STATE OF WASHINGTON

Department of Natural Resources

COMMISSIONER
BERT COLE

SUPERVISOR
L. T. WEBSTER

800

BOX 110
OLYMPIA, WASHINGTON

March 16, 1964

U. S. Department of the Interior
Office of Minerals Exploration
South 157 Howard Street
Spokane, Washington 99204
Attention: Mr. D. R. MacLaren
Acting Field Officer, OME
Region I

Gentlemen:

Re: DMEA-4671 (Uranium)
Geo-Resource Corporation
Secs. 10 and 15, T. 29N,
R. 38E, W.M.
Stevens County, Washington
Contract Idm-E1114

A check of our records indicate that Section 15, Township 29 North, Range 38 East, W.M., is not State land.

All of the contracts indicated on the Commissioner's Order are located in Section 10, Township 29 North, Range 38 East, W.M. All of the lands in Section 10 are presently open and unencumbered by any mining contract or prospecting lease. In the event that your reference to Section 15 may have been a typographical error, a check was made on Sections 12, 14 and 16, Township 29 North, Range 38 East. No mining contracts or prospecting leases are in existence on these sections.

If we may be of any further service, please feel free to contact us at any time.

Yours truly,

BERT L. COLE, Commissioner

s/ Donald M. Ford

By Donald M. Ford, Geologist
Assistant Supervisor
Lands Division

DMF:vbm

800

So. 157 Howard Street
Spokane, Washington 99204
March 9, 1964

Commissioner of Public Lands
State of Washington
Department of Natural Resources
Olympia, Washington

Re: DMEA-4671 (Uranium)
Geo-Resource Corporation
Secs. 10 and 15, T. 29 N.,
R. 38 E., W.M.
Stevens County, Washington
Contract Idm-X1114

Dear Sir:

We are enclosing a Thermo-Fax copy of an Order by the State of Washington, Department of Natural Resources, dated July 13, 1959, which cancelled certain mining contracts listed therein.

The Office of Minerals Exploration, as the successor agency to the Defense Minerals Exploration Administration, is charged with the duty of making periodic reports relative to contracts of the latter agency. The DMEA contract cited above involved the land listed in the first paragraph.

We will be most appreciative if you will advise us whether or not the above land has been re-leased and, if so, to whom.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosure

cc: OME(2)
CPF

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E1114, Docket DMEA-4671 (uranium), dated July 24, 1957, with

Geo-Resource Corporation
1215 E. Thurston Avenue
Spokane 4, Washington

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Blue Mountain Property located in Stevens County, Washington, during the period September 9, 1959, through February 16, 1964.

In accordance with the July 11, 1958, Termination Agreement, Article 8, and Amendment No. 2 of the contract, royalty is payable on all minerals produced from the land described in Article 2 and Annex I of the contract, as amended, for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated November 6, 1958, indicated accepted costs under the exploration contract amounting to $15,084.07 with the Government's contribution on a 75 percent basis being $11,313.05.

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

This review found no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review, which also found no sales subject to the Government's royalty through September 8, 1959. Accordingly, as of February 16, 1964, the royalty account of this project was found to be:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

E. D. Talbert, OME Auditor

February 24, 1964

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract, as amended, provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of all of sections 10 and 15, T. 29 N., R. 38 E., Washington Meridian. At the time the contract was executed the Operator, formerly known as Mine Consultants, Inc., was in possession of section 10 by virtue of a May 10, 1957, Operating Agreement with Grandview Mines, which company held the property under a February 19, 1957, agreement (approved by the State of Washington) with eight lessees of the State of Washington. Consents to Lien and Subordination Agreements were executed by Grandview Mines on July 8, 1957, and by the eight State lessees on July 22, 1957.

At the time section 15 was added to the contract by Amendment No. 2 the Operator was in possession thereof pursuant to a June 27, 1957, Operating Agreement with the Universal Mining Corporation, which company obtained the property under a June 29, 1956, Warranty Mining Deed from Taylor Land & Livestock Company, et al. A Consent to Lien and Subordination Agreement was executed by Universal Mining Corporation on September 24, 1957.

Exploration work under the contract was discontinued November 27, 1957, due to adverse weather conditions and was not resumed due to financial difficulties of the Operator. There was no production during the exploration period and an OME regional representative reported the property inactive thereafter to December 31, 1958.

In an October 7, 1963, reply to a MME Form 63 inquiry, the Spokane National Mines, Inc., 414 Fernwell Building, Spokane 1, Wash., advised that: (a) it was the successor corporation to Universal Mining Corporation; (b) Geo-Resource Corporation went out of business in late 1959; and (c) no mining had been done in section 15.

In a February 16, 1964, reply to a MME Form 63 inquiry, Eskil Anderson "for Grandview Mines" indicated that: (a) no production had occurred in section 10; and (b) all leases in that section had been cancelled by the State of Washington on July 13, 1959, due to delinquency in rental payments, failure to reply to notices, and failure to submit proof of labor.

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

(a) The files indicate that no minerals have been produced from the land since the date of the contract;

(b) The property has been inactive since November 1957; and

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

EXTRA COPY
O. M. F
RECEIVED [illegible] 8 1964
DATE CODE
800

So 157 Howard Street
Spokane, Washington 99204
February 28, 1964

Air Mail

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services
Office of the Secretary, Washington, D C

From: Acting Field Officer, Region I

Subject: DMEA-4671 (Uranium)
Gas-Resources Corporation
Blue Mountain Property
Stevens County, Washington
Contract IAm-Rill4

There is enclosed the original of a Report of Royalty Review dated February 24, 1964, covering the subject contract for the period September 9, 1959, through February 16, 1964.

One copy of the report has been retained for the Spokane office files. The report is for record purposes only, and no copy was provided for the Operator.

D. R. Maclaren

Enclosure

cc: OMB(2)
CA&A Div.
CPF

Director's Reading File
Resources Research Branch Chief
MLSpelsck
~~DRMaclaren~~:mls

FEB 24 1964

Memorandum

To: Acting Field Officer, Region I

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

Subject: DMEA-4671 (Uranium)
Geo-Resource Corporation
Blue Mountain Property
Stevens County, Washington
Contract Idm-E1114

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

(a) Original to the Fiscal Section, Office of Management Operations, Office of the Secretary, U. S. Department of the Interior, Washington, D. C. 20240; and

(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

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

Enclosures

EDTalbert/ama 2-24-64

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

EXTRA COPY
O. M. E
RECEIVED OCT 9 1963
DATE | INITIALS | CODE
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October 7, 1963

Mr. F. M. Murphy, Acting Chief
Division of Minerals
U. S. Department of Interior
Office of Minerals Exploration
Washington 25, D. C.

