it has been found considerably lower than anticipated. It has been the practice of the operator to stop drilling after passing through 30 feet or more of sandstone into from 4 to 6 feet of mudstone. It is possible that more detailed cross section work (now in progress) may suggest the desirability of deepening one or more holes.

Because of adverse topographic conditions, no drilling has been attempted on D-14, D-17, D-18 and D-23. On May 1, 1956, the operator wrote a letter to Mr. Traver requesting that these hole locations be changed. These changes would favor economics rather than geology.

Scott Bros. drilling rates are $1.50 per foot for noncore drilling and $3.50 per foot for core drilling. During April, 2,791.5 feet of noncore and 773 feet of core drilling were completed. No standby time was charged.

Bulldozers:

Seven and one-half hours of bulldozer work were necessary for access road and site preparation in April. An International TD-18 was used for this work. Considerably more bulldozing will be required to complete the remaining drill sites in Stage I. Because the TD-18 was in poor

mechanical condition, a D-6 Caterpillar tractor, with an experienced operator, has been employed to complete the Stage I work. The contract price for this tractor and the operator is $11.00 per hour.

Expenditures:

During the period from April 10 to 30, 1956, a total of $8,060.65 was spent on the DMEA Project No. 3928. Of this, $6,892.75 was spent for drilling, $84.25 for bulldozing, $49.50 for assaying, and $1,034.15 for miscellaneous. All of these expenditures, with the exception of the miscellaneous expenditures, should fall well within the amounts authorized by the Government.

The miscellaneous expenditures are high primarily because the amount set aside in the contract does not adequately provide for our supervision and technical services.

Radiometric Probing:

All holes drilled during April were probed by either or both the U.S.G.S. and the A.E.C. gamma ray logging units. In all cases, either one or both the units probed to within 5 feet or less of the actual depth drilled. With the exception of D-6, any mineralization indicated fell within the section cored. On D-6, an ore zone approximately 1.5 feet thick and assaying radiometrically in excess of 1.0% U_3O_8 was indicated at 303 feet, which lies 17 feet above the section cored. This ore zone was missed because of a series of unfortunate circumstances: One, the sandstone encountered lies well above its estimated depth; two, this hole was the first hole drilled by an uninformed driller who did not change to core when he encountered an unusual sandstone thickness near

the estimated depth; three, the project engineer was not at the drill site when this upper horizon was encountered.

The operator has probed all holes drilled to date with a geiger unit. Results of probing and logging have confirmed thos of the Government, and the chemical assays.

Signed: John P. Kellogg
John P. Kellogg,
General Manager
(for Hugh W. Evans,
Engineer in Charge of Project)

HWE/JPK/hjl

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

RECEIVED
JUN 27 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1956 Docket No. DMEA 3928 Contract No. Idm-E926
Operator's Name PACIFIC URANIUM MINES COMPANY Minerals Uranium
Address 292 South La Cienega Blvd. Beverly Hills, Calif.
Contract Amount, $73,840.00 Government Participation: 75 % Amount, $55,380.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling noncore	$4,187.25	0	$4,187.25			
~~Bulldozing~~ core	2,705.50	0	2,705.50			
Crosscutting						
Drifting						
Bulldozing	84.25	0	84.25			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services	777.00	0	777.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
~~Track~~ Blocks & Stakes	6.71	0	6.71			
Core Boxes	207.57	0	207.57			
Hole Markers	16.08	0	16.08			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	8.20	0	8.20			
Sampling and Analysis	49.50	0	49.50			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
Field supplies	12.39	0	12.39			
Typing	6.20	0	6.20			
TOTALS	$8,060.65	0	$8,060.25			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date May 9, 1956 *Payee

Per Title Vice-President

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

Form MF-104A
(April 1938)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JUN 27 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 195 . Docket No. DMEA 3928 Contract No. Idm-E926
Operator's Name PACIFIC URANIUM MINES COMPANY Minerals Uranium
Address 292 South La Cienega Blvd., Beverly Hills, Calif.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	ft.	2,705.50	773.0	2,705.50	773.0	3.50	960.0	3.50
~~Core~~ Rotary	ft.	4,187.25	2,791.5	4,187.25	2,791.5	1.50	2863.0	1.50
Auger								
Stripping								
Trenching						U308 3.50		
~~Test Pits~~ Assays	assay	49.50	17.0	49.50	17.0	V205 1.50	30.0	5.00
Roads and Trails	hr.	84.25	7.5	84.25	7.5			
Miscellaneous*	ft.	1,034.15		1,034.15			0802.0	0.125
TOTAL DISTRIBUTED COSTS		8,060.65		8,060.65				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repair								
New Buildings, Improvements, etc.								
TOTAL COSTS		8,060.65		8,060.65				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date May 9, 1956 Operator

Per Title Vice-President

NOTE—Title 18, U. S. Code (Criminal), section 101, 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.

(Instructions on reverse)

REMARKS: *

Core boxes, 1.62 ea.	$ 202.57
Hole markers, .50 ea.	16.03
Typing	6.20
Field supplies	12.39
Core blocks & survey stakes	6.71
Counter repair	8.20
Supervision	777.00
Total	$1,034.15

(For Government use only)

Pacific Uranium Mines Company

MONTHLY EXPLORATION DRILLING SUMMARY

Location: Harshan Claims, Green River, Utah Month: April, 1956 Engineer in Charge: H. W. Ewan

DMEA 3928

STATISTICAL

Hole No.	Contractor	Date Started	Date Completed	Coordinates North	Coordinates East	Collar Elev.	Depth	Footage Plug	Footage Core	% Core Rec.	Standby Time	Cost Plug	Cost Core	Cost Other	Cost Total
D-1	Scott	4/23	4/25	501,440	195,644	4403	319.5	287	32.5	86	0	430.50	113.75	0.00	544.25
D-3	"	4/25	4/27	501,274	194,737	4424	246.0	185	61.0	98	0	377.50	213.50	28.10	519.10
D-4	"	4/10	4/12	501,190	195,128	4406	274.0	201	73.0	100	0	301.50	255.50	0.00	557.00
D-5	"	4/12	4/14	501,105	195,519	4403	310.0	255	55.0	98	0	382.50	192.50	0.00	575.00
D-6	"	4/13	4/14	501,022	195,910	4413	364.0	320	44.0	98	0	480.00	154.00	0.00	634.00
D-7	"	4/18	4/25	500,938	196,300	4442	451.0	371	80.0	91	0	556.50	280.00	16.85	853.35
D-8	"	4/27	4/29	500,894	194,611	4420	240.0	185	55.0	94	0	277.50	192.50	28.10	498.00
D-9	"	4/19	4/23	500,810	195,002	4395	240.5	185	55.5	83	0	277.50	194.25	11.20	482.95
D-10	"	4/14	4/19	500,726	195,394	4399	308.5	206	102.5	88	0	309.00	358.75	0.00	667.75
D-11	"	4/15	4/18	500,642	195,785	4431	385.5	284	101.5	92	0	426.00	355.25	0.00	781.25
D-13	"	4/27	4/28	500,430	194,877	4396	244.0	188	56.0	92	0	282.00	196.00	0.00	478.00
D-24	"	4/29	4/30	498,530	194,251	4357	181.5	124.5	57.0	91	0	186.75	199.50	0.00	386.25
Total	12 Holes	18 working days					3564.5	2791.5	773.0	94	0	4187.25	2705.50	84.25	6977.00

GEOLOGICAL

Hole No.	Contact Depths Jm66-Jmsv			Ore Bearing Sandstone From	To	Thickness	Classification Ore	Min'	Fav	Unf	Assay Chemical Interval	Mineral	%	Radiometric Interval	%	Remarks
D-1	275			284	316	32		X								
D-3	187			187	242	55			X							
D-4	211			212	253	41		X								
D-5	260			259	303	44		X			297.0-.8	U308	0.24			
D-6	300			315	354	39	X					U308		302.2-3.8	1.0+	Plugged thru ore
D-7	408			408	447	39				X						
D-8	185			191	219	28		X								
D-9	196			196	235	39	X				231.5-2.9	U308	0.22			
D-10	225			259	303	44		X			297.5-8.0	U308	0.21			
D-11	300?			335	375	40	X				369.5-71.5	U308	0.42			Some V205
D-13	201?			202	242	40			X							
D-24	130			131	175	44			X							
						40.5 avg	3	5	3	1						

Apr., 1956 MF-104 - E926

DRILL HOLE LOG

Pacific Uranium Mines Company

Type of Drill Mayhew 1000 Rec.

Contractor Scott Bros.

RECEIVED

JUN 27 1956

Drill-hole No. D-1

Total depth 319.8'

Collar elev. 4403

Area Green River, Utah

Coordinates North 501,440

East 495,644

Claim Red #2

Date started 4/23/56

Date completed 4/25/56 @ 12:30 PM

Logged by H. W. Evans

Tie

Core checked for Rad. X Hole probed AEC-USGS

Summary

Fav. X Ore OBSS 2842-316 Thick 32 SS color Wh & Gn Cbn Nto S-A

Unf. Min. 304.8-305.3

MS color under OBSS Gn

Depth From	Depth To	Description: Rock	Color	Grain	Cbn	Thick	Remarks
0	287					287'	Plug
287	293	SS	Wh	M	S-A	6'	Dense. Vertical fractures coted with CaCo3.
293	304	CG	Wh, Pr, Gn	M-Peb	N	11'	SS & MS seams. Porous
304	305	MS	Gn	VF	N	1'	MS seam has Ud of 0.10%
305	316	CGto SS	Gy, Gn	Peb-F	S	11'	CG grades into SS. Carbon appears in thin seams.
316	319.8	MS	Gn, Rd	VF	N	3.8'	Mottled color

Total footage cored 32.8

Core pulled 28.3

Per cent core recovery 86 %

Lime content Comparatively low in SS but high in MS.

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks

Counter used

Drill-hole No. D-1

DRILL HOLE LOG
Pacific Uranium Mines Company

RECEIVED
JUN 27 1956

Type of Drill Mayhew 1000
Contractor Scott Bros.

Drill-hole No. D-3
Total depth 246'
Collar elev. 4424
Area Green River
Coordinates North 501,274
East 494,737

Claim Red #1
Date started 4-25-56
Date completed 4-27-56
Logged by H. W. Evans
Tie
Core checked for Rad. X Hole probed USGS AEC

Summary

Fav. X Ore OBSS 187'-242' Thick 55' SS color WH GY Cbn N-A
Unf. Min. Barren MS color under OBSS GN

Depth From	Depth To	Description: Rock	Color	Grain	Cbn	Thick	Remarks
0	185					185	Plug
185	187	Ms	GN RD	F	N	2	
187	190	SS	DK GY GN	F	N	3	Dense
190	209	SS CG	WH GY	VC	N	19	Porous
209	224	CG SS	WH GY	VCPER	S	15	Thin MS seams
224	228	MS	DK GY	VF	N	4	
228	242	SS	WH GY	F	A	14	Cbn in thin seams. Dense
242	246	MS	GN	F	N	4	

Total footage cored 61'
Core pulled 59.8'
Per cent core recovery 98 %

Lime content Abundant in SS. from 196-200 it is a bit lower

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks

Counter used

Drill-hole No. D-3

DRILL HOLE LOG
Pacific Uranium Mines Company
Type of Drill Mayhew 1000, Spec.
Contractor Scott Bros.

