DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

DMEA NO. 466/

1116

30 JUL 1957

Application (Denied
(Withdrawn
(After disposition, delete items not applicable)

Contract (Terminated - not Certified
(Cancelled
(Terminated - Certified
(Royalty Agreement

This is the official contract file containing all official records of the project. The records contained in the files are checked and are arranged in this order:

Left Side

Interim Royalty Audits
Reports of Royalty Review
Certification of Discovery
✓Certificate of Audit (Final)
Interim Audit(s)
✓Report of Review
Termination Notice or Agreement
Recision Notice
Assignment of Contract
✓Contract Amendments (latest on top)
✓ Contract with all exhibits and annexes
✓ Owner's Consent to Lien Subordination Agreement
✓ Leases and assignments of leases
✓Application and attachments
(3) Envelope for maps

Right Side

✓Project summary
✓Work completed analysis
All other material is filed in chronological order with correspondence including the following reports as checked:

✓Final Field Team Report (Tab)
✓Operator's Final Report
(2R) ✓Interim Reports
(2R) Operator's monthly reports and all attachments (latest on top)
✓On-site Exam Report(s) (Tab)
(4) Settlement Sheets

When the volume of records is expected to warrant additional folders, or when convenience of reference warrants separate folders for certain records, they should be set up in this order:

Left Side

Folder No. 2: (In chron. order)
Interim Summary Reports by W. O. Engineers

Right Side

Operator's Semi-Annual Report for Certified Project, Field Team Interim Reports, Operator's Monthly Report with transmittal, narrative, maps, and Field Team review.

Folder No. 3: Maps (Use pocket folder or envelope. Fold maps with title block out and show reference to related document or correspondence.)

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

EXTRA COPY
DMEA

DATE		CODE
1-21	Chamberlin	800
21	Com	
"	FEJ	

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

North Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

pertaining to Exploration Project Contract No. Idm-E1116, Docket No. 4661, including Amendment No. 1, for the months of August-September 1957, covering a project for the exploration of uranium on property known as the Lehmbecker Lease, located in Spokane County, State of Washington.

My review included an examination of the Monthly Report (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Government representative who visited and examined the project, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's records and accounts for the reasons stated in the attached schedule.

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

Total cost claimed by Operator	$2,271.39
Exceptions	None
Total accepted cost claimed	$2,271.39

The contract calls for a 75 percent participation of accepted costs. Therefore, payments as follows are valid and proper:

Amount payable on audited claim	$1,703.54
Amount reimbursed	1,603.55
Balance due Operator	$99.99

- see 2/1-2/58 final payment

C. A. Turner, Auditor

January 17, 1958

Reasons for Report of Review in lieu of Final Audit

North Star Uranium, Inc.

Idm-E1116 DMEA-4661

(a) Monthly Reports were supported by documentary proof of that portion ($1,825.00) of the costs which covered work performed at unit rates under Independent Contract (per summary attached);

(b) The balance ($446.39) of the costs incurred were supported by documentary proof of the costs accepted under the contract provision for contribution by the Government on the basis of allowable costs incurred; and

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

C. A. Turner, Auditor

January 17, 1958

Summary of Accepted Costs

North Star Uranium, Inc.

Idm-E1116 DMEA-4661

Independent Contracts

Daybreak Uranium, Inc.		
Opportunity, Washington		
Bulldozing 100 hours @ $17.50	$1,750.00	
Transportation of dozer to and from property	75.00	
		$1,825.00

Actual Costs - supported by documentary proof

Supervision	$ 360.00	
Industrial Insurance	35.71	
Payroll Taxes	18.90	
Gasoline - 92.5 gallons	31.78	446.39
Accepted Costs		$2,271.39

C. A. Turner, Auditor

January 17, 1958

Government's copy

Long
Dwyer
Murphy
Krause
Chapman
Jeffrey
Gilmore

EXPLORATION PROJECT CONTRACT
NORTH STAR URANIUM, INC.
DOCKET NO. DMEA-4661

AMENDMENT No. 1

It is agreed this 18th day of December, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and North Star Uranium, Inc., that Exploration Project Contract No. Idm-E1116 (Docket No. DMEA-4661), dated July 30, 1957, is amended effective July 30, 1957, as follows:

In Exhibit "A", Description of the Work, under the heading General Provisions, the second paragraph is revised to read:

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 3 1958
DATE | INITIALS | CODE
700

"The work shall consist of bulldozing four (4) trenches at the approximate locations shown on the map, Plate 1. The trench shown as No. 5 on the map, will not be cut. Trench No. 1 shall be excavated first and shall be approximately 550 feet long. The other three (3) trenches shall be not less than 100 feet long. It is estimated that the trenches will have an average depth of about 10 feet. However, all trenches shall expose bedrock adjacent to the inferred fault zone."

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, nor the amount of any item designated as maximum.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C C Mitchenor
Administrator, Defense Minerals Exploration Administration

NORTH STAR URANIUM, INC.

By John F Campbell
Title President

U. S.
SPOKANE, WASH

Ellis

Docket No. DMEA-4661
Contract No. Idm-E1116
North Star Uranium, Inc.
Spokane County, Washington

Justification for Amendment No. 1

Justification for Amendment No. 1 is given in the Field Team's letter, dated December 2, 1957, written in response to Mr. Selfridge's letter of November 20, 1957.

Kindly note that all the trenches have been completed.

F M Murphy

F. M. Murphy

OFFICIAL FILE COPY Government's copy
DMEA
RECEIVED AUG 15 1957

DATE	INITIALS	CODE

MF-200
(Revised June 1954)

Docket No. DMEA -4661

Commodity Uranium

Contract No. Idm-E 1116

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 30 JUL 1957 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] NORTH STAR URANIUM, INC., a Washington corporation,

whose mailing address is 417 Paulsen Building
Spokane 1, Washington,
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 one map, Plate 1.

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 Washington, County of Spokane, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] 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] See Annex I, [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% on value of all ore produced, payable to owners.

(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: Consent to Lien and Subordination Agreement of owners.

(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).

JUL

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 AUG 15 1957 shall commence the work, and on or before November 1, 1957, (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 $2,772.00 The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $2,079.00: *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.

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 8. **(See Article 13.)**

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.*—

In Article 6(c), the words "Article 9" are changed to "Article 8."

Long
Hurley
Appd. Sol. Off.
Murphy
Ellis
Talbot
Martin
Johnson

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C Mitchellory
Administrator, Defense Minerals
Exploration Administration

NORTH STAR URANIUM, INC.
(Operator)

By John F. Campbell

Title President

I, A. C. Townsend, certify that I am the Secretary of the corporation named as Operator herein; that John F. Campbell 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.

A. C. Townsend

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 15 1957

DATE	INITIALS	CODE

EXPLORATION PROJECT CONTRACT
NORTH STAR URANIUM, INC.
DOCKET NO. DMEA-4661

ANNEX I

The land referred to in Article 2 of the contract consists of the east half (E1/2) of the northwest quarter (NW1/4) of section one (1), T. 28 N., R. 44 E., W. M., Spokane County, Washington, owned by Wilhelm E. Lehmbecker and wife, Ruth Lehmbecker.

The location of the land with reference to the center of the section is shown on the map entitled "Plate 1 - Map Showing Surface Features and Geology, Lehmbecker Lease - North Star Uranium, Inc., Spokane County, Wash.," attached hereto and made a part hereof.

The Operator is in possession of the land by virtue of a lease dated October 25, 1956, from Wilhelm E. and Ruth Lehmbecker.

The Consent to Lien and Subordination Agreement signed by the Lehmbeckers is attached and made a part hereof.

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

NORTH STAR URANIUM, INC.
417 PAULSEN BLDG. RI. 7-4669
SPOKANE 1 WASHINGTON

RECEIVED FEB 28 1957 D.M.E.A.

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 1116
Contract Date 30 JUL 1957

CONSENT TO LIEN and SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Spokane, State of Washington, described as follows: 2/

The east half (E½) of the northwest quarter (NW¼) of Section One (1) T28N, R44E.W.M.

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;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

1/ Mining or production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ 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.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 18 day of February, 1957.

Wilhelm Lehmbecker	[Seal]	Elk, Washington	[Address]
Ruth Lehmbecker	[Seal]	Elk, Washington	[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

I, Sam W. Farber certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that Ron C. McKelvie who signed this agreement was then President (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.

Sam W. Farber

[Corporate Seal]

OFFICIAL FILE COPY
DMEA
RECEIVED 1957
DATE | CODE

EXPLORATION PROJECT CONTRACT
NORTH STAR URANIUM, INC.
DOCKET NO. DMEA-4661

EXHIBIT "A"

Description of the Work

General Provisions

The object of this project is to explore by means of trenching a uranium-bearing fault zone which trends across the subject property.

The work shall consist of bulldozing five (5) trenches at the approximate locations shown on the map, Plate 1. Trench No. 1 shall be excavated first and shall be approximately 550 feet long. The other four (4) trenches shall each be approximately 100 feet long. It is estimated that the trenches will have an average depth of about 10 feet. However, all the trenches shall expose bedrock adjacent to the inferred fault zone. Subject to previous written Government approval, a maximum of 350 feet of additional trenches may be excavated if sufficient funds are available after completion of the first 5 trenches.

The Government will not contribute to the cost of an incompleted trench, nor to a trench that is closer than 100 feet to any other trench or the boundaries of the land described in Annex I.

The bulldozing shall be performed with a D-8 Caterpillar dozer or an equivalent unit of any other make.

Sections of the trenches showing significant uranium mineralization shall be sampled. The Operator shall have one-half of each sample chemically analyzed for its U_3O_8 content. The remaining half shall be stored for Government inspection and possible use, in a container suitably identified as to sample number, trench number, and the location where procured in the trench. With Government approval, the Operator may dispose of the stored samples.

A competent supervisor shall be employed full time to direct the project work and perform the technical services required to complete the contract in a satisfactory manner.

The location, direction, and extent of all the project work are subject to Government approval.

Estimated Costs of the Project

Actual Costs

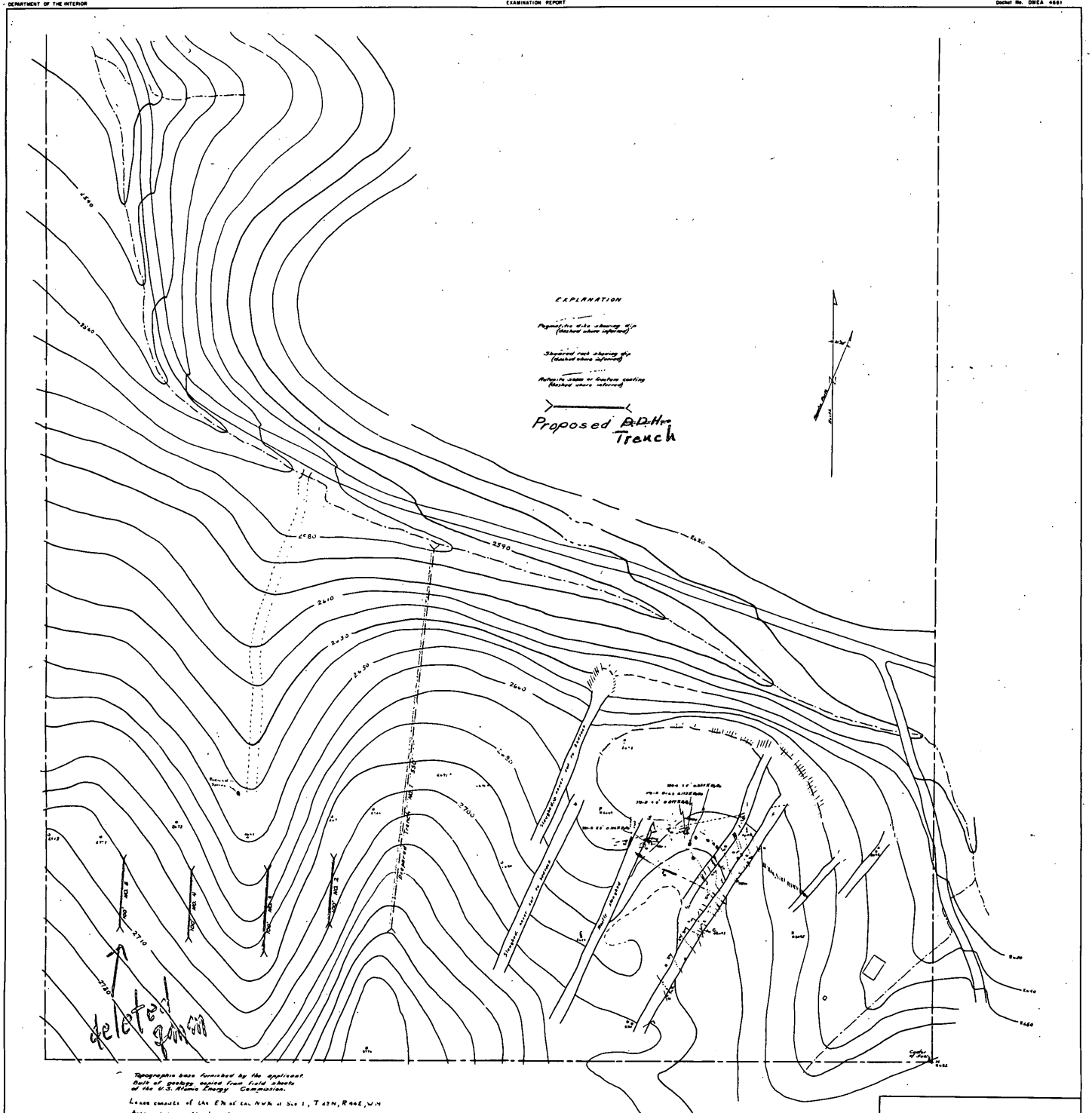
Category (1) Independent Contracts		
Bulldozing, 100 hours @ $17.50/hr.	$1,750.00	
Transport bulldozer to and from property	75.00	$1,825.00
Category (2) Personal Services		
Subcategory (a) Supervision		
Supervisor, 1 month @ $600.00/mo.	600.00	
Subcategories (b) and (c) Technical Services and Labor		
None		600.00
Category (3) Operating Materials and Supplies		
None except:		
Paper sample sacks @ $5.00/100	5.00	
100 gallons gasoline @ $0.37/gal. *	37.00	42.00
Categories (4), (5), and (6)		
None		
Category (7) Miscellaneous		
None except:		
Payroll taxes and insurance	90.00	
Chemical analyses for U_3O_8 content of 40 samples @ $5.00/sample	200.00	
Transportation of samples to laboratory	15.00	305.00
Total Estimated Cost of Project		$2,772.00
Government Participation @ 75%		$2,079.00

* For transportation

UNITED STATES
DEPARTMENT OF THE INTERIOR

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXAMINATION REPORT

Docket No. DMEA 4661



OFFICIAL FILE COPY
RECEIVED JUL 12 1957
D M E A

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 28 1957

DATE	INITIALS	CODE

February 26, 1957

Air Mail

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: New application (Uranium and Rare Earths)
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington

Dear Mr. Selfridge:

Enclosed are three copies of an application from North Star Uranium, Inc., for DMEA assistance to explore for uranium and rare earths in Sppkane County, Washington.

The property is in the Spokane Mountain area and is presently inaccessible, but if the present warm weather continues, an examination may be possible within a short time.

The applicant will secure two additional copies of Consent to Lien and Subordination Agreement which we will forward when we receive them.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I
Northwest District

Enclosures
cc: USBM(2)
Geologist

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
FEB 26 1957
U. S. G. S.
SPOKANE, WASH.

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

Not to be filled in by applicant

Docket No. 4661
Metal or Mineral Uranium-Rare Earths
Date Received 2-28-57
Estimated Cost $ 50,435.00
Participation (Government %)

RECEIVED FEB 28 1957 D.M.E.A.

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address North Star Uranium, Inc., 417 Paulsen Bldg., Spokane 1, Wash. (Phone RIverside 7-4669) a Washington corporation.

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract The east half ($E\frac{1}{2}$) of the northwest quarter ($NW\frac{1}{4}$) of Section one (1), T28N, R44E.W.M., County of Spokane, State of Washington.

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

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

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

(*e*) If you own the land, describe any liens or encumbrances on it

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

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

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

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

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

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

16—66551-1

NORTH STAR URANIUM, INC.
417 PAULSEN BLDG. RI. 7-4669
SPOKANE 1 WASHINGTON

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore uranium and rare earths.

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within 90 days and be completed within 24 months from the date of an exploration project contract.

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

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

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

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

[x] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated FEB 21 1957, 195__

NORTH STAR URANIUM, INC.
(Applicant)

By R. C. McKelvie (Pres.)

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

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

OFFICIAL FILE COPY
D M E A
RECEIVED FEB 28 1957

DATE	INITIALS	CODE

Officers and directors of the

NORTH STAR URANIUM Inc.
517 Paulsen Building
Spokane Wash.

Ron C. McKelvie, President, Adlon Apartments, Spokane Washington.

John F. Campbell , Vice-President, 416 Paulsen Building, Spokane Wash.

Sam W. Farber, Secretary & Treasurer, 417 Paulsen Bldg. " "

A. C. Townsend, Director, 801 S. Adams, Spokane Wn.

J. J. Jutzy, Director, 11511 East Valleyway, Opportunity Station, Spokane Wn.

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 28 1957

DATE	INITIALS	CODE

NORTH STAR URANIUM, INC.
417 PAULSEN BLDG. RI. 7-4669
SPOKANE 1 WASHINGTON

MINING LEASE

IN CONSIDERATION of the mutual promises herein contained, it is agreed that WILHELM E. LEHMBECKER and RUTH LEHMBECKER, husband and wife, hereinafter referred to as the Lessors, do grant, bargain and lease unto NORTH STAR URANIUM, INC., the sole and exclusive right of digging, boring and otherwise prospecting for and mining uranium and other ores upon the following described real estate situated in the County of Spokane, State of Washington, to-wit:

The east half (E½) of the northwest quarter (NW¼) of Section one (1), T28N, R44E.W.M.

It is agreed that this lease shall remain in full force and effect for a term of one (1) year from the date hereof, and so long thereafter as uranium or other ores or materials are produced therefrom in paying quantities by the Lessee. Interruption of operations by strikes, the elements or casualties not under the control of the Lessee shall not be held as a want of compliance with this lease. This lease includes the right to search, dig, bore, mine and excavate uranium or other ores and minerals in as many places as the Lessee may deem proper, and to extract and remove said ores from the demised premises, and to use and occupy so much of said tract for buildings and improvements as may be necessary for the efficient and economical working of the same, as well as for rights of way over, through, and across all lands owned or held by the Lessor to and from the demised premises, and also such rights of way through and across said tracts of land during the continuance of this lease, as may be necessary to obtain and remove the uranium and other ores and minerals, together with all other rights and privileges necessary for, or incident to the obtaining, preserving, removing and disposing of said ores.

IN FURTHER CONSIDERATION of said grant, demise and lease, the Lessee agrees to commence and make diligent search for uranium and other ores and minerals and shall exercise diligence in the co

cost of prospecting and mining said ores; shall carry on development and operations in a workmanlike manner; shall commit and permit no waste on the leased land, except such as is required by the purposes of this lease; shall comply with all requirements of the laws of the United States, the State of Washington, and County of Spokane; shall take appropriate steps to preserve the health and safety of workmen and promptly surrender and return the premises upon the termination of this lease to whomsoever shall be entitled thereto.

It is agreed that this lease is not to be assigned by the lessee.

In the event that the mining activities described herein cause damage to crops, fences, buildings and other improvements of the Lessors, reasonable compensation will be paid to the Lessors for such damage. Buildings, improvements and other property brought upon the land by the Lessee shall remain the property of the Lessee and may be removed at any time prior to sixty days after the termination of the lease for any reason. The Lessee further agrees to hold the Lessors harmless for any liability which may be imposed upon them as a result of the actions of the Lessee or his agents or representatives.

The Lessors will receive FIVE HUNDRED ($500.00) DOLLARS in cash at the time of the execution hereof, together with a royalty of 15% of the value of all ore extracted from the above-described property, as shown by mill returns after deducting forwarding charges to the point of sale, average grade to be computed for each 500 tons shipped, and payment thereof made to the Lessors within 15 days after payment is made to the Lessee. It is further agreed that any discovery bonus which may be awarded as a result of ore being discovered on any of the foregoing described property shall be divided evenly between the Lessors and the Lessee.

If the Lessee fails to perform any agreement herein mentioned or to make any payment the Lessors at their option may declare a forfeiture of the lease by written notice to the Lessee at 415 Paulson Bldg., Spokane, Washington, by registered mail, and at the expirati

of sixty days, the terms of this lease meanwhile not having been complied with, the Lessors may enter into said premises and take possession of them, and this agreement shall be at an end and null and void, and the Lessee shall forfeit to the Lessors as liquidated damages, all payments made hereunder and immediately surrender possession of said premises.

The Lessee agrees to keep an accurate account of all mining operations showing sales, prices, dates, purchasers, the whole amount of minerals mined, the amount removed, the gross receipts derived therefrom, and to furnish the Lessors monthly reports not later than the 25th day of the succeeding month and to permit the Lessors or their authorized agents to inspect all premises and operations under control of the Lessee in connection with mining operations on the above described land and to further inspect all books, records, tax returns, and correspondence and reports from the Atomic Energy Commission and its agents, concerning operations on the above described property at reasonable times and places. All royalty or other payments made under this lease to the Lessors shall be paid to the Lessors, share and share alike.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 25th day of October, 1956.

W. G. Lehmbecker (SEAL)

Ruth Lehmbecker (SEAL)

Lessors

NORTH STAR URANIUM, INC.

By _____
President

By _____
Secretary

Lessee

STAR URANIUM

STATE OF WASHINGTON)
) ss
County of Spokane)

On this day personally appeared before me WILHELM E. LEHMBECKER and RUTH LEHMBECKER, husband and wife, to me known to me to be the individuals described in and who executed the within and foregoing instrument and acknowledged that they signed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 25th day of October, 1956.

John F. Campbell
Notary Public in and for the State of Washington, residing at Spokane

STATE OF WASHINGTON)
) ss
County of Spokane)

Before me, on this 30th day of October, 1956, personally appeared Ron C. McKelvie and Sam W. Farber, to me known to be the president and secretary-treasurer respectively of NORTH STAR URANIUM, INC., the corporation that executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of the corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument, and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

John F. Campbell
Notary Public in and for the State of Washington, residing at Spokane

NORTH STAR URANIUM, INC.
417 PAULSEN BLDG. PL 7-4669
SPOKANE 1 WASHINGTON

Preliminary Statement Regarding North Star's Lehmbecker Lease

The acquisition of the Lehmbecker Lease by North Star Uranium, Inc., was accomplished on October 25, 1956, with the signing of a lease by the lessors, Mr. and Mrs. Wilhelm Lehmbecker, and officers of the Company. Work was not begun immediately on this lease, the Company being engaged at that time in exploration work on the Kessler Lease.

However, in order that some preliminary exploration work be done on the lease before the winter set in the Company began cutting exploration trenches on the Lehmbecker Lease on November 14, 1956.

OFFICIAL FILE COPY
D.M.E.A.
RECEIVED FEB 28 1957
DATE | INITIALS | CODE

The first trench on this property cut commercial ore and the Company immediately suspended operations on the Kessler Lease in order to secure the use of another caterpillar bulldozer which was working there.

Stockpiling was, of course, difficult since we were interested in determining the depth to which the ore continued. Also the trenches were placed in such a manner that they would cut normal to the geologic structure of the immediate area. Were they cut with the structure, stockpiling would have been easier. However, it must be remembered that we did not anticipate striking ore of commercial variety as quickly as we did.