RE: DMEA-4671 (Uranium)
Geo-Resource Corporation
Secs. 10 and 15, T. 29 N.,
R. 38 E., W.M.
Stevens County, Washington
Contract Idm-E1114

Dear Mr. Murphy:

Your letter of September 18, 1963 addressed to Universal Mining Corporation just came to my attention, Spokane National Mines, Inc. being the successor corporation to Universal Mining Corporation. Geo-Resource Corporation went out of business in late 1959 evidently for financial reasons.

Most of the DMEA work was done on Section 10 both surface and drilling. No commercial uranium was found to our knowledge.

A road was built into Section 15 but because charges were made to Universal Mining Corporation for this work, I do not believe any DMEA money was spent on this section. I was told that an amendment to the original loan had been made to cover this work. I have carefully gone over Section 15 and there is no evidence of any work under the alledged amended DMEA loan project.

There is surface indications of Autenite and Uranifane on Section 15 which would have been prospected except for AEC directive of October 1957 regarding discoveries. In fact the whole Pacific Northwest Uranium exploration program went down the drain at that time with the exception of the Midnite Mine in Stevens County.

As I was and still am the Executive Secretary of the Northwest Uranium Ass'n. I have complete data on all operations in Washington and Northern Idaho and have personally verified most operations. There is uranium in the area that could be mined if shipping permits ever become available. I know that this DMEA project never was given a permit to ship if ore had been found.

Very truly yours,

H. J. Tibbits

HJT/jli

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E1114, Docket No. DMEA-4671 (Uranium), dated July 24, 1957, with

Geo-Resource Corporation
1215 E. Thurston Avenue
Spokane 4, Washington

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Blue Mountain Mine located in Stevens County, Washington, during the period July 24, 1957, through September 8, 1959.

In accordance with Termination Agreement dated July 11, 1958, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final cost audit dated November 6, 1958, indicated accepted costs under the exploration contract amounting to $15,084.07 with the Government's contribution, on a 75 percent basis, being $11,313.05.

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

(1) The contract was terminated November 30, 1957, prior to completion of the exploration work, "pseudo" certification being included in the termination agreement even though no significant amount of uranium ore had been revealed;
(2) Semi-annual reports by representatives of the Field Team, Region I, and other documents in the files do not disclose any production or sales of minerals from this property subject to Government royalty during the exploration project or subsequent thereto; and
(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

The review indicated that there has not been any production or sales of minerals from the land described in Article 2 of the contract since July 24, 1957, and no royalty is due the Government.

C. E. Fisher

C. E. Fisher, OME Auditor

October 20, 1959

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Geo-Resource Corporation

Address 1215 E. Thurston Avenue

Spokane, Washington

Exploration Contract No. Idm-~~E1111~~ E1114

Docket No. DMEA-4671

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

Property inactive.

September 8, 1959

S. W. Zoldok

S. W. Zoldok

REPORT
OF REVIEW

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION
REPORT OF REVIEW

RECEIVED NOV 10 1958 O.M.E.

I have reviewed the Monthly Reports of:

Geo-Resource Corporation
1215 E. Thurston Avenue
Spokane 4, Washington

pertaining to Exploration Project Contract No. Idm-Ml14, Docket No. DMEA-4671, including Amendment Nos. 1 and 2, and a Termination Agreement dated July 11, 1958, for the months of August 1957 to January 1958, inclusive, covering a project for the exploration of Uranium, on property known as the Blue Mountain Mine, located in Stevens County, Washington.

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

This review was made in lieu of a final audit of the Operator's accounts and records for the reasons given on the attachment to this report.

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

Total cost as billed by the Contractor		$15,441.67
Exceptions (schedule attached):		
Prior to this review	$ -0-	
Herewith	357.60	357.60
Total Accepted Cost		$15,084.07

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Eleven Thousand Three Hundred Thirteen and 5/100 Dollars is valid and proper, provided that the Regional Executive Officer, the Director, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Amount payable to Operator	$11,313.05
Amount reimbursed	11,281.25
Balance due Operator	$ 31.75

November 6, 1958

George Mavor
George Mavor, OME Auditor

Reasons for Report of Review in lieu of a final audit

Idm-K1114 Geo-Resource Corporation IMRA-4671

(a) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowance thereunder; and

(b) the Monthly Reports were supported by documentary proof of the costs incurred under the terms of the contract, and of the total accepted costs, a major portion ($11,994.00) covered bulldozer work and diamond drilling, performed at unit rates under independent contracts and the balance ($3,090.07) represents other reimbursable costs.

Schedule of Exceptions

Idm-E1114 | Geo-Resource Corporation | IMBA-4671

	Amount
Operator's Final MF-104 Voucher for January 1958, shows Payroll Taxes for 4 months ending November 30, 1957, in amount of $357.60, computed on salary of $2,400.00 paid to George B. Weaver, Superintendent at a tax rate of 14.9%. This was the estimated rate shown in contract, whereas the actual rate was 2.25% for F.I.C.A. and 2.70% for Unemployment Compensation Insurance or a total rate of 4.95%. In addition to the incorrect rate being used the Operator did not furnish any documental proof or evidence that a payroll tax was due on the salary of $2,400.00 paid to George B. Weaver, Superintendent. It was also determined that the Operator had not paid any payroll taxes as of November 4, 1958, therefore the entire payroll tax claimed is disallowed.	$357.60
Disallowance	$357.60

So. 157 Howard Street
Spokane 4, Washington

November 20, 1958

EXTRA COPY
C. M. E.
RECEIVED NOV 24 1958
CODE
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Geo-Resources Corporation
1215 S. Thurston Avenue
Spokane 4, Washington

Re: Docket No. DMEA-4671 (Uranium)
Geo-Resources Corporation
Blue Mountain Mine
Stevens County, Washington
Contract No. Idm-E1114

Gentlemen:

Enclosed for your information and files is a copy each of Report of Review and Schedule of Exceptions dated November 6, 1958, for the period August 1957 to January 1958, inclusive, covering a project at the Blue Mountain Mine.

The report discloses that there is a balance due you of $31.79. This amount has been scheduled for payment and you should receive a check in a few days.