Drill-hole No. D-4
Total depth 274
Collar elev. 4400
Area Green River, Utah
Coordinates North 501, 190
East 495, 128

Claim Red #1
Date started 4/10/56
Date completed 4/12/56
Logged by H. W. Evans
Tie
Core checked for Rad. X Hole probed AEC

Summary

Fav. X Ore OBSS 212-253 Thick 31 SS color GyWhGn Cbn N
Unf. Min. 219-2150cps
MS color under OBSS Dk Gn ,

Depth		Description					
From	To	Rock	Color	Grain	Cbn	Thick	Remarks
0	201					201	Plug
201	212	MS	GnRd	VF	N	11	ST at base
212	216	SS	GyGn	F	N	4	
216	218	MS	Bk	VF	N	2	
218	220	CG	GyGn	VC	N	2	
220	222	SS	WhGn	F	N	2	
222	235	CG	GnGy	VC	N	13	Some SS
235	253	SS	GyGn	MtoVC	N	18	Some CG
253	265	MS	Dk Gn	VF	N	12	GnRd at base
265	267	SS-St	GyGn	F-VC	N	2	
267	274	MS	GnRd	VF	N	7	

Total footage cored 73
Core pulled 73.1
Per cent core recovery 100 %

Lime content Abundant throughout

Sample		Probe			Core Cuttings						Remarks
Base	Thick	Cir.	Set	Read	Cir.	Set	Read	Chemical %	%	%	

Counter used
Drill-hole No. D-4

DRILL HOLE LOG

Pacific Uranium Mines Company

Type of Drill Mayhew 1000 Spec.

Contractor Scott Bros.

RECEIVED

JUN 27 1956

Drill-hole No. D-5

Total depth 310'

Collar elev. 4403

Area Green River

Coordinates North 501,106

East 495,519

Claim Red #2

Date started 4-12-56

Date completed 4-14-56

Logged by H. W. Evans

Tie

Core checked for Rad. X Hole probed USGS-AEC

Summary

Fav. X Ore OBSS 259'-303' Thick 44' SS color WH-GN Cbn N

Unf. Min. X

MS color under OBSS GN

Depth From	Depth To	Description: Rock	Color	Grain	Cbn	Thick	Remarks
0	255					255	PLUG
255	260	MS	DR GN	VF	N	5	
260	270	SS	WH GN	F-VC	N	10	/Quite dense at base./
270	296.8	CG	GN GY	VC	N	26.8	CG with some SS seams.
296.8	300	CG	PR BR	C	N	3.2	Very Dense
300	304	SS	GyGn	VF	N	4	
304	310	MS	GnRd	VF	N	6	Mottled

Total footage cored 55

Core pulled 54.0

Per cent core recovery 98 %

Lime content Abundant throughout

Porous SS CG from 262'- 294'

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical U %	Chemical %	Chemical %	Remarks
297.0	0.8							0.24			

Counter used

Drill-hole No. D-5

DRILL HOLE LOG
Pacific Uranium Mines Company

RECEIVED
JUN 27 1956

Type of Drill Mayhew 1000
Contractor Scott Bros.

Drill-hole No. D-6
Total depth 364'
Collar elev. 4413
Area Green River
Coordinates North 501,022
East 495,910

Claim Red #2
Date started 4-13-56
Date completed 4-14-56
Logged by H W. Evans
Tie
Core checked for Rad. X Hole probed USGS-AEC

Summary

Fav. X Ore OBSS 315'-354 Thick 39' SS color WH-GY-GN Cbn N-S
Unf. Min. 243.5-244

MS color under OBSS GY GN

Depth From	Depth To	Rock	Color	Grain	Cbn	Thick	Remarks
0	320					320	PLUG
320	330	SS	WH GY	F-VC	S	10	SS & CG SEAMS, Porous, Asphaltic
330	336	CG	GN GY	VC	*	6	Porous- *330.5-0.2 Asp.Seam
336	340	SS	GY	F-M	*	4	*Thin Seams
340	346	CG	GN GY	VC	*	6	*0.4' MS seam with U_3O_8 min. U_e 0.15%. Pyrite crystal noted. Porous
346	350	SS	GY WH	F-C	*	4	*MS & Asph. seams-Porous
350	354	SS	GY WH	F-C	*	4	* " " "
354	364	MS-ST	GY GN	F	N	10	

Note: Plugged through ore which occurs in SS ten feet above the estimated plug depth. This SS could be a continuation of the SS cored but the cuttings seemed to indicate some MS in this area.

Total footage cored 44'
Core pulled 43.1'
Per cent core recovery 98 %

Lime content Abundant throughout

Sample Base	Sample Thick	Probe AEC Cir.	Probe AEC ~~Set~~ CPS	Probe AEC ~~Read~~ UE%	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks
303.8	1.6	G6	6050	1.0*%							

Counter used
Drill-hole No. D-6

DRILL HOLE LOG
Pacific Uranium Mines Company

RECEIVED
JUN 27 1956

Type of Drill Mayhew 1000
Contractor Scott Bros.

Drill-hole No. D-7
Total depth 451'
Collar elev. 4442
Area Green River, Utah
Coordinates North 500,938
East 496,300

Claim Red #2
Date started 4/18/56
Date completed 4/25/56
Logged by H. M. Evans
Tie
Core checked for Rad. X Hole probed USGS-AEC

Summary

Fav. Ore OBSS 408-447 Thick 39 SS color WhGyGn Cbn N
Unf. X Min.
Barren
MS color under OBSS Gn ,

Depth From	Depth To	Rock	Color	Grain	Cbn	Thick	Remarks
0	330					330	Plug
330	334	SS	WhRd	F	N	4	Dense
334	339	MS	Rd	M	N	5	Some Pebs
339	354					15	Plug
354	357	SS-CG	Gn	VF	N	3	Dense
357	363	MS	DkGyGn	VF	N	6	Dense
363	389					23	Plug
389	408	MS	Dk GyGn	F	N	19	
408	420	SS	Wh	M	N	12	Porous
420	436	CG	Gy	M-Pebs	N	16	SS seams & MS galls
436	447	SS	Gy	F-M	N	11	Fairly dense-CG seam at base.
447	451	MS	Gn	VF	N	4	Some Rd appears at base

Total footage cored 80'
Core pulled 72.9'
Per cent core recovery 91 %

Lime content Fairly abundant, more so in MS than SS.

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks

Counter used
Drill-hole No. D-7

DRILL HOLE LOG

Pacific Uranium Mines Company

Type of Drill Mayhew 1000

Contractor Scott Bros.

Drill-hole No. D-8

Total depth 240'

Collar elev. 4420

Area Green River

Coordinates North 500,894

East 494,611

Claim Red # 1

Date started 4-27-56

Date completed 4-29-56

Logged by H. W. Evans

Tie

Core checked for Rad. X Hole probed USGS-AEC

Summary

Fav. X Ore OBSS 191'-219' Thick 28' SS color GY-GN-WH Cbn N-A

Unf. Min. 219'-0.18%

MS color under OBSS GN

Depth From	Depth To	Rock	Color	Grain	Cbn	Thick	Remarks
0	169.7					169.7	Plug
169.7	171	SS	GY GN	F	N	1.3	Dense
171	175.7	MS	GN RD	F	N	4.7	Mottled color
175.7	191					15.3	Plug
191	206	SS	WH GY	M Pebs	N	15	With CG. Porous
206	210	CG	GY WH	VC Pebs	N	4	
210	219	SS	GY	F-VC	A	9	MS seams, Vertical frac.
219	220	MS	GY GN	F	N	1	
220	224	SI	GN	F	N	4	Dense
224	228	MS	DK GN	F	N	4	
228	237	SS	GY	F	S	9	Dense. MS seams
237	240	MS	GN RD	F	N	3	Mottled color

Total footage cored 55.0'

Core pulled 51.5'

Per cent core recovery 94 %

Lime content Abundant except in SS from 191-206

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks

Counter used

Drill-hole No. D-8

DRILL HOLE LOG
Pacific Uranium Mines Company
Type of Drill Mayhew 1000 Spec.
Contractor Scott Bros.

Drill-hole No. D-9
Total depth 240.5'
Collar elev. 4395
Area Green River
Coordinates North 500,810
East 495,002

Claim Red #1
Date started 4-19-56
Date completed 4-23-56
Logged by H. W. Evans
Tie
Core checked for Rad. X Hole probed USGS-AEC

Summary

Fav. X Ore X OBSS 196'-235' Thick 39' SS color GY GN Cbn N-S
Unf. Min.
MS color under OBSS GN

Depth From	Depth To	Description: Rock	Color	Grain	Cbn	Thick	Remarks
0	185					185	Plug
185	187	SS	GN GY	F-M	N	2	some rd MS near top
187	196	MS	GN	F	N	9	
196	199	SS	GN GY	F-M	N	3	porous
199	210	SS	GY GN	C	N	11	porous some pebs.
210	220	SS	GY GN	C	N	10	SS with CG seams- some pebs.
220	225	CG	GY WH	PEBS	*	5	*222 Asphaltic seams-no UE
225	235	SS	GY WH	M-C	S	10	SS with some CG & Asp. seams
							231.5'-232.8'- coffinite (?)
							U_e 0.25-0.45%
235	240.5	MS	GN-RD	F		5.5	

Total footage cored 55.5'
Core pulled 46.1'
Per cent core recovery 83 %

Lime content Abundant, except 195-221'- sparse

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical U %	Chemical %	Chemical %	Remarks
232.9	1.4							0.22			

Counter used
Drill-hole No. D-9

DRILL HOLE LOG

Pacific Uranium Mines Compa

Type of Drill Mayhew 1000 Spec.

Contractor Scott Bros.

RECEIVED

JUN 27 1956

Drill-hole No. D-10

Total depth 308.5

Collar elev. 4399

Area Green River, Utah

Coordinates North 500,726

East 495,394

Claim Red #1

Date started 4/14/56

Date completed 4/19/56

Logged by H. W. Evans

Tie

Core checked for Rad. X Hole probed USGS-AEC

Summary

Fav. X Ore OBSS 259-303 Thick 44' SS color Gy-Wh-Gn Cbn N-S

Unf. Min. 296'2-296'8

MS color under OBSS Gn

Depth From	Depth To	Rock	Color	Grain	Cbn	Thick	Remarks
0	206						Plug
206	214	SS&CG	Gy-Gn	VC	N		Dense
214	225	MS	Gn-Pr	F	N		Hard & Dense
225	239	SS & CG	Gy-Wh	F-VC	N		Dense
239	258	MS	Gn	F	N		Sandy near base
258	293	SS	Gy-Wh	M-VC	N		Semi-porous, CG @ 280 Bk. MS seam @ 285
293	297	MS&SS	Dr-Gy	F	S		Vertical Fracture
297	303	SS	GnGy	F	S		Some MS seams, Vertical fractures, Dense.
303	308.5	MS	GnRD	F	N		Dense

Abundant lime except from 260-285' and in thin MS areas between 246-260'. In these areas the lime content is low.

Total footage cored 102.5

Core pulled 89.8

Per cent core recovery 88 %

Lime content

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical U %	Chemical %	Chemical %	Remarks
298.0	0.5							0.21			

Counter used

Drill-hole No. D-10

DRILL HOLE LOG
Pacific Uranium Mines Company

RECEIVED
JUN 27 1956

Type of Drill Mayhew 1000
Contractor Scott Bros.