With our stockpiles of high grade and low grade ore increasing as additional trenching was done, it was decided by the Company that we would ship at least one car of ore before winter set in completely. This first car was shipped on Thursday, December 20, 1956,

to Vitro Uranium Company of Salt Lake City. Two weeks later we were in receipt of the assay report on the carload. This car assayed 0.29% (twenty-nine hundredths of 1%) Uranium Oxide (U308).

Though winter had arrived we decided to attempt shipment of an additional car of ore as soon as it could be stockpiled. This second car was shipped on Friday, January 18, 1957. This car did not assay as high chemically as the first car though it was sufficiently high enough to sell to Vitro Uranium Company.

North Star Uranium looks forward to developing the Lehmbecker Lease this spring and through a well-planned drilling program to accurately evaluate this property.

North Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

4 (a) Work thus far on the Lehmbecker Lease has been in the exploratory stage and production has been incidental to exploration. All exploration has been done by North Star Uranium, Inc. All exploration has been accomplished by bulldozer - employing a large H. D. 20 bulldozer for stripping soil mantle and a D-6 caterpillar with rear-mounted hydraulic rock rippers for rock work. No drilling has been undertaken as yet.

Since all trenches were cut normal to the structure thus far it has not been a true mining development operation but strictly exploration. We have been primarily concerned with delineating the mineralization.

Access to the lease is by a good country road which is at its worst only during the spring break-up. The elevation of the present workings is about 2600' above sea level.

(b) Production on this lease has been 2 carloads of ore which were shipped to Vitro Uranium Company at Salt Lake City, Utah. An accurate estimate of ore reserves cannot be given at the present time, since a drilling program has not been undertaken and the soil mantle which overlays this area is time consuming to strip away.

Because of the severe cold in January, operations have been suspended pending a break in the weather. The first carload of ore shipped from this lease assayed 0.25 radiometrically and 0.29 chemically. The second carload, because of the inability of geiger counters to function properly in the severe cold and the overall

4 (b) contd.

press of bad weather, did not assay nearly as good. It assayed 0.16 chemically.

However, at least 3 more carloads of commercial ore can be shipped. These estimates are based on the structure expressed in existing trenches.

4 (c) The Lehmbecker Lease (E½ of the NW¼ of Sec. 1 T28N, R44 E.W.M., Spokane County, State of Washington) consists of about 75 acres of rolling farm and timber land on the northwest flank of Mt. Spokane. The entire lease is underlain by the Loon Lake granite and granodiorite of Mesozoic Age. The soil mantle is of no consequence on the South slopes of the E-W ridges but on the North slope it is quite thick. In some places on the North slope the overburden is as thick as 10 or 12 feet, though thus far this has been the maximum. The two main valleys on the lease transect it into 3 essentially equal portions. These valleys run East-West, though the eastern portion of the southerly one trends northwest. From all indications inferred by work done on adjacent property, and by our own bulldozing work this would seem to be a continuation of a parallel fault system exposed on a property lying just to the southeast of our lease. This fault system trends northwest and dips to the South from 28 to 45 degrees.

The Loon Lake granite on this property is cut by numerous pegmatitic segregations and also by many pegmatite dikes varying in width from 3 feet down to 6 inches. These dikes are mineralized and trend N35°W and dip to the southwest at angles ranging from 35° to 45°.

North Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

4 (c) contd.

Uranium encountered in these pegmatites has been autunite thus far. The autunite has shown considerable persistence at depth and has been located in every trench thus far. Maximum depth of the trenching has been 21 feet, though the average deepest depth of the trenches is approximately 10 feet. In the deepest trench (trench #3, see map) two faults intersect, and autunite is present in veinlets and stringers, especially at the fault intersection and even in the highly fractured country rock. The uranium occurs in the sheared or faulted zones, in the pegmatite dikes and pegmatitic segregations, and in the granite as fracture fillings.

4 (d)

This property is readily accessible the year round by car and truck. It lies 32 miles North and slightly East of Spokane. Of the entire distance 15 miles is good concrete highway, 10 is good surfaced blacktop, and 7 is a compact and well-graded dirt road. The terrain over which the dirt road runs is not steep with the exception of the last 3 miles leading to the prospect. However, the road is easily traversed by cars and ore trucks and presents no problem.

The distance which the ore trucks must haul material is 31 miles from the property to the railway loading dock in Spokane.

North Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

4 (e)

Supplies for the operation are readily available in in Spokane and the adjacent area, and should there be a necessity of acquiring skilled miners and deep mining equipment these are also readily available.

Water is available from a tributary of Deer Creek which runs within 250 feet of the workings and also from a spring which lies approximately 300 feet from the workings.

Power is available from a R.E.A. power line which runs to the house (shown on map).

North Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

5 (d) North Star Uranium, Inc., has been engaged in a concentrated exploration program from September 28, 1955, up to the present and has contracted all of its bulldozing, wagon drilling and core drilling. Personnel of the company are thoroughly familiar with the supervision and operation of an exploration program. Our staff includes a geologist and a man who has had 25 years of experience in highway construction and heavy equipment. Also on our staff is a man who has had 25 years of experience in geologic reconnaissance and evaluation. The company is also considering adding the services of a graduate mining engineer.

Can # 21

NORTH STAR URANIUM, INC.
417 PAULSEN BLDG. RI. 7-4669
SPOKANE 1 WASHINGTON

Vitro Uranium Company

A DIVISION OF VITRO CORPORATION OF AMERICA
400 WEST 2100 SOUTH, SALT LAKE CITY, UTAH
POST OFFICE BOX 67, SOUTH SALT LAKE BRANCH

RECEIVING STATION _____ SALT LAKE CITY, UTAH December 31 1956

LIQUIDATION NO. 56/12-10 VITRO ORE P. O. NO. 39 VITRO LOT NO. 5068 SHIPPERS LOT NO. 1

PURCHASED FROM North Star Uranium, Inc. AEC LICENSE NO. P-3416

ADDRESS 417 Paulsen Bldg. Spokane, Washington

TYPE OF ORE Autunite DATE RECEIVED Dec 1956

MINING CLAIM Lehmbecker Lease

MINING DISTRICT Mt. Spokane COUNTY AND STATE Spokane, Washington

ASSAY DATE 1-8-57 ASSAY CERTIFICATE NO. 28564 [signature] CHIEF CHEMIST

NET WEIGHT POUNDS	% H_2O	DRY WEIGHT POUNDS	ASSAY U_3O_8	ASSAY V_2O_5	ASSAY $CaCO_3$	CONTENT POUNDS U_3O_8	CONTENT POUNDS V_2O_5	CONTENT POUNDS $CaCO_3$
102200	9.90	92082	0.29	Trace	0.92	267.04		
NET WEIGHT TONS		DRY WEIGHT TONS	Cu - Trace					
51.10		46.041						

U_3O_8	0.29 %	267.04 LBS. AT	$ 3.50 PER LB.	$ 934	64
DEVELOPMENT ALLOWANCE		267.04 LBS. AT	.50 PER LB.	133	52
CONTENT AT 4 LBS. PER TON		184.16 LBS.			
PREMIUM FOR LBS. IN EXCESS 4 LBS. PER TON		82.88 LBS. AT	.75 PER LB.	62	16
CONTENT AT 10 LBS. PER TON		LBS.			
PREMIUM FOR LBS. IN EXCESS 10 LBS. PER TON		LBS. AT	PER LB.		
TOTAL U_3O_8 VALUE				1130	32
HAULAGE ALLOWANCE		51.1 WET TONS AT	6.00 PER WET TONS	306	60
LESS MILLING PENALTY				(	)
V_2O_5	%	LBS. AT	PER LB.		
		TOTAL GROSS		$ 1436	92

Entered 12/31/56 [illegible]

I certify that I am the lawful owner or authorized Representative of the Lawful Owner, of the Ore described in this Settlement Sheet and have legal right to deliver the same to the Vitro Uranium Co.
I certify that I hold the A. E. C. Source Material License numbered above.
I hereby transfer to the Vitro Uranium Co., effective as of the date of delivery of the ore, all my right, title and interest in and to said ore. I agree to save Vitro Uranium Co. harmless in the event my right to convey title is contested for any reason.
I will accept the amount as shown above as "Total Gross Price" in full settlement.

NORTH STAR URANIUM, INC.
By [signature]
Sec'y-Treas.
Seller or Agent

Buyer assays govern if Seller fails to submit his assays prior to acceptance of payment, or where no umpire assay is called for. All rates paid are based on U. S. Atomic Energy Commission Published Schedules

NORTH STAR URANIUM, INC

ROYALTY SETTLEMENT TO WILHELM E. & RUTH LEHMBECKER-CAR NO. L-1

U.P. Car No. 66306 Shipped 12-21-56 Our A.E.C. License #P-3416

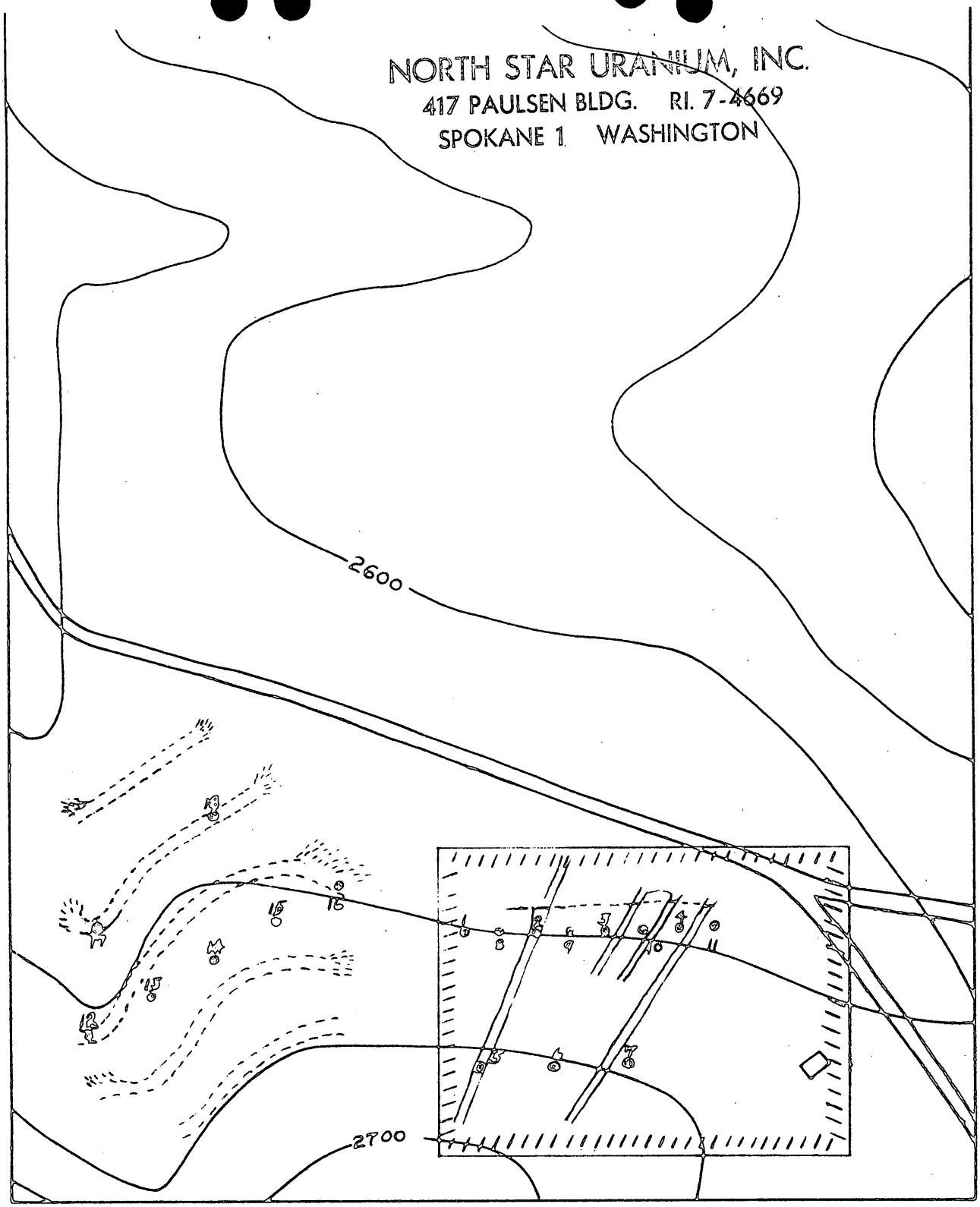
Net Weight-Pounds	102,200
Net Weight-Tons	51.1
Dry Weight-Tons	46.041
Assay U3O8	0.29%

U3O8	0.29%	267.04 lbs. @ $3.50		$ 934.64
Premium in excess of 4 lbs.		82.88 lbs. @ .75		62.16
				$ 996.80
Freight & Hauling charges			$750.59	
Less: Haulage Allowance 51.1 Tons @ $6.00			306.60	443.99
				$552.81

Royalty computed at 15% of $552.81 - - - - - - - - - - - - - - - - $82.92

(Our Check No. 493 herewith enclosed)

NORTH STAR URANIUM, INC.
417 PAULSEN BLDG. RI. 7-4669
SPOKANE 1 WASHINGTON



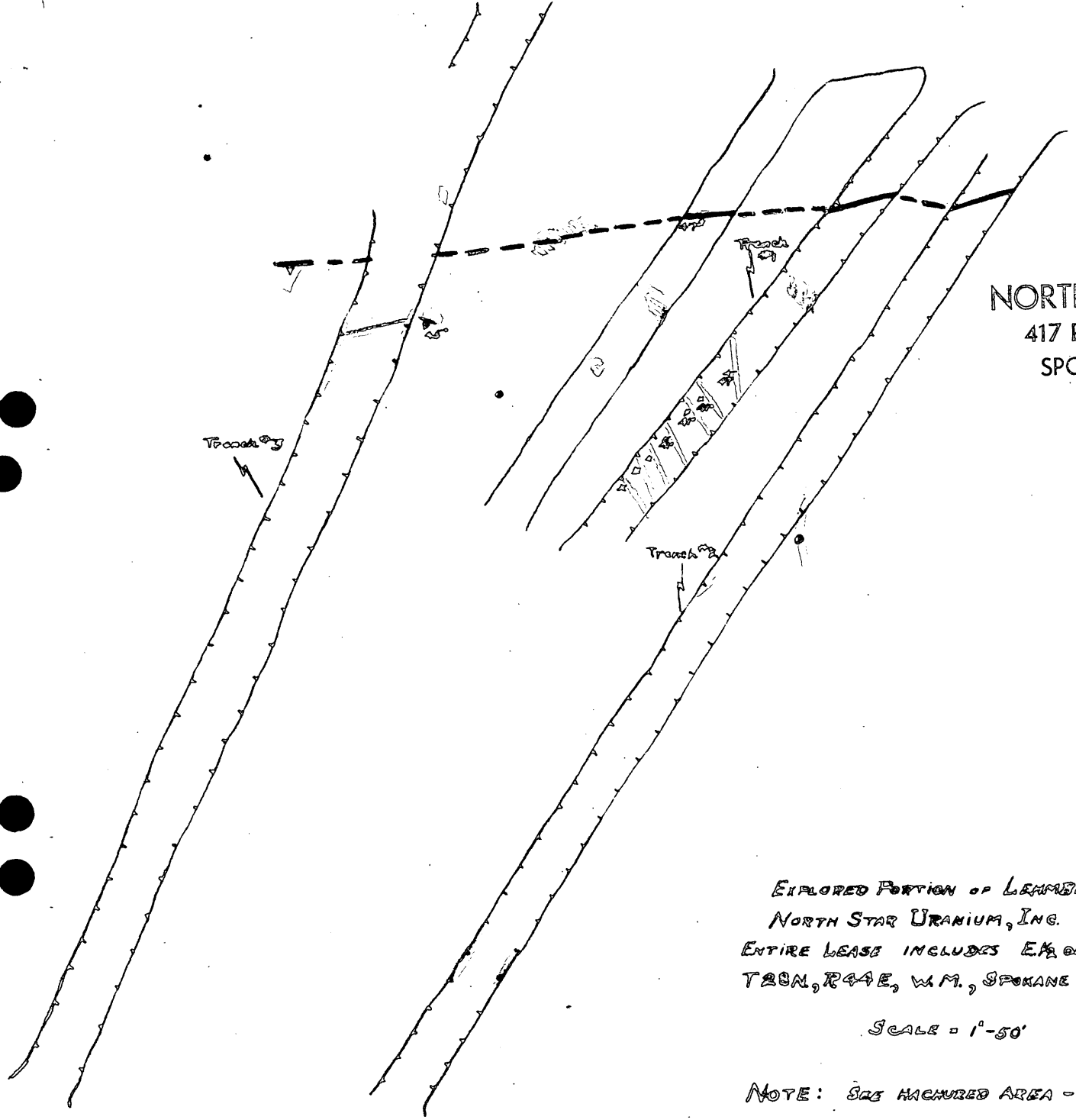
SOUTHERN PORTION OF LEHMBECKER LEASE - NORTH STAR URANIUM, INC.
LEASE CONSISTS OF E.½, NW¼, SEC. 1, T.28N, R.44E., W.M.,
SPOKANE COUNTY, WASHINGTON. - ACREAGE - 75 ACRES (APPROX.)

Scale: 1" = 200', Contour Interval = 50'.

N

D. M. BERRY.

MAP #1



NORTH STAR URANIUM, INC.
417 PAULSEN BLDG. RI. 7-4669
SPOKANE 1 WASHINGTON

N

LEGEND.

- yellow - pegmatite.
- yellow w red - pegmatite w U.
- red - Uranium.
- blue - fault.
- assumed fault.

Lehmbecker House.

EXPLORED PORTION OF LEHMBECKER LEASE.
NORTH STAR URANIUM, INC.
ENTIRE LEASE INCLUDES E½ OF NW¼, SEC. 1,
T28N, R44E, W.M., SPOKANE COUNTY, WASHINGTON

SCALE = 1"-50'

NOTE: SEE HACHURED AREA - MAP 1.

D.M. BERRY.

MAP #2

NORTHSTAR URANIUM, INC.
417 PAULSEN BLDG. PL 7-4[illegible]
SPOKANE 1 WASHINGTON

Outline and Description of Proposed Exploration

(See Accompanying Map)

Item Number			Hole Nos. (See Map No. 1)
(1)	Drilling		
	4 (100') holes, 320' plug drilling @ $3.50 =	$1,120.00	1,2,3,4
	80' core drilling @ $7.00 =	560.00	
	3 (150') holes, 450' plug drilling @ $3.50 =	1,575.00	5, 6, 7
	7 (150') holes, 1050' Wagon drilling @2.00 =	2,100.00	12-18 incl.
		$5,355.00	
*1	4 (100') holes, 320' plug drilling @ $3.50 =	1,120.00	8,9,10,11
	80' core drilling @ $7.00	560.00	
		$7,035.00	
(2)	Bulldozing		
	4 Exploratory trenches (See Map No. 1) Proposed trenches in dashed lines	$20,000.00	
	Stripping Overburden - Area West of trench 3	2,800.00	
(3)	Supervision	7,500.00	
(4)	Consulting Geologist	2,500.00	
(5)	Assays (Uranium & Rare Earths)	1,000.00	
(6)	Assays (Spectographic analysis for Uranium & Rare Earths	1,500.00	
(7)	Supplies, Housing, Misc. materials, Transp.	7,350.00	
(8)	Insurance	750.00	
	TOTAL	$50,435.00	

*1 Holes to be drilled contingent on the encountering of uranium in any of holes 1, 2, 3 or 4.

THIS TENTATIVE AGREEMENT

made and entered into this 25 day of February 1957, by and between,

North Star Uranium Inc. (hereinafter referred to as "THE COMPANY")

and

MOREHEAD & LEAF, N. 5345 Fairmount Place, Spokane 15, Washington

(Hereinafter referred to as "THE CONTRACTOR")

1. To drill a minimum of 1,200 lineal feet at or near Elk, Washington at drill sites selected by the Company subject to the terms and conditions and the rates and prices hereinafter set forth.

2. That all holes shall be drilled with a standard size EX ball bearing swivel tube type core barrel producing a core 7/8 inch in diameter, and that the drill crew will exercise every care to recover as high percentage of core as the nature of the ground drilled will permit, and shall deliver all core at the drill site to the person or persons designated by the Company.

3. That no hole will exceed depth of feet.

RATES FOR CORE DRILLING:

For holes to depth of 300 feet at the rate of $ 4.85 per foot

From a depth of 300 feet to a depth of 500 feet $ 5.45 per foot

From a depth of feet to a depth of feet $ per foot

4. RATES FOR PLUG BIT DRILLING:

For holes to depth of 300 feet at the rate of $ 3.00 per foot

From a depth of 300 feet to a depth of 500 feet $ 3.25 per foot

From a depth of feet to a depth of feet $ per foot

5. RATES FOR CASING OF HOLES:

At the rate of $ 1.50 per foot for each line of casing necessary to a depth of 100 feet, and at the rate of $ per foot for each line of casing necessary thereafter. Upon completion of hole or holes the Contractor shall be at liberty to recover and remove all casing put in unless purchased by the Company.

6. DRIVING PIPE THROUGH OVERBURDEN:

At the rate of $ 6.00 per foot

7. RATES FOR CEMENTING HOLES:

At the rate of $ .90 cents per foot.

A. V. Morehead

J. A. Leaf

NORTH STAR URANIUM, INC.
417 PAULSEN BLDG. RI. 7-4669
SPOKANE 1 WASHINGTON

Spokane Washington
February 26th. 1957.

NORTH STAR URANIUM, INC.
417 PAULSEN BLDG. RI. 7-4559
SPOKANE 1 WASHINGTON

North Star Uranium Inc.
417 Paulsen Bldg.,
Spokane Washington.

Dear Sir:

I am submitting the following bid on your proposed exploration work on the Lehmbecker Lease, in the Mount Spokane area.

Wagon drilling:

7 (150' holes) AT $1.60 to $2.00 per foot.

Very truly yours,

Herb Sams

Herb Sams,
Elk Washington. Phone Elk 2031.

HERB SAMS
DRILLING CONTRACTOR
Uranium, Water, Etc.

Elk, Wash. Phones, Elk-2031 or CE 8-6756

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 28 1957

DATE	INITIALS	CODE

113 N. Fourth Ave.
Coeur D' Alene, Idaho.
FEB 26 1957

North Star Uranium Inc.
417 Paulsen Bldg.
Spokane Wash.

Dear Sirs:

This is approximately our bid on the work connected with the exploration of the Lehmbecker lease:

Using a TD 14 and TD24 bulldozers on the job together thus utilizing the ~~pwex~~ power from each machine. The TD24 would be used for the heavest work and its cost would be $24.00 per hour.

The cost of the TD14 would be $14.00 per hour. If any other machinery is required, we would arrange to have available to you.

We to furnished all labor and expenses, and will work a full 24 hours a day if required. In addition we will have our service trucks and all other necessary tools that might be required on the job.

We will guarantee our work to your satisfaction and will ~~coopperate~~ coopperate with your supervisors in every way.

Very truly yours

Drechsel Bros.

By E. O. Drechsel
E. O. Drechsel

NORTH STAR URANIUM, INC.
417 PAULSEN BLDG. RI. 7-4669
SPOKANE 1 WASHINGTON

DOCKET COPY

Ellis

Project Summary Report

By: F. M. Murphy May 7, 1958

1. Docket No. DMEA-4661 (Uranium)
   Contract No. Idm-E1116

   Operator - North Star Uranium, Inc.
   417 Paulsen Building
   Spokane 1, Washington

   Property Rights -

   Lessee of E½ of NW¼ of sec. 1, T. 28 N., R. 44E, W.M., Spokane County, Washington.