Sincerely yours,

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

Enclosure

cc: OME (3)
USBM (2)
USBM(AD)

1201 N. Division St.
Spokane 17, Washington

November 17, 1958

EXTRA COPY
O. M. E.
RECEIVED NOV 24 1958

DATE	INITIALS	CO
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Mrs. Dorothy Long, Certifying Officer
OME Field Team, Region I
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA-4671 (uranium)
Geo-Resources Corporation
Blue Mountain Mine
Contract No. Idm-E1114

Dear Mrs. Long:

The work completed under the contract was done to the satisfaction of the Government. The contract was terminated by mutual agreement on July 11, 1958. 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 interest in supplies or equipment purchased for use on the project.

A pseudo-certification is incorporated in the Termination Agreement.

A final Report of Review dated November 6, 1958 by OME Auditor George Maver 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
OME Field Team, Region I

cc: OME (2)
USGS (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
420 Custom House
555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
C. M. E.
RECEIVED NOV 17 1958

DATE	INITIALS	CODE
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		800

November 14, 1958

Certified Mail

Mrs. Dorothy F. Long
Authorized Certifying Officer
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA-4671
Geo-Resource Corporation
Contract No. Idm-E1114

Dear Mrs. Long:

Reference is made to your letter dated October 23, 1958, in connection with audit of subject contract. Audit is now complete, and I am enclosing herewith one original and 3 copies of Report of Review for further distribution by your office. The report shows a balance due the Operator in amount of $31.79, and the report was approved by the Washington Office November 10, 1958.

I am also enclosing the following material previously submitted by you:

1. Contract and Correspondence File (Includes Annex I, Exhibit "A", Amendment Nos. 1 and 2, and Termination Agreement)

2. Voucher File (MP-104's and 104A's, with attachments)

The file of pre-audit papers, prepared by Mr. C. A. Turner, I have retained for my audit file of subject contract.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"

George Mavor, CME Auditor

Enclosures

Copy to: Jay L. Chambers

Mr. George Mavor
OME Auditor
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA-4671 (Uranium)
Geo-Resource Corporation
Contract No. Idm-E1114

Dear Mr. Mavor:

Your Report of Review covering the referenced project is acceptable and normal distribution is authorized.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers
Contract Administration
and Audit Division

GMcCarthy/GMcC
November 10, 1958

cc: Docket
Director's Reading File
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
420 Custom House, 555 Battery Street
San Francisco, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 10 1958

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November 7, 1958

Mr. Jay L. Chambers
Contract Administration and Audit Division
Office of Minerals Exploration
Washington 25, D. C.

Re: Idm-E1114, DMEA-4671
Geo-Resource Corporation
Blue Mountain Mine

Dear Mr. Chambers:

Attached hereto are 3 copies of Report of Review for subject contract, prepared for Region I, and submitted to your office for approval.

I am also attaching 2 copies of letter dated November 4, 1958 from Mrs. Dorothy F. Long, Authorized Certifying Officer in answer to my letters dated October 28 and 29, 1958, copies of which were furnished your office. This correspondence dwells on payroll taxes $357.60 and core boxes $55.00 claimed by the Operator.

It will be noted in the second paragraph of Mrs. Long's letter dated November 4, 1958, that she had contacted the Operator and was informed that no taxes of any kind had been paid and apparently the Operator was unable to furnish any proof of tax liability on salary of $2,400.00 paid to George B. Weaver, Superintendent at the actual rate of 4.95% instead of the estimated rate of 14.9% claimed. Under the circumstances I have disallowed the entire amount of $357.60 for payroll taxes.

In the fourth paragraph of Mrs. Long's letter, it will be noted that Mr. A. E. Weissenborn stated that the $55.00 for core boxes was an acceptable cost, and that any additional claim for core boxes in amount of $16.00 should be made by the Operator, therefore under this ruling no adjustment has been made by me in the Report of Review.

During the period of contract operation, the Operator had offices at 525-528 Hutton Building, Spokane, Washington, and on June 2, 1958, Mr. Richard Weaver, President of the Corporation

requested Mr. A. E. Weissenborn to cancel the contract due to his inability to secure additional capital to continue operations and to contact him hereafter at 1215 E. Thurston Avenue, Spokane, Washington, which apparently is his home address. In view of the foregoing events it would appear that Mr. Richard Weaver did not have any accountant who possibly could have given a more definite explanation on the tax liability of the corporation and whether any portion was applicable to the DMEA contract, however I believe we should accept Mrs. Long's letter as final on this subject and the disallowance to stand as set forth in the Report of Review.

Sincerely yours,

George Mavor

George Mavor
OME Auditor

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

November 4, 1958

AIR MAIL

Mr. George Mavor, OME Auditor
420 Custom House, 555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA-4671
Contract No. Idm-B1114
Geo-Resource Corporation
Blue Mountain Mine

Dear Mr. Mavor:

This is in reply to your letters of October 28 and 29, 1958, regarding the subject contract.

In preparing the files for transmittal to you, I rechecked the MF-104's to see if there was anything missing that should be secured before forwarding them to you. My error on the payroll taxes was then discovered. Why this amount was approved for payment each month without the proper support I cannot say, except that it was not taken into consideration that this was on an "actual cost" basis. I contacted the Operator and after a lengthy conversation, it was learned he had not paid any taxes of any kind. Mr. Weaver stated as far as he knew the company owed around $125 to the State of Washington. The requirements relative to supporting documents were explained and he was told that unless he could supply them the amount paid would be disallowed in the final audit.

The Unemployment Compensation Insurance to be paid by the employer in the State of Washington is 2.7% of gross first $3,000 per worker. There is no differential as to type work for compensation purposes. Thus, the maximum taxes and insurance that is chargeable in this case is 4.95% of $2400 or $118.80.

I have discussed the matter of core boxes with Mr. A. E. Weissenborn, Executive Officer. He is of the opinion that Mr. Morehead's bid on the drilling and core boxes is not binding if any changes are agreed to by both parties (Morehead and Operator). The fact that Morehead charged the Operator for core boxes indicates that such a charge was agreed to by both parties.

Mr. Weissenborn believes that the $55 for core boxes is a valid charge. The additional $16 will have to be claimed by the Operator within the 120 days after the audit has been furnished the Operator, but the Operator would have to demonstrate that he actually paid $2.00 each for 16 oversized core boxes.