Drill-hole No. D-11
Total depth 385.5
Collar elev. 4431
Area Green River, Utah
Coordinates North 500,642
East 495,785

Claim Ajax #21
Date started 4/15/56
Date completed 4/18/56
Logged by H. W. Evans
Tie
Core checked for Rad. X Hole probed USGS-AEC

Summary

Fav. X Ore X OBSS 335-375 Thick 40' SS color Gy-WhGn Cbn N-S
Unf. Min.
MS color under OBSS Dk Gn,

Depth From	Depth To	Rock	Color	Grain	Cbn	Thick	Remarks
0	284					284	Plug
284	293	MS	Pr	F	N	9	
293	300	MS	Gn	F	N	7	Some SS. Dense & hard
300	304	SS	Gn-Gy	F-M	N	4	Some MS. Dense
304	313	CG-SS	Gy-Gn	M-Pebs	S	9	
313	317	SS	Gy	M-C	N	4	
317	322	CG	Gy-Gn	M-Pebs	N	5	MS seams & galls
322	327	SS	Gy-Gn	C-M	N	5	Dense
327	335	MS	Gn	F	N	8	Grades into SS
335	338	SS	Wh-Gy	M	N	3	Porous
338	363	CG	Gy-Wh	M-Pebs	N	25	Grades into SS. MS galls
363	375	SS	Wh	M-VC	S	12	Most SS crystals well-round
375	385.5	MS	Dk Gn	F	N	10.5	Mottled Rd & Gn

Total footage cored 101.7'
Core pulled 94.0
Per cent core recovery 92 %

Lime content Abundant in MS
Comparatively low in SS except along fractures which are coated with $CaCO_3$

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical U %	Chemical V %	Chemical %	Remarks
370.0	0.5							0.02			
370.5	0.5							0.53	0.28		
371.0	0.5							0.87	0.04		
371.5	0.5							0.26			

Counter used

Drill-hole No. D-11

DRILL HOLE LOG
Pacific Uranium Mines Comp[illegible]
Type of Drill Mayhew 100 Spec.
Contractor Scott Bros.

RECEIVED
JUN 27 1956

Drill-hole No. D-13
Total depth 244 ft.
Collar elev. 4396
Area Green River, Utah
Coordinates North 500,430
East 498,877

Claim Red #1
Date started 4/27/56
Date completed 4/28/56
Logged by H. W. Evans
Tie
Core checked for Rad. X Hole probed USGS-AEC

Summary

Fav. X Ore OBSS 202'-242' Thick 40' SS color GyWhGn Cbn N-S
Unf. Min.
Barren
MS color under OBSS Gn,

Depth		Description					
From	To	Rock	Color	Grain	Cbn	Thick	Remarks
0	173					173	Plug
173	178	SS-CG	Wh	M-VC	N	5	Some Pebs
178	183.8	MS	GnRd	F	N	5.8	
183.8	199					5.2	
199	202	MS	GyGn	VF	N	3	
202	205	SS	WhGy	CV	N	3	Porous
205	224	CG	WhGy	CV-Pebs	N	19	Some limonite stains. CG grades into SS.
224	233	SS	GyWh	F-C	S	9	
233	236	SS	Gy	C-Pebs	N	3	MS galls
236	242	SS	GyGn	F	N	6	Dense
242	244	MS	Gn	F	N	2	Rd knob at base, Dense, vert. seam filled with $CaCO_3$.

Total footage cored 55.8'
Core pulled 50.7'
Per cent core recovery 92 %

Lime content FR. 199-229' low, 229-239' med, 239-244' high.

Sample		Probe			Core Cuttings						Remarks
Base	Thick	Cir.	Set	Read	Cir.	Set	Read	Chemical %	%	%	

Counter used
Drill-hole No. D-13

DRILL HOLE LOG
Pacific Uranium Mines Company

RECEIVED
JUN 27 1956

Type of Drill Mayhew 1000
Contractor Scott Bros.

Drill-hole No. D-24
Total depth 181.6
Collar elev. 4357
Area Green River, Utah
Coordinates North 498,530
East 494,251

Claim Ajax #23
Date started 4/29/56
Date completed 4/30/56
Logged by H. W. Evans
Tie
Core checked for Rad. X Hole probed

Summary

Fav. X Ore OBSS 131-175 Thick 44 SS color WhGyGn Cbn N-VA
Unf. Min.
Barren MS color under OBSS R_dGn

Depth From	Depth To	Description Rock	Color	Grain	Cbn	Thick	Remarks
0	116.5					116.5	Plug
116.5	117.0	SS	WhGn	F	N	0.5	Dense
117.0	123.3	MS	RdGn	F	N	6.3	Mottled
123.3	131.6					8.3	Plug
131.6	138	SS	WhGy	F-M	N	6.4	Gn MS at base
138	158	SS	GnWh	M	N	20.0	Porous
158	165	SS	GnGy	C	S	7.0	Some Pebs
165	175	SS	GnGy	F-C	VA	10.0	Mixed grain, size but finer. at base.
175	181.6	MS	RdGn	F	N	6.6	Mottled

Total footage cored 56.8
Core pulled 51.5
Per cent core recovery 91%

Lime content Comparatively low from 142-173.

Sample Base	Sample Thick	Probe Cir.	Probe Set	Probe Read	Core Cuttings Cir.	Core Cuttings Set	Core Cuttings Read	Chemical %	Chemical %	Chemical %	Remarks

Counter used
Drill-hole No. D-24

PACIFIC URANIUM MINES

1924 White Avenue
Grand Junction, Colorado
Phone 487 or 488

RADIOMETRIC LOG SUMMARY - APRIL, 1956

DMEA 3928, CONTRACT IDM-E926

Drill Hole	Date Probed	Maximum Depth Probed	Readings Depth	Readings Ue%
D-1	4/22	315	309.0	0.10
D-3	4/27	243	228.0	Anomaly only
D-4	4/12	274	218.5	0.09
			219.0	0.18
			219.5	0.12
			220.0	0.04
D-5	4/14	307	295.5	0.08
			296.0	0.14
			296.5	0.32
			297.0	0.18
			297.5	0.04
D-6	4/14	361	299.0	0.08
			299.5	0.11
			300.0	0.19
			300.5	0.29
			301.0	0.44
			301.5	0.57
			302.0	0.83
			302.5	1.00+
			303.0	1.00+
			303.5	1.00+
			304.0	0.88
			304.5	0.37
			305.0	0.13
			305.5	0.04
			1.5 @	1.00+ ore
D-7	4/27	448	438.5	Anomaly only
D-8	4/29	241	211.0	0.08
			211.5	0.20
			212.0	0.16
			212.5	0.04

Radiometric Log Summary - April, 1956
Pacific Uranium Mines
DMEA 3928, Cont. IDM-E926
Page 2

Drill Hole	Date Probed	Maximum Depth Probed	Readings Depth	Ue%
D-9	4/24	236.3	233.0	0.08
			233.5	0.18
			234.0	0.56
			234.5	0.97
			235.0	0.68
			235.5	0.55
			236.0	0.26
			236.5	0.03
			1.1' @	0.97 ore
D-10	4/19	308.0	296.0	0.07
			296.5	0.18
			296.8	0.23
			297.0	0.19
			297.5	0.07
			298.0	0.03
			298.5	0.04
			299.0	0.08
			299.5	0.20
			300.0	0.11
			300.5	0.02
			0.5' @	0.23 mineral
D-11	4/19	380.0		
			370.5	0.05
			371.0	0.18
			371.5	0.56
			372.0	0.85
			372.5	0.87
			373.0	0.54
			373.5	0.15
			374.0	0.03
			374.5	0.04
			375.0	0.11
			375.5	0.08
			1.3 @	0.87 ore
D-13	4/29	245.0	239.0	Anomaly only
D-24	5/2	135.0		Barren

Contract Adm. & Audit Div.

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Pacific Uranium Mines Company
Suite 210, 292 South LaCienega boulevard
Beverly Hills, California

Pursuant to the provisions of Exploration Project Contract No. Ida-1926, dated March 9, 1956, (Docket No. DMA-3926), hereinafter called the "contract," between the Pacific Uranium Mines Company, a Nevada corporation, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

Holes drilled from the surface of the land described in Article 2 of the contract penetrated uranium ore deposits in the upper part of the Salt Wash member of the Jurassic Morrison formation.

Dated: MAY 8 - 1957

/MMurphy/gla/izm 3-11-57

cc to: Operator
Ervin Olsen & Rhoda W. Olsen
Ray Wareham & Maribelle B. Wareham
Ray Wareham who signed for Earnest C. Wareham & Jeanne C. Wareham under a Power of Attorney
Lyman T. Brown & Catherine Brown
Contract Adm. & Audit Div.
DMA Field Oper, Reg. 3 (2)
Finance Office
Docket
Rare & Misc. Metals Div.
Admr.'s Leading File
Mr. Johnson
Operating Committee
Frank D. Lamb, Rm. 3608
THHillsgaard, Rm. 5224
Jesse C. Johnson, Director, Div. of Raw Materials, AEC
Mr. Murphy

THE UNITED STATES OF AMERICA

By C. Mitteudorf
Administrator, Defense Minerals
Exploration Administration

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

[illegible], President
[illegible] Mining Company
[illegible] 210, 222 [illegible] Boulevard
[illegible], California

MAY - 9 1957

Re: Project No. [illegible] (Prospector)
Contract No. [illegible]
[illegible] Plum Mine
[illegible] County, Utah

Dear Mr. Harley:

[illegible] by a certificate by the United States of America of a discovery or development under an exploration project contract." This certificate [illegible] all the land described in Article 2 of the project contract.

By the terms of the exploration project contract, as amended, and of the certification, all minerals mined or produced from March 2, 1957, to March 2, 19[illegible], are subject to the government's percentage royalty as set forth in the contract until the amount contributed by the government is repaid.

Payments should be made to Mr. [illegible] Hardman, [illegible] Receiving Officer, [illegible], 2nd [illegible] Interior Building, [illegible], Colorado. Checks should be payable to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the [illegible] Receiving Officer. Any bonus payments or allowances received by you from the sale of ore are considered to be a part of the purchase price on which the government's royalty applies. Royalty payments to the Government should be accompanied by suitable evidence, such as copy of settlement sheet, showing quantity and [illegible] of the minerals sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. Hardman of any change in ownership or operation which may have any effect on the Government's right to the [illegible] royalty. Also, if production comes at [illegible] in the [illegible] period, please notify Mr. Hardman at Grand Junction [illegible] Minerals [illegible] Laboratory, Grand Junction, Colorado.

Sincerely yours,

C. O. Hitteadal

cc to:
[illegible] Clem and Gloria L. Clem
[illegible] Arabella L. Arabian
[illegible] Arabian who signed for Arnold G. Arabian and Jeanne L. Arabian under a Power of Attorney
[illegible] Arabian and Arabella Arabian

Mr. L. M. Hardman
Acting Executive Officer
USGS Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. [illegible]-[illegible] (Uranium)
Contract No. [illegible]
Pacific Uranium Mines Company
Green River Claims
Emery County, Utah

Dear Mr. Hardman:

Enclosed for your files are two copies each of a certification of discovery or development issued on the subject property and the covering letter to the operator.

We find that the addresses of the owners have not been supplied this office. We are, therefore, attaching four date-stamped original letters, with distribution copies, to the following:

Ray Garaman and Marshalle C. Arnhart
Arvin Olsen and Kevin W. Olsen
Ray Garaman, Attorney-in-Fact for
Garnett C. Garaman and
Joyce C. Graham
Lyman F. Brown and Catherine Brown

You are requested to insert the correct address in the original and all copies of each letter, forward the original to the owner, and return all copies, except those allocated for the Field Team, to this office for distribution.

Sincerely yours,

George C. Seifridge

Chairman, Operating Committee

Enclosures

Frank D. [illegible]

Director, Bureau of Mines

Albert H. Ellingsgard

Director, Geological Survey

HMurphy/gla
1-25-57
cc to: Adm.'s Reading File
W. E. Johnson
Operating Committee
Frank D. Lamb, Rm. 3600
M. H. Ellingsgard, Rm. 5221
Contract Adm. & Audit Division
H. M. Murphy

Mr. James C. Johnson
Director, Division of Raw Materials
Atomic Energy Commission
Room 800
1717 H Street, N. W.
Washington 25, D. C.