2. Contract dated July 30, 1957

   Amendment No. 1, dated December 18, 1957, effective July 30, 1957, allows four trenches instead of five, with no change in total costs of the contract.

Work Units (Actual Costs)	Authorized	Completed
Bulldozing, 100 hours @ $17.50/hr.	$1,750.00	$1,750.00
Transportation of dozer	75.00	75.00
Supervisor	600.00	360.00
Materials and supplies	42.00	31.78
Miscellaneous	305.00	54.61
Totals	$2,772.00	$2,271.39
Government participation @ 75%	$2,079.00	$1,703.54

   Final Reports - Operator's, received by Region I November 21, 1957.

   Field Team Report by G. G. Waddell, USBM, and Howard F. Albee, received in Washington April 21, 1958

3. Audit Report of Review, dated January 17, 1958:

Total cost claimed by Operator	$2,271.39
Exceptions	None
Total Accepted Cost	$2,271.39
Government participation @ 75%	$1,703.54

4. Certification not recommended.

5. The Project -

The work, which consisted of bulldozing four trenches, was started on August 12, 1958, and completed early in the following month. The work was performed diligently and competently.

The purpose of the project was to explore the westerly extension of an ore-bearing fault zone that had been exposed by the Operator's previous trenching and back-hoe excavations.

The ore-bearing fault zone strikes N. 75° E and dips 23°-40° SE. The rock within this zone is bleached and altered to a width of 10-15 feet or more. The hanging wall is fairly well marked by a narrow seam of gouge, but the footwall is indefinite and appears to grade into less altered granitic country rock. The country rock is cut by numerous small pegmatite dikes and segregations up to 4 feet wide, and also by many minor faults with a northwest trend and generally a southwest dip.

The D-8 used in the DMEA trenching was able to cut into the altered granite, thus exposing any structures. However, no ore-grade mineralization was exposed. Evidently the ore body to the east, from which the Operator shipped 359 tons of 0.21% U_3O_8 ore, does not trend into the area explored.

The project produced no new geologic guides in the search for uranium and no targets warranting further Government exploration assistance were revealed.

The Field Team recommended that the project should not be certified.

Comments -

Prior to the DMEA work the Operator had mined and stockpiled approximately 420 tons of ore of unknown grade from a small deposit east of the area explored under the contract. During the contract a few tons of ore-grade material were sorted from small concentrations exposed in the fault zone.

On October 29, 1957, the Operator sold 359.386 tons of the stockpiled ore. Since some of the ore sold may have resulted from DMEA work, the Field Team recommended that DMEA should receive royalties on 10% of this shipment. In a letter, dated April 2, 1958, by the Chairman, Operating Committee, the Field Team was instructed to collect $62.21 as the Government's share of the ore sold. Payment was made by the Operator by check dated April 9, 1958.

In memoranda, dated May 8 and 22, 1958, James Paone, USBM, and W. P. Williams, USGS, respectively, review the Field Team's final report and concur in its recommendation that the project should not be certified. The writer also concurs in that recommendation.

F M Murphy

F. M. Murphy

DMEA Form 17
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WORK COMPLETED ANALYSIS

After final audit or review report is received, prepare original only and file in official docket

Operator: North Star Uranium, Inc.		Actual Cost	X
State: Washington		Agreed Unit Cost	
Final Report of Audit		Commodity: Uranium	Docket No. DMEA-4661
Final Report of Review	x		Contract No. Idm-E1116

Operation	Authorized by Contract and Amendments		Completed		Net cost after sale of Government Property
	Units	Cost	Units	Cost	
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation - trenching with bulldozer & ripper		2557.00		2,271.39	2,271.39
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Assaying		215.00		—	—
Totals		$2772.00		2271.39	* 2271.39

* Net cost total must agree with final report of audit or review.

Prepared by F. M. Murphy Date 5/5/58

31390

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/7/58	Murphy	700
5/23	Ellis	700
5/23	Chamberlin	800
"	Johnson	110
	Mittendorf	100
5/26	C	220
		700
5/26	Selfridge	420

Hold until 5/23

MAY 26 1958

Mr. John F. Campbell, President
North Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

Re: Docket No. DMEA-4661 (Uranium)
Contract No. Idm-E1116
Lehmbecker Lease
Spokane County, Washington

Dear Mr. Campbell:

Reference is made to your completed exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

Your interest in the DMEA exploration program and participation therein are fully appreciated.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

FMMurphy/gla
5-7-58
cc to: Admr.'s Reading File
Contract Adm. and Audit Division
DMEA Field Team, Region II (2)
Mr. Murphy

Wilhelm Lehmbecker and Ruth Lehmbecker, Elk, Washington

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/7/58	Murphy	700
5/23	Ellis	700
5-23	Chambers	800
"	Johnson	110
	Mittendorf	100
		220
		700
5/26	Jeffrey	120

Hold until 5/21-23

MAY 26 1958

Mr. Wilhelm Lehmbecker and
Mrs. Ruth Lehmbecker
Elk, Washington

Re: Docket No. DMEA-4661 (Uranium)
Contract No. Idm-E1116
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington

Dear Mr. and Mrs. Lehmbecker:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the above-cited contract.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on February 18, 1957.

Sincerely yours,

C. O. Mittendorf (for)
Administrator

Enclosure

FMMurphy/gla
5-7-58
cc to: Admr.'s Reading File
DMEA Field Team, Region II (2)
Mr. Murphy

8623

ORIGINAL FILE COPY
DMEA
RECEIVED 24 1958
DATE | INITIAL | CODE
5/23 | H.J. | 225
700

IN REPLY REFER TO:

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

May 22, 1958

Memorandum

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

From: W. P. Williams, U. S. Geological Survey

Subject: Review of Final Field Team Report, DMEA 4661 (Uranium) North Star Uranium, Inc., Lehmbecker Lease, Spokane County, Washington

The examining team report that a total of $2,271 was spent on the project, of which the Government's share at 75 percent was $1,704.

The results of the project were disappointing. No uranium ore nor potentially ore-bearing structures were found.

The examiners recommend that no Certification of Discovery be made by the Government. Some royalties appear to be due the Government, however, as pointed out by the Operating Committee in a letter, dated April 2, 1958, to the Executive Officer, Region I.

I concur with the recommendation for not certifying the project.

W. P. Williams

W. P. Williams

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 9 1958

DATE	INITIALS	CODE
5/9	C	220
"	7 MM	700

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

Date May 8, 1958

DMEA Docket No. 4661
DMEA Contract No. Idm-E116
Commodity Uranium
Name of Applicant North Star Uranium, Inc.
Name of property Lehmbecker Lease
Location of property Spokane County, Wash.
Estimated cost of project $2,271.39

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

From: James Paone, Bureau of Mines Member
Uranium Commodity Committee

Subject: Review of Field Team Report
(Application, Field Team Report, etc.)

1. Date of subject document: 4/17/58. 2. Date received by reviewer: 4/30/58

3. Prior reports on this property known to reviewer: Yes ☐ No ☐

4. Prior reports on nearby properties known to reviewer: Yes ☐ No ☐

5. Information available on past production: Yes ☐ No ☐

6. Other pertinent factors known to reviewer: Yes ☐ No ☐

7. Explain items marked 'yes' above:

8. Factors needing special consideration:
   a. Location ☐
   b. Ownership ☐
   c. Evidence of mineralization ☐
   d. Geology ☐
   e. Proposed exploration method ☐
   f. Alternate exploration method ☐
   g. Costs
   h. _____ ☐

9. Action advised:
   a. Obtain information from applicant ☐
   b. Refer to Field Team ☐
   c. Denial ☐
   d. Agree with Field Team ☒
   e. Disagree with Field Team ☐
   f. Suggest alternate plan ☐
   g. Request another examination ☐
   h. Approval ☐
   i. Consult with Mr. _____ at _____ AEC office.

10. Remarks: (Use back of page if necessary) Recommend that no certification be made.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED APR 21 1958

DATE	INITIALS	CODE
4/21	C	220
4/22	esf	130
4/22	7	110
4/25	24	130
4/25	C	220

April 17, 1958

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4661 (Uranium)
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington
Contract No. Idm-E1116

Dear Mr. Selfridge:

Enclosed are three copies of a Field Team final report on this project.

The purpose of the project was to explore by trenching the western extension of a series of ore-bearing structures which contained small pockets of ore-grade autunite-bearing material. Four trenches having a total length of 1,315 feet were completed at a cost of $2,271.39 to which the Government contributed $1,703.54.

Project work started August 12 and was completed early in September 1957. No uranium-bearing structures were found, and therefore no certification is recommended. No further exploration with Government funds is warranted.

By Field Team, Region I

A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Stephen W. Zoldoski
for Wing G. Agnew, Member
U. S. Bureau of Mines

ON-SITE EXAM. REPORT

Enclosures
cc: USBM(2)
USGS(SRO)
Albee
AEC, Salt Lake

Reviewed by
DMEA OPERATING COMMITTEE
4-25-58
(date)

OFFICIAL FILE COPY
DMEA
RECEIVED APR 21 1958

DATE	INITIALS	CODE
4/25	JB	130
		220

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM, REGION I

FINAL REPORT

Contract Idm-E1116

by

G. G. Waddell
Mining Engineer
U. S. Bureau of Mines

Howard F. Albee
Geologist
U. S. Geological Survey

NORTH STAR URANIUM, INC.
417 Paulsen Building
Spokane 1, Washington

Docket No.:	DMEA-4661
Commodity:	Uranium
Contract date:	July 30, 1957
Completion date:	September 5, 1957

Reviewed by
DMEA OPERATING COMMITTEE
4-25-58
(date)

LEHMECKER LEASE
Mt. Spokane Autunite District
Spokane County, Washington

Spokane, Washington

April 1958

CONTENTS

	Page
INTRODUCTION	1
Summary	1
Recommendations	2
LOCATION AND ACCESSIBILITY	2
PROPERTY	2
GEOLOGY	3
Regional Geology	3
Local Geology	4
THE PROJECT	5
Summary of Factual Data	7
Exploitation Possibilities	8
Discussion of Conclusions	9

ILLUSTRATIONS

Figure 1 - Location Map, Lehmbecker Lease	2a
Plate 1 - Contour and Geologic Map of Part of the Lehmbecker Lease (Feb. 1958)	In pocket

FINAL REPORT

NORTH STAR URANIUM, INC.
Lehmbecker Lease
Mt. Spokane Autunite District
Spokane County, Washington

Contract Idm-E1116

* * * *

INTRODUCTION

This report describes an exploration project conducted jointly by North Star Uranium, Inc., and the Defense Minerals Exploration Administration to explore for uranium ores at the Lehmbecker Lease, Spokane County, Washington.

The property was examined on April 3, 1957, and because of the muddy and snowy conditions existing at that time, it was re-examined on May 11, 1957. The examining team recommended a small trenching program and a contract was entered into on July 30, 1957.

Summary

The purpose of the project was to explore the westerly extension of an ore-bearing fault zone and other ore-bearing structures. The structures contained small pockets of ore-grade autunite-bearing material and have produced 548 tons of ore that averaged 0.245 percent U_3O_8.

The project was to consist of 100 hours of bulldozing which would provide for 1 trench approximately 550 feet long, 4 trenches each approximately 100 feet long, and 350 feet of additional trenching to be used if warranted by the results of the first 5 trenches. The contract was amended later to provide for only 4 trenches, the first to be approximately 550 feet long and the other 3 to be not less than 100 feet long.

A total of $2,271.39 was expended on the project, of which the Government's share at 75 percent was $1,703.54. The estimated cost of the project was $2,772.

The program began on the 12th of August, 1957, and was completed early in the following month. The four bulldozer trenches (plate 1) disclosed several small faults and pegmatite dikes and segregations, some of which showed slight radioactivity, but no uranium minerals. The westerly extension of the ore-bearing structures that lie to the east of the trenches was not found.

Recommendations

The results of the project work were disappointing as no uranium-bearing material nor potentially ore-bearing structures were found. A Certification of Discovery or Development is not recommended.

There is no minable ore in sight on the property since the last shipments were made. The Operator does not believe that the property has other minable reserves of uranium ore. Further exploration with or without Government participation is not warranted.

LOCATION AND ACCESSIBILITY

The property is on the northwestern foothills of Mt. Carson, a subsidiary peak adjoining Mt. Spokane. The terrain is gently rolling, the altitude ranging from 2,775 feet at the southern edge to less than 2,530 feet at the northwestern corner. Drainage is to the northwest. The property includes open meadowland and dense stands of trees. Precipitation is 16-20 inches per year, most of which falls as snow during the winter. Mining operations are feasible throughout the winter.

The property can be reached from Spokane by traveling north 14.5 miles over U. S. Highway 195 to Chattaroy, Washington, thence east and northeast 12.6 miles over a paved secondary road, thence 4.4 miles east over a winding graveled road to the open cuts visible from the road (fig. 1).

PROPERTY

The property, known as the Lehmbecker Lease, consists of 75 acres of deeded land owned by Wilhelm and Ruth Lehmbecker. This is the E½NW¼ sec. 1, T. 28 N., R. 44 E. Willamette meridian in Spokane County, Washington. North Star Uranium, Inc., leased the property on October 25, 1956.

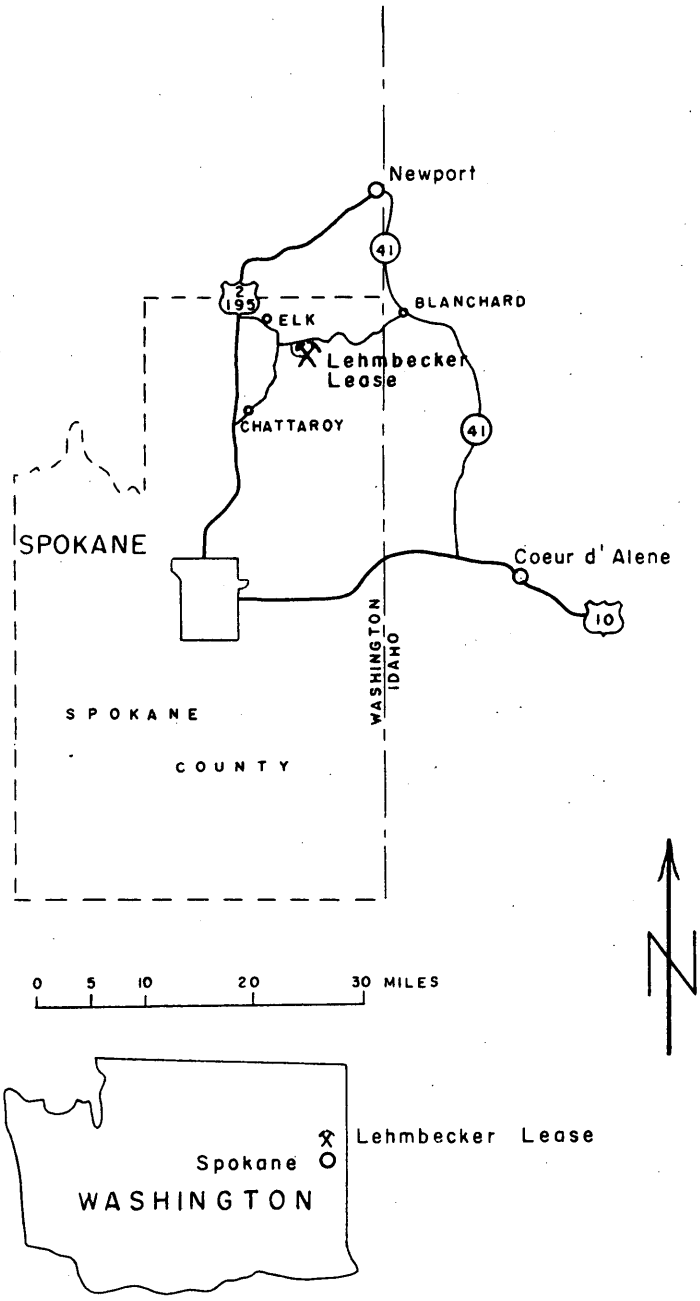


Figure I LOCATION MAP, LEHMBECKER LEASE
North Star Uranium, Inc.
Spokane County, Washington

North Star first exposed uranium mineralization in the fall of 1956. The area was traversed using a scintillator, then cleared and trenched with a dozer in the areas showing the highest anomalies. Initially 7 northeast-trending trenches were cut, ranging from 100 to 400 feet in length and averaging 8 feet deep. There also was some stripping between the trenches. This work exposed some northwest-trending shears and pegmatite dikes containing coatings of autunite. Where this set of fractures and structures intersected low-dipping east-west striking shears, good ore-grade uranium was found. During the latter part of 1956 and up until November 1957, 548 tons of uranium ore averaging 0.245 percent U_3O_8 were mined from this area. The DMEA exploration work was 400 feet to the west of the productive area. All mining was suspended after October 1958 due to depletion of the small ore reserve which actually proved uneconomical to mine.

Soil cover in general is from 1 to 10 feet in thickness. Below, the soil is loosely consolidated residual overburden of weathered granite that is easily removed by a bulldozer. Under this is the fractured granite and pegmatite dikes that can be broken with the ripper on the cat. Using the ripper, the Operator has been able to cut 15 feet into the altered granite. The trench walls will stand vertical if they are dry but cave readily when wet.

GEOLOGY

Regional Geology

The Lehmbecker Lease is in the Mt. Spokane Autunite District, an area in which a number of autunite deposits have been discovered. The initial discovery was that of the Daybreak ore body made in 1954. The district comprises a north-trending zone at least 14 miles long and 3 miles wide that is underlain by deeply weathered granitic rock which is essentially a biotite quartz monzonite phase of the Loon Lake granite. The monzonite contains abundant aplite and pegmatite dikes and segregations. The aplites and pegmatites are of an apparent similar composition and are distinguished by the sugary texture of the aplites as opposed to the coarse texture of the pegmatites.

To date, all shipments from the district have come from open-pit operations on three properties. In addition to the ore shipped by North Star Uranium, Inc., from the Lehmbecker Lease, the Daybreak Mining Company has shipped about 12,500 tons of ore averaging 0.25 percent U_3O_8 from its Daybreak deposit and about 900 tons of ore averaging 0.27 percent U_3O_8 from its Huffman Lease. Approximately half of the shipments were to the Vitro Chemical mill in Salt Lake City, Utah, and the remainder was shipped to the uranium mill at Ford, Washington, which has been in operation since about the middle of 1957.

Exploration in the district has disclosed several northwest- to west-trending shear zones in the granitic rocks. The more promising deposits are associated with these shear zones. Autunite also occurs in splits from the principal shear zones and in joints, tension faults, cross faults, and in other fracture systems in the surrounding rocks. Northeast-trending shears that cut, and at the Daybreak deposit apparently offset, the main northwest-trending shears have been encountered.

The deposits are characterized by massive aggregations of autunite crystals encrusting and, in places, filling vugs and fractures within the shear zones and in joints, small faults, and irregular minor fractures in the granitic wall rock. Vein fillings and crustifications are commonly localized along partings between contacts, such as between a pegmatite dike and the country rock or between an aplite dike and a pegmatite dike. Lesser amounts of autunite occur along grain boundaries and other minute openings in the rocks.

Local Geology

The granitic bedrock underlying the property is deeply weathered and covered with 1-10 feet or more of soil and slope creep material. Within the district weathering and/or hydrothermal alteration has so softened the granitic material that the upper 10-15 feet can usually be trenched without drilling and blasting.

Abundant small pegmatite dikes and segregations up to 3 or 4 feet wide and many minor faults with a northwest trend and generally a southwest dip cut the country rock. The ore-bearing fault zone, called the Lehmbecker structure, is exposed by stripping and trenching over a distance of about 260 feet (pl. 1). It strikes N. 75° E. and dips 23°-40° SE. The rock within and near this zone is bleached and altered to a width of 10-15 feet or more. The hanging wall is fairly well-marked by a narrow seam of gouge, but the footwall is indefinite and appears to grade into less altered country rock.

Autunite, occurring as fracture coatings and fillings and disseminated crystals and aggregates, was found principally in the hanging-wall zone of the Lehmbecker structure, but concentrations of ore-grade material up to several tons also were found associated with the northwesterly trending pegmatites and minor shears. The only indication of the presence of radioactive minerals on the property, other than in the mined area, is a small anomalously radioactive spring near DMEA Trench No. 3 and the slight radioactivity along some of the small structures in the DMEA trenches.

The DMEA trenches exposed bedrock that is cut by a number of minor faults, largely identified by thin gouge seams, and several pegmatite dikes and segregations. Although slightly anomalous radioactivity was detected at a few of the structures, the results were discouraging.

THE PROJECT

Dozer trenches and back-hoe excavations completed by the Operator prior to its application for DMEA assistance showed good uranium mineralization that indicated a potentially commercial deposit. Very little was known about the lateral extent of the deposit; however, a project was proposed to search for the uranium-bearing structures to the west.

North Star's original proposal called for 4 dozer trenches estimated to cost $20,000 and $2,800 for stripping; 18 holes totaling 2,140 feet of noncore and 160 feet of core drilling costing $7,035; assays and spectrographic determinations for uranium and rare earths costing $2,500; other costs brought the total to $50,435.

The DMEA examiners felt that the Lehmbecker Lease warranted additional exploration; however, the structures already exposed were too spotty and small for a drilling target. Therefore, the exploration work was confined to the virgin ground to the west in hope that the Lehmbecker, the Huffman, and other structures would intersect and "make" ore. In the Mt. Spokane area the best ore shoots are found at the intersections of dikes, faults, and fractures.

The contract work was to consist of 5 trenches, 1 to be 550 feet long and the other 4 to be 100 feet long. All were to average 10 feet deep and expose bedrock. An additional 350 feet of trenching subject to written Government approval was to be allowed after the completion of the first 5 trenches. No trench was to be closer than 100 feet to any other trench.

After excavating Trenches No. 1 through 4 the field examiners and Operator agreed that in lieu of excavating DMEA Trench No. 5, DMEA Trench No. 3 should be extended 100 feet further to the north and all of the trenches should be deepened into bedrock as much as practicable without, however, exceeding the 100 hours of dozing authorized in the contract. A letter of authorization to this effect was written to the Operator on August 29, 1957, by the Field Team. Amendment No. 1, dated December 18, 1957, authorized the work.

The work was carried out essentially as specified in the contract as amended. The dozer operator went off course a little in following the contour of the hill which resulted in the ends of some of the trenches being closer than the minimum 100 feet between the trenches specified in the contract. However, measured along the line of the structures intersected, the points of intersection were approximately 100 feet apart. Also, Trench No. 1 was excavated as two parallel trenches with an overlap for the convenience of dump room. The net length of excavation was 550 feet.

Four trenches having an accumulative length of 1,315 feet and averaging 11 feet deep were excavated. This took 100 hours of dozing. No uranium mineralization was found in the trenches. Although several faults, pegmatite dikes, and alteration zones were identified, a check with a Geiger counter showed only faintly anomalous radioactivity.

The contract is dated July 30, 1957. The work began on August 12 and was to be completed by November 1, 1957; however, the work was actually completed on September 5.

Summary of Factual Data

The work units completed and the costs of the contract are as follows:

	Authorized	Completed
Bulldozing, 100 hrs. at $17.50	$1,750.00	$1,750.00
Transp. of dozer	75.00	75.00
Supervisor	600.00	360.00
Materials and supplies	42.00	31.78
Miscellaneous	305.00	54.61
Total	$2,772.00	$2,271.39

Total amount of contract	$2,772.00
Government's share at 75 percent	2,079.00
Total amount expended	$2,271.39
Government's participation	1,703.54
Total amount unexpended	500.61
Government's share unexpended	375.46
Royalty payments received	none

Amount due (See statement of sales in following paragraphs.)