Sincerely,

Dorothy F. Long
Authorized Certifying Officer

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O. M. E.
RECEIVED NOV 6 1958
DATE INITIALS
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800

1201 N. Division St.
Spokane 2, Washington

November 4, 1958

AIR MAIL

Mr. George Mayor, OME Auditor
420 Custom House, 555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA-4671
Contract No. Idm-E1114
Geo-Resource Corporation
Blue Mountain Mine

Dear Mr. Mayor:

This is in reply to your letters of October 28 and 29, 1958, regarding the subject contract.

In preparing the files for transmittal to you, I rechecked the MF-104's to see if there was anything missing that should be secured before forwarding them to you. My error on the payroll taxes was then discovered. Why this amount was approved for payment each month without the proper support I cannot say, except that it was not taken into consideration that this was on an "actual cost" basis. I contacted the Operator and after a lengthy conversation, it was learned he had not paid any taxes of any kind. Mr. Weaver stated as far as he knew the company owed around $125 to the State of Washington. The requirements relative to supporting documents were explained and he was told that unless he could supply them the amount paid would be disallowed in the final audit.

The Unemployment Compensation Insurance to be paid by the employer in the State of Washington is 2.7% of gross first $3,000 per worker. There is no differential as to type work for compensation purposes. Thus, the maximum taxes and insurance that is chargeable in this case is 4.95% of $2400 or $118.80.

I have discussed the matter of core boxes with Mr. A. E. Weissenborn, Executive Officer. He is of the opinion that Mr. Morehead's bid on the drilling and core boxes is not binding if any changes are agreed to by both parties (Morehead and Operator). The fact that Morehead charged the Operator for core boxes indicates that such a charge was agreed to by both parties.

Mr. Weissenborn believes that the $55 for core boxes is a valid charge. The additional $16 will have to be claimed by the Operator within the 120 days after the audit has been furnished the Operator, but the Operator would have to demonstrate that he actually paid $2.00 each for 16 oversized core boxes.

Sincerely,

Dorothy F. Long
Authorized Certifying Officer

cc: Jay L. Chambers
AD

OFFICIAL FILE COPY
O. M. E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

420 Custom House
555 Battery Street
San Francisco 11, California

October 29, 1958

Mrs. Dorothy F. Long
Authorized Certifying Officer
1201 N. Division Street
Spokane 2, Washington

Re: Idm-E1114, IMBA-4671
Geo-Resource Corporation
Blue Mountain Mine

Dear Mrs. Long:

Supplementing my letter to you dated October 28, 1958, in connection with additional information required to complete audit of subject contract.

The item of $55.00 for core boxes was charged by the Operator as follows:

Aug. 1957	8	core	boxes	at	$1.00	$ 8.00
Sept. "	16	"	"	"	"	16.00
Oct. "	19	"	"	"	"	19.00
Nov. "	12	"	"	"	"	12.00
	55	"	"	"	"	$55.00

Morehead & Leaf statement to the Operator for September 1957, showed 16 oversized core boxes at $2.00 each amounting to $32.00 however the Operator only charged $16.00 on the MF-104, possibly due to the contract showing under Stage I, Item (7) Miscellaneous an estimate of 300 cardboard core boxes at $1.00 each.

After you have determined that the core boxes are reimbursable, then consideration may be given to allow an additional $16.00 for the oversized core boxes, provided the Operator paid $2.00 each for them and the cost of the 16 oversized core boxes at $2.00 each is agreed to by Mr. G. G. Waddell, Examining Engineer.

Sincerely yours,

"(SIGNED) GEORGE MAVOR"

George Mavor, OME Auditor

Copy to: Jay L. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
420 Custom House, 555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 30 1958

DATE	INITIALS	CODE
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October 28, 1958

Mrs. Dorothy F. Long
Authorized Certifying Officer
1201 N. Division Street
Spokane 2, Washington

Re: Idm-E1114, DMEA-4671
Geo-Resource Corporation
Blue Mountain Mine

Dear Mrs Long:

Reference is made to your letter dated October 23, 1958, in which you submitted certain documents which were required to complete the audit of subject contract.

The MF-104's submitted had sufficient documents attached to make an audit, other than payrolls taxes, and this item together with the charge for core boxes require further clarification and the total of the two items shown on the final voucher is as follows:

Payroll Taxes	$ 357.60
Core Boxes	55.00

The contract shows under Stage I, Item (7) Miscellaneous payroll taxes calculated on supervisor's salary of $2,400.00 at 14.9% which amounts $357.60 or the amount claimed by the Operator. Due to the contract being on a cost basis, only actual costs are acceptable and the rate claimed of 14.9% was no doubt an estimated rate for contract purposes. I am not familiar with the State of Washington requirements for Unemployment taxes and Compensation insurance to be paid by the employer, however I believe you could obtain from the Operator the actual rates paid during the period of operation which were applicable to the supervisor's salary of $2,400.00. The acceptable rate would be comprised of the following items:

F.I.C.A.	2.25%
State of Washington Unemployment Compensation Insurance (Surface Rate) Rate Used appears excessive	14.9%

The surface rate for compensation insurance is considerably less than the underground rate, and as all of the work performed under the contract was bulldozer trenching and core drilling the surface rate would apply.

It is also noted that Mr. George B. Weaver, Superintendent was paid $600.00 per month for four months ending November 30, 1957 or a total of $2,400.00, and in this respect there is a maximum on salaries earned to which payroll taxes are applicable and these maximums would be on the first $4,200.00 earned for the F.I.C.A. Tax and the first $3,000.00 earned for the State of Washington Unemployment Tax. If Mr. Weaver had been on the Operator's payroll from January 1, 1957 to July 31, 1957 at $600.00 per month, he would have earned $4,200.00, then the Operator would have reached the maximum payroll tax liability for the year 1957, and the payroll taxes for F.I.C.A. and State Unemployment could not be claimed by the Operator during the period of operation August to November 1957, however if Mr. George B. Weaver had only been employed by the Operator for the period of operation, August to November 1957 and the Operator paid the F.I.C.A. Tax and State Unemployment Tax for the operating period then these payroll taxes are allowable. The Compensation Insurance is an allowable cost based on the actual insurance rate paid by the Operator.

The core box charge of $55.00 is based on 55 core boxes at $1.00 each, and is allowable under the terms of the contract, however item 9 of the sub-contract with Morehead & Leaf dated February 27, 1957, reads "The above price includes core boxes and use of aquagel where required to secure core". The cost of core boxes were included in Morehead & Leaf monthly statements to the Operator, however I believe an explanation should be obtained from the Operator why the core boxes were charged by Morehead & Leaf, when Item 9 of the sub-contract stated no charge would be made for core boxes.