Re: Docket No. [illegible]-2020 (Section)
Contract No. [illegible]-926
Pacific Uranium Mining Company
Green River Claims
Emery County, Utah

Dear Mr. Johnson:

I am enclosing one copy of a certification of discovery or development relative to the subject exploration contract.

The contract was dated March 9, 1956, with Government participation on the extent of 75 percent, in an exploration project estimated to cost $7,[illegible]00, Government share $5,[illegible]00. Project work under the contract has not been completed, therefore, the exact total cost of the project and the total amount of Government participation will not be known until such work is finished.

We will supply additional information for your records upon receipt of the final reports.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

CMurphy/ala
[illegible]-75-47
cc to: [illegible]'s Central File
V. [illegible] Johnson
Overall Condition
[illegible], No. 3[illegible]
[illegible], No. 3[illegible]
Contract Mr. [illegible]
[illegible] County
[illegible] Field Team, Region III (2)

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

APR 14 1959

Mr. Bernard M. Silbert, President
Pacific Uranium Mines Company
Suite 210, 292 South LaCienega Boulevard
Beverly Hills, California

Re: Docket No. DMEA-3928 (Uranium)
Pacific Uranium Mines Company
Green River Claims
Emery County, Utah
Contract No. Idm-[illegible]

Dear Mr. Silbert:

Reference is made to our letter of May 9, 1957, enclosing a certification of discovery or development covering the subject property.

Subsequent to this letter the Government's percentage royalty period was extended to March 9, 1968, by Amendment No. 5, dated October 28, 1957. In accordance with our final audit pertaining to the subject contract, the amount which is repayable by your company through royalty on production is $22,656.14. Payments should be made in accordance with the instructions contained in the above-mentioned letter except that checks should be made payable to the Office of Minerals Exploration and sent to the Executive Officer at 224 New Customhouse Building, Denver 2, Colorado.

Sincerely yours,

Frank E. Johnson

Acting Director

cc: T. S. Ary, Manager of Exploration
Union Carbide Nuclear Company
P. O. Box 1049, Grand Junction, Colorado

Ray Wareham and Maribelle B. Wareham, Ferron, Utah

Ray Wareham, Attorney in Fact for Earnest C. Wareham and Jeanne C. Wareham, Ferron, Utah

Ervin Olsen and Rhoda W. Olsen, Ferron, Utah

Lyman P. Brown and Catherine J. Brown,
c/o Ray Wareham, General Delivery, Ferron, Utah

FMurphy/gla 4-10-59
cc: Director's Reading File
FEJohnson
Operating Committee
D. V. of Contract Adm. & Audit
Frank D. Lamb, Rm. 3608
TMilligard, Rm. 5224
OME Field Team, Region III (2)
FMurphy

800

Ray Lerohan and Marinella L. Lerohan
Ferron, Utah

MAY - 8 1957

Re: Project No. [illegible]-3078 (Uranium)
Contract No. [illegible]-936
Pacific Uranium Mines Company
Green River Claims
Emery County, Utah

Dear Mr. and Mrs. Lerohan:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Contract to Lease signed by you on February 17, 1956. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transfers or leases of any part of your interest in the land or the production therefrom.

Sincerely yours,

[illegible]

Administrator

Enclosures

Pilturby/gla
1/25/57
cc to: Admr.'s Pending File
F. L. Johnson
Operating Committee
Frank L. Lamb, Rm. 3008
V. I. Killingsard, Rm. 5221
Field Team, Region III (2)
Contract Adm. & Audit Division
F. M. Purity

Irvin Olsen and Maria L. Olsen
Ferron, Utah

Re: Docket No. [illegible] (Uranium)
Contract No. [illegible]
Pacific Uranium Mines Company
Green River Claims
Emery County, Utah

Dear Mr. and Mrs. Olsen:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Consent to Lien signed by you on February 17, 1956. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and we also advance notice of the Government's rights to any transference or lease of any part of your interest in the land or the production therefrom.

Sincerely yours,

[illegible]

Administrator

Enclosures

FMurphy/gla
1/25/57
cc to: Admr.'s Reading File
F. M. Johnson
Operating Committee
Frank [illegible]Lamb, Rm. 3[illegible]
T. F. Killegaard, Rm. 5 22[illegible]
Field Team, Region III (2)
Contract Chg. Audit Division
F. M. Murphy

MAY - 9 1957

Mr. Ray Marsham
Attorney-in-Fact for
Harrest C. Marsham and Jeanne C. Marsham
Ferron, Utah

Re: Docket No. DIA-3928 (Uranium)
Contract No. Ind-1926
Pacific Uranium Mines Company
Green River Claims
Emery County, Utah

Dear Mr. Marsham,

Enclosed is a copy of a certification of discovery or development, with copy of covering letter to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Consent to Lien signed by you on February 17, 1956, on behalf of Harrest C. Marsham and Jeanne C. Marsham. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

C.D. Whitney

Administrator

Enclosures

FMMurphy/gla
4/25/57
cc to: Admr.'s Reading File
F. E. Johnson
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Killegaard, Rm. 5221
Field Team, Region III (2)
Contract Adm. & Audit Division
F. M. Murphy

MAY - 9 1957

Lyman F. Brown and Katherine Brown
Ferron, Utah

Re: Docket No. U-A-320 (Uranium)
Contract No. Ut-026
Pacific Uranium Mine Company
Green River Claims
Emery County, Utah

Dear Mr. Brown:

Enclosed is a copy of a certificate of discovery or development, with copy of covering letter to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Contract to which signed by you on February 17, 195[illegible]. The Government's prior lien on the land and upon any mineral in place will continue in existence for the term of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to refrain from and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give adverse notice of the Government's rights in any transfer or lease of any part of your interest in the land or the production therefrom.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures

Murphy/rla
1-25-57
cc to: Adm.'s Reading File
F. L. Johnson
Operation Committee
Frank D. Lee, Rm. 3608
J. H. Degnan, Rm. 5224
Field Room, Region III (2)
Contract Adm. Audit Division
F. W. Murphy

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

DEC 5 1958

Mr. Bernard M. Gilbert, President
Pacific Uranium Mines Company
Suite [illegible], [illegible] S. Lacienega Blvd.
Beverly Hills, California

Re: Docket No. DMA-[illegible] (Uranium)
Contract No. [illegible]
Green River Claims
Emery County, Utah

Dear Mr. Gilbert:

Reference is made to Mr. J. W. Tennant's letter of September 15, 1958, addressed to Union Carbide Nuclear Company with a copy to you, relating to submission of certain data required by this agency before an approval of the assignment of the subject contract could be effective. These data have not been received to date.

As you know, work on the project has been suspended since August 20, 1958. In our opinion sufficient time has been allowed for your company and Union Carbide to make the necessary arrangements and comply with our requirements in this case. Therefore, we regret to inform you that the above-referenced contract is terminated effective August 20, 1956, in accordance with the provisions of Amendment No. 5, Item 4(a)(1), to the contract.

Kindly promptly perform all winding-up and settlement actions provided for in the contract, including the rendering of a final report and final account to Mr. J. W. Tennant, Executive Officer, OME Field Team, Region III, [illegible] New Customhouse Building, Denver 2, Colorado.

The Office of Minerals Exploration is the successor agency to the Defense Minerals Exploration Administration.

Sincerely yours,

Frank E. Johnson

Acting Director

FMurphy/gln/eef
12/3/58
cc to: Director's Reading File
Operating Committee
[illegible]
FMurphy
Div. of Contract Adm. & Audit
OME Field Team, Region III (2)

Union Carbide Nuclear Co.
P. O. Box [illegible], Grand Junction, Colo.

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 18 1957
DATE | INITIALS | CODE
11/18 | gf | 220
800

Audit copy

EXPLORATION PROJECT CONTRACT
PACIFIC URANIUM COMPANY
DOCKET NO. DMEA-3928

AMENDMENT NO. 5

It is agreed this 28th day of October, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Pacific Uranium Mines Company, hereinafter called the "Operator," that Exploration Project Contract No. Idm-E926, Docket No. DMEA 3928, dated March 9, 1956, as amended, hereinafter called the "Contract," is further amended effective September 30, 1957, as follows:

1. (a) Work under the Contract shall be further suspended during the period beginning September 30, 1957, and ending not later than March 30, 1958.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government will not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

(c) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The time fixed for the completion of the work in Amendment No. 4 is extended from December 9, 1957, to September 30, 1958.

3. The maximum period for royalty payments and lien to secure the payment thereof provided for in Article 8(b)(2) of the Contract is extended to 12 years.

4. It is the essence of this Contract that the work be resumed before the termination of the period herein fixed for suspension, and be completed before the termination of the period fixed for completion; and if it is not so resumed and completed, in the manner required by the Contract, the following provisions shall thereupon become effective:

(a) The Contract and all obligations of the parties thereunder, except as hereinafter otherwise provided shall be and are hereby terminated as follows:

(1) Effective August 30, 1956, if the work has not been resumed on or before March 30, 1958.

(2) Effective September 30, 1958, if the work is resumed by March 30, 1958, but is not completed by September 30, 1958.

(b) The Government will contribute only to allowable costs incurred prior to the relevant effective date set forth in 4(a) above.

(c) The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

(d) All rights of the Government provided for in the Contract with respect to a certification of discovery or development, percentage royalty and liens for its payment, records, audits, and recovery of any overpayment, are preserved.

(e) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this Amendment.

This Amendment shall not be construed to

increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the amount of any item designated as "maximum," nor the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank P. Johnson
ACTING Administrator, Defense Minerals
Exploration Administration

MINES
PACIFIC URANIUM/COMPANY

By Bernard M. Siebert

Title President

OFFICIAL FILE COPY
Audit copy DMEA
RECEIVED APR 22 1957
DATE | INITIALS | CODE
800

EXPLORATION PROJECT CONTRACT
PACIFIC URANIUM MINES COMPANY
DOCKET NO. DMEA-3928

AMENDMENT NO. 4

It is agreed this 18th day of March, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Pacific Uranium Mines Company, that Exploration Project Contract No. Idm-E926, Docket No. DMEA-3928, dated March 9, 1956, as amended, hereinafter called the "Contract," is further amended effective August 30, 1956, as follows:

1. Work under the Contract shall be suspended during the period beginning August 30, 1956, and ending not later than September 30, 1957.

2. In Article 3, the date fixed for completion of the work is further extended from March 1, 1957, to December 9, 1957.

3. In Article 8(b)(2), the period "eleven years" is substituted for the period "ten years."

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, or any item of allowable cost which is expressly designated as "maximum."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. J. Mitchell
Administrator, Defense Minerals
Exploration Administration

PACIFIC URANIUM MINES COMPANY

By Irving Klubok
Title Asst Treas

DMEA
DEPARTMENT OF THE INTERIOR
MAR 12 1957
REGION III
DENVER, COLORADO

March 11, 1957

EXTRA COPY
D M E A
RECEIVED APR 22 1957

DATE	INITIALS	CODE

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 3928 (Uranium)
Contract No. Idm-E926
Pacific Uranium Mines Company
(Red, Ajax, and Wills claims)
Emery County, Utah

Dear Mr. Harshman:

In reference to your letter of March 6, 1957 requesting information on work done under DMEA contract 3928, we are forwarding the following data.

1. The last work performed on the property was completed on August 29, 1956.
2. The date on or before which work will be resumed is September 30, 1957.

Sincerely Yours,

RLR/jhv

ENC. Orig. & 5 cc

Robert L. Redmond
Chief Geologist
Pacific Uranium Mines Co.