The distribution of the time and costs of the bulldozing is as follows:

Trench No.	Length (feet)	Depth (feet)	Hours	Cost
1	550	12	43	$ 787.50
2	200	12	16	280.00
3	400	9	25	437.50
4	165	12	14	245.00
	1,315		100	$1,750.00

North Star sold 359 tons of 0.21 percent U_3O_8 ore to Dawn Mining Company, the owner of the uranium mill at Ford, Washington, on October 29, 1957. They received $6,091.59 (includes development allowance and premium), $5,258.50 Atomic Energy Commission production bonus, and an additional $1,092.66 as a haulage allowance. Part of this ore was mined during the period the DMEA contract was active. The Operator has been asked to submit records showing how much of this ore was mined after the effective date of the contract. This producing area has been worked since the fall of 1956. All the project exploration was over 400 feet to the west of this area.

No new uranium mineralization was discovered. All of the stockpiled ore that met the grade requirements was sold.

There was no equipment purchased for the project; thus, the Government has no equity in equipment.

Exploitation Possibilities

No new uranium ore was found by this exploration program. In the open pit it was necessary to do selective digging and blasting to try and produce an ore that would average 0.20 percent U_3O_8. Some of the stockpiled ore assayed 0.40 percent U_3O_8, but when mixed with the lower grade stockpile, the average was 0.245 percent U_3O_8 on the 548 tons sold.

The Operator used a bulldozer, back hoe and a loader to mine. Although this combination of machinery gave the operation versatility, the ore was too scattered and sparse to enable the Operator to mine at a profit. The mining operation was suspended in October 1957 and is not expected to recommence.

It is doubtful if the prospect will ever develop into a mine. No further exploration with Government funds is recommended.

Discussion of Conclusions

Contract work was diligently and competently performed. The entire work took less than 1 month. The Operator cooperated very well with the DMEA personnel. No difficulties of either an administrative or financial nature were encountered.

The D-8 cat used in the trenching was able to cut into the altered granite, thus exposing any structures. This satisfactorily accomplished the object of the work.

This project produced no new geologic guides in the search for uranium and no targets warranting further Government exploration assistance were revealed.

Enclosure
Distribution:
- DMEA(3)
- USBM(5)
- USGS(SRO)
- Docket
- Albee
- AEC, Salt Lake

So. 157 Howard Street
Spokane 4, Washington

April 18, 1958

Mrs. Dorothy Long, Certifying Officer
DMEA Field Team, Region I
1201 North Division Street
Spokane 2, Washington

Re: Docket No. DMEA-4661 (Uranium)
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington
Contract No. Idm-E1116

Dear Mrs. Long:

Attached is Check No. 0902, dated April 9, 1958, for $62.21 from North Star Uranium, Inc., Spokane, Washington, which represents the Government's royalty due (5%) on ore sold October 29, 1957, by this company, in accordance with the attached Ore Settlement Sheet, Bonus Payment AEC Form, and Haulage Allowance Statement.

Also attached is a copy of a letter, dated April 10, 1958, to the Executive Officer from John F. Campbell, president of the company, in answer to Field Team letter of April 8, regarding this transaction.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

Attachments as indicated
cc: North Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

DMEA w/encls.
CPF

ATTACHMENTS RECEIVED 4-22-58 (D.F.E.)
D.L.
INDICATE ENCLS TO ENVE $62.21

NORTH STAR URANIUM, INC.
417 PAULSEN BUILDING
SPOKANE 1, WASHINGTON
TEMPLE 8-8344

April 10, 1958

Mr. A. E. Weissenborn
Executive Officer DMEA
Field Team Region I
S. 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-4661 (Uranium)
Lehmbecker Lease
Spokane County, Washington
Contract No. Idm-E1116

Dear Mr. Weissenborn:

This is in reference to your letter of April 8, 1958, in which you advise us that royalty due is 5 percent of $1,244.27 or $62.21. Accordingly there is enclosed herewith our check in the amount of $62.21 in payment of said royalty.

We understand that full 5 percent royalty is due on any ore sold after October 29, 1957, if the project is certified as a discovery, or on production made before May 21, 1958, if no certification is made. When will we know whether or not a discovery is certified.

We greatly appreciate your cooperation in handling the above, and thank you for your assistance.

Yours very truly,

JOHN F. CAMPBELL, PRESIDENT

JFC:mla
enc Check 0902
$62.21

[illegible]

[illegible]ation Dawn Mining Company Date October [illegible]

Liq. No. 1 Lot No. 60 Shipper's [illegible]

Bought of North Star Uranium Inc. AEC Licen[illegible]

Address 417 Paulsen Bldg., Spokane, Washington Date [illegible]

Type of Ore Autunite Contract No. 2 Pile No.

Mining Claim Lehmbecker Lease Mining District Mt. Sp[illegible]

County Spokane State Washington Locality [illegible]

Pounds	H_2O	Pounds	Assays - Percent U_3O_8		Content [illegible]
770,020	6.66%	718,771	.210		1509.42

U_3O_8		Per Lb.	Per Ton	Short Ton	[illegible]
.210	% = 4.2 # U_3O_8	@ 3.50		339.5[illegible]	@ [illegible]
[illegible]elopment allo[illegible]	[illegible] # U_3O_8	.50			[illegible]
[illegible]nium in excess of [illegible] per ton					
[illegible]	[illegible] # U_3O_8	.75	.[illegible]	3[illegible]	[illegible]
	[illegible] per ton				

[illegible]

Budget Bureau No. 69-R3013.

U. S. ATOMIC ENERGY COMMISSION

APPLICATION FOR BONUS PAYMENT

For ore delivered on or after March 1, 1951, in accordance with AEC Domestic Uranium Program Circular 6

RECEIVED
BUREAU OF MINES
APR 15 1958
SPOKANE, WASH.

1. NAME OF APPLICANT: North Star Uranium, Inc.

2. MAILING ADDRESS: 417 Paulsen Bldg., Spokane 1, Wash.

3. NAME OF MINING PROPERTY: Lohmbecker Lease

4. MINING DISTRICT: Northwest

5. DATE: February 6, 1958

6. AEC LICENSE NO: P-3416

7. MINING PROPERTY CERTIFICATION NO.: D.U.P. C 6 -C- 998

No application for bonus payment will be considered on shipments from any mining property which has not been certified.

8. ORE SHIPMENTS DELIVERED TO AND PAID FOR BY: Ford Mill-Dawn Mining Co. (Mill or station)

LOCATED AT: Ford, Washington

DATES OF SETTLEMENT	(Fill in either LIQUIDATION NO	or CHECK NO.) Voucher	DRY TONS, ORE	GRADE U_3O_8	POUNDS U_3O_8	BONUS PAYMENT PER POUND U_3O_8	AMOUNT OF BONUS PAYMENT
Oct.29,1957	1	1285	359.886	.210	1509.42	3.80	5,282.97
						TOTAL, $	5,282.97

(If more space is needed, use a sheet of paper the same size as this page)

North Star Uranium, Inc.

A. C. Townsend 2/6/58 Secretary

FOR USE BY ATOMIC ENERGY COMMISSION ONLY

ACCOUNTING CLASSIFICATION	AMOUNT

M. L. [illegible]
CONTRACTING
2634 W. Quincy Avenue
SPOKANE 14, WASHINGTON
Phone FR 5-2687

RECEIVED
BUREAU OF MINES
APR 15 1958
SPOKANE, WASH.

Date Oct. 16, 1957

North Star Uranium Inc.
417 Paulsen Bldg.
Spokane, Wash.

Please detach and return with your remittance.

	Charges	Credits	Billing Date	Amount Due
Balance Forward				

Lot 1 --

388 tons 1220 lbs. at 6 cents per ton mile for 48 miles -------

~~Total -- $1,117.79~~

Pd 9/70 $1092.66

NORTH STAR URANIUM, INC.

DATE PAID ~~OCT 31 1957~~ 11-20-57 CHECK NO. 752

A/C No.	Acct.	Lease Distr.	Dr.		Cr.	
500-4	Ore Hauling	Lehmbuster	1092	66		
801	ACCOUNTS PAYABLE				1092	66
	OCT 1957	TOTALS				

ORIGINAL FILE COPY
DMEA
RECEIVED APR 11 1958
DATE

So. 157 Howard Street
Spokane 4, Washington

April 8, 1958

Mr. John F. Campbell
North Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

Re: Docket No. DMEA-4661 (Uranium)
Lehmbecker Lease
Spokane County, Washington
Contract No. Idm-E1116

Dear Mr. Campbell:

This is in further reference to the amount of royalty due the Government on the ore sold on October 29, 1957 by North Star Uranium, Inc.

Our Washington office has agreed that your claim that 90 percent of this ore had been mined and stockpiled prior to the date of the DMEA contract is reasonable, and has asked us to advise you that royalty on 10 percent of the gross sale value of the ore sold on October 29, 1957 is due. Full royalty is due on any ore sold after that date, if the project is certified as a discovery, or on production made before May 21, 1958, if no certification is made. On the basis of the settlement sheet the ore sold October 29, 1957 had a gross sale value of $12,442.72. Therefore, royalty due is 5 percent of $1,244.27 or $62.21.

Royalty checks should be made payable to the Defense Minerals Exploration Administration and mailed to A. E. Weissenborn, Executive Officer, DMEA, Field Team, Region I, South 157 Howard Street, Spokane 4, Washington.

By Field Team, Region I

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: DMEA (3)
USBM (2)
USBM (AD)
Turner
CPF
Albee

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/2	Murphy	700
4/2	[illegible]	700
4/2	Chambers	800
4/2	[illegible]	135
"	Johnson	110
"	Whitesides	100
		~~213~~
4/3	[illegible]	220
4/		700

APR 2 1958

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-4661 (Uranium)
Contract No. Idm-E1116
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington

Dear Mr. Weissenborn:

Your letter, dated March 24, 1958, and enclosures relating to ore sales from the subject property have been reviewed.

Your letter, dated August 5, 1957, submitting the Government's offer of a contract clearly pointed out that royalty would be due the Government on known ore deposits, so that any question of liability for royalty payment is removed.

As to the amount due, it appears from the data available to us, the Operator's claim that 90 percent of the ore sold on October 29, 1957, had been mined and stockpiled prior to the date of the DMEA contract is reasonable.

The Operator, therefore, should be advised that it must pay the Government's royalty on 10 percent of the gross sale value of the ore sold on October 29, 1957; and the full royalty on any ore sold after that date, if the project is certified as a discovery, or on production made before May 21, 1958, if no certification is issued.

The royalty figure shown in the memorandum, dated February 18, 1958, by O. G. Waddell, USBM, does not include the haulage allowance. This allowance is subject to royaly payments; therefore, the Government's royalty on the ore sold during the contract period is $62.21, rather than the $56.75 mentioned in your letter.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GB)

APPROVED:

P. F. Yopes (GB)
Member, Bureau of Mines

N. E. Nelson (GB)
Member, Geological Survey

FMMurphy/izm 4-1-58
cc: Mr. Murphy
Admr.'s Reading File
Operating Committee
THKilsgaard, 5224
Code 800

8623

Form 7
56)

OFFICIAL FILE COPY

Date	Surname	Code
4/2	Ellis	700

April 2, 1958

Memorandum

To: The File

From: F. M. Murphy, Mining Engineer
Div. of Rare & Misc. Metals

Subject: Royalty Payments

Docket No. DMEA-4661 (Uranium)
Contract No. Idm-E1116
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington

In a letter, dated March 24, 1958, to Mr. Selfridge, the Field Team requested advice relating to royalties due the Government on ore sold during the effective period of the contract.

Prior to the contract, the Operator had shipped four lots of ore, and had stockpiled about 480 tons on the land. This ore was from a deposit on land subordinated, but the DMEA work was on an adjacent area.

Work under the contract was completed September 5, 1957, without finding any new ore; therefore, certification of the contract will not be recommended. In this case the docket will be closed May 21, 1958, or 6 months after receipt of the Operator's final report.

On October 29, 1957, the Operator shipped the ore previously stockpiled; however, about 10 percent of this shipment was ore produced from the subordinated land during the effective royalty period under the contract.

In a letter, dated April ?, 1958, the Field Team was advised that the Operator must pay the Government its royalty on 10 percent of the value of theore sold on October 29, 1957.

This question has been discussed with the Solicitor.

F M Murphy

F. M. Murphy

FMMurphy/izm 4-1-58
cc: Mr. Murphy

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

So. 157 Howard Street
Spokane 4, Washington

March 24, 1958

DMEA
RECEIVED MAR 28 1958

DATE	INITIALS	CODE
3/28	C	220
1/11	FMM	700

1 copy sent to 800

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4661 (Uranium)
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington
Contract No. Idm-E1116

Dear Mr. Selfridge:

Enclosed is a memorandum report by G. G. Waddell, Mining Engineer, U. S. Bureau of Mines, regarding ore mined during the contract period at the North Star Uranium, Inc. property, the Lehmbecker lease. Also enclosed are copies of two letters dated February 25 and March 14, 1958 from the company, and a report by H. W. Norman on the amount of ore that had been stockpiled prior to the start of DMEA exploration work on the property.

To summarize, 359.386 short dry tons of ore with an average grade of 0.21 percent uranium was shipped from the property to the Dawn Mill at Ford, Washington, after the effective date of the DMEA contract. Most of this ore had been mined prior to the effective date of the contract and had been stockpiled on the property pending the construction of the mill. However, some ore was mined from the property after the date of the contract and mixed with the stockpiled ore.

Inasmuch as the DMEA work failed to discover any new ore and the small amount of ore that was mined came from a little ore lens which was already known, it might be argued that DMEA should forego the collection of royalty on any of the ore produced. However, the contract does not exclude any production from the property; therefore, it is the opinion of the Field Team that royalty should be collected from any ore produced after the effective date of the contract. It also seems clear that no royalty is due on any ore mined prior to the date of the contract and stockpiled on the property, even though it was actually shipped to the mill after the contract became effective.

Ore on the property was stockpiled in one high-grade stockpile and several low-grade stockpiles and ore from the various piles, together with a small amount of new ore, was mixed together to make up the 385.01 wet tons containing 6.66 percent moisture, shipped to the mill. All of the high-grade stockpile ore was shipped; some of the low-grade material still remains. H. W. Norman, Consulting Geologist, estimates that of the 385 wet tons shipped, 90 percent was ore that was mined before the contract became effective. The Spokane field office of the AEC estimates in their August 20, 1957 report that approximately 420 tons of ore of unknown grade was stockpiled at the mine.

The Field Team therefore believes that the Operator's claim that approximately 90 percent of the ore was mined prior to the contract is reasonable. If royalty is to be charged only on the 10 percent that was produced after the date of the contract, and if it is assumed that the grade was the same as the average grade of the entire shipment--and we believe that it was much lower--then the royalty due the Government would be $56.75. If you are in agreement, will you please advise us and we will request payment from North Star Uranium, Inc.

By Field Team, Region I

A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew

Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures

cc: USBM (2)
USBM (AD)
Albee

ORIGINAL FILE COPY
DMEA
RECEIVED MAR 28 1958
DATE | INITIALS | CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1201 N. Division St.
Spokane 2, Washington

February 18, 1958

MEMORANDUM

To: DMEA Field Team, Region I

From: G. G. Waddell, Mining Engineer, U. S. Bureau of Mines

Subject: Ore mined during contract period, Docket No. DMEA-4661 (uranium), North Star Uranium, Inc., Spokane County, Washington, Contract No. Idm-E1116

Some stockpiled ore at the property of the North Star Uranium, Inc., was sold on October 29, 1957, which was during the life of the contract. All project work was completed by September 5, 1957 and the final inspection of the property was made on September 16; the termination date of the contract was November 1, 1957.

The contract was dated July 30, 1957 and the bulldozing work began on August 12, 1957. I inspected the project on August 27, accompanied by H. F. Albee, Geologist, U. S. Geological Survey. At that time more than 100 tons of ore ranging from 0.15 to 0.40 percent U_3O_8 had been stockpiled. (This was noted in our memorandum to the Field Team dated August 28, 1957.) The average of the stockpile was well below the cutoff grade acceptable at the Ford uranium mill (0.20 percent U_3O_8 cutoff). Subsequently, enough high-grade ore was mixed in to bring the grade up to 0.21 percent U_3O_8. This was sold on October 29, 1957.

When the property was inspected on September 16, 1957, all of the DMEA exploration work had been completed. No uranium mineralization was found by this work and no certification of discovery is recommended.

Total production from the mine is as follows:

Settlement Date	Dry short tons	Grade % U_3O_8	Lbs. U_3O_8
Prior to contract 12/31/56	46.047	0.29	267.04
1/31/57	36.053	0.16	115.37
6/28/57	48.499	0.33	320.09
7/31/57	58.071	0.41	476.18
10/29/57	359.386	0.21	1509.42
Total	548.056	@ 0.245	2681.11

All of the above ore was mined from the original producing area but part of the last shipment was ore mined during the life of the DMEA contract. The revenue from the last shipment amounted to the following:

October 29, 1957 Ore Settlement Sheet

1509.42 lbs. U_3O_8 @ $3.50/lb.	= $ 5,282.97
1509.42 lbs. dev. allowance @ $0.50/lb.	754.71
Premium in excess of 4 lbs./ton @ $0.75/lb.	53.91
Total	$ 6,091.59
Haulage allowance @ 6¢/ton mile	1,092.66
Total	$ 7,184.25
Bonus payable by AEC for production on first 10,000 lbs. U_3O_8	
1,509.42 lbs. U_3O_8 @ $3.50/lb.	$ 5,258.47
Gross sale value less haulage allowance is $6,091.59 plus $5,258.47	= $11,350.06
Government royalty @ 5% if applicable	= 567.50

If it is decided that the ore is subject to royalty, then the amount of the last shipment that was mined during the contract period must be determined.

In the Operator's original application he asked for exploration assistance in the area where he had been producing and also assistance in exploring for the projection of the mineralized structures 400 feet to the west. Only the latter work was approved by the Government. Therefore, the Operator should have had the opportunity to withdraw the producing area from the property subject to the Government royalty lien. More specifically, the Lehmbecker lease of the North Star Uranium, Inc., consists of the E½ of the NW¼ of sec. 1, T. 23 N., R. 44 E., W.M. All of the exploration work was performed on the W½ of the E½ of the NW¼ of sec. 1, T. 23 N.,

R. 44 E., W.M. The E$\frac{1}{2}$ of the E$\frac{1}{2}$ of the NW$\frac{1}{4}$ of sec. 1 should not apply to the Government royalty.

I recommend that only the immediate area of the exploration work be subject to royalty during the contract period. With this limitation the ore mined from the initial producing area in August, September and October 1957 and sold on October 29, 1957 would not be subject to Government royalty.

G. G. Waddell

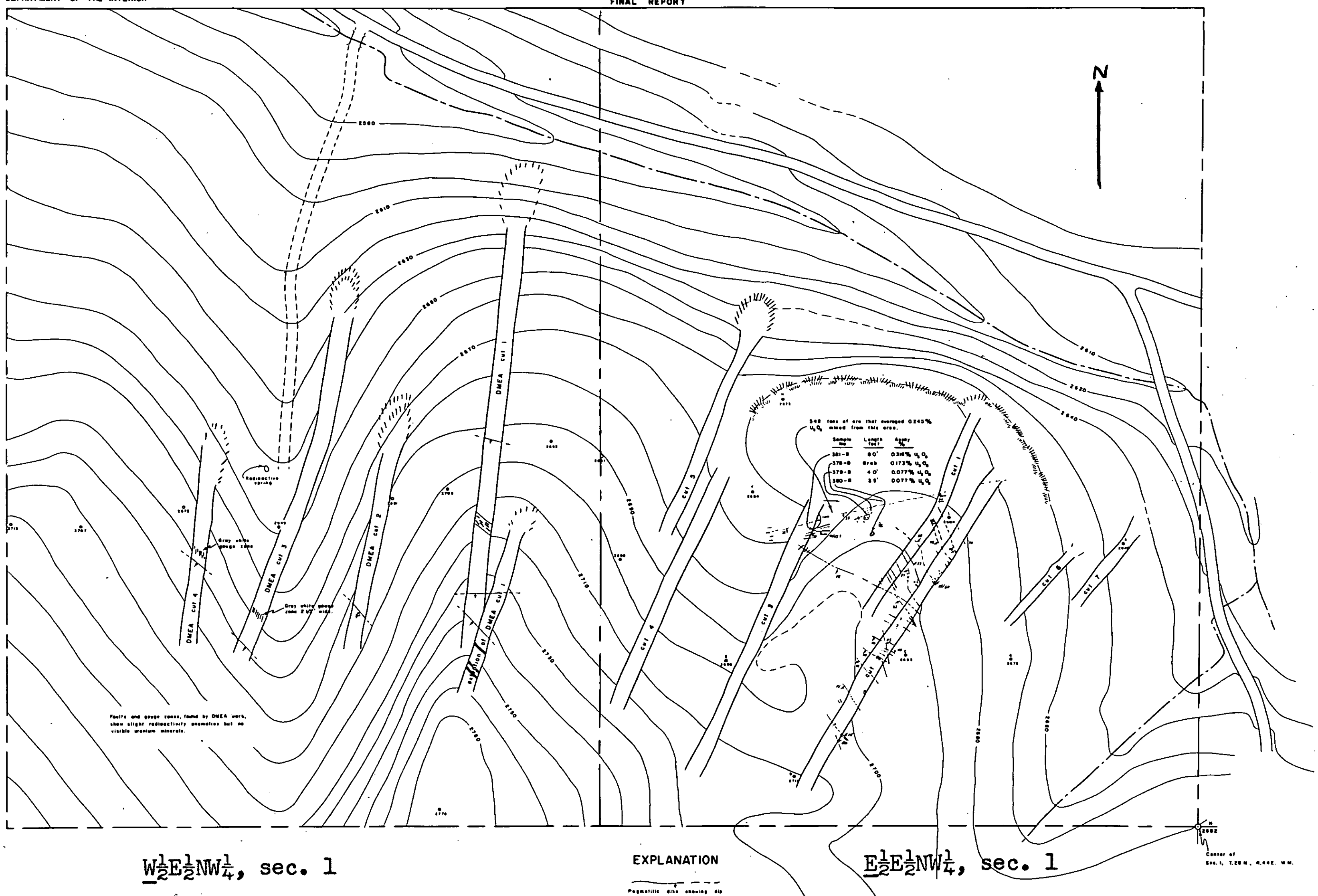
Attachment (1 map)

Distribution:
DMEA (Orig. & 3)
USGS (2)
USBM (AD)
Waddell

UNITED STATES
DEPARTMENT OF THE INTERIOR

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
FINAL REPORT

DOCKET NO DMEA 4661



Topographic base furnished by the applicant.
Bulk of geology copied from field sheets of the U.S. Atomic Energy Commission.

EXPLANATION

Pegmatitic dike showing dip (dashed where inferred)

Sheared rock showing dip (dashed where inferred)

Autunite seam or fracture coating (dashed where inferred)

Contour interval 10 feet

CONTOUR AND GEOLOGIC MAP
of part of the
Lehmbecker Lease

NORTH STAR URANIUM INC.
Spokane County, Washington

50 25 0 50 100 FEET

FEB. 1958

PLATE 1

COPY

DMEA
RECEIVED MAR 28 1958

DATE	INITIALS	CODE

NORTH STAR URANIUM, INC.
417 PAULSEN BUILDING
SPOKANE 1, WASHINGTON
TEMPLE 8-6244

March 14, 1958

Mr. A. E. Weissenborn
Field Chief Region I, D.M.E.A.
157 South Howard
Spokane, Washington

Re: Lehmbecker Lease
DMEA Contract NO. IDM-E-1116

Dear Mr. Weissenborn:

In further reference to my letter of February 25, 1958, concerning the shipment of ore made to the Dawn Mill, I am enclosing a copy of a letter from Mr. H. W. Norman, consulting geologist, in which he states, "that at least 90 percent of the approximately 385 tons of ore shipped in October was stockpiled on the Lehmbecker lease prior to the initiation of your DMEA exploration program on August 12, 1957." He is referring to the beginning of actual explorations, but this would also apply to the date the contract was signed, which was July 31, 1957.