I believe the above information can be obtained by contacting the Operator and an early reply will be appreciated.

Sincerely yours,

"(Signed) George Mavor"

George Mavor
OME Auditor

Copy to: Jay L. Chambers

1201 N. Division St.
Spokane 2, Washington

October 23, 1958

EXTRA COPY
O. M. E.
RECEIVED OCT 28 1958

DATE	INITIALS	CODE
		800

CERTIFIED MAIL

Mr. George Mavor, OME Auditor
Room 420, Custom House
555 Battery Street
San Francisco, California

Re: Docket No. DMEA-4671 (uranium)
Geo-Resource Corporation
Blue Mountain Mine
Contract No. Idm-E1114

Dear Mr. Mavor:

Pursuant to recent instructions, we are transmitting the following material which you will need to complete your audit on the above-named contract:

1. Memorandum from Field Team, Region I, requesting final audit of the account.
2. Contract and Correspondence File (Includes Annex I, Exhibit "A", Amendments Nos. 1 and 2, and Termination Agreement)
3. Voucher File (SF-104's and 104A's, with attachments)
4. File of pre-audit papers prepared by Mr. C. A. Turner

The sum of $300.00 was withheld pending resumption of work; however, work was not resumed and the contract was terminated.

Sincerely yours,

Dorothy F. Long
Authorized Certifying Officer

cc: OME (3)
USCS (2)
USBM (AD)

EXTRA COPY
O. M. E.
RECEIVED OCT 28 1958
DATE | INITIALS | CODE
800
10/24/58

1201 N. Division St.
Spokane 2, Washington

October 16, 1958 — Dispatched

Mr. George Mayer, OME Auditor
Room 420, Custom House
555 Battery Street
San Francisco 11, Calif.

Re: Docket No. DMEA-4671 (uranium)
Geo-Resources Corporation
Blue Mountain Mine
Stevens County, Washington
Contract No. DMA-Kill4

Dear Mr. Mayer:

The referenced contract was terminated by mutual agreement on July 11, 1958, effective as of November 30, 1957.

The number of units of work satisfactorily completed by the Operator and accepted by the Field Team are:

Stage I	Unit Cost	Authorized	Completed
Bulldozer work:			
Access roads	$17.50/hr.	40 hrs.	40 hrs.
Trenches	17.50/hr.	80 hrs.	80 hrs.
Drill site preparation	17.50/hr.	40 hrs.	34 hrs.
Transporting dozer	1.00/mile	100 miles	100 miles
Diamond drilling:			
Core drilling	6.00/ft.	3,000 ft.	1,261.5 ft.
Driving standpipe	7.50/ft.	180 ft.	179.5 ft.
Cementing and drilling out or reaming and casing	3.00/ft.	100 ft.	116.0 ft.
Standby time	7.50/hr.	24 hrs.	24 hrs.
Supervision	$600/mo.	4 mo.	4 mo.
Consulting geologist	$ 50/day	20 days	6-7/8 days
Stage II		none	none
Stage III		none	none

The Operator's final engineering and geological report was received on September 21, 1956. This report meets the requirements of Article 7(a) of the contract.

A pseudo-certification is incorporated in the Termination Agreement.

The total amount paid to date to the Operator is $11,281.26.

A Report of Review in lieu of a final audit is in order and requested.

By Field Team, Region I

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

Wing U. Ignew, Member
U. S. Bureau of Mines

cc: OME (5)
USGS (2)
DBRM (AD)

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. 2252

RECEIVED NOV 28 1958 O.M.E.

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

Voucher prepared at Spokane, Washington 11/29/58
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Km-51116

To Cook Lumber Corporation
(Payee)

1215 E. Thurston Avenue 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.
	November 1957	Funds withheld from Voucher No. 2053 dated December 11, 1957, adjusted to audit				31	79
		FINAL PAYMENT					
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	31	79

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 31 79

(Signature or initials) D. L.

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)

Per .....

Title .....

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

† 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.

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

Form [illegible]-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

RECEIVED FEB 20 1958 DMEA

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

SUPPLEMENTAL

Month of January 1958 Docket No. DMEA 4671 Contract No. Idm-E1114

Operator's Name Geo-Resource Corporation Minerals Uranium

Address Suite 525-8 Hutton Bldg., Spokane 4, Washington

Contract Amount, $ ~~45,960.00~~ 53,972.00 Government Participation: 75 % Amount, $ ~~34,470.00~~ 40,480.00

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	1233.00	6336.00	7569.00	1233.00	6336.00	7569.00
Bulldozing		3045.00	3045.00		3045.00	3045.00
Standby Time		180.00	180.00		180.00	180.00
Standpipe		750.00	750.00		750.00	750.00
Cementing & Casing		300.00	300.00		300.00	300.00
(2) Labor and Supervision:						
Labor						
Supervision		2400.00	2400.00		2400.00	2400.00
Technical Services		443.75	443.75		443.75	443.75
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Gasoline		108.00	108.00		108.00	108.00
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		133.32	133.32		133.32	133.32
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes		357.60	357.60		357.60	357.60
Liability Insurance						
Core Boxes		55.00	55.00		55.00	55.00
Transp. Dozer		100.00	100.00		100.00	100.00
(8) Contingencies (specify):						
TOTALS	1233.00	14,208.67	15,441.67	1233.00	14,208.67	15,441.67

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

Date 1/28/58 *Payee Geo-Resource Corporation

Per George B. Weaver Title General Manager

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

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

(Instructions on reverse)

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

$ 92475

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 2/4/58 Vou. No. 2110

(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. 6-1114 in accordance with the terms of the contract.

Signature /s/ John L. Waddell Title Mining Engr. Date 1/30/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Jan. 31, 1958

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.

F[illegible]-104A
([illegible]52)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED FEB 10 1958 D.M.E.A.