COPY

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

800

224 New Customhouse
Denver 2, Colorado

January 7, 1957

Mr. Robert L. Redmond, Chief Geologist
Pacific Uranium Mines Company
1924 White Avenue
Grand Junction, Colorado

Re: Docket No. DMEA 3908 (Uranium)
Contract No. Idm-[illegible]
Pacific Uranium Mines Company
(Red, Ajax, and Wills claims)
Emery County, Utah

Dear Mr. Redmond:

In reference to a request by M . Hugh W. Evans, dated October 12, 1956, this constitutes confirmation of verbal approval by the Government on November 23, 1956 for you to drill the following offset holes under Stage III of the Contract:

Holes to be Offset	Approved Stage III Offset Holes
G-16	E-1 and E-2
G-34	E-29
E-6	E-3, E-4, E-5, and E-6
D-9	E-7, E-9, and E-12
D-11	E-8, E-10, and E-13
D-12	E-14 and E-16
M-15	E-17, E-20, E-21, and E-25
D-16	E-18, E-22, and E-26
M-14	E-19 and E-27
D-19	E-28.

The locations of the above listed offset holes are indicated by the symbol (+) on the map entitled, "Figure 1.-Northeast Part of Pacific Uranium Lease Showing Existing Drill Holes and Proposed Stage III Drill Holes, Red Nos. 1-5, Ajax No. 21, and Ajax Fraction No. 21 Claims, Green River District, Emery County, Utah," which is attached hereto and made a part of this confirmation of work approval.

Nothing in this confirmation of work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Very truly yours,

DNEA Field Team, Region III

W. M. Traver

W. M. Traver

E. M. Hershman

E. M. Hershman

Enclosure

JWT:prl

cc: Chairman, Op. Comm. (4)
Finance Office, Reg. III
Amendment file, Reg. III
Hershman
Shaw (2)
Hasler
Townsend
Corres. file
Chron.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 360
Grand Junction, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
NOV 15 1956
REGION III
DENVER, COLORADO

MINERAL DEPOSITS
DMEA
RECEIVED
NOV 13 1956
GEOLOGICAL SURVEY
DENVER, COLORADO

Memorandum

November 7, 1956

To: Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman
J. F. Shaw
J. William Hasler

From: F. M. Byers, Jr.,
M. H. Salsbury

Subject: Interim report, docket No. DMEA 3923 (Uranium), contract Idm-E 926, Pacific Uranium Mines Company, (Red, Ajax, and Wills claims). Recommendations for stage III drilling and amendments to contract.

The operator has requested, on October 12, 1956, authorization to drill 26 stage III holes as offsets to ore-bearing or mineralized stage I or II holes. He also requested a 90-day extension and three additional amendments to the contract; namely, to drill two offsets to company ore hole G-16, to offset stage III holes with additional "secondary" stage III offset holes, and finally to transfer 863 feet of unused core footage from stage II to stage III. In a memorandum dated October 19, the Field Team advised Mr. Hasler that the latter two requests for amendments would have to be decided in Washington, D. C., and that they should be deferred until drilling had been completed under the contract.

The purpose of this memorandum is to recommend a stage III program, including two amendments: one to extend the contract period and the other to offset company holes. If these two amendments can be acted upon in conjunction with the work approval of stage III drilling, we believe the DMEA contract can be completed without further amendment.

The assay and probe results of mineralized stage II DMEA holes and certain critical company holes are given in table I.

The location of 22 stage III holes recommended by the examining team are shown on figure 1 and listed below:

Holes to be offset	Stage III offset holes
D-6	E-3, E-4, E-5, and E-6
D-9	E-7, E-9, and E-12
D-11	E-8, E-10, and E-13
D-12	E-14* and E-16*
M-13	E-17, E-20, E-21, and E-25
D-16	E-18, E-22, E-26
M-14	E-19 and E-27
D-19	E-28

Three holes proposed by the operator and one by the examining team are recommended to be deferred until the above stage III holes have been drilled and the results of drilling evaluated. The four holes to be deferred for the present are shown on figure 1 and listed below as follows:

E-11 (too deep, off the ore trend, and too near semifavorable hole M-10)

E-23 (off ore trend, many holes to west will test this area adequately)

E-24 (5 offset to ore hole M-13)

E-15* (off trend; too near semifavorable hole M-11)

---

* Omitted on map submitted by operator, but listed in his request. Verification of locations checked with operator's engineer.

One or more ore-bearing stage III holes adjacent to the above proposed deferred holes should be sufficient justification to permit the operator to drill them under DMEA, provided that stage III footage is available.

In regard to the extension of the contract for six months instead of the 90 days originally requested by the operator, the Executive Officer has already answered this in a letter to the operator dated November 5, 1956. The 90-day extension is of course necessary because the expiration date of the contract as written is December 1, 1956. It is apparently the operator's intention not to start any stage III drilling until after January 1, 1957.

We believe that the operator's requested amendment 3; namely, to offset non-DMEA company holes with stage III holes, is justified. In fact, this proposal was recommended by the examining team in the original report of examination (pp 21-22) but was never made a part of the DMEA contract. Therefore, an amendment to the contract is recommended to allow the following offsets of company holes (see fig. 1):

Company hole	Stage III offset
G-16	E-1 and E-2
G-34	E-29*

The company hole G-16 contained an average of 1.10 percent U_3O_8 through a 2.4-foot thickness (see table 1). G-34 is only mineralized but the presence of three strong ore holes 50 to 100 feet southerly enhances the possibility of penetrating a northeasterly extension of the ore already discovered in D-19; G-35 and G-33.

The stage III program of 29 holes recommended herein is predicated on a known northeasterly (N. 30-50° E) elongation of ore bodies parallel to the trend of the favorable ground. Because of this elongation, gained from study of the ore deposits in the district, one hole has been added and four holes deferred, possibly eliminated, by the examining team. The program proposed herein including the deferred holes will probably use up all the core footage (1200 feet) allotted for stage III.

It is contemplated that this stage III program, including the amendment proposed herein, should sufficiently explore the property and that no further work will be needed nor requested by the operator. Mr. Hugh W. Evans, engineer for Pacific Uranium, verbally agreed to the above modifications of his proposal in a telephone conversation November 1.

---

* Added by examining team

F. M. Byers, Jr.

F. M. Byers, Jr.,
Geological Survey

M. H. Salsbury

M. H. Salsbury,
Bureau of Mines

FMB/mlr
Enclosures (Fig. 1)

Table 1.-- Data on mineralized DMEA stage II holes and pertinent company holes (Data on stage I holes in our memorandum to Executive Officer dated June 21)

Drill hole	Footage interval	Feet	%U_3O_8	%V_2O_5	Footage interval	Feet	U_3O_8
G-16	441.5-442.0	0.5	0.06	tr.			
	442.0-442.5	0.5	1.07	2.0			
	442.5-443.0	0.5	2.39	4.1			
	443.0-443.5	0.5	1.75	5.0			
	443.5-443.9	0.4	0.05	tr.			
M3	223.8-224.8	1.0	0.09	0.38	226.3-227.3	1.0	0.11
	224.8-225.8	1.0	0.04	0.18			
M9	320.0-321.1	1.1	0.07	0.02	320.3-321.0	0.7	0.42
					323.3-324.1	0.8	0.04
M-13	215.0-216.0	1.0	1.48	3.6	218.5-219.3	0.8	1.1
	225.5-225.8	0.3	0.44	0.0			
M-14	248.8-249.3	0.5	0.03	0.06	249.2-250.2	1.0	0.38
	249.3-250.3	1.0	0.50	tr.			
M-15					242.9-243.7	0.8	0.02
G-33						1.6	0.64 1/
G-34					No data*	-	mineralized
G-35					112.1-116.6	4.5	0.40
					159.1-161.8	2.7	0.28
G-36					No data*	-	mineralized

* From either AEC or operator

800

EXPLORATION PROJECT CONTRACT
PACIFIC URANIUM MINES COMPANY
DOCKET NO. DMEA 3928
CONTRACT NO. Idm-E926

AMENDMENT NO. 3

It is agreed this 20th day of November, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Pacific Uranium Mines Company, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E926, Docket No. DMEA 3928, dated March 9, 1956, hereinafter called the "Contract," that:

1. Referring to Exhibit "A", caption "Description of the Work," subheading "Stage III," the first paragraph is changed to read as follows:

   "Stage III shall consist of drilling not in excess of forty (40) offset holes at locations not less than 100 feet from those holes drilled under Stage I and Stage II of the contract or other drilled holes in which ore or significant mineralization was found."

2. The date fixed in Article 3, on or before which the work is to be completed, is extended from December 1, 1956 to March 1, 1957.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Executed in sextuplicate the day and year first above written.

PACIFIC URANIUM MINES COMPANY

By George Klubot

Sec Treasurer
Title

(Seal)

UNITED STATES OF AMERICA

By E M Hashman

Act. Executive Officer, DMEA
Field Team, Region III

Government's Copy

RECEIVED
JUL 23 1956

EXPLORATION PROJECT CONTRACT
PACIFIC URANIUM MINES COMPANY
DOCKET NO. DMEA-3928

Amendment No. 2

It is agreed this 25th day of June, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Pacific Uranium Mines Company, parties to that certain Exploration Project Contract No. Idm-E926, Docket No. DMEA-3928, dated March 9, 1956, that the Contract is amended, effective June 1, 1956, as follows:

1. In Exhibit "A" under the heading Description of the Work, the following changes are made:

(a) The first sentence of the first paragraph of Stage I is deleted and the following sentence is substituted: "Stage I shall consist of drilling not in excess of thirty-one (31) holes, totaling an estimated 7,200 feet of non-core and 2,480 feet of core drilling."

(b) The following sentence is added to the last paragraph of Stage I: "Not in excess of 20 hours of bulldozer work shall be performed on access roads or drill sites."

(c) The following sentence is added to the last paragraph of Stage II: "Not in excess of 80 hours of bulldozer work shall be performed on access roads or drill sites."

(d) The following sentence is added to the last paragraph of Stage III: "Not in excess of 61 hours of bulldozer work shall be performed on access roads or drill sites."

2. In Exhibit "A", under the heading Estimated Costs of the Project, all the words and figures are deleted and the following is substituted:

Estimated Costs of the Project

Stage I

Actual Costs

Category (1) Independent Contracts 1/

7,200 feet non-core drilling @ $1.50/ft.	$10,800.00
2,480 feet core drilling @ $3.50/ft.	8,680.00

Bulldozing access roads and drill sites, 20 hours @ $11.00/hr.	$ 220.00	$19,700.00
Fixed Unit Costs		
Incidental allowance 2/ for each foot of drilling completed, 9,680 feet @ $0.125/ft.	1,210.00	
Chemical analyses for U_3O_8 and V_2O_5, 30 Samples @ $5.00 each	150.00	1,360.00
Estimated Total Cost Stage I		$21,060.00
Stage II		
Actual Costs		
Category (1) Independent Contracts 1/		
13,000 feet non-core drilling @ $1.50/ft.	$19,500.00	
2,000 feet core drilling @ $3.50/ft.	7,000.00	
Bulldozing access roads and drill sites, 80 hours @ $11.00/hr.	880.00	27,380.00
Fixed Unit Costs		
Incidental allowance 2/ for each foot of drilling completed, 15,000 feet @ $0.125/ft.	1,875.00	
Chemical analyses for U_3O_8 and V_2O_5 45 Samples @ $5.00 each	225.00	2,100.00
Estimated Total Cost Stage II		39,480.00
Stage III		
Actual Costs		
Category (1) Independent Contracts 1/		
10,800 feet non-core drilling @ $1.50/ft.	16,200.00	
1,200 feet core drilling @ $3.50/ft.	4,200.00	
Bulldozing access roads and drill sites, 61 hours @ $11.00/hr.	671.00	21,071.00

Fixed Unit Costs

Incidental allowance 2/ for each foot of drilling completed, 12,000 feet @ $0.125/ft.	$ 1,500.00	
Chemical analyses for U_3O_8 and V_2O_5, 39 Samples @ $5.00 each	195.00	$ 1,695.00
Estimated Total Cost Stage III		$22,766.00

SUMMARY

Estimated Total Cost Stage I	$21,060.00	
Estimated Total Cost Stage II	29,480.00	
Estimated Total Cost Stage III	22,766.00	
Estimated Total Cost of Project		$73,306.00
Government Participation @ 75% (rounded)		$54,980.00

1/ Categories (2) through (7) do not apply to this contract.
2/ Includes all costs whatsoever (chemical analyses excepted) that are not included under "Independent Contracts" and includes such items as supervision, radiometric logging of holes, etc., which would otherwise be allowable under Categories (2) through (7) of the contract form.