I believe that the A.E.C. office here in Spokane may be helpful also in enabling you to determine the tonnage of ore stockpiled prior to the date our contract was signed. At any rate, we will abide by your recommendations in this matter. If there is any further data that you need please let me know.

Yours very truly,

JOHN F. CAMPBELL

JFC:mla
enc

RECEIVED
MAR 17 1958

DMEA (2)

NORTH STAR URANIUM, INC.
417 PAULSEN BUILDING
SPOKANE 1, WASHINGTON
TEMPLE 9-6344

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 28 1958

DATE	INITIALS	CODE

February 25, 1958

D.M.E.A. Field Team
Region I
157 South Howard St.
Spokane, Washington

Re: Lehmbecker Lease
DMEA Contract No. IDM-E-1118

Gentlemen:

This will acknowledge receipt of final payment of the Government's share of cost on the subject contract for which we thank you. As you know, no discovery of ore was made by the D.M.E.A. work which was completed September 5, 1957. It is our understanding that no certificate of discovery will be made. We plan to abandon this property soon.

Under the terms of the subject contract there may be a question concerning the shipment of ore that was made to the Dawn Mill at Ford, Washington, and paid for October 29, 1957. Practically all this ore was stock piled or in sight ready for shipment prior to the date of our D.M.E.A. contract. The ore was retained at the mine until the Dawn Mining Company was ready to accept it at their new mill which did not go "on stream" until late in August. Our ore procurement agreement (Contract No.2) was not made with the Dawn Mining Company until the 16th day of September, (I am enclosing a copy of the agreement for your information). Once the agreement was made the ore was immediately shipped, a total of 358 tons. By waiting for the Dawn Mill to accept our ore, our company enjoyed a considerable freight advantage over shipment to the Vitro Mill at Salt Lake City and it was for this reason the ore was held at the mine until Dawn was ready to accept it.

All ore shipped came from a single pocket or lens of ore on the E½ of the lease area. Our original D.M.E.A. proposal, as you may remember, called for drilling beneath this ore pocket. This drilling proposal was not approved for D.ME.A. work and it was deleted from the final contract. It seems obvious therefore that the ore lens was practically mined out before the contract began, so that the exposure did not justify additional exploration. Actually, the pocket nature of the uranium ore deposits in the Mt. Spokane district is apparently now well established. These data are given to show that no benefit resulted from the D.M.E.A. contract that was in any way related to the ore shipment. All D.M.E.A. work was conducted on the W½ of the lease area which proved to be barren.

DMEA(2)

We feel the above explanation of our activities is sufficient to justify our assumption that our shipment to the Dawn Mill will not be subject to government royalty. We regret that we did not previously clarify the matter in order to obtain your clear understanding of the situation and approval. For this oversight we must apologize. Thank you again.

Yours very truly,

JOHN F. CAMPBELL

JFC:mla

RECEIVED
FEB 6 1958
U.S.F.S.
SPOKANE, WASH.

DMEA
RECEIVED MAR 17 1958

DATE	INITIALS	CODE
3/17	C	220
3/18		800
		700

So. 157 Howard Street
Spokane 4, Washington

March 13, 1958

North Star Uranium, Inc.
417 Paulson Building
Spokane 1, Washington

Re: Docket No. DMEA-4661 (Uranium)
Lehmbecker Lease
Spokane County, Washington
Contract No. Idm-E1116

Gentlemen:

Enclosed for your information and files is a copy of Report of Review dated January 17, 1958 by C. A. Turner, DMEA Auditor. This Report of Review covers the period of August to September 1957.

This report shows a balance due North Star Uranium, Inc., as $99.99. This money was scheduled for release February 12, 1958, and you no doubt have received payment by now.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

Enclosure

cc: DMEA (3)
USBM (2)
USBM (AD)
Turner

Standard Form No. 1034—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. 2116

U. S. .....
(Department, bureau, or establishment)

Voucher prepared at Spokane, Washington 2/12/58
(Give place and date)

THE UNITED STATES, Dr.

Payee's Account No. Idm-E1116

To North Star Uranium, Inc.
(Payee)

417 Paulsen Building Spokane Washington
(Address) (City) (State)

PAID BY

(For use of Paying Office)

RECEIVED FEB 1958 U.S.A.

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	August-Sept. 1957	Amount deleted when paying Voucher No. 2096 dated January 2, 1958, adjusted to audit				99	99
PAYMENT: Complete ☐ Partial ☐ Final ☐		FINAL PAYMENT					
		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	99	99

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

(Sign original only)

Date ..... *Payee .....
(This certificate not required when a like certificate is made by payee on attached bill or bills)

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

(Payee must NOT use this space)

Differences .....

Account verified; correct for 99 99

(Signature or initials) L.R.

Contract No. Date Req. No. Date Invoice Rec'd.

Pursuant to authority vested in me, I certify that this account is correct and proper for payment.

† Approved for $ .....

By .....

Title .....

SIGN ORIGINAL ONLY

† .....
(Authorized Certifying Officer)

Title .....

Date .....

THE REVERSE OF THIS FORM MUST BE EXECUTED WHEN PURCHASES ARE MADE OR SERVICES SECURED WITHOUT WRITTEN AGREEMENT IN ANY FORM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

'd by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19..... Payee .....
(Sign original only)

n a voucher is signed or receipted in the name of a company or corporation, the name of the person e company or corporate name, as well as the capacity in which he signs, must appear. For example: Company, per John Smith, Secretary", or "Treasurer", as the case may be. ility to certify and authority to approve are combined in one person, one signature only is nec- erwise the approving officer will sign on the line below "Approved for $.....", and s official title.

Per .....

Title .....

16—22900-3

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

16—22900-2 ☆ U. S. GOVERNMENT PRINTING OFFICE : 1950—O-75806

EXTE
D
RECEIV
DATE

1201 N. Division St.
Spokane 2, Washington

February 5, 1958

Mrs. Dorothy Long, Certifying Officer
DMEA Field Team, Region I
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA-4661 (uranium)
North Star Uranium, Inc.
Spokane County, Washington
Contract No. Idm-E1116

Dear Mrs. Long:

The project work under the referenced contract was completed by September 5, 1957; the expiration date of the contract was November 1, 1957. All the work was done to the satisfaction of the Government. A final report evaluating the results of the exploration program has been presented by the Operator and accepted by the Executive Officer.

The Government has no equity in equipment used on the project.

Certification of Discovery or Development will not be recommended.

A final Report of Review dated January 17, 1958 by DMEA Auditor C. A. Turner has been received.

As all contract requirements have been met, it is requested that final settlement of our account with the Operator be made.

Sincerely yours,

A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region I

cc: DMEA (2)
USGS (2)
Contract Admin. & Audit Div. (2)
Docket

1201 N. Division St.
Spokane 2, Washington

February 5, 1958

DMEA
RECEIVED FEB 10 1958
DATE | CHECK | AMT.
2/10 | C | 220
2/10 | | 800
2/11 | ~~[illegible]~~ | ~~700~~

Mrs. Dorothy Long, Certifying Officer
DMEA Field Team, Region I
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA-4661 (uranium)
North Star Uranium, Inc.
Spokane County, Washington
Contract No. Idm-E1116

Dear Mrs. Long:

The project work under the referenced contract was completed by September 5, 1957; the expiration date of the contract was November 1, 1957. All the work was done to the satisfaction of the Government. A final report evaluating the results of the exploration program has been presented by the Operator and accepted by the Executive Officer.

The Government has no equity in equipment used on the project.

Certification of Discovery or Development will not be recommended.

A final Report of Review dated January 17, 1958 by DMEA Auditor C. A. Turner has been received.

As all contract requirements have been met, it is requested that final settlement of our account with the Operator be made.

Sincerely yours,

A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region I

cc: DMEA (2)
USGS (2)
Contract Admin. & Audit Div. (2)
Docket

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/21	Talbert	800
1/21	gb	220
		700

JAN 21 1958

Mr. Charles A. Turner
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Docket No. DMEA-4661
Contract No. Idm-E1116
North Star Uranium, Inc.

Dear Mr. Turner:

The recently submitted copies of your Report of Review covering the above-cited project are accepted and normal distribution is authorized.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

EDTalbert/wb
January 21, 1958

Copy to: Docket
Admr. Reading File
Mr. Chambers

8623

Standard Form No. 1034—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. 2096

U. S. ..... (Department, bureau, or establishment)

Voucher prepared at Spokane, Washington 1/2/58
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E1116 DMEA-4661

To North Star Uranium, Inc.
(Payee)

417 Paulsen Bldg., Spokane, Washington
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	August-Sept. 1957	Amount deleted when paying Voucher No. 2089 dated 12/2/57, pending Amendment:				621	87
		55 hrs. Bulldozing @ $17.50 $962.50 Govt's. Part.-75% 721.87 Withhold 100.00 Pay $621.87					
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	621	87

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

(Sign original only)

Date ..... *Payee .....
(This certificate not required when a like certificate is made by payee on attached bill or bills)

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

(Payee must NOT use this space)

Differences .....

Account verified; correct for 621 87

(Signature or initials) L. T.

Contract No. Date Req. No. Date Invoice Rec'd.

Pursuant to authority vested in me, I certify that this account is correct and proper for payment.

† Approved for $ .....

By .....

Title .....

SIGN ORIGINAL ONLY

† .....
(Authorized Certifying Officer)

Title .....

Date .....

THE REVERSE OF THIS FORM MUST BE EXECUTED WHEN PURCHASES ARE MADE OR SERVICES SECURED WITHOUT WRITTEN AGREEMENT IN ANY FORM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19..... Payee .....
(Sign original only)

* 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.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign on the line below "Approved for $.....", and over his official title.

Per .....

Title .....

16—22900-3

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

16—22900-2 ☆ U. S. GOVERNMENT PRINTING OFFICE : 1950—O-75806

E. 12707 VALLEYWAY
OPPORTUNITY, WASH.

MARCH 11, 1958

MR. JOHN F. CAMPBELL, PRESIDENT
NORTH STAR URANIUM, INC.
417 PAULSEN BLDG.
SPOKANE, WASHINGTON

DEAR MR. CAMPBELL:

REFERENCE IS MADE TO YOUR REQUEST FOR MY OPINION AS TO THE AMOUNT OF URANIUM ORE STOCKPILED ON YOUR LEHN-BERGER LEASE AS OF AUGUST 12, 1957.

I VISITED SAID LEASE ON AUGUST 12 AND ON 10 OTHER OCCASIONS DURING THE COURSE OF YOUR DMEA PROJECT. AT THE BEGINNING OF THE PROJECT I ESTIMATED TONNAGE AND GRADE OF THE STOCKPILES, IN THE COMPANY OF DAVE BERRY, YOUR GEOLOGIST. IT WAS MY OPINION THAT YOU HAD IN STOCKPILES APPROXIMATELY 400 TONS OF ORE THAT WOULD AVERAGE 0.20% U_3O_8 CONTENT, PLUS AN UNDETERMINED AMOUNT OF LOW GRADE MATERIAL THAT WOULD NOT BE ACCEPTABLE TO THE MILL.

BETWEEN AUGUST 12 AND OCTOBER 7, 1957, AT WHICH DATE SHIPMENTS TO THE MILL WERE COMMENCED, ONLY A SMALL AMOUNT OF MATERIAL WAS ADDED TO THE STOCKPILES. MUCH OF THIS WAS OF LOW URANIUM CONTENT AND DID NOT INCREASE THE AMOUNT OF SHIPPABLE ORE AVAILABLE.

IT IS MY OPINION THAT AT LEAST 90% OF THE APPROXIMATELY 385 TONS OF ORE SHIPPED IN OCTOBER WAS STOCKPILED ON THE LEHNBERGER LEASE PRIOR TO THE INITIATION OF YOUR DMEA EXPLORATION PROGRAM ON AUGUST 12, 1957.

VERY TRULY YOURS,

W. W. NORMAN
CONSULTING GEOLOGIST

WWN/MG

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 3 1958

DATE	INITIALS	CODE
1/3	gb	220
		700

December 30, 1957

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA--4661 (Uranium)
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington
Contract No. Idm-E1116

Dear Mr. Selfridge:

Enclosed are the Government and Audit copies of Amendment No. 1 to the contract. Other copies of the amendment have already been distributed.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

Enclosures

cc: USBM (2)
USBM (AD)
Albee

EXTRA COPY
DMEA
RECEIVED JAN 1959

DATE	INITIALS	CODE
1/20	ajb	220
	~~Hackley~~	700

1201 N. Division St.
Spokane 2, Washington

December 30, 1957

Mr. C. A. Turner
DMEA Auditor, Region I
1201 N. Division Street
Spokane 2, Washington

Copy to 800

Re: Docket No. DMEA-4661 (uranium)
North Star Uranium, Inc.
Spokane County, Washington
Contract No. Idm-K1116

Dear Mr. Turner:

The project work under the referenced contract was completed by September 5, 1957; the expiration date of the contract was November 1, 1957. All the work was done to the satisfaction of the Government.

A final inspection report on the completed work was submitted by G. G. Waddell on December 26, 1957.

The Operator's final engineering and geological report was received on November 21, 1957. It is considered as having met the requirements of Article 7(c) of the contract.

The Government has no equity in equipment used on the project.

The work units completed within the terms of the contract are as follows:

	Authorized	Completed
Bulldozing	100 hrs.	100 hrs.
Transportation of dozer	$ 75.00	$ 75.00
Supervision	600.00	360.00
Materials and supplies	42.00	31.79
Miscellaneous	305.00	54.61

It is now in order for you to issue your Report of Review.

By Field Team, Region I

A. E. Weissenborn, Executive Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: DMEA (3)
USGS (2)
USBM (AD)

ORIGINAL COPY
DMEA
RECEIVED DEC 30 1957

12/30 C 220
1/2 EEF 800
~~1/3/58 Murphy 100~~

1201 N. Division St.
Spokane 2, Washington

December 26, 1957

Mr. John F. Campbell, President
North Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

Re: Docket No. DMEA-4661 (uranium)
Lehmbecker Lease
Spokane County, Washington
Contract No. Idm-K1116

Dear Mr. Campbell:

Enclosed are the original and four copies of proposed Amendment No. 1 to the above-referenced contract, signed by the Administrator for the Government. It was necessary to amend the contract so that payment can be made for work done in Trenches 2, 3 and 4.

If the amendment meets with your approval, please sign all copies, retain the one marked Operator's copy, and return the others to this office.

If the amendment does not meet with your approval, please return all copies with your comments.

Sincerely yours,

Wing G. Agnew
Acting Executive Officer
DMEA Field Team, Region I

Enclosures

cc: DMEA (2)
USGS (2)
USBM (AD)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

December 26, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 10 1958
DATE | CODE
1/10 | C | 220
1/13 | Com | 100
1/14 | Murph | 700

MEMORANDUM

To: DMEA Field Team, Region I

From: G. G. Waddell, Mining Engineer, Bureau of Mines

Subject: Final inspection report, Docket No. DMEA-4661 (uranium)
North Star Uranium, Inc., Spokane County, Washington,
Contract No. Idm-E1116

All DMEA exploration work has been completed on the project.

The object of the project was to explore by trenching the theoretical western extension of the producing structure. The distribution of time and costs of the bulldozing is as follows:

No. of trench	Length	Depth	Hours	Cost
1	550	12 ft.	45	$ 787.50
2	200	12 ft.	16	280.00
3	400	9 ft.	25	437.50
4	165	12 ft.	14	245.00
			100	$1,750.00

The excavated lengths measured are the distances that bedrock is exposed.

No uranium mineralization was visible in the trenches; however, several faults, pegmatite dikes, and alteration zones were identified that, using a scintillator, gave a radiometric count better than twice background.

The work units completed were:

	Authorized	Completed
Bulldozing	100 hrs.	100 hrs.
Transportation of dozer	$75.00	$75.00
Supervision	$600.00	$360.00
Materials & supplies	42.00	31.79
Miscellaneous	305.00	54.61
Total cost	$2,772.00	$2,271.39

No ore has been sold; therefore, no production royalty is due the Government.

The Government has no equity in equipment used on the project.

G. G. Waddell

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
Docket
Waddell
Turner

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/16	Murphy	700
12/16	Knoeffler	700
12-16	Chamberlin	800
12/18	[illegible]	130
"	Johnson	110
"	Hartenday	100
12/19	[illegible]	220
		700

DEC 18 1957

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-4661 (Uranium)
Contract No. Idm-E1116
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington

Dear Mr. Weissenborn:

Enclosed are the original and four copies of a proposed Amendment No. 1 to the subject contract, signed by the Administrator for the Government. Also enclosed are two extra copies for Field Team use.

If you and the Operator find the proposed amendment in order, please have an authorized representative of the corporation sign the original and four copies. Thereafter, kindly distribute the copies in the usual manner.

This amendment has been prepared in accordance with the recommendations made in your letter of December 2, 1957.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

Frank D. Lamb (GCS)
Member, Bureau of Mines

N. E. Nelson (GCS)
Member, Geological Survey

FMMurphy/gla
12-16-57
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
FMMurphy

8623

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 12 1957

DATE	INITIALS	CODE
12/12	gb	220
12/12	[illegible]	800
12/12	[illegible]	700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

December 6, 1957

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4661 (Uranium)
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington
Contract No. Idm-E1116

Dear Mr. Selfridge:

Enclosed are the original and one copy of the Operator's final report, with one map, on work carried out by North Star Uranium, Inc., at their Lehmbecker Lease. The report was received by the Spokane office November 21, 1957.

The Field Team final report will not recommend a certification of discovery.

By Field Team, Region I

A. E. Weissenborn by [illegible]
A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew
Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures

cc: USBM (2)
USBM (AD)
Albee

RECEIVED
BUREAU OF MINES
NOV 2 1957
SPOKANE, WASH.

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 12 1957

DATE	INITIALS	CODE

11/21

Operators Final Report

1. D.M.E.A. No. 4661 - Uranium
   Contract No. Idm-E-1116
   Name of Operator NORTH STAR URANIUM, INC.
   Name and Location of Property LEHMBECKER LEASE
   E½ of NW¼ of Section 1, T28N, R44E.,W.M.,
   Spokane County, Wash.

2. The bulldozing project was authorized to start on or before August 15, 1957. Actual trenching began on August 12, 1957, using a D-8 caterpillar. The following units of work were completed by September 5, 1957.

Number of Trench	Length	Yardage	Hours	Cost
Trench 1	550	2930	45	787.50
Trench 2	200	1066	16	280.00
Trench 3	400	1600	25	437.50
Trench 4	165	880	14	245.00
Trench 5	Not excavated			
Totals	1315	6476 65 yds/hr	100	1750.00 $27.00/cum. yd.

The object of the project was to explore by trenching a uranium bearing fault zone which trends across the subject property.

Herewith is a map showing the location of the trenches and geology mapped in the trenches. No significant uranium mineralization was found in any of the trenches and no samples were taken for assay. No ore reserves can be estimated as a result of trenching and no production ensued from this work, either during or since.

The project was completed without any difficultes in an efficient manner. The negative results obtained eliminated a considerable area of ground from further exploration.

Prior to trenching, it was hoped that a mineralized fault zone carried sufficient uranium mineralization to constitute a mineable structure. Now it appears that the uranium is concentrated at intersecting fracture zones in small pods, chimneys or pockets having limited tonnage.

All operations have been curtailed pending better weather conditions and further study of the geology.

A complete breakdown of costs incurred follows on form MF-104 attached hereto, showing in detail the operator's and the Government's share of the expense. We certify that these costs are accurate and payment therefore has not been received.

NORTH STAR URANIUM, INC.

By John F. Campbell
President

OPP. 5 FINAL REPORT

1201 N. Division St.
Spokane 2, Washington

December 2, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 6 1957

DATE	INITIALS	CODE
12/6	C	220
12/6	[illegible]	800
12/9	[illegible]	700

North Star Uranium, Inc.
417 Paulsen Building
Spokane, Washington

Re: Docket No. DMEA-4661 (uranium)
Contract No. Idm-E1116
Monthly operating report for
August-September 1957

Gentlemen:

The subject operating report has been processed and forwarded to the Disbursing Officer for payment.

The disallowance is explained in the attached copy of a memorandum to the Field Team from the Certifying Officer, Region I.

By Field Team, Region I

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: DMEA (2)
USGS (2)

ORIGINAL FILE COPY
DMEA
RECEIVED DEC 6 1957

DATE	INITIALS	CODE
12-7	[illegible]	

(S) [illegible]
(S) [illegible]

DMEA Field Team, Region I

December 2, 1957

DMEA Certifying Officer, Region I

Contract No. Idm-E1116
Monthly operating report for August-September 1957

The subject monthly operating report has been processed and forwarded to the Disbursing Officer for payment.

The trenching in trenches Nos. 2-4, inclusive, shown by the Operator as having been accomplished under the contract does not conform to contract specifications; therefore, a disallowance for bulldozing in the amount of $962.50 has been made as follows:

Trench #2	16 hrs.	$280.00
" #3	25 "	437.50
" #4	14 "	245.00
		$962.50

An amendment will be necessary to authorize this work. Upon approval of such an amendment, the above amount will be reinstated.

Dorothy F. Long

cc: DMEA (2)
USGS (2)

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 6 1957

DATE	INITIALS	CODE

ORIGINAL FILE COPY
OMBA
RECEIVED DEC 6 1957

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 5 1957

DATE	INITIALS	CODE
12/5	C	220
		130
11	~~FMM~~	700

December 2, 1957

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4661 (Uranium)
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington
Contract No. Idm-E1116

Dear Mr. Selfridge:

This is in reply to your letter of November 20, 1957, regarding the number of trenches completed under the subject contract.

The first trench was to be approximately 550 feet long in order to crosscut the western extension of a zone known to contain small lenses of ore-grade material. The shorter trenches described in Exhibit "A" were proposed to explore further to the west any uranium-bearing structures that might be found in the first trench. There was no way of knowing at that time just where these trenches might be useful, how many would be required, or how long any given trench should be to explore the area to the best advantage. It was estimated that about 400 feet of trenching would be sufficient and this footage was arbitrarily allotted to four trenches, each about 100 feet long. When the long trench and three of the shorter trenches had been completed, it appeared that nothing would be gained by putting in a fifth trench further west. However, in order to check the possible extension of a fault and a pegmatite found in trench 1 but not found in trench 2, it was decided that trench 3 should be extended to the north.

We recommend that the General Provisions of the contract be amended to allow 100 hours for the excavation of four trenches, the first to be approximately 550 feet long and the other three to be not less than 100 feet long.

By Field Team, Region I

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: USBM (2)
USBM (AD)
Albee

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/18	Murphy	700
"	Ellis	700
"	Chambers	800
11/20	[illegible]	130
"	Johnson	110
"	Matthews	100
11/21	[illegible]	220
		700

NOV 18 1957

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-4661 (Uranium)
Contract No. Idm-E1116
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington

Dear Mr. Weissenborn:

The subject contract states that five (5) trenches shall be completed. Your letter of August 29 to the Operator and the memorandum of G. G. Waddell, USBM, dated October 4, 1957, addressed to the Field Team, indicate that all the dozing hours allowed under the contract will be required to complete four (4) trenches only. This being the case, the contract will have to be amended to conform with the work authorized.