OPERATOR'S UNIT COST AND PROGRESS REPORT

SUPPLEMENTAL

Month of January 1957 Docket No. DMEA 4671 Contract No. Idm-E1114

Operator's Name Geo-Resource Corporation Minerals Uranium

Address Suite 525-8 Hutton Bldg., Spokane 4, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
~~Raising~~ Standby Time	Hr.			180.00	24	7.50	24	7.50/hr.
~~Shaft~~ Transp. Dozer	Mi.			100.00	100	1.00	100	1.00/mi.
~~Winze~~ Core Boxes	Ea.			55.00	55	1.00	300	1.00/ea.
Drilling: Core	Ft.	1233.00	205.5	7569.00	1261.5	6.00	3000	6.00/ft.
~~Churn~~ Casing	Ft.			300.00	100	3.00	100	3.00/ft.
~~Auger~~ Standpipe	Ft.			750.00	100	7.50	100	7.50/ft.
~~Stripping~~ Gasoline	Gal.			108.00	300	.36	300	.36/gal.
Trenching	Hr.			1400.00	80	17.50	80	17.50/hr.
Test Pits								
Roads and Trails	Hr.			1050.00	60	17.50	60	17.50/hr.
Drill Site Prep.	Hr.			595.00	34	17.50	40	17.50/hr.
TOTAL DISTRIBUTED COSTS		1233.00		12,107.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Depreciation				133.32				
~~Operating Equipment Purchases~~								
~~Initial Rehabilitation and Repairs~~ Payroll Taxes				357.60				
~~New Buildings, Improvements, etc.~~ Supervisor				2,400.00				
Technical Services				443.75				
TOTAL COSTS				15,441.67				

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 1/28/58 Operator Geo-Resource Corporation

Per George B. Weaver Title General Manager

→ 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.

REMARKS:

(Instructions on reverse)

(For Government use only)

/s/ Dolan G. Waddell, Mining Engr., 1/30/58

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

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

Budget Bureau No. 42-R1036.5

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

Month of November, 1957 Docket No. DMEA 4671 Contract No. Idm-E 1114
Operator's Name Geo-Resource Corporation Minerals Uranium
Address 525-8 HUtton Building, Spokane 4, Washington
Contract Amount, $ 45,960.00 Government Participation: 75 % Amount, $ 34,470.00

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	2052.00	4284.00	6336.00	2052.00	4284.00	6336.00
Bulldozing		3045.00	3045.00		3045.00	3045.00
~~Crosscutting~~ Stby Time	180.00		180.00	180.00	—	180.00
~~Drilling~~ Stpipe		750.00	750.00		750.00	750.00
Cmtg. & Casing		300.00	300.00		300.00	300.00
(2) Labor and Supervision:						
Labor						
Supervision	600.00	1800.00	2400.00	600.00	1800.00	2400.00
Technical Services	75.00	368.75	443.75	75.00	368.75	443.75
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Gasoline		108.00	108.00		108.00	108.00
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	33.33	99.99	133.32	33.33	99.99	133.32
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	89.40	268.20	357.60	89.40	268.20	357.60
Liability Insurance						
Core Boxes	12.00	43.00	55.00	12.00	43.00	55.00
Transp. Dozer		100.00	100.00		100.00	100.00
(8) Contingencies (specify):						
TOTALS	3041.73	11,166.94	14,208.67	3041.73	11,166.94	14,208.67

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

Date Dec. 3, 1957 *Payee Geo-Resource Corporation

Per George B. Weaver Title General Manager

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

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

(Instructions on reverse)

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

$ 1981.30

Signature Dorothy F. Young
(Authorized Certifying Officer)

Date 12/11/57 Vou. No. 2088

(See other side)

2281.30
Withheld 300.00
Pay $1981.30

(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 1114 in accordance with the terms of the contract.

Signature /s/ G. G. Wadsell Title Mining Engr. Date 12/4/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Dec. 9, 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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED DEC 16 1957 D.M.E.A.

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1957 Docket No. DMEA 4671 Contract No. Idm-E 1114
Operator's Name Geo-Resource Corporation Minerals Uranium
Address 525-8 Hutton Bldg., Spokane 4, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising Stby Time	Hr	180.00	24	180.00	24	7.50	24	7.50/Hr
~~Shafts~~ Trans. Dozer	Mi			100.00	100	1.00	100	1.00/Mi
~~Winzes~~ Core Boxes	Ea	12.00	12	55.00	55	1.00	300	1.00/Ea
Drilling: Core	Ft	2052.00	342	6336.00	1056	6.00	3000	6.00/Ft
~~Churn~~ Casing	Ft			300.00	100	3.00	100	3.00/Ft
~~Auger~~ Stpipe	Ft			750.00	100	7.50	100	7.50/Ft
Stripping								
Trenching	Hr			1400.00	80	17.50	80	17.50/Hr
Test Pits								
Roads and Trails	Hr			1050.00	60	17.50	60	17.50/Hr
Drill Site Prep.	Hr			595.00	34	17.50	40	17.50/Hr
TOTAL DISTRIBUTED COSTS		2244.00		10,766.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
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 Dec. 3, 1957 Operator Geo-Resource Corp.

Per George R. Weiner Title General Manager

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.

REMARKS:

(Instructions on reverse)

(For Government use only)

/s/ G. G. Waddell, Mining Engr., USBM, 12/4/57

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

3 December, 1957

RE: Blue Mountain Project
DMEA Docket No. 4671
Contract No. Idm-E 1114

NARRATIVE REPORT

Month of November, 1957

DIAMOND DRILLING

Diamond drilling in November was considerably hampered by freezing weather, muddy roads and snow. Two holes were completed during the month for a total of 355 feet. The most recent snow on the 27th rendered the roads impassable for the water truck, and after conferring with the drill contractor, it was decided to shut the drilling program down for the winter, effective 30 November.

PROBING

The AEC probe unit remains out of commission for parts, so arrangements were made to borrow a Babbel probe unit belonging to Western Uranium Corporation for the probing of holes 4 and 6. This probe has been calibrated in the AEC calibration barrel so that, on the scale used in the probing, a scale reading of 340 indicates material averaging .50% contained uranium. Hole no. 7 was probed using a Hoffman probe unit which the company has recently purchased. Scale readings are in MR/hr.