* * * * * * * * * * * * * * *

3. In Article 5 of the contract, the figures "$73,840.00" and "$55,380.00" are deleted, and the figures "$73,306.00" and "$54,980.00," respectively, are substituted therefor.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By O P Mitteneors
Administrator, Defense Minerals
Exploration Administration

PACIFIC URANIUM MINES COMPANY

By Jerry Klubok

Title Secretary Treasurer

MINERAL DEPOSITS
DMEA
RECEIVED
JUN 25 1956

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 300
Grand Junction, Colorado

RECEIVED
JUL 23 1956
DMEA
Date Rec'd.
JUL 3 1956
BUREAU OF MINES
Denver, Colorado

June 22, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: J. H. Harrison
J. F. Shaw
J. William Mecklenburg

From: F. M. Byers, Jr.,
M. H. Salisbury

Subject: Interim report recommending stage II drilling, DMEA docket 3928 (uranium), contract Ida-E 926, Pacific Uranium (Green River property), Emery County, Utah.

DMEA stage I drilling has been completed by Pacific Uranium Mines, Inc., on their leased claims in the Green River district. Thirty-one of the 34 proposed stage I holes have been drilled. Five holes penetrated mineralized sandstone of ore-grade (1 foot of 0.10 percent of U_3O_8 or better), and seven holes penetrated weakly mineralized rock of sub-ore grade. All the mineralized holes occur in the semi-favorable to favorable ore-bearing Salt Wash sandstone in the northwestern part of the property (fig. 1), where 15 stage II holes, designated M-1 to M-15, are proposed by Mr. Hugh W. Evans, engineer for Pacific Uranium. A request for stage II as outlined herein is being submitted by the operator.

The 15 proposed stage II holes are not to be regarded solely as offsetting, mineralized stage I holes; rather the stage II holes are recommended on the basis of the general association of the mineralized holes with the semi-favorable to favorable ground. The original intent of the combined stage I and stage II drill hole pattern was to explore favorable ground on a 200 by 400-foot grid, the long orientation of the grid being parallel to the northeasterly trend of known ore bodies in the favorable ground.

U. S. Geological Survey probe results of five DMEA ore-bearing holes and of one hole, C-39, drilled originally by Pacific Uranium, are shown in table I.

Table I

Drill hole	Depth (feet)	Thickness (feet)	Grade eU_3O_8
D-6	300.2 - 301.5	1.3	1.05
D-9	234.0 - 235.0	1.0	0.50
	235.0 - 235.9	0.9	0.36
D-11	363.6 - 364.9	1.3	0.50
	366.7 - 367.6	0.9	0.03
	369.3 - 371.2	1.9	0.03
D-12	219.4 - 220.6	1.2	0.40
	220.6 - 221.5	0.9	0.03
	221.5 - 222.6	1.1	0.18
D-19	104.0 - 104.8	0.8	0.29
	104.8 - 107.0	2.2	0.03
	107.0 - 108.0	1.0	5.0
	108.0 - 109.1	1.1	1.5
	152.0 - 152.9	0.9 (lower zone)	0.43
G-35	112.1 - 113.6	1.5	0.38
	113.6 - 115.7	2.1	0.07
	115.7 - 116.6	0.9	1.2
	159.1 - 160.5	1.4 (lower zone)	0.16
	160.5 - 161.8	1.3 (lower zone)	0.41

Core from hole D-19 assayed 0.78 U_3O_8 over a thickness of five feet in the upper ore zone.

Because of the association of the 12 mineralized stage I holes in the favorable ground in the northwestern part of the property, it is recommended that the 15 stage II holes be drilled in this area (fig. 1) in order to complete a 200 by 400-foot grid spacing. Inasmuch as 25 stage II holes will not be drilled, ample footage of both core and non-core drilling is available. Footage estimates of the 15 proposed stage II holes are given in table 2. Maximum allowable footages for stage II in the contract are 13,000 feet of non-core and 2,000 feet of core drilling.

Table 2.-- Estimated footages of proposed stage II holes

Drill hole	Non-core footage	Average core footage
M-1	320	80
M-2	380	80
M-3	210	80
M-4	250	80
M-5	300	80
M-6	360	80
M-7	200	80
M-8	240	80
M-9	300	80
M-10	350	80
M-11	200	80
M-12	240	80
M-13	210	80
M-14	240	80
M-15	220	80
Totals	4,020	1,200 feet

F. M. Byers, Jr.
F. M. Byers, Jr.
U. S. Geological Survey

M. H. Salsbury
M. H. Salsbury
U. S. Bureau of Mines

FMB/mlr

Enclosure (fig. 1)

John D. Kellogg, Director
Robert L. Rudnick, President
Main Office: Los Angeles

PACIFIC URANIUM MINES

RECEIVED
JUL 23 1956

If approval is received prior to July 3, 1956, the contemplated commencement Stage II drilling on that date.

Yours truly,

Hugh [illegible]
Chief [illegible]

MJE:EOC

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

RECEIVED
JUL 23 1956

[illegible] New Continental
Denver 2, Colorado

July 13, 1956

Mr. Hugh V. Evans, Chief Engineer
Pacific Uranium Mines Company
[illegible] White Avenue
Grand Junction, Colorado

Re: Contract [illegible] (Uranium)
Contract [illegible]
Pacific Uranium Mines Company
Emery County, Utah

Dear Mr. Evans:

Consistent with provisions in the contract relative to Stage II work, this constitutes confirmation of verbal approval by the Government on July 5, 1956 for you to drill the following listed holes under Stage II of the Contract:

APPROVED STAGE II HOLES

Drill Hole	Collar Elevation (Approx.)	Estimated Measure (Ten Feet)	Estimated Depth Core	Estimated Total
U-1	4400	270	80	350
U-2	4400	360	80	440
U-3	4420	170	80	250
U-4	4405	280	80	360
U-5	4420	270	80	350
U-6	4440	360	80	440
U-7	4410	160	80	240
U-8	4400	200	80	280
U-9	4405	255	80	335
U-10	4390	360	80	440
U-11	4415	180	80	260
U-12	4400	200	80	280
U-13	4405	185	80	265
U-14	4395	190	80	270
U-15	4395	220	80	300
TOTALS		3980	1200	5180

The above listed holes are shown on the map entitled, "Figure 1. Map Showing Existing Drill Holes, Proposed Stage II RFC Drilling, Juneau No. 1, Red, Ajax and Willis Groups of Claims, Pacific Uranium Mine Company, Ferry County, Wash," which is attached hereto and made a part of this work approval.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, or any item of allowable cost which is expressly designated "maximum."

Very truly yours,

RFC Field Team, Region III

W. M. Weaver

W. M. Zeber

E. H. Hardman

E. H. Hardman

Enclosure

JWT:prl

cc: Chairman, Oper. Comm. (4)
Finance Office, Region III
Amendment file
Hardman
Hasler
Shaw (2)
Townsend
Contrac. file
Chron.

W.O.

RECEIVED

JUN 25 1956

EXPLORATION PROJECT CONTRACT
PACIFIC URANIUM MINES COMPANY
DOCKET NO. DMEA 3928
CONTRACT NO. IDM-E926

AMENDMENT NO. 1

It is agreed this 1st day of June, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Pacific Uranium Mines Company, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E926, Docket No. DMEA 3928, dated March 9, 1956, hereinafter called the "Contract," that the Contract is amended as follows:

In lieu of drilling thirty-four (34) holes, Nos. D-1 through D-34, under Stage I at the approximate locations shown on the map, "Figure 3", referred to in the Contract, certain holes will be omitted and other holes drilled at revised locations, as follows:

(1) Holes Nos. D-23, D-26, and D-29 will not be drilled.

(2) Holes Nos. D-14, D-17, and D-18 will not be drilled at the locations shown on "Figure 3" referred to above, but instead will be drilled at the revised locations indicated by the symbol "X" and as numbered D-14-B, D-17-B, and D-18-B on the map entitled, "Figure 1. Locations of Alternate Proposed Stage I Drill Sites and Stage I Holes Drilled to Date, Pacific Uranium Company, Emery County, Utah," which is attached hereto and made a part of this Amendment.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Executed in sextuplet the day and year first above written.

PACIFIC URANIUM MINES COMPANY

By _____

Title _____

(Seal)

UNITED STATES OF AMERICA

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

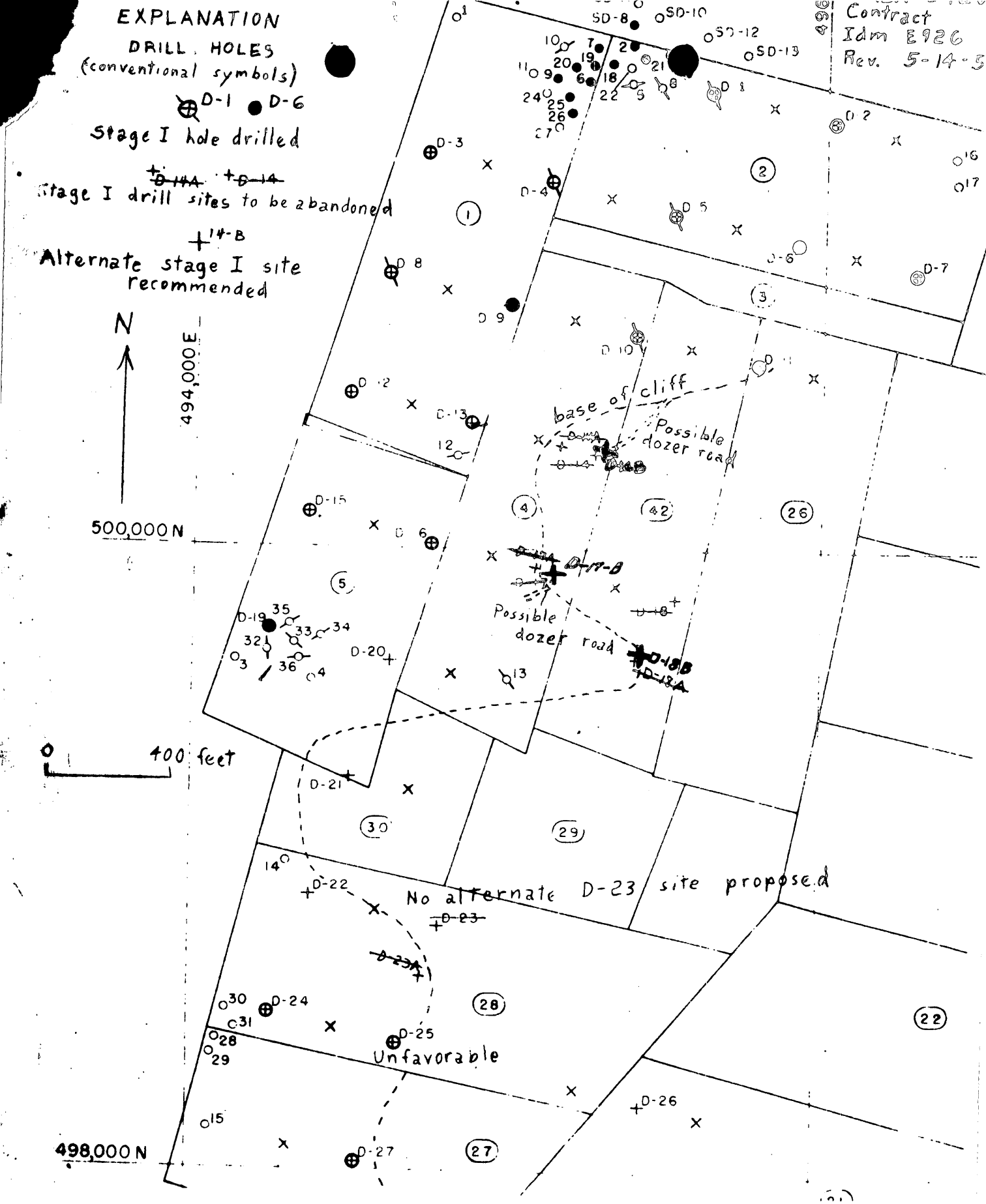


FIGURE 1. LOCATIONS OF ALTERNATE PROPOSED STAGE I DRILL SITES AND STAGE I HOLES DRILLED TO DATE, PACIFIC URANIUM PROPERTY, EMERY COUNTY, UTAH