Will you kindly submit your recommendation and justification in regard to this matter.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JLB)

APPROVED:

Frank D. Lamb (JLB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JLB)
Member, Geological Survey

FMMurphy/gla
11-18-57

cc: Admr.'s Reading File
THKiilsgaard, 5224
FMMurphy
Operating Committee

8623

ACTION ON INTERIM
OR FINAL FIELD TEAM REPORT

Date 11/14

Referred to:

1. ~~Mr. Mittendorf~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. Docket Control Mails and Files
5. Division
6. Docket Control Mails and Files
7. 700

Note comments in report regarding:

1. Amendment required
According to Exh A. addtl 350'
2. is available only "if sufficient
funds are available after
3. completion of the first 5 trenches".
Talbert
11/15/57
4.

and take appropriate action.

- - - - - - - - - -

Action taken by Division:

Robert E. Adams

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 14 1957

DATE	INITIALS	CODE
11/14	C	220
11/7	Com	100
11/15	FMM	

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

October 4, 1957

MEMORANDUM

To: DMEA Field Team, Region I

From: G. G. Waddell, Mining Engineer, U. S. Bureau of Mines

Subject: Routine inspection report, Docket No. DMEA-4661 (uranium), North Star Uranium, Inc., Spokane County, Washington, Contract No. Idm-E1116

The North Star Lehmbecker lease was inspected on September 16 by H. F. Albee, Geologist, U. S. Geological Survey, and the author.

All the work has been completed on the project. It has conformed to the specifications of the contract and changes authorized in the Field Team's letter of August 29, 1957 to Mr. Campbell, the company president.

The length and depth of the trenches are as follows:

	Contract	Work Performed
Trench No. 1	550 feet long, 10 feet deep	550 feet long, 12 feet deep
2	100 " " " " "	200 " " , 12 " "
3	100 " " " " "	400 " " , 9 " "
4	100 " " " " "	165 " " , 12 " "
5	100 " " " " "	Not excavated
	350 feet to be distributed as prescribed	Used as shown above
Total	1300 feet	1315 feet

The excavated lengths measured are the distances that bedrock is exposed.

No uranium mineralization was visible in the trenches; however, several faults, pegmatite dikes, and alteration zones were identified that, using a scintillator, gave a radiometric count better than twice background.

The company is in the process of preparing their final report and cost account.

G. G. Waddell

G. G. Waddell

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
Docket
Waddell

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 7 1957

DATE	INITIALS	CODE
10/9	Com	100
10/14	F.M.M.	

September 27, 1957

MEMORANDUM

To: DMEA Field Team, Region I

From: Howard F. Albee, Geologist, U. S. Geological Survey

Subject: Interim inspection report, Docket No. DMEA-4661 (Uranium), North Star Uranium, Inc., Lehmbecker Lease, Spokane County, Washington, Contract No. Idm-E1116

The North Star lease was inspected September 16, 1957 with G. G. Waddell, Mining Engineer, U. S. Bureau of Mines.

The dozer trenches were examined for radioactivity and measured to see if the recommendations made in the inspection memorandum of August 28, 1957 had been carried out.

The trenches, where needed, had been deepened to expose bedrock in place and trench No. 3 had been extended the suggested 100 feet. No significant structures were noted in the extended cut. The cuts were all checked with a Geiger counter for radioactivity but with negative results.

The inspection was made late in the day and only a dozer operator was seen, so no verbal information was gained.

Distribution:
DMEA (Orig. & 3)
USBM (2)
USBM (AD)
Docket
Albee

Form MR-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 DEC 9 1957 D.M.E.A.

Month of August-September 1957 Docket No. DMEA 4661 Contract No. Idm-E-1116
Operator's Name North Star Uranium, Inc. Minerals Uranium
Address 417 Paulsen Bldg., Spokane, Washington
Contract Amount, $ 2772.00 Government Participation: 75 % Amount, $ 2079.00

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						
Bulldozing	$1,750.00		$1,750.00	787.50	–	787.50
Crosscutting						
Drifting						
Transport Cost-D-8	75.00		75.00	75.00	–	75.00
(2) Labor and Supervision:						
Labor						
Supervision	360.00		360.00	360.00	–	360.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
92.5 Gals. Gas	31.78		31.78	31.79	–	31.79
(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	54.61		54.61	54.61	–	54.61
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$2,271.40		$2,271.40	1308.90	–	1308.90

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

Date 11-19-1957 *Payee NORTH STAR URANIUM, INC.

Per S W Parker Title Treasurer

*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:

$ 981.68

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 12/2/57 Vou. No. 2080

(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. E 1116 in accordance with the terms of the contract.

Signature /s/ Galen L. Waddell Title Mining Engr. Date 11/22/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissbard Title Exec. Officer Date Nov. 25, 1957

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.

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED DEC 9 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Aug.-Sept. 1957 Docket No. DMEA 4661 Contract No. Idm-E1116
Operator's Name North Star Uranium, Inc. Minerals Uranium
Address 417 Paulsen Bldg., Spokane, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
~~Drilling~~ Bulldozing	Hr.	1750.00	100	1750.00	100	1750.00	100	17.50/hr.
~~Crosscutting~~ Transport Dozer		75.00		75.00		75.00		75.00
~~Raising~~ Gasoline	Gal.	31.78	92.5	31.78	92.5	34.3	100	.37/gal.
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Supervision		360.00		360.00				600.00
Payroll Taxes		54.61		54.61				90.00
TOTAL DISTRIBUTED COSTS		2271.39		2271.39				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								$2772.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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 11-19-1957 Operator NORTH STAR URANIUM, INC.

Per A W Fischer Title Treasurer

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:

(For Government use only)

/s/ John G. Waddell, Mining Eng., 11/22/57

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

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 9 1957

DATE	INITIALS	CODES
12/9	gb	220
		110
		700

Operators Final Report

1. D.M.E.A. No. 4861 - Uranium
Contract No. Idm-E-1116
Name of Operator NORTH STAR URANIUM, INC.
Name and Location of Property LEHMBECKER LEASE
E½ of NW¼ of Section 1, T28N, R44E.,W.M.,
Spokane County, Wash.

2. The bulldozing project was authorized to start on or before August 15, 1957. Actual trenching began on August 12, 1957, using a D-8 caterpillar. The following units of work were completed by September 5, 1957.

Number of Trench	Length	Yardage	Hours	Cost
Trench 1	550	2930	45	787.50
Trench 2	200	1066	16	280.00
Trenbh 3	400	1600	25	437.50
Trenbh 4	165	880	14	245.00
Trench 5	Not excavated		—	—
Totals	1315	6476	100	1750.00

The object of the project was to explore by trenching a uranium bearing fault zone which trends across the subject property.

Herewith is a map showing the location of the trenches and geology mapped in the trenches. No significant uranium mineralization was found in any of the trenches and no samples were taken for assay. No ore reserves can be estimated as a result of trenching and no production ensued from this work, either during or since.

The project was completed without any difficultes in an efficient manner. The negative results obtained eliminated a considerable area of ground from further exploration.

Prior to trenching, it was hoped that a mineralized fault zone carried sufficient uranium mineralization to constitute a mineable structure. Now it appears that the uranium is concentrated at intersecting fracture zones in small pods, chimneys or pockets having limited tonnage.

All operations have been curtailed pending better weather conditions and further study of the geology.

A complete breakdown of costs incurred follows on form MF-104 attached hereto, showing in detail the operator's and the Government's share of the expense. We certify that these costs are accurate and payment therefore has not been received.

NORTH STAR URANIUM, INC.

By [signature]
President

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 9 1957

DMEA Field Team, Region I December 2, 1957

DMEA Certifying Officer, Region I

Contract No. Idm-E1116
Monthly operating report for August-September 1957

The subject monthly operating report has been processed and forwarded to the Disbursing Officer for payment.

The trenching in trenches Nos. 2-4, inclusive, shown by the Operator as having been accomplished under the contract does not conform to contract specifications; therefore, a disallowance for bulldozing in the amount of $962.50 has been made as follows:

Trench #2	16 hrs.	$280.00
" #3	25 "	437.50
" #4	14 "	245.00
		$962.50

An amendment will be necessary to authorize this work. Upon approval of such an amendment, the above amount will be reinstated.

Dorothy F. Long

cc: DMEA (2)
USGS (2)
Contract Admin. & Audit Div. (2)
GW
AD

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 3 1957

DATE	INITIALS	CODE
9/3	C	220
"	~~Emy~~	~~100~~

1201 N. Division St.
Spokane 2, Washington

August 29, 1957

Mr. John F. Campbell, President
North Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

Re: Work Authorization
Docket No. DMEA-4661 (uranium)
North Star Uranium Mines
Lehmbecker Lease
Spokane County, Washington
Contract No. Idm-E1116

Dear Mr. Campbell:

The proposed change in the location of Trench 5, which was discussed between your Mr. Dave Berry and the field examiners, has been reviewed by the Field Team, and this is your authorization to proceed with the change. The change is as follows:

"In lieu of excavating DMEA Trench No. 5, extend DMEA Trench No. 3, 100 feet further to the north. Deepen all of the trenches into bedrock as much as practicable without, however, exceeding the 100 hours of dozing authorized in the contract."

By Field Team, Region I

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: DMEA (3)
USGS (2)
USBM (AD)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

August 28, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 1957
9-17 C 220
9-18

MEMORANDUM

To: DMEA Field Team, Region I,

From: G. G. Waddell, Mining Engineer, Bureau of Mines, and
H. F. Albee, Geologist, U. S. Geological Survey

Subject: Routine inspection report, Docket No. DMEA-4661 (uranium), North Star Uranium, Inc., Lehmbecker Lease, Spokane County, Washington, Contract No. Idm-E1116

The North Star Lehmbecker Lease was inspected August 27 by the authors accompanied by Dave Berry, company geologist, and Hugh Norman, geologist for Daybreak Uranium.

Good progress had been made on the dozer trenches. To date 56½ hours of D-8 caterpillar work had been performed in cutting four trenches - three 100 feet long and one 550 feet in length. They are all greater than 10 feet deep, but some of the trenches are not in bedrock for their entire length. The excavation of one trench 100 feet long and 43½ hours of dozer work remained as the balance of the contract at the time of this report.

No uranium mineralization was visible in the new trenches; however, several faults, pegmatite dikes, and alteration zones were identified that gave a radiometric count better than twice background using a scintillator. In the Mt. Spokane area these fractures and structures are the best leads to uranium ore shoots - especially the intersection of two or more fracture systems.

The short trenches described in Exhibit "A" of the contract were proposed to extend any structure found in the earlier trenching farther to the west. In lieu of the fifth trench the DMEA field examiners suggested that the dozer time could be more advantageously used to deepen the other trenches and extend the No. 3 trench at least 100 feet north. This would crosscut an area closer to the extended strike of the structure in trench No. 1 and also the structural trend shown by the previous work in the open pit area.

North Star is mining at their open pit, using a back-hoe mounted on a four-wheel loader to selectively "pick out" the high-grade uranium and minimize the amount of waste. More than 100 tons have been stockpiled. Part was estimated at minus .015 percent U_3O_8 and part above .40 percent U_3O_8.

An interesting feature noted by the field examiners was the pink feldspar and smoky quartz in the strongest ore shoots. The pink in particular appeared to be absent away from the ore zone. If this is found to hold true extensively it would aid in the search for ore shoots.

Galen G. Waddell

Galen G. Waddell
H. F. Albee

Attachment

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
Docket
Waddell

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 15 1957

DATE	INITIALS	CODE
8/15	P	220
8/16	B	215
8/19	F-MM	700

August 12, 1957

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4661 (Uranium)
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington
Contract No. Idm-E1116

Dear Mr. Selfridge:

Enclosed are the Government and Audit copies of the above-referenced contract.

By copy of this letter, other copies of the contract are being distributed.

Sincerely yours,

D. R. MacLaren
Acting Member, DMEA
Field Team, Region I

Enclosures

cc: Finance Office w/copy of contract
USBM (2)
Albee

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 12 1957

DATE	INITIALS	CODE
8/12	G.	220
"	~~FMM~~	~~700~~

So. 157 Howard Street
Spokane 4, Washington

August 5, 1957

Mr. John F. Campbell, President
North Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

Re: Docket No. ~~DMEA-4661~~ (~~Uranium~~)
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington

Dear Mr. Campbell:

Enclosed are the original and four copies of a proposed long form contract signed by the Administrator for the Government. If the contract meets with your approval, please sign all copies, retain the one marked for the Operator, and return the others to this office.

As you indicated when you were in this office, the starting date of August 15, 1957, has been inserted under Article 3 of the contract.

Your attention is called particularly to Article 8 (b) of the contract which deals with repayment by the operator from royalty on production. Any production from the land described in the contract is subject to the royalty provisions of the contract whether or not the ore was known to exist prior to the date of the contract or it is discovered or developed by the work under the contract. This applies to all production during the period in which the Government may certify or, if the project is certified, to all production during the repayment period specified in the contract.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

Enclosures

cc: DMEA (2)
USBM (2)
USBM (AD)
Albee

EXTRA COPY DMEA RECEIVED 1957		
DATE	[illegible]	CODE

So. 157 Howard Street
Spokane 4, Washington

August 5, 1957

Mr. John F. Campbell, President
North Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

Re: Docket No. DMEA-4661 (Uranium)
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington

Dear Mr. Campbell:

Enclosed are the original and four copies of a proposed long form contract signed by the Administrator for the Government. If the contract meets with your approval, please sign all copies, retain the one marked for the Operator, and return the others to this office.

As you indicated when you were in this office, the starting date of August 15, 1957, has been inserted under Article 3 of the contract.

Your attention is called particularly to Article 8 (b) of the contract which deals with repayment by the operator from royalty on production. Any production from the land described in the contract is subject to the royalty provisions of the contract whether or not the ore was known to exist prior to the date of the contract or it is discovered or developed by the work under the contract. This applies to all production during the period in which the Government may certify or, if the project is certified, to all production during the repayment period specified in the contract.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region 1

Enclosures

cc: DMEA (2)
USBM (2)
USBM (AD)
Albee

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/26	Murphy	700
"	Ellis	700
7/29	Talbot	800
7/29	Martin	130
"	Simmons	110
"	Rutherford	100
7/30	P.K.	250
		700

JUL 30 1957

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-4661 (Uranium)
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington

Dear Mr. Weissenborn:

Enclosed are the original and four copies of a proposed long-form contract signed by the Administrator for the Government. Attached to each contract form MF-200 are Annex 1 (1 page), a Consent to Lien and Subordination Agreement signed by the owners of the land, Exhibit "A" (2 pages), and a map (Plate 1). Also enclosed are two extra copies of Annex I, Exhibit "A," and Plate 1 for the Field Team's use.

Your attention is invited to the fact that the Applicant is in possession of the property pursuant to a lease, the expressed term of which expires October 25, 1957. The Applicant may continue in possession thereafter only so long as ores are produced in paying quantities. If it is anticipated that the project work may not be completed by October 25, 1957, it is recommended that the Field Team request the Applicant to furnish a new lease for an additional definite term.

If you and the Applicant find the proposed contract in order, please insert in Article 3 of the contract form the date work shall commence, then have an authorized representative of the corporation sign the original and all copies. Thereafter, kindly distribute the copies in the usual manner.

If any part of the proposed contract does not meet with your approval and the Applicant's and cannot be amended within your delegated authority, then the original and all copies, including the extra copies, are to be returned to this office with the proposed changes for consideration.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (JHB)

Enclosures
APPROVED:

Frank D. Lamb (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

FMMurphy/izm 7-26-57
cc to: Mr. Murphy
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224

8623

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

JUL 25 1957

Memorandum

To: The Administrator, DMEA
Attention: Chief, Rare and Miscellaneous Metals Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-4461, North Star Uranium, Inc. (Uranium)

Pursuant to Mr. Ellis' request, we have prepared the attached contract. Your attention is invited to the fact that the Operator is in possession of the property pursuant to a lease the expressed term of which expires on October 25, 1957. The Operator may continue in possession thereafter only so long as ores are produced in paying quantities. If it is anticipated that the project work may not be completed by October 25, 1957, it is recommended that the Operator be requested to furnish a new lease for an additional definite term.

Robert F. Dwyer

Attachments

RWLong/cmd

Copy to: Solicitor's Docket (2)
DMEA Docket
E. W. Ellis
R. F. Dwyer
R. W. Long
chron.

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 18 1957

DATE	INITIALS	CODE
7/18	C	220
"	~~FMM~~	700
Complete		

docket in legal

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

Date July 17, 1957

DMEA Docket No. 4661
DMEA Contract No.
Commodity Uranium
Name of applicant North Star Uranium, Inc.
Name of property Lehmbecker Lease
Location of property Spokane County, Washington
Estimated cost of project $2,771.40

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee
Copy: James Paone, Bureau of Mines Member
Uranium Commodity Committee

Subject: Review of Examination report
(Application, Field Exam Report, etc.)

1. Date of project document: 6/28/57 2. Date received by reviewer: 7/16/57

3. Field reports on this project by Bureau to reviewer: Yes ☐ No ☐

4. Other reports on nearby exploration known to reviewer: Yes ☐ No ☐

5. Information available on past production: Yes ☐ No ☐

6. Other pertinent factors known to reviewer: Yes ☐ No ☐

7. Explain items marked yes above:

8. Factors needing special consideration:
a. Location ☐
b. Ownership ☐
c. Evidence of mineralization ☐
d. Geology ☐
e. Proposed exploration method ☐
f. Alternate exploration method ☐
g. Costs ☐
h. _____ ☐

9. Action advised:
a. Obtain information from applicant ☐
b. Refer to Field Exam ☐
c. Denial ☐
d. Agree with Field Exam ☒
i. Consult with Mr. _____ at _____ AEC office.
e. Disagree with Field Exam ☐
f. Suggest alternate plan ☐
g. Request another examination ☐
h. Approval ☒

10. Remarks: (Use back of page if necessary)

IN REPLY REFER TO:

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 10 1957

DATE	INITIALS	CODE
7/10	P.K.	220
"	Murphy	700

July 9, 1957
Re: North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington
Appl. Est. $50,435.00
Rec'd Est. $ 2,771.40
Uranium
DMEA 4661

Memorandum

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

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team Report

The applicant requested assistance in exploring, by bulldozing and drilling, core and non-core, a zone containing numerous small showings of radioactive material, principally autunite which occurs in small pockets in a fault zone in granitic rocks.

The examiners recommend further trenching by bulldozer in an effort to find deposits comparable to the Huffman and Daybreak ore structures.

I concur with the recommendation of the examiners and Field Team.

N. E. Nelson

N. E. Nelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 12 1957

DATE	INITIALS	CODE
7-12	C	220
	~~Murphy~~	~~700~~

July 9, 1957

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4661 (Uranium)
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington

Dear Mr. Selfridge:

We are enclosing nine prints of plate 1 in accordance with the postscript in our Field Team letter to you of June 28, 1957.

Sincerely yours,

D R MacLaren

D. R. MacLaren
for: Wing G. Agnew
Acting Executive Officer
DMEA Field Team, Region I

Enclosures

cc: USBM (2)
Alvord

DRAFT
7/9/57
FMMurphy/gla

DOCKET COPY

MF-200
(Revised June 1954)

Docket No. DMEA -4661

Commodity Uranium

Contract No. Idm-E

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

It is agreed this ..... 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] North Star Uranium, Inc., a Washington corporation, whose mailing address is 417 Paulsen Building Spokane 1, Washington, 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 Map, Plate 1

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 Washington, County of Spokane, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] 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] see Annex I 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: the owners retain a 15% royalty on value of ore produced

(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: Consent to Lien and Subordination Agreement

(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 ..... shall commence the work, and on or before November 1, 1957 (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 $ 2,772.00 The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $ 2,079.00 : *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.

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.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By .....

.....
(Operator)

By .....

.....

I, ..., certify that I am the ..... secretary of the corporation named as Operator herein; that ..... who signed this contract on behalf of the Operator, was then ..... 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.

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

DRAFT
7/9/57
FMMurphy/gla

EXPLORATOON PROJECT CONTRACT
NORTH STAR URANIUM, INC.
DOCKET NO. DMEA-4661

ANNEX I

The land referred to in Article 2 of the contract consists of the east half (E ½) of the northwest quarter (NW ¼) of section one (1), T. 28 N., R. 44 E., W. B. & M., Spokane County, Washington. The location of the land with reference to the center of the section is shown on the map entitled @Plate 1 - Map Showing Surface Features and Geology - Lehmbecker Lease - North Star Uranium Inc. - - -," attached hereto and made a part hereof.

DRAFT
7/9/57
FMMurphy/gla

EXPLORATION PROJECT CONTRACT
NORTH STAR URANIUM, INC.
DOCKET NO. DMEA-4661

EXHIBIT "A"

Description of the Work

General Provisions:

The object of this project is to explore a uranium-bearing fault zone which trends across the subject property, by means of bulldozer trenching.

The work shall consist of bulldozing five (5) trenches at the locations approximately shown on the map referred to in Annex I. Trench No. 1 will be approximately 550 feet long and shall be excavated first. The other four (4) trenches shall each be about 100 feet long. Subject to previous written Government approval, a maximum of 350 feet of additional trenches may be excavated if sufficient funds are available after completion of the 5 trenches. It is estimated that the trenches will have an average depth of about 10 feet. However, all the trenches shall expose bedrock adjacent to the inferred fault zone.

The Government will not contribute to the cost of an incompleted trench, nor to a trench that is closer than 100 feet to the boundary of the land described in Annex I.

The trench work shall be performed with a D-8 Caterpillar dozer or an equivalent unit of any other make.

Sections of the trenches showing significant uranium mineralization shall be sampled. The Operator shall have one-half of each sample chemically analyzed for its U_3O_8

content. The remaining half shall be stored for Government inspection and possible use, in a container suitably identified as to sample number, trench number, and the location where procured in the trench. With Government approval, the Operator may dispose of the stored samples.

A competent supervisor shall be employed full time to direct the project work and perform the technical services required to complete the contract in a satisfactory manner.

The location, direction, and extent of all the project work are subject to Government approval.

Estimated Cost of the Project

Category (1) Independent Contracts:		
Bulldozing:		
100 hours @ $17.50/hr.	$ 1,750.00	
Transport bulldozer to and from property	75.00	$ 1,825.00
Category (2) Personal Services:		
(a) Supervisor 1 month @ $600/mo.	$ 600.00	
(b) Technical services	None	
(c) Labor	None	600.00
Category (3) Operating Materials and Supplies:		
Paper sample sacks @ $5.00/100	$ 5.00	
100 gallons gasoline @ $0.37/gal.	37.00	42.00
Categories (4), (5), and (6):	None	

Category (7) Miscellaneous:

Payroll taxes and insurance	$ 90.00	
Chemical analyses for U_3O_8 content of 40 samples @ $5.00/sample	200.00	
Transportation of samples to laboratory	15.00	$ 305.00
Total Estimated Cost of Project		$ 2,772.00
Government Participation @ 75%		$ 2,079.00

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 5 1957

DATE	INITIALS	CODE
7/5	C	220
		130
7-9	C	220
"	Murphy	700

June 28, 1957

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-4661 (Uranium)
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington

Dear Mr. Selfridge:

Enclosed are four copies of a memorandum examination report by D. C. Alvord, Geologist, U. S. Geological Survey, and E. W. Parsons, Mining Engineer, U. S. Bureau of Mines, on the above-referenced property.

Alvord and Parsons conclude that uranium of ore grade has been found on the property mostly in small pods. While they do not consider that there is enough evidence of the existence of a target sufficiently definite to warrant the drilling proposed by the applicant, they do feel that the property should not be left without doing some further exploration along the structures that appear to be favorable for the formation of ore bodies. They, therefore, recommend that a program of trenching estimated to cost $2,771.40 (Government's share 75 percent or $2,078.55) be approved. The applicant has indicated a preference for this program and if it is successful may apply for additional work, or may start stripping without further DMEA assistance depending upon what the recommended program discloses.