Respectfully submitted,

GEO-RESOURCE CORPORATION

George B. Weaver

George B. Weaver,
General Manager

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

Budget Bureau No. 42-R1036.5

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

Month of October, 1957 Docket No. DMEA 1871 Contract No. Idm-E 1114
Operator's Name Geo-Resource Corporation Minerals Uranium
Address Suite 525-8 Hutton Building, Spokane 4, Washington
Contract Amount, $ 45,960.00 Government Participation: 75 % Amount, $ 34,470.00

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	2157.00	3360.00	5517.00	924.00	3360.00	4284.00
Bulldozing		3045.00	3045.00		3045.00	3045.00
Crosscutting						
~~xxxxx~~ Standpipe	210.00	540.00	750.00	210.00	540.00	750.00
Cmtg. & Casing		300.00	300.00		300.00	300.00
(2) Labor and Supervision:						
Labor	600.00	1200.00	1800.00			
Supervision				600.00	1200.00	1800.00
Technical Services		368.75	368.75		368.75	368.75
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Gasoline		108.00	108.00		108.00	108.00
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	33.33	66.66	99.99	33.33	66.66	99.99
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	89.40	178.80	268.20	89.40	178.80	268.20
Liability Insurance						
Core Boxes	19.00	24.00	43.00	19.00	24.00	43.00
Dozer Transport.		100.00	100.00		100.00	100.00
(8) Contingencies (specify):						
TOTALS	3108.73	9291.21	12,399.94	1875.73	9291.21	11,166.94

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

Date Nov. 4, 1957 *Payee Geo-Resource Corporation

Per George B. Weaver Title General Manager

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

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

(Instructions on reverse)

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

$ 1406.80

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 11/20/57 Vou. No. 2076

(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. Ge 1114 in accordance with the terms of the contract.

Signature /s/ Galen L. Waddell Title Mining Engr. Date 11/12/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Nov. 20, 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 insuranee, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

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

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

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

Form MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

RECEIVED NOV 25 1957 D.M.E.A.

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

Month of October 1957 Docket No. DMEA 4671 Contract No. Idm-E 1114
Operator's Name Geo-Resource Corporation Minerals Uranium
Address Suite 525-8 Hutton Bldg., Spokane 4, Washington.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
~~Shafts~~ Trans. Dozer	Mi.			100.00	100	$1.00	100	1.00/Mi.
~~Wires~~ Core Boxes	Ea.	12.00	19	43.00	43	1.00	300	1.00/Ea.
Drilling: Core	Ft.	2157.00	359½	5517.00	919½	6.00	3000	6.00/Ft.
Cmtg. ~~Churn~~ Csng.	Ft.			300.00	100	3.00	100	3.00/Ft.
Drvg. ~~Auger~~ Stpipe	Ft.	210.00	28	750.00	100	7.50	100	7.50/Ft.
Stripping								
Trenching	Hr.			1400.00	80	17.50	80	17.50/Hr.
Test Pits								
Roads and Trails	Hr.			1050.00	60	17.50	60	17.50/Hr.
Drl. Site Prep.	Hr.			595.00	34	17.50	40	17.50/Hr.
TOTAL DISTRIBUTED COSTS		2586.00		9755.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
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 Nov. 4, 1957 Operator Geo-Resource Corp.

Per George B. Weaver Title General Manager

REMARKS:

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

(Instructions on reverse)

(For Government use only)

/s/ Galen L. Waddell, Mining Engr., USBM, 11/12/57

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

GEO-RESOURCE CORPORATION
TEL. MA. 4-9654
SUITE 525-528 HUTTON BUILDING
SPOKANE 4, WASHINGTON
CABLE: GEORESCO

4 November, 1957

RE: Blue Mountain Project
DMEA Docket No. 4671
Contract No. Iom-E 1114

Cost Segregation Sheet - Supplement to MF 104

STAGE I

Drilling:	
Hole No. 4	
36 Ft. @ $6.00	$216.00
Hole No. 5	
25½Ft. BX @ $6.00	153.00
291 Ft. AX @ $6.00	1,746.00
Hole No. 6	
7 Ft. BX @ $6.00	42.00
	$2,157.00
28 Ft. Standpipe @ $7.50	$210.00

Supervision:

George B. Weaver, Project Superintendent
Salary for October, 1957 $600.00

GEO-RESOURCE CORPORATION

George B. Weaver

George B. Weaver,
General Manager

GEO-RESOURCE CORPORATION

TEL. MA. 4-9654 SUITE 525-528 HUTTON BUILDING CABLE: GEORESCO

SPOKANE 4, WASHINGTON

1 November, 1957

RE: Blue Mountain Project
DMEA Docket No. 4671
Contract No. Idm-E 1114

NARRATIVE REPORT

Month of October, 1957

DIAMOND DRILLING

Two holes were completed in October, and another initiated for a total of 5[illegible] feet of drilling. Hole No. 4 was completed to a depth of 301 feet. Hole No. 5 was initiated and drilled to a total depth of 362 feet. No mineralization was visible in the cores, but there was some variation in radioactivity in the cores from Hole No. 5. (See "Probing" below.) The diamond drilling program has been hampered by extremely difficult drilling conditions, including caving, water loss, and badly fractured rock. One encouraging factor is the recharge of the high-level spring area which now appears to be making enough water to support the drilling program. The contractor anticipates laying a pipe line and setting up a pumping system by the early part of next week, thus dispensing with the bothersome hauling of water.

PROBING

The hole probing has been plagued with mechanical difficulties. After waiting the majority of the month for parts to arrive from Salt Lake City, the Atomic Energy Commission got their probe unit reassembled and got a probe down Hole No. 4. When the probe hit the water in the bottom of the hole, the water seeped into the cable-to-probe joint and shorted out. No record was obtained, but the operator reported observing several "good jolts" on the way down. When a new probe unit is obtained, the AEC will try again.

MISCELLANEOUS

Topographic mapping of the project area is proceeding on a continuing basis. During November, detailed geologic mapping of the features exposed in the trenching program will be initiated.

Respectfully submitted,

George B. Weaver

George B. Weaver,
Project Superintendent

EXTRA COPY
DMEA
RECEIVED NOV 2
DATE
800

1201 N. Division St.
Spokane 2, Washington

November 20, 1957

Geo-Resource Corporation
Suite 525-528 Hutton Building
Spokane 4, Washington

Re: Docket No. DMEA-4671 (uranium)
Contract No. Idm-E1114
Monthly operating report for
October 1957

Gentlemen:

This is to inform you the subject voucher could not be paid in the full amount claimed.

The deletion 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)

DMEA Field Team, Region I

November 20, 1957

DMEA Certifying Officer, Region I

Monthly operating report for October 1957
Contract No. Idm-E1114

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

A deletion in the amount of $1233.00 for 205.5 feet of core drilling has been made. This footage is in excess of the 200 feet maximum that can be claimed for holes 4 and 5. A recommendation for an Amendment to the contract has been made. In the event such an amendment is approved, this amount will be reinstated.

Dorothy F. Long

cc: DMEA (2)
USGS (2)

EXTRA COPY
DMEA
RECEIVED
DATE

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

Budget Bureau No. 42-R1036.5

RECEIVED
OCT 14 1957
D.M.E.A.