MME Form 14
Sept. 1958

Contract No. Idm-E) 14-23) ~~926~~

Docket No. DMEA) MME) ~~3928~~

Date of Action ~~April 14, 1959~~
Terminated Contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Accounts Section, Finance Branch, Bureau of Mines

From: Director, Division of Operations Control and Statistics

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:

Pacific Uranium Mines Company
122½ South Vermont Avenue
Los Angeles 4, California

Date of Contract	Region	State	Commodity
March 9, 1956	**III**	**Utah**	**Uranium**

	Reserve	Obligation
Prior Amount	0	$54,980.00
Increase	0	0
Decrease	~~0~~	~~32,323.86~~
Revised Amount	0	22,656.14

Remarks:

cc: 800
210

43244

Contract No. Idm-E 926

Docket No. 3928

DEPARTMENT OF THE INTERIOR **Executed amendment**

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
March 9, 1956	**III**	**Utah**	**Uranium**

Name and Address of Operator: **Pacific Uranium Mines Company**
122½ South Vermont Avenue
Los Angeles 4, California

	Reserve	Obligation
Prior Amount	0	$55,380.00
Increase	0	0
Decrease	0	400.00
Revised Amount		$54,980.00

Remarks:

(Name)
Robert E. Adams, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 7/23/56

98963

Governm[illegible]'s Copy

MF-200
(Revised June 1954)

Docket No. DMEA 3928

Commodity Uranium

Contract No. Idm-E 926

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

It is agreed this MAR 9 1956 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Pacific Uranium Mines Company, a Nevada corporation, whose mailing address is 122½ South Vermont Avenue, Los Angeles 4, California, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and maps, Figure 2 and Figure 3.

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Utah, County of Emery, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] sub-lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] sub-lease, [7] recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: royalty of 15% of "net mill returns" payable to original lessors

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

of the land (lessor, seller, optionor, etc.), are attached, as follows: Owners' Consent to Lien

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium The work to be performed is described in Exhibit "A." The Operator on or before April 15, 1956, shall commence the work, and on or before December 1, 1956 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A."

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $73,840.00 The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $55,380.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work. **And see Article 13.**

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 9.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and related costs incurred.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value therof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13. *Changes and added provisions.*—
To the extent that costs are set forth in Exhibit "A" as "Fixed Unit Costs" they are in lieu of the actual costs that otherwise would be estimated and allowable under the provisions of Article 6 of this contract.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitterdorf
Administrator, Defense Minerals
Exploration Administration

PACIFIC URANIUM MINES COMPANY
(Operator)

By A. E. Hurley

Title PRESIDENT

I, IRVING KLUBOK, certify that I am the secretary of the corporation named as Operator herein; that A E HURLEY who signed this contract on behalf of the Operator, was then PRESIDENT of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Irving Klubok

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

EXPLORATION PROJECT CONTRACT
PACIFIC URANIUM MINES COMPANY
DOCKET NO. DMEA-3928

ANNEX I

The land referred to in Article 2 of the Contract consists of 40 full-size lode mining claims and 14 fractional lode mining claims, all unpatented, Notices of Location of which are recorded in the office of the County Recorder, Emery County, Utah, as follows:

Claims	Book No.	Page No.	Date of Recording
Ajax Nos. 1-22 incl.	J-70	37-41, 47-56, 60-66, incl.	12/10/1954
Wills Nos. 1-9 incl.	J-70	57, 58, 70-76 incl.	12/10/1954
Jeannie No. 1	J-70	59	12/10/1954
Ajax Nos. 23-25 incl.	J-54	112-114 incl.	10/4/1954
Ajax Fraction No. 1	J-71	240	12/11/1954
Ajax Fractions Nos. 2-5 incl.	J-70	33-36 incl.	12/10/1954
Ajax Fractions Nos. 6-8 incl.	J-70	67-69 incl.	12/10/1954
Ajax Fractions Nos. 9, 13, 14, 21	J-71	241-244 incl.	12/11/1954
Wills Fractions Nos. 6, 9	J-71	245-246 incl.	12/11/1954
Red Nos. 1-5 incl.	J-70	42-46 incl.	12/10/1954

The above-described claims are situated in secs. 22, 26, 27, 34, and 35, T. 21 S., R. 14 E., S.L.B.M., and are shown on the map entitled "Figure 3 - Map Showing Existing Drill Holes, Proposed Stage I and Stage II DMEA Drilling, Jeannie No. 1, Red, Ajax, and Wills Groups of Claims, Pacific Uranium Mines Company, Emery County, Utah," attached hereto and made a part hereof.

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Pacific Uranium Mines Co.
Docket No. DMEA- 3928
Contract No. Idm-E- 926
Contract Date MAR 9 1956

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CONSENT TO LIEN

RECEIVED
FEB 28 1956

To the United States of America:

Referring to that ~~certain~~ those certain unpatented lode mining claims situate land in the County of Emery State of Utah, described as follows: 1/ Red No. 1 to 5 inclusive, ~~and Red Claim No. 6~~ Com. of Ut Ajax No. 1 to Ajax No. 25, inclusive; Ajax Fraction No. 1 to Ajax Fraction No. 9, inclusive; Ajax Fraction Nos. 13, 14, and 21; Wills No. 1 to Wills No. 9, inclusive, Wills Fraction Nos. 6 and 9; Jeannie No. 1. All of said claims are situate in portions of sections 22, 26, 27, 34, and 35 in T. 21 S., R. 14 E., and are shown on map, Fig. 3, attached to proposed exploration project contract to which reference is hereby made for a more complete description.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract; 2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following: 3/

Royalty on production as specified in certain mineral leases, dated August 18, 1954, wherein Haile Mines, Inc., a Delaware Corporation, a predecessor in interest of Pacific Uranium Mines Company, applicant for proposed exploration project contract, is Lessee.

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: None.

Dated this 17 day of Feb., 1956.

[Seal]	Ray Wareham [Seal]	Jeanne C. Wareham by Ray Wareham [Seal]
Ervin Olsen	Ray Wareham	Jeanne C. Wareham
[Seal]	Maribelle B. Wareham [Seal]	Lyman P. Brown [Seal]
Rhoda W. Olsen	Maribelle B. Wareham	Lyman P. Brown
	Earnest C. Wareham by Ray Wareham [Seal]	Catherine J. Brown [Seal]
	Earnest C. Wareham	Catherine J. Brown

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

[Corporate Seal]

Sworn to before me a Notary Public in and for the County of Grand, State of Colorado, this 23rd day of February 1956, by Ray Wareham, Maribelle B. Wareham, Ernest C. Wareham by Ray Wareham, Jeanne C. Wareham by Ray Wareham, Lyman P. Brown and Catherine J. Brown in my office in Kremmling, Colorado,

Harry B. Jones
Notary Public

My Commission Expires March 1, 1958
HARRY B. JONES
Notary Public + + + Grand County

STATE OF UTAH)
: ss.
COUNTY OF CARBON)

Personally appeared before me this 17th day of February, 1956, Ervin Olsen and Rhoda W. Olsen, husband and wife, and Ray Wareham also sometimes known as Kenneth R. Wareham and being one in the same person and Maribelle B. Wareham, husband and wife, four of the signers of the foregoing "CONSENT TO LIEN" who duly acknowledged to me that they executed the same; the said Ray Wareham also known as Kenneth R. Wareham also acknowledged to me that he executed the foregoing instrument as agent and attorney in fact for Earnest C. Wareham and Jeanne C. Wareham also known as Cora Jeanne Wareham, husband and wife, pursuant to a power of attorney executed by the said Earnest C. Wareham on August 5, 1954, which power of attorney is recorded in the office of the county recorder of Emery County, Utah, in Book F-1 at page 100 and pursuant to a power of attorney executed by the said Cora Jeanne Wareham on August 9, 1954, which power of attorney is recorded in the said county recorders office in Book E1 at page 101.

G. Nauman
Notary Public

My commission expires:

August 4, 1958

Residing at Price, Utah

RECEIVED
FEB 28 1956

POWER OF ATTORNEY

5 August 1954

Be IT KNOWN that I, Earnest C. WAREHAM, 369 11 41, second class engineman, U. S. Navy, do hereby constitute and appoint my brother, RAY WAREHAM, residing at Ferron, Utah, to be my attorney in fact, with full authority to sign any and all necessary papers in connection with the sale of mineral claims located approximately twelve miles west of Greenriver, Utah, as effectually as I could my self do if personally present, and I do hereby ratify and confirm all acts that may lawfully be done in pursuance of this power.

EARNEST C. WAREHAM

State of California }
} ss.
County of San Francisco }

On this the 5th day of August 1954, before me, L. H. BENRUBI, the undersigned officer, personally appeared Earnest C. Wareham, 369 11 41, EN3, USN, known to me to be the person whose name is subscribed to the within instrument and acknowledge that he executed the same freely and voluntarily for the purposes therein contained. And the undersigned does further certify that he is at the date of this certificate, a commissioned officer of the rank stated below, and is in the active service of the armed forces of the United States.

L. H. BENRUBI
265866/1625
Lieutenant Commander, USNR
NavRecSta, T. I., SFran., Calif.
Law Specialist

Recorded January 6, 1956 at 11:54 a.m., in Book F-1 at page 100 of the records of Emery County, State of Utah. Nellie B. Young, Recorder Emery County.

STATE OF UTAH,

County of Emery, ss.

I, NELLIE B. YOUNG, Recorder in and for the County of Emery, State of Utah, do hereby Certify that the attached Power of Attorney is a full, true and correct copy of the Power of Attorney recorded in Book F-1, page 100 of the records of Emery County, State of Utah.

WITNESS my hand and official seal this 6th day of January, A. D. 1956.

Nellie B. Young
Recorder Emery County, Utah

EXPLORATION PROJECT CONTRACT
PACIFIC URANIUM MINES COMPANY
DOCKET NO. DMEA-3928

Exhibit "A"

Description of the Work

The object of this project is to explore the upper part of the Salt Wash member of the Morrison formation by means of core and non-core drilling. Attached hereto and made a part hereof is Figure 2 entitled "Generalized Geologic Map showing Ore Bodies and Ore Holes, Pacific Uranium Mines Company Property, Emery County, Utah."