By Field Team, Region I, NW Dist.

Reviewed by
DMEA OPERATING COMMITTEE
7-8-57
(date)

Donald R. MacLaren
Donald R. MacLaren
Alternate Acting Exec. Officer
U. S. Geological Survey

S. W. Zoldok
S. W. Zoldok, Acting Member
U. S. Bureau of Mines

Enclosures

cc: USBM (2)
AEC (Spokane)
AEC (SLC)
Alvord
USGS (SRO)

P.S. We are reducing plate 1 to a size that can be used with a contract. Prints will be mailed shortly.

on-site exam. report

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 5 1957

DATE	INITIALS	CODE
		1302
		220

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington

June 19, 1957

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: D. C. Alvord, Geologist, U. S. Geological Survey, and E. W. Parsons, Mining Engineer, U. S. Bureau of Mines

Subject: Examination Report, Docket No. DMEA-4661 (Uranium), North Star Uranium, Inc., Lehmbecker Lease, Spokane County, Washington

INTRODUCTION

North Star Uranium, Inc. submitted an application on February 26, 1957 for aid in exploring for uranium on a tract of leased land containing approximately 75 acres located in the E½NW¼, sec. 1, T. 28 N., R. 44 E. Willamette meridian, on Mt. Spokane, Spokane County, Washington. The company controls other prospective mining land in the district but this is not included in the application.

D. L. Hetland of the Spokane office of the Atomic Energy Commission was consulted regarding this property. He furnished us with what information he had, including a map of the trenches prepared by Charles Van Alstine.

SUMMARY

An examination was scheduled and the property visited on April 3, 1957 by D. C. Alvord and D. R. MacLaren, Geologists of the U. S. Geological Survey, and E. W. Parsons, Mining Engineer of the U. S. Bureau of Mines, accompanied by D. M. Berry, the applicant's geologist. Due to extremely muddy conditions caused by melting snow no cleanup work had been done in the trenches which had sloughed during the winter and no adequate examination could be made. On May 11, after the ground had dried and the cuts cleaned out, an examination was made by E. W. Parsons, and H. B. Nickelson, Geologist of the U. S. Geological Survey, accompanied by D. M. Berry, Geologist, J. F. Campbell, Vice-President, and A. F. Larson, a stockholder, representing the applicant. The examining team concluded that the present exposures, together with the production record, are sufficient evidence to justify a small trenching program to explore the westward extension of the ore-bearing structure. On May 30, 1957, D. C. Alvord rechecked the property and also examined some other properties in the general locality.

Reviewed by
DMEA OPERATING COMMITTEE
7-8-57

The property contains small pockets of ore-grade autunite-bearing material localized along an east- northeast-trending fault of low dip, particularly where this fault is intersected by northwest-trending pegmatites and shear zones. There are 7 trenches, totaling 1,700 feet, on the south side of the road and 2 trenches, totaling about 500 feet on the north side. The maximum depth of the trenches is about 21 feet. The mineralized areas were found only on the south side of the road. They are very narrow and limited in length and depth. Only by careful selective mining can small amounts of commercial ore be produced.

RECOMMENDATION

It is recommended that a modified project consisting of a total of 100 hours of bulldozing be approved. This would provide for 1 trench approximately 550 feet long, 4 trenches 100 feet long, and 350 feet of additional trenching. This last trenching would depend upon the results of the previous work. All trenches would have an average depth of about 10 feet.

ACCESSIBILITY

The Lehmbecker Lease comprises the E½NW¼, sec. 1, T. 28 N., R. 44 E. W. M., Spokane County, Washington (fig. 1). It can be reached from Spokane by traveling north 14.5 miles over U. S. Highway 195 to Chattaroy, Washington, thence east and northeast 12.6 miles over a paved secondary road, thence 4.4 miles east over a winding graveled road to the property.

The Lehmbecker Lease is in the northwestern foothills of Mt. Carson, a subsidiary peak adjoining Mt. Spokane. The terrain is gently rolling, the altitude ranging from 2,775 feet at the southern edge to less than 2,530 feet at the northwestern corner. Drainage is to the northwest. The property includes open meadowland and dense stands of trees. Precipitation is 16-20 inches a year, most of which falls during the winter months. Most years mining operations are feasible throughout the winter.

PROPERTY

The property consists of 75 acres of deeded land owned by Wilhelm and Ruth Lehmbecker. North Star Uranium, Inc. leased the property on October 25, 1956.

(date)

COMPETENCY OF APPLICANT

The officers of the applicant company state that the company is financially able to cover their obligations under either the proposed or the recommended project. The examiners believe that the applicant will employ men and contractors able to complete the work satisfactorily.

DESCRIPTION OF THE PROPERTY

There is very little level ground on the property. Soil cover in general ranges from 2 to 10 feet or more in thickness, although bedrock is exposed in a few places. A graveled county road along a small stream cuts roughly to the northwest across the southern half of the tract. Uranium mineralization has been found south of the road in the southeast part of the property. The company owns no buildings or equipment on the property. All heavy equipment is supplied by contractors.

GEOLOGIC SETTING

The Lehmbecker Lease is in the Mt. Spokane Autunite District, an area in which a number of autunite deposits have been discovered since December 1954 (fig. 1). The Mt. Spokane Autunite District is in a north-trending zone at least 14 miles long and 3 miles wide that is underlain by deeply weathered granitic rock which is cut by small granitic pegmatites.

Through October 1956 all production from the district was from open-pit operations on two properties, the Daybreak and the Huffman (fig. 1). The Daybreak had yielded 5,140 short tons of autunite ore averaging more than 0.25 percent U_3O_8, and the Huffman reportedly had produced 495 short tons of ore averaging 0.36 percent U_3O_8. Exploration within the district is presently quite active and several occurrences besides the Daybreak and Huffman appear promising.

Exploration has disclosed several northwest- to west-trending shear zones cutting the granitic rocks. These are associated with the more promising deposits and clearly have influenced their localization. Autunite not only occurs within the principal northwest- to west-trending shear strands but also in splits from the principal strands and in joints, tension faults, cross faults, and other fracture systems in the surrounding country rock. Recently, at both the Huffman and the Daybreak properties, important northeast-trending shears have been encountered that cut the main ore-bearing structures. On both properties fair to excellent ore is found on the east side of these cross faults, but little or none is found on the west side. Nothing

is known concerning the displacement of the ore-bearing shears by the cross faults, and little exploration has been done on the seemingly barren west sides of the cross faults.

The deposits are characterized by massive aggregates of autunite crystals encrusting and, in places, filling vugs and fractures within the shear zones and in joints, small faults, and irregular minor fractures in the granitic wall rock. Vein fillings and crustifications are commonly localized along partings between contacts, such as between a pegmatite dike and the country rock or between an aplite dike and a pegmatite dike. Lesser amounts of autunite occur as disseminated crystals or scales along grain boundaries and other minute openings in the rocks.

The Huffman deposit, about 2,000 feet southeast of the Lehmbecker deposit (fig. 1), has been explored by dozer trenching and stripping and several diamond drill holes. In 1955 it was apparent that some shipping ore was present on the property. The operator reported that in 1956 nearly 500 tons of ore averaging 0.36 percent U_3O_8 was produced. A brief examination was made of this property on May 30, 1957. The ore was taken from a northwest-trending cut about 200 feet long, made roughly parallel to the slope, up to 25 feet high on the upslope side and silled out downslope as much as 100 feet. The autunite appears to have been localized along a shear zone striking N. 45° W. and dipping between 70°-90° NE. It does not appear to dip to the south as stated in the application under 4C. Most of the autunite occurs along "flats" -- crustifications and fillings of autunite within small faults and fractures that cut the steeply dipping shear with strikes ranging from northwest to west and dips of 10°-30° NE. to N. Some of the autunite, however, occurs in fractures and slip partings parallel to the steeply dipping northwest-striking main shear zone. The north end of the cut exposed a shear zone about 6 feet wide, striking about N. 50° E. and dipping 18°-22° NW. As nearly as could be observed, and according to Mr. Huffman, the owner, all of the autunite produced from this pit was confined to the footwall side of this fault within the zone of northwest-trending shears.

The Huffman structure has not been traced to the Lehmbecker deposit, but it is at least worth noting that the Huffman strikes in that general direction and that other minor occurrences of autunite have been found a few hundred feet to the northwest of the Huffman cut.

GEOLOGY OF THE LEHMBECKER LEASE

The granitic bedrock underlying the property is deeply weathered and covered with 1-10 or more feet of soil and slope creep material. Within the district weathering and/or hydrothermal

alteration usually has so softened the granitic rock that the upper 10-20 feet of bedrock can usually be trenched without drilling and blasting. The only exposures of bedrock on the property occur in trenches 1, 2, and 3 (pl. 1), in the stripped zone between trenches 1 and 3, and near the creek in the bed of the truck trail at the west end of the property. Most of the other trenches either did not cut through the overburden, as in trenches 4 and 5, or are now sloughed in.

Swarms of small pegmatite dikes up to 3 or 4 feet wide and a few minor faults cut the country rock with a northwest trend and a general southwest dip. The Lehmbecker structure, a fault zone exposed at the north end of the trenches over a distance of about 260 feet, strikes N. 75° E. and dips 23°-40° SE. The rock within and near this zone is bleached and altered to a width of 10-15 feet or more. The hanging wall is fairly well marked by a thin strand of gouge, but the footwall is indefinite and appears to grade into less altered country rock.

Autunite, occurring as fracture coatings and fillings and disseminated crystals and aggregates, is found principally in the hanging-wall zone of the Lehmbecker structure, but concentrations of ore-grade material up to several tons also occur associated with the northwesterly trending pegmatites and minor shears. Samples 379-B, 380-B, and 381-B were taken from exposures of the hanging-wall zone of the Lehmbecker structure; their results (pl. 1) clearly indicate the presence of ore-grade material in the zone. Sample 378-B was grabbed from a stockpile of material that presumably was taken from the pit in which sample 379-B was cut. Results of these samples are as follows:

Sample No.	Width (feet)	% U_3O_8
378-B	grab	0.173
379-B	4.0	0.077
380-B	3.5	0.253
381-B	8.0	0.316

The only indication of the presence of radioactive minerals on the property other than in the vicinity of the trenches consists of a small radioactive spring about 550 feet west of trench 3 and anomalous radioactivity reported by the applicant near the creek.

MERIT OF THE PROPERTY

As evidenced by production figures, mapping, and sampling, the Lehmbecker property contains small pockets of ore-grade autunite-bearing material localized along an east- northeast-trending shear zone (Lehmbecker structure) and to some extent along northwest-trending

pegmatites and shears. In present exposures these structures are narrower and not as well-defined on the Lehmbecker Lease as similar structures on the Daybreak and Huffman properties, and the potential of the explored portion of the Lehmbecker property is probably small. However, at both the Daybreak and Huffman properties only part of the exposed length of the structures have been productive and a modest program of bulldozing at the Lehmbecker Lease seems justified to test for possible improvement along the trend of the N. 75° E.-striking Lehmbecker fault along which most of the known deposits occur. It should be pointed out that the intersection at this fault with the extension of the N. 45° W.-trending Huffman structure could lie within the property boundary. Present evidence is too nebulous to consider this very seriously as an exploration target but at least the possibility does exist. In addition, the applicant believes that the creek, shown on plate 1 to cross the property in a northwesterly trend, follows approximately the trace of a fault which may have formed a locus of ore deposition. Whether or not these particular suppositions are true, it is quite possible that ore bodies could occur along the Lehmbecker fault zone at intersections with other structures. The bulldozing proposed would test this possibility at moderate cost.

PAST OPERATION

The trenching on the property was done by the applicant from November 1956 to January 1957. Cleaning the caved material from the trenches, digging test pits, and preparing for the examination was done during April and May 1957. Most exploratory activity has been confined to the slopes on the south side of the creek where the applicant has dozed 7 trenches (pl. 1), dozer stripped a small area, and dug a few shallow pits by hand and backhoe. Two trenches were cut on the north side of the creek but they did not uncover any evidence of autunite. Two carloads of ore were produced from the work on the south slope and shipped to Salt Lake City. One carload assayed 0.29 percent U_3O_8 and the other 0.16 percent U_3O_8. At the time of the examination there was stockpiled on the property 8 tons of which is considered to be of shipping grade and the rest estimated to carry 0.12 to 0.15 percent U_3O_8.

SUPPLIES AND EQUIPMENT

Supplies, equipment, labor, and technical services are available in Spokane, a distance of 32 miles to the southwest. A small quantity of water is available from a spring and stream on the property, each about 300 feet from the workings. A nearby farmhouse uses REA power.

APPLICANT'S PROPOSAL

The applicant's proposal is given below as it appears in the application.

Item number			Hole nos. (see Map No. 1)
(1)	Drilling		
	4 (100') holes, 320' plug drilling @ $3.50 =	$ 1,120.00	1,2,3,4
	80' core drilling @ 7.00 =	560.00	
	3 (150') holes, 450' plug drilling @ 3.50 =	1,575.00	5, 6, 7
	7 (150') holes, 1050' wagon drilling @ 2.00 =	2,100.00	12-18, incl.
		$ 5,355.00	
1/	4 (100') holes, 320' plug drilling @ 3.50 =	1,120.00	8,9,10,11
	80' core drilling @ 7.00 =	560.00	
		$ 7,035.00	
(2)	Bulldozing		
	4 exploratory trenches (see Map No. 1) (proposed trenches in dashed lines)	20,000.00	
	Stripping overburden - area west of trench 3	2,800.00	
(3)	Supervision	7,500.00	
(4)	Consulting geologist	2,500.00	
(5)	Assays (uranium and rare earths)	1,000.00	
(6)	Assays (spectographic analysis for uranium and rare earths)	1,500.00	
(7)	Supplies, housing, misc. materials, transp.	7,350.00	
(8)	Insurance	750.00	
	Total	$50,435.00	

1/ Holes to be drilled contingent on the encountering of uranium in any of holes 1, 2, 3, or 4.

DISCUSSION OF APPLICANT'S PROPOSAL

Inasmuch as the Lehmbecker Lease warrants additional exploration, particularly to the west, and as dozer trenching and drilling would yield fairly conclusive information concerning the potential of the deposits, the applicant's proposal is basically sound. At present, however, the property does not appear to offer a potential sufficiently great to justify as extensive a program as requested. Drilling to test the explored portion of the ground in the vicinity of the Lehmbecker structure as requested in the application does not warrant DMEA support primarily due to the small, spotty nature of the deposits disclosed so far and to the weakness of the structure. In addition, the possibility of the ground improving west of the explored area can be adequately tested by trenching at much less cost than the program proposed by the applicant.

RECOMMENDED DMEA EXPLORATION PROGRAM

A total of 1,300 feet of dozer trenching to an average depth of 10 feet is recommended. Proposed trench 1 (pl. 1) is designed to (1) search for the western extension of the Lehmbecker structure, (2) crosscut presently unknown westerly to northwesterly trending structures, including the possible extension of the Huffman structure, that might be favorable hosts to autunite, and (3) expose bedrock as near to the creek bed as possible. This could possibly prove to be the locality of a major fault zone as the applicant's geologist believes. Proposed trench 1 is located where it is believed the overburden of decomposed rock will be at a minimum.

Proposed trenches 2, 3, 4, and 5, each 100 feet long, are provided for concentrated exploration on the western extension of the Lehmbecker footwall zone. The location and direction of these trenches as shown on plate 1 is only tentative and subject to modification dependent upon the information obtained from proposed trench 1. An additional unassigned 350 feet of dozer trenching should be provided to cover contingencies such as the further exploration of discoveries that might be made in the No. 1 trench to the north of the Lehmbecker structure or for further exploration of the Lehmbecker structure if, in the estimation of the Field Team, such work is warranted after trenches 1-5 have been completed.

Provision for the collection and assaying of 40 channel samples should be included in the contract.

It is believed that the above work, performed under technical supervision, would adequately explore the target area.

Drilling or some other form of subsurface exploration of the Lehmbecker Lease does not seem warranted at this time but could be considered for possible DMEA support following an interpretation of the results of the program proposed herein.

OPERATING EQUIPMENT

The work will be done entirely on contract so the applicant will furnish no equipment or supplies.

ESTIMATED COSTS OF PROJECT

(1) Contracts (independent)		
Bulldozing		
100 hours D-8 or equiv. @ $17.50/hr.	$1,750.00	
Transport to and from property	75.00	$1,825.00
(No bids were presented but the above costs are the current prices in the Spokane area)		
(2) Labor and Supervision		
Labor - none		
Supervision		
Supervisor (must be mining engineer or geologist)		
1 month @ $600/mo.		600.00
Consultant - none		
(3) Operating Materials and Supplies		
Gasoline (supervisor's car) 100 gals. @ 37¢/gal.		37.00
(4) Operating Equipment		
To be furnished - none		
(5) Rehabilitation and Repairs - none		
(6) New Buildings, Improvements, etc. - none		
(7) Miscellaneous		
Unempl. comp., Indust. Ins., etc. 14.9% of payroll ($600.00)		89.40
Samples		
40 assays for chem. U_3O_8 @ $5/each		200.00
Sacks, transportation, etc.		20.00
Total cost of project		$2,771.40
Government participation at 75 percent		$2,078.55

Attachments 2
Distribution:
DMEA (4); USBM (5); USGS(SRO); AEC, Spokane; AEC, SLC; Docket; Alvord

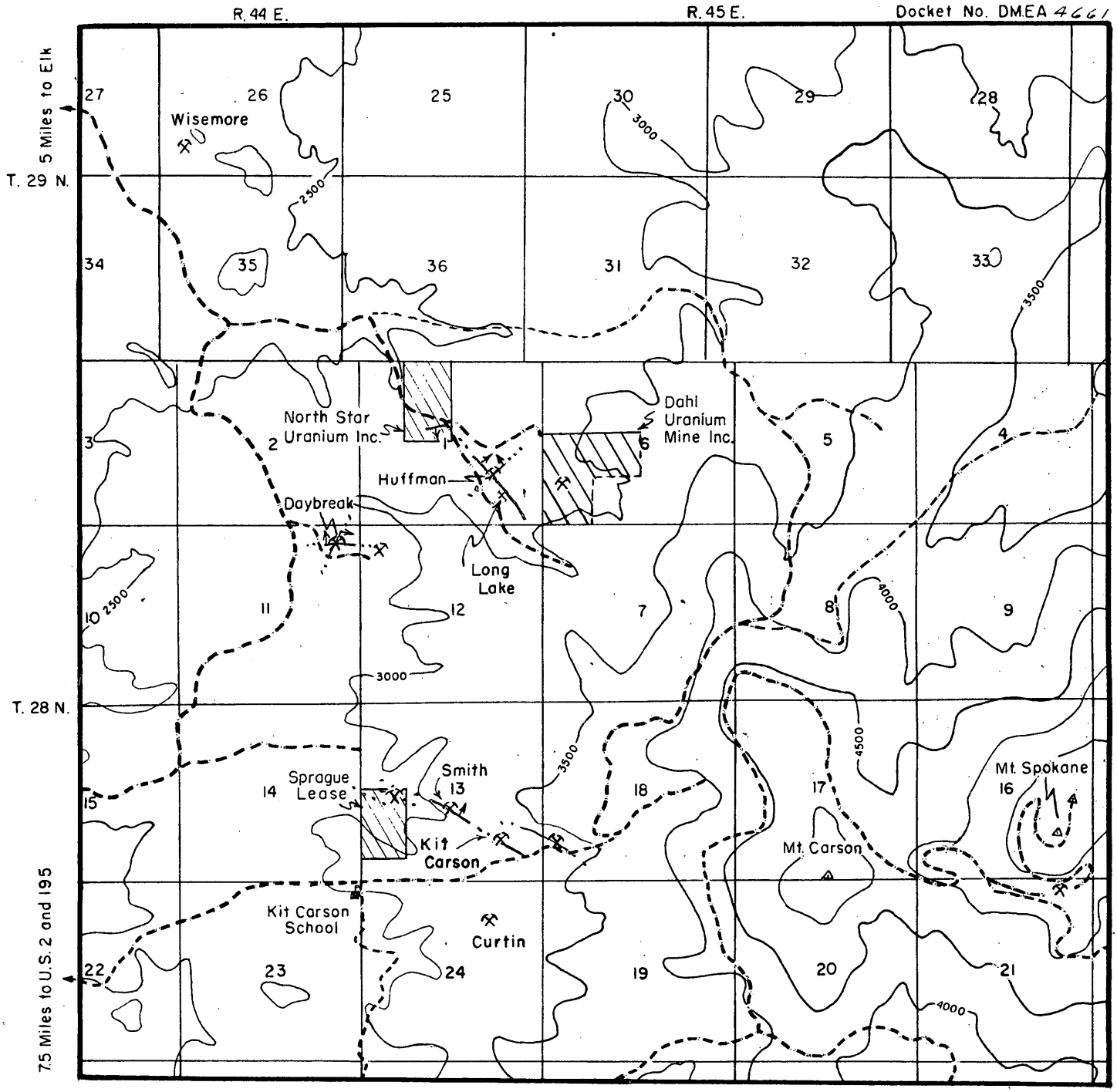


Figure 1 - Map showing location of some autunite deposits in the Mt. Spokane autunite district
Spokane County, Washington

One inch = 4000 ft.
Contour interval: 500 ft.
Datum is mean sea level.

OFFICIAL FILE COPY
D M E A
RECEIVED JUL 15 1957
DATE | MINERALS | CODE

DMEA Form 7
(12-56)

700

OFFICIAL FILE COPY

Date	Surname	Code
3-13	[illegible]	700
3-13	[illegible]	700
3/13	[illegible]	130
"	[illegible]	110
"	[illegible]	100
3/14	[illegible]	220

700

Mr. A. E. Weissenborn
Executive Officer, DMEA Field Team
Region I, Northwest District
South 157 Howard Street
Spokane 4, Washington

MAR 13 1957

Re: Docket No. DMEA-4661 (Uranium)
North Star Uranium, Inc.
Lahmbecker Lease
Spokane County, Washington

Dear Mr. Weissenborn:

The captioned application is referred to Region I, Northwest District, Field Team for investigation, a field examination, and recommendations.

Enclosed are copies of memoranda, dated March 4 and 10, 1957, by J. E. Crawford, USBM, and N. E. Nelson, USGS, respectively, relating to the application. Also enclosed for Field Team use is one copy of the application.

Your memorandum, dated March 4, forwarding the additional copies of the Consent to Lien and Subordination Agreement and the copies of the R. S. McClintock Company's bid on the proposed drilling, is acknowledged.

A review of the application discloses that most of the estimated costs for the various items of the proposed work are high. We also note that the drilling bids submitted are high; especially for Ex core size drill holes. The high bids seem to indicate that the casing through overburden will not be pulled. If good core recovery is made and the hole probed there appears no necessity for leaving casing in a hole, unless, the Field Team for its own reasons wants the hole left open for checking purposes.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (SB)

Enclosures
APPROVED:

P. F. Yopes (SB)
Member, Bureau of Mines

Thor H. Kiilsgaard (SB)
Member, Geological Survey

FMMurphy/izm 3-13-57
cc to: Mr. Murphy
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
JKratchman, AEC

8623

DMEA Form 7
(12-56)

700

OFFICIAL FILE COPY

Date	Surname	Code
3-13	Murphy	700
3-13	[illegible]	700
3/13	Selfridge	130
"	Johnson	110
"	Mittendorf	100
		220

MAR 13 1957

Mr. R. C. McKelvie, President
North Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

Re: Docket No. DMEA-4661 (Uranium)
Lehmbecker Lease
Spokane County, Washington

Yoppo
Kilsgaard

Dear Mr. McKelvie:

The application for assistance in exploring your property, under the captioned docket number, has been reviewed by the Rare and Miscellaneous Metals Division of the Defense Minerals Exploration Administration. It has been referred for a field examination to:

Mr. A. E. Weissenborn
Executive Officer, DMEA Field Team
Region I, Northwest District
South 157 Howard Street
Spokane 4, Washington

The Regional Office will contact you at the earliest opportunity in regard to your project.

Sincerely yours,

C. O. Mittendorf

Administrator

FMMurphy/izm 3-13-57
cc to: Mr. Murphy
Admr.'s Reading File
DMEA FT Reg. I, NW Dist. (2)

8623

IN REPLY REFER TO:

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

March 10, 1957
Re: DMEA 4661
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington
$50,435 - Uranium

Memorandum

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

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of application

The applicant requests assistance in exploring, by bulldozing and non-core and core drilling a zone containing numerous showings of radioactive material. Uranium, as autunite occurs principally in pegmatite cutting granite.

Two carloads of ore have been shipped to Salt Lake City. One carload assayed 0.29% U_3O_8, the other 0.16% U_3O_8. Three carloads are believed to be in sight.

Referral of the application to the Field Team for appropriate action is recommended.

N. E. Nelson

N. E. Nelson

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 12 1957

DATE	INITIALS	CODE
3/12	C	220
"	Gates	700
"	Murphy	

OFFICIAL FILE COPY DMEA RECEIVED MAR 4 1957		
DATE	INITIALS	CODE
3/5	C	220
3/5	Ellis	700

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

Date March 4, 1957

DMEA Docket No. 4661
DMEA Contract No.
Commodity Uranium
Name of applicant North Star Uranium, Inc.
Name of property Lehmbecker Lease
Location of property Spokane County, Wash.
Estimated cost of project $50,435.00

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

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

Subject: Review of Application
(Application, Field Team Report, etc.)

1. Date of subject document: 2/26/57. 2. Date received by reviewer: 2/28/57

3. Prior reports on this property known to reviewer: Yes ☐ No ☐

4. Prior reports on nearby properties known to reviewer: Yes ☐ No ☐

5. Information available on past production: Yes ☐ No ☐

6. Other pertinent factors known to reviewer: Yes ☐ No ☐

7. Explain items marked yes above:

8. Factors needing special consideration:
   a. Location ☐
   b. Ownership ☐
   c. Evidence of mineralization ☐
   d. Geology ☐
   e. Proposed exploration method ☐
   f. Alternate exploration method ☐
   g. Costs ☐
   h. _____ ☐

9. Action advised:
   a. Obtain information from applicant ☐
   b. Refer to Field Team ☒
   c. Denial ☐
   d. Agree with Field Team ☐
   e. Disagree with Field Team ☐
   f. Suggest alternate plan ☐
   g. Request another examination ☐
   h. Approval ☐
   i. Consult with Mr. _____ at _____ AEC office.

10. Remarks: (Use back of page if necessary)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

March 4, 1957

AL FILE COPY
DMEA
MED MAR 8 1957
INITIALS | CODE
3-7 C | 220
3-7 Ellw | 700

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior

Re: Docket No. DMEA-4661 (Uranium and Rare Earths)
North Star Uranium, Inc.
Lehmbecker Lease
Spokane County, Washington

Dear Mr. Selfridge:

Enclosed are two additional copies of Consent to Lien and Subordination Agreement. In our letter of February 26, 1957 forwarding the application, we mentioned that we were obtaining these additional copies.

Also enclosed are an original and two copies of a bid dated February 26, 1957 received from the R. S. McClintock Company.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW Dist.

Enclosures

cc: USBM (2)
Geologist

Note
2 copies of Consent to Lien placed with other copies.

R. S. McClintock DIAMOND DRILL COMPANY

CONTRACTING • DIAMOND DRILLS AND SUPPLIES • DIAMOND BITS

FILE COPY
D M E A
RECEIVED MAR 7 1957

DATE	INITIALS	CODE

PHONE RI. 4197
W. 418 2ND AVE.
SPOKANE, WASH.

February 26, 1957

North Star Uranium Company
Paulsen Building
Spokane, Washington

Attention: Mr. Dave Berry

Dear Mr. Berry:

We wish to furnish you with our tentative quotation for your company's contemplated diamond drill program on property located on the north slope of Mt. Spokane and known as the Lenbecher Lease. In view of the fact that you require this quotation prior to the time the job can be physically inspected the prices are subject to adjustment if the conditions encountered actually vary in any great degree from those anticipated.

We understand that you wish to drill some twelve (12) holes each approximating 100 ft. deep and EX in size. We would expect to furnish one mounted [redacted] drill and the necessary water pumping equipment. Your company will make the proper axcess roads and prepare the drilling sites for our drill equipment and maintain these roads at a passable condition during the drilling cycle. It is understood that the majority of the holes will be verticle. It is estimated that it is approximately 300 ft. to water with a maximum lift of some 70 ft. In addition to the drill our company will furnish personnel, drill pump, rods, casing, diamond set bits and shells, core barrels and all necessary accessories for the following prices per foot:

Overburden - $7.00 per foot
Coring EX Size - $5.00 per foot
Non Coring EX Size - 3.15 per foot.

If drilling to depths or in sizes not quoted is desired the price will be negotiated by the two parties concerned before work is commenced.

This work will be mobilized and demobilized for the Lump Sum of $200.00.

In the event of delays not due to the contractor's fault or equipment breakdown, Contractor shall expect to be reimbursed for his continuing cost at the rate of $8.00 per hour. This same hourly rate, plus the cost of materials, would apply for time spent conditioning any hole.

In the event loose and caving material, water courses, or any conditions are encountered which in the contractor's opinion tend to make drilling impractical without the use of casing or cement, an additional charge of $4.00 per foot for reaming casing and $3.50 per foor for placing and redrilling cement will be made.

Our employees will be covered by Workmans Compensation to comply with the State Act and the job will be covered by Public Liability Insurance in the amounts of $100,000.00 and $300,000.00 and Property Damage in the amount of $100,000.00.

We wish to thank you for the opportunity of furnishing this quotation and to assure you of our full cooperation if you find it acceptable.

Very truly yours,

R. S. McCLINTOCK COMPANY

T. M. Welsch

T. M. Welsch
Drilling Supt.

TMW/erb

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

February 28, 1957

North Star Uranium, Inc.
417 Paulsen Building
Spokane 1, Washington

Subject: DMEA-4661

Gentlemen:

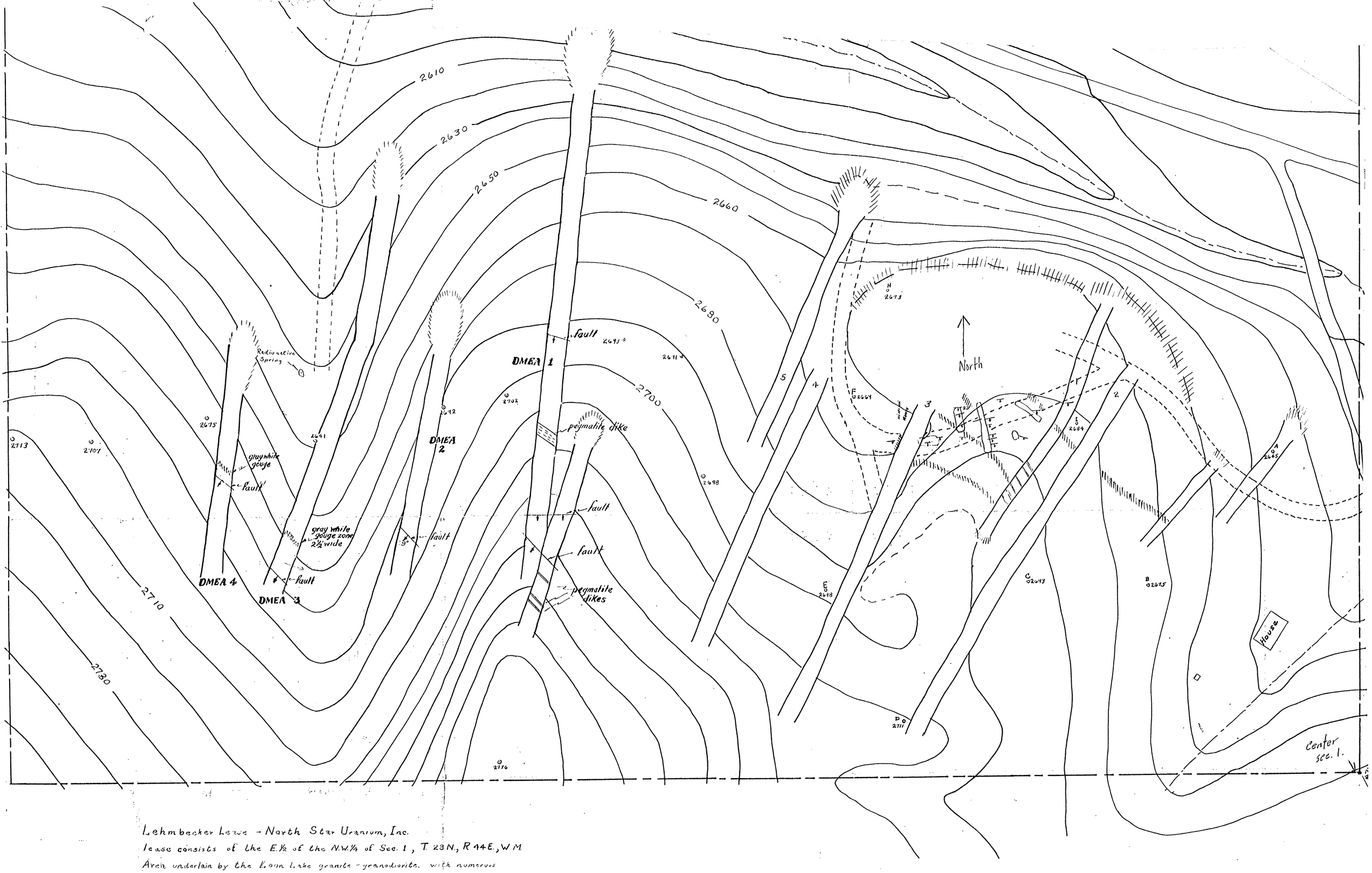
Your application for exploration assistance, dated February 21, 1957 submitted to our office at Spokane, Washington has been assigned Docket Number DMEA-4661 and referred to the Rare & Miscellaneous Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to: region I H.U.
Code 700

6416



Lehmbecker Lease - North Star Uranium, Inc.

lease consists of the E½ of the N.W.¼ of Sec. 1, T. 23 N., R 14 E., W.M.

Area underlain by the Loon Lake granite - granodiorite. with numerous pegmatitic segregations and pegmatite dikes.

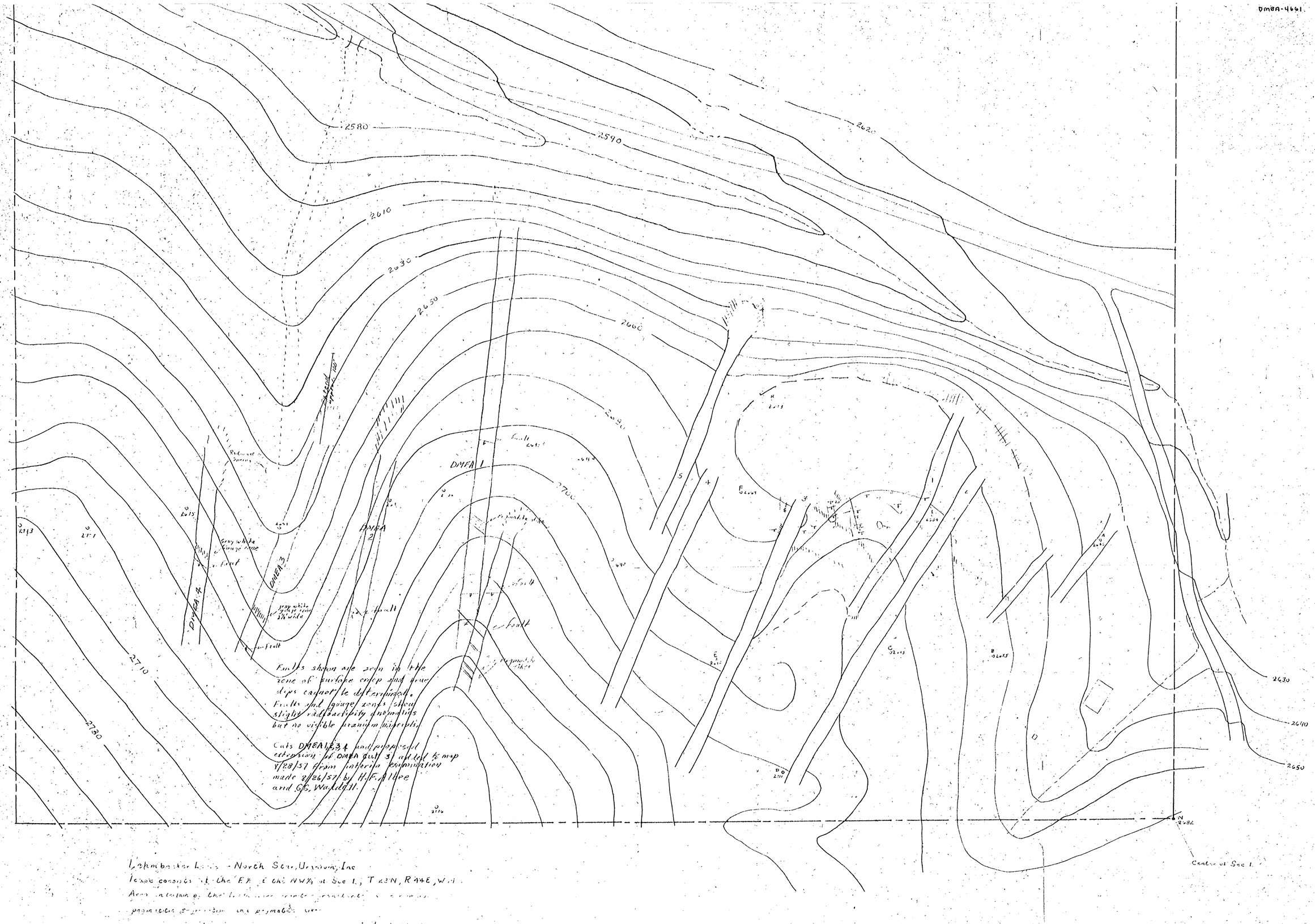
Scale 1" - 50'

Contour Interval 10 Feet.

Topography & Geology by D.M. Berry B.S. Geol.

5/29/57.

DMEA-4661



Lehmbacher Lease - North Star, Uranium, Inc

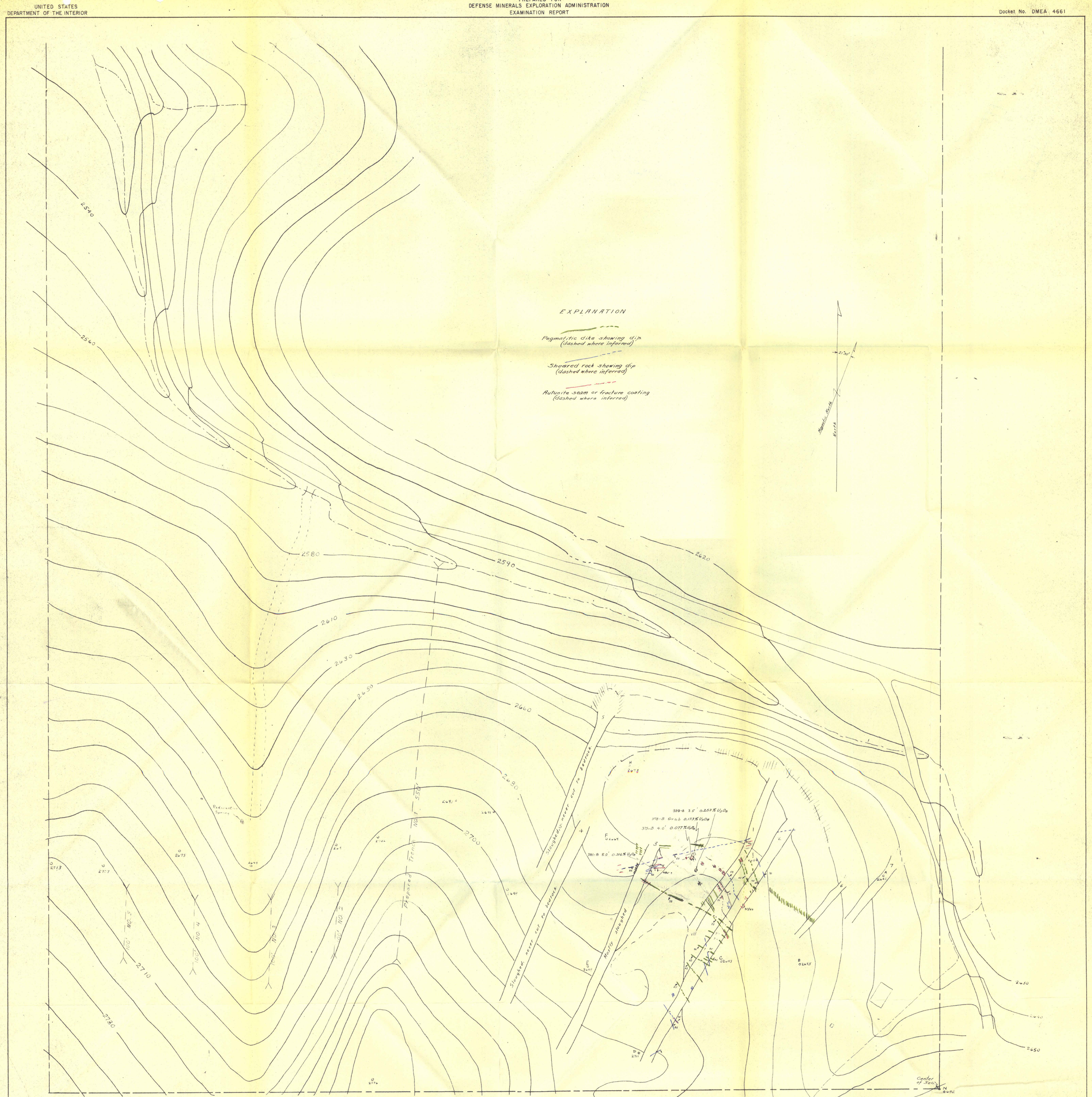
Lease consists of the E½ of the NW¼ of Sec 1, T 23N, R 44E, W.M.

Area [illegible] the [illegible] [illegible]

[illegible] [illegible]

Scale 1" = 50'

Contour Interval 10 feet



Topographic base furnished by the applicant.
Bulk of geology copied from field sheets of the U.S. Atomic Energy Commission.

Lease consists of the E½ of the NW¼ of Sec. 1, T 23N, R 44E, W.M.

Area underlain by the Loon Lake granite granodiorite with numerous pegmatitic segregations and pegmatite dikes

MAP SHOWING SURFACE FEATURES AND GEOLOGY
LEHMBECKER LEASE – NORTH STAR URANIUM INC.
Spokane County, Wash.

0 50 100 FEET

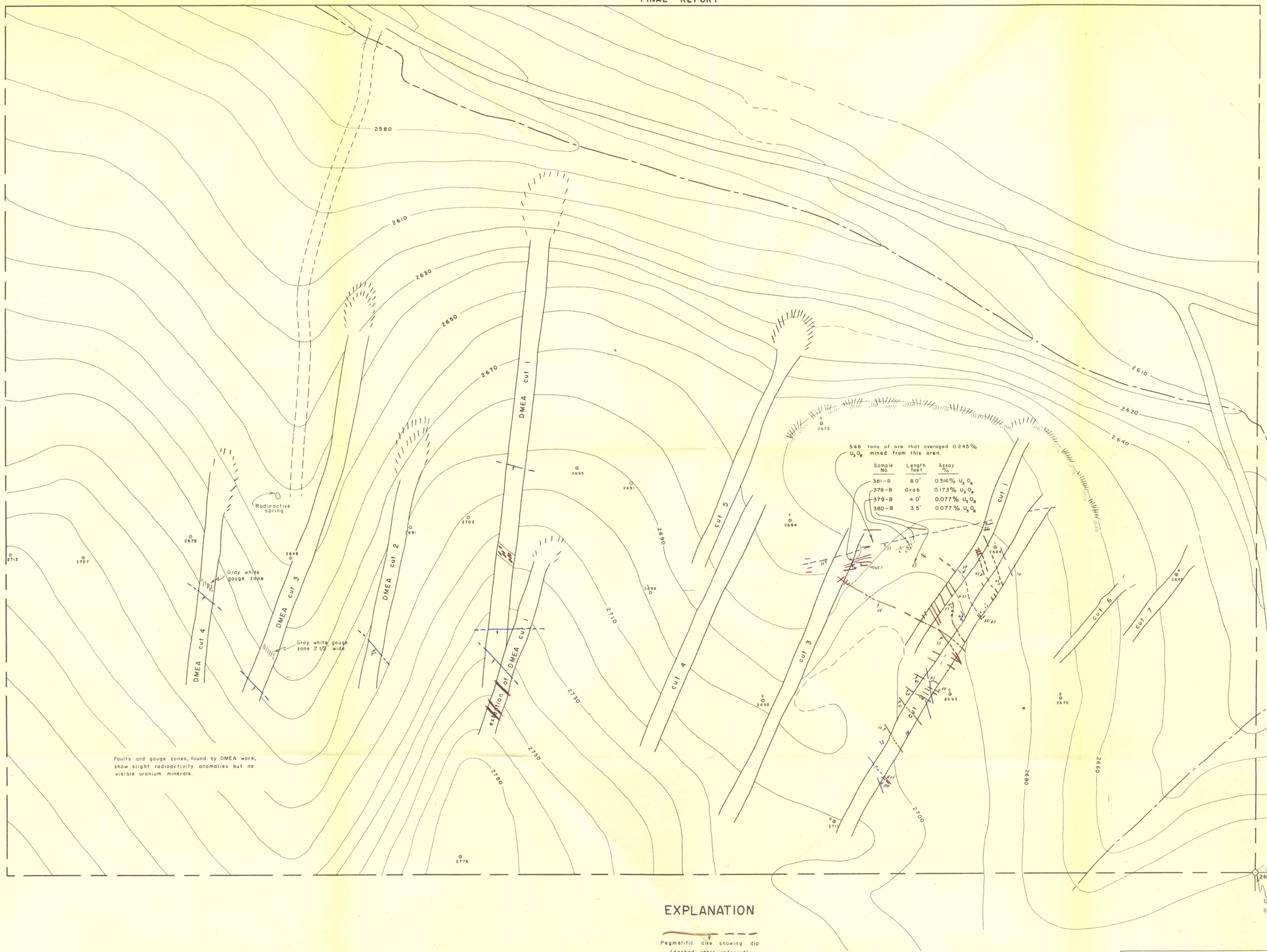
June 1957

Pl. 1

UNITED STATES
DEPARTMENT OF THE INTERIOR

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
FINAL REPORT

DOCKET NO DMEA 4661



Faults and gouge zones, found by DMEA work, show slight radioactivity anomalies but no visible uranium minerals.

EXPLANATION

Pegmatitic dike showing dip (dashed where inferred)

Sheared rock showing dip (dashed where inferred)

Autunite seam or fracture coating (dashed where inferred)

Contour interval 10 feet

N

Topographic base furnished by the applicant.

Bulk of geology copied from field sheets of the U.S. Atomic Energy Commission.

CONTOUR AND GEOLOGIC MAP of part of the Lehmbecker Lease

NORTH STAR URANIUM INC.
Spokane County, Washington

50 25 0 50 100 FEET

FEB. 1958

PLATE 1