It is estimated that holes ranging from 200 to 450 feet in depth will be required to penetrate through the inferred uranium-bearing sandstone.

The work shall be divided into three stages. The Operator shall complete all the work in Stage I and so much of each succeeding stage as is approved in advance in writing by the Government.

Stage I

Stage I shall consist of drilling not in excess of thirty-four (34) holes, totaling an estimated 8,082 feet of non-core and 2,720 feet of core drilling. The approximate locations of the drill holes are shown on map Figure 3, referred to in Annex I of this Contract, and are identified by an X with the letter D preceding the numerical number of the hole.

Holes D-1 through D-29 shall not be closer than approximately 400 feet and drill holes D-30 through D-34 shall not be closer than approximately 800 feet to any other hole drilled pursuant to Stage I of this Contract.

If the drill footage estimated for Stage I drilling is not sufficient to complete the 34 holes, then with previous written Government approval a part of the footage estimated for Stage II may be used to complete the 34 holes and the footage of Stage II shall be correspondingly reduced.

Not in excess of 30 samples shall be analyzed for their U_3O_8 and V_2O_5 content.

Stage II

Stage II shall consist of drilling not in excess of fifty (50) holes at locations approximately 200 feet in a N. 75° W., and approximately 200 feet in a S. 75° E., direction from each of the holes drilled in Stage I which penetrated ore-bearing rock or favorable sandstone with significant mineralization. The approximate locations of all possible holes, that might meet these criteria, are indicated by an X on the attached map, entitled Figure 3.

It is estimated that 13,000 feet of non-core and 2,000 feet of core drilling in this Stage II of the Contract will be required to complete the 50 holes authorized. Any excess drilling footage remaining in Stage II, after completing the holes approved by the Government, shall not be used to complete Stage III. However, any excess drilling footage remaining in Stage I may be used to complete the number of holes authorized for Stage II, subject to prior written Government approval. If the drilling footage for Stage II drilling is not sufficient to complete the 50 holes, then with previous Government approval a part of the footage estimated for Stage III may be used to complete the 50 holes, and the footage of Stage III shall be correspondingly reduced.

Not in excess of 45 samples shall be analyzed for their U_3O_8 and V_2O_5 content.

Stage III

Stage III shall consist of drilling not in excess of forty (40) offset holes at locations not less than 100 feet from those holes drilled under Stage I and Stage II in which ore or significant mineralization was found.

It is estimated that 10,800 feet of non-core and 1,200 feet of core drilling in this Stage III of the Contract will be required to complete the forty (40) holes authorized.

Not in excess of 39 samples shall be analyzed for their U_3O_8 and V_2O_5 content.

General Provisions

A competent supervisor shall be employed full time in connection with the performance of the project work.

All holes shall be drilled non-core to about 5 feet above the inferred top of the favorable uranium-bearing sandstone, and the rest of the hole then shall be core drilled to about 5 feet below the bottom of the sandstone.

The Government shall not contribute to the cost of any hole that (1) does not penetrate through the favorable sandstone; (2) bottoms less than AX core size; (3) cannot be probed with radiometric logging equipment; (4) is drilled closer than 100 feet to the outer boundaries of the subject property.

Sections of drill core showing uranium mineralization shall be split. One-half of the split core shall be analyzed for its U_3O_8 and V_2O_5 content. The remainder shall be stored, for Government use, with the rest of the core, in boxes properly labeled as to drill hole number. Markers shall be placed in the sections of core to indicate the depth represented.

All holes shall be logged and probed for radioactivity. Records of such logging and probing, together with assay certificates, shall be submitted with the Operator's monthly progress report.

The supervision, the extent, and method of sampling and logging drill holes, the manner of storing drill core, and the location, direction, and depth of drill holes are all subject to Government approval.

Estimated Costs of the Project

Stage I

Actual Costs

Category (1) Independent Contracts 1/		
8,082 feet non-core drilling @ $1.50/ft.	$12,123.00	
2,720 feet core drilling @ $3.50/ft.	9,520.00	$21,643.00

Fixed Unit Costs

Incidental allowance 2/ for each foot of drilling completed 10,802 feet @ $0.125/ft.	1,350.25	
Chemical analyses for U_3O_8 and V_2O_5 30 samples @ $5.00 each	150.00	1,500.25
Total Estimated Costs Stage I		$23,143.25

Stage II

Actual Costs

Category (1) Independent Contracts 1/

13,000 feet non-core drilling @ $1.50/ft.	$19,500.00	
2,000 feet core drilling @ $3.50/ft.	7,000.00	$26,500.00

Fixed Unit Costs

Incidental allowance 2/ for each foot of drilling completed 15,000 feet @ $0.125/ft.	1,875.00	
Chemical analyses for U_3O_8 and V_2O_5 45 samples @ $5.00 each	225.00	2,100.00
Total Estimated Costs Stage II		$28,600.00

Stage III

Actual Costs

Category (1) Independent Contracts 1/

10,800 feet non-core drilling @ 1.50/ft.	16,200.00	
1,200 feet core drilling @ $3.50/ft.	4,200.00	20,400.00

Fixed Unit Costs

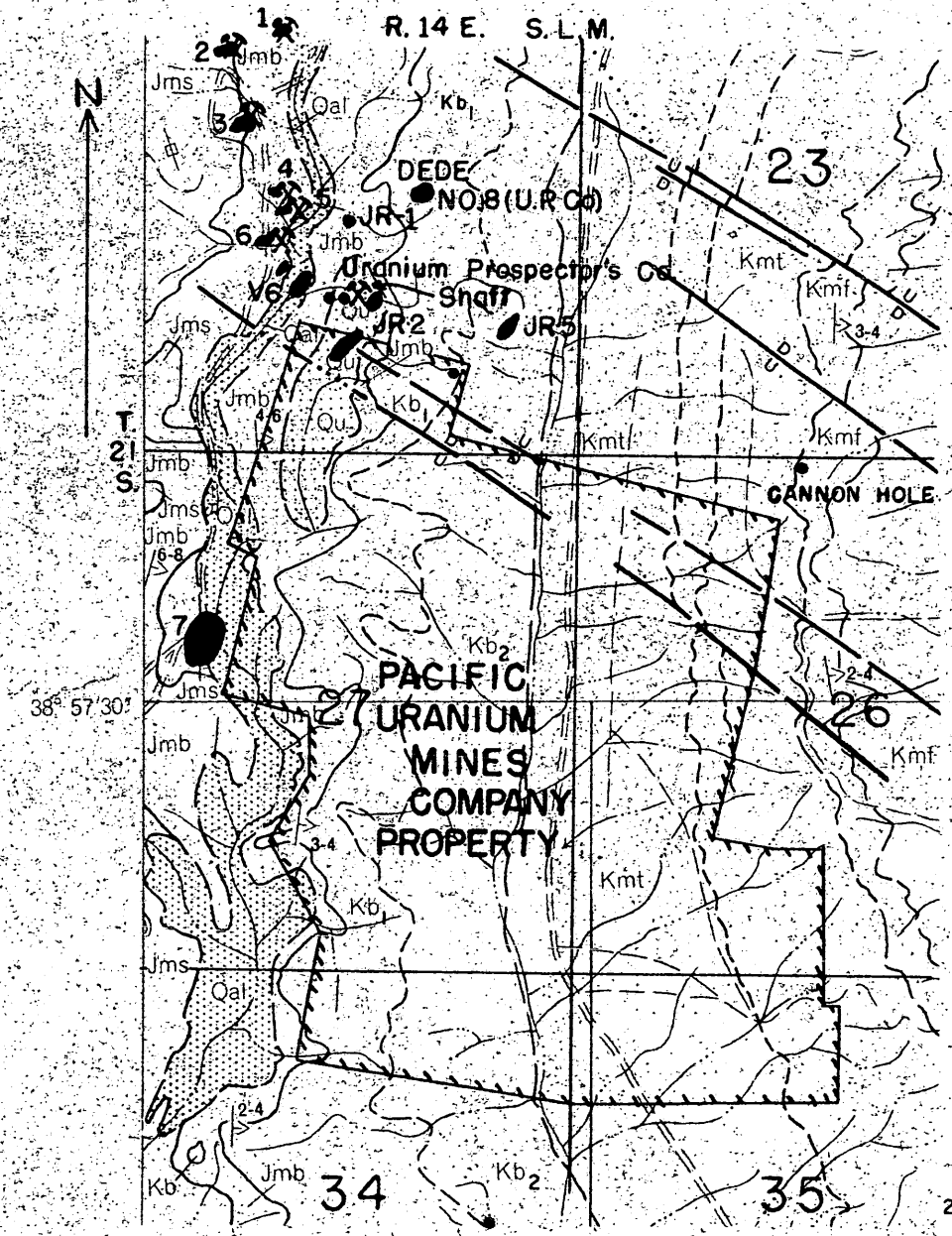
Incidental allowance 2/ for each foot of drilling completed 12,000 feet @ $0.125/ft.	1,500.00	
Chemical analyses for U_3O_8 and V_2O_5 39 samples @ $5.00 each	195.00	1,695.00
Total Estimated Costs Stage III		$22,095.00

1/ Categories (2) through (7) do not apply to this contract.

2/ Includes all costs whatsoever (chemical analyses excepted) that are not included under "Independent Contracts" and includes such items as supervision, radiometric logging of holes, access roads to drill sites, etc., which would otherwise be allowable under Categories (2) through (7) of the contract form.

SUMMARY

Total Estimated Cost Stage I	$23,143.25	
Total Estimated Cost Stage II	28,600.00	
Total Estimated Cost Stage III	22,095.00	
Total Estimated Cost of Project (rounded)		$73,840.00
Government Participation @ 75%		$55,380.00



EXPLANATION

Qal / Qu

QUATERNARY DEPOSITS
(ALLUVIUM, Qal; UNDIFFERENTIATED SAND, ETC., Qu)

Kmu / Kmf / Kmt

CRETACEOUS MANCOS SHALE
(UPPER PART Kmu; FERRON(?) SANDSTONE MEMBER, Kmf; TUNUNK SHALE MEMBER, Kmt)

Kb_2 / Kb_1

CRETEOUS BURRO CANYON FORMATION
(INCLUDES "BUCKHORN CONGLOMERATE", Kb , AND "CEDAR MOUNTAIN SHALE", Kb)

Jmb / Jms

JURASSIC MORRISON FORMATION
(BRUSHY BASIN SHALE MEMBER, Jmb; SALT WASH SANDSTONE MEMBER, Jms)

2-4

STRIKE AND DIP OF BEDS

2

INCLINE OR VERTICAL SHAFT
(NUMBERS DESIGNATE WORKING INCLINES OF FOUR CORNERS URANIUM CORPORATION)

ORE BODY
(BODIES WITH PREFIX JR, JACK RABBIT CLAIMS: BODIES WITH PREFIX V6, VANURA 6 CLAIMS)

ORE-BEARING HOLE

Note: BASE FROM U.S. GEOLOGICAL SURVEY PHOTOGEOLOGIC QUADRANGLE MAP TIDWELL3.

2000 0 4000 FEET

Figure 2. GENERALIZED GEOLOGIC MAP SHOWING ORE BODIES AND ORE HOLES, PACIFIC URANIUM MINES COMPANY PROPERTY, EMERY COUNTY, UTAH

Docket No. 3928

Commodity Uranium

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 926

Date of Contract March 9, 1956

Name and Address of Operator:

Pacific Uranium Mines Company
122½ South Vermont Avenue
Los Angeles 4, California

Amount of Government participation $55,380.00

Percent of Government participation 75 %

Region: III State: Utah

E. R. Talbut
(Name)

for J. L. Chambers, Chief
Contract Administration and
Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington. 3/9/56

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