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

Month of September, 1957 Docket No. DMEA 4671 Contract No. Idm-E 1114
Operator's Name Geo-Resource Corporation Minerals Uranium
Address Suite 525-6 Hutton Building, Spokane 4, Wn.
Contract Amount, $45,960.00 Government Participation: 75 % Amount, $ 34,470.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
STAGE I	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	2436.00	924.00	3360.00	2436.00	924.00	3360.00
Bulldozing	1470.00	1575.00	3045.00	1470.00	1575.00	3045.00
Crosscutting						
~~Drifting~~ Standpipe	540.00		540.00	540.00		540.00
Cement & Casing	57.00	243.00	300.00	57.00	243.00	300.00
(2) Labor and Supervision:						
Labor						
Supervision	600.00	600.00	1200.00	600.00	600.00	1200.00
Technical Services	162.50	206.25	368.75	162.50	206.25	368.75
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Gasoline	12.60	95.40	108.00	12.60	95.40	108.00
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	33.33	33.33	66.66	33.33	33.33	66.66
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	89.40	89.40	178.80	89.40	89.40	178.80
Liability Insurance						
Core Boxes	16.00	8.00	24.00	16.00	8.00	24.00
Trans. Dozer	100.00		100.00	100.00		100.00
(8) Contingencies (specify):						
TOTALS	5516.83	3774.38	9291.21	5516.83	3774.38	9291.21

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 2 Oct., 1957 Payee Geo-Resource Corporation

Per George B. Weaver Title General Manager

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

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

(Instructions on reverse)

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

$ 4137.62

Signature Dorothy F. Lowry
(Authorized Certifying Officer)

Date 10/9/57 Vou. No. 2052

(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. E1114 in accordance with the terms of the contract.

Signature /s/ Colin H. Waddell Title Mining Engr. Date 10/3/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. K. Weissenborn Title Exec. Officer Date 10/8/57

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

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

RECEIVED OCT 14 1957 D.M.E.A.

Month of Sept. 1957 Docket No. DMEA 4671 Contract No. Ion-E 1114
Operator's Name Geo-Resource Corporation Minerals Uranium
Address 525-8 Hutton Bldg., Spokane 4, Wash.

OPERATION STAGE I	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
~~Shafts~~ Trans. Dozer	Mi.	100.00	100	100.00	100	$1.00	100	$1.00/Mi.
~~Winzes~~ Core Boxes	Ea.	16.00	16	24.00	24	1.00	300	1.00/Ea.
Drilling: Core	Ft.	2436.00	406	3360.00	560	6.00	3000	6.00/Ft.
Cuts. Churn & Casing	Ft.	57.00	19	300.00	100	3.00	100	3.00/Ft.
Drvg. Auger Stdpipe	Ft.	540.00	72	540.00	72	7.50	100	7.50/Ft.
Stripping	Hr.	551.25	31½	1400.00	80	17.50	80	17.50/Hr.
Trenching								
Test Pits								
Roads and Trails	Hr.	437.50	25	1050.00	60	17.50	60	17.50/Hr.
Drill Site Prep.	Hr.	481.25	27½	595.00	34	17.50	40	17.50/Hr.
Total Distributed Costs		4619.00		7369.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		~~4619.00~~		~~7369.00~~				

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

Date 2 Oct., 1957 Operator Geo-Resource Corporation

Per George B. Weaver Title General Manager

Remarks:

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

(Instructions on reverse)

(For Government use only)

/s/ Galen L. Waddell, Mining Engr.

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

GEO-RESOURCE CORPORATION

TEL. MA. 4-9654 SUITE 525-528 HUTTON BUILDING CABLE: GEORESCO

SPOKANE 4, WASHINGTON

1 October, 1957

RE: Blue Mountain Project
DMEA Docket No. 4671
Contract No. Idm-E 1114

Cost Segregation Sheet - Supplement to EP-104

STAGE I

Drilling:

140 Ft. BX size hole @ $6.00	$840.00
266 Ft. AX size hole @ $6.00	1,596.00
72 Ft. 3" Standpipe @ $7.50	540.00
19 Ft. Cementing & Casing @ $3.00	57.00

Bulldozing:

25 Hrs. Access Road @ $17.50	$437.50
27½ Hrs. Drill Site Prep. @ $17.50	481.25
31½ Hrs. Trenching @ $17.50	551.25
Transporting Dozer - 100 Mi. @ $1.00/Mi. (Round Trip, Spokane to Blue Mountain Property - 120 Miles.)	100.00

Supervision:

George B. Weaver, Project Superintendent Salary for September, 1957	$600.00

GEO-RESOURCE CORPORATION

George B. Weaver
George B. Weaver,
General Manager

EXTRA COPY
D M E A
RECEIVED [illegible] 1957
DATE | [illegible] | CODE

GEO-RESOURCE CORPORATION

TEL. MA. 4-9654 SUITE 525-528 HUTTON BUILDING CABLE: GEORESCO

SPOKANE 4, WASHINGTON

1 October, 1957

EXTRA COPY
DMEA
CODE

RE: Blue Mountain Project
DMEA Docket No. 4671
Contract No. Idm-E 1114

NARRATIVE REPORT

Month of September, 1957

TRENCHING

The bulldozer trenching program was completed in the month of September. A total of seven trenches were put in, exposing the contact at intervals averaging 400 feet, for an aggregate length along the strike of 2800 feet. In all the trenches there was a slight increase of radioactivity near the contact, and in Trench No. 7 and the place where the contact is exposed near the junction of the water road and the upper access road, the radioactivity approaches three times the normal background count. No identifiable uranium minerals have been found in these areas.

DIAMOND DRILLING

Two holes were completed in the month of September and another hole initiated, for a total of 413 feet of hole drilled. Drilling has been slowed considerably by badly broken ground, which has required considerable cementing of fractured areas, and driving casing in some holes. Effective the first of October, the drill contractor is putting on another shift of drillers, which should result in substantially increased drill footage.

Permission has been obtained from the DMEA field team to place the three furthest-west holes roughly parallel to the contact, rather than normal to it. It was felt that more information could be obtained on more of the contact by placing the holes in this manner. Hole No. 4 will be the farthest west hole of this series.

MISCELLANEOUS

A zone of increased radioactivity was recorded by the Atomic Energy Commission probing of Hole No. 3. The cores were examined with ultra-violet light, but showed no fluorescent secondary minerals. An examination of the cores from Hole No. 6 did, however, show occasional flecks of what is probably autunite, and in one place a showing of scheelite.

Respectfully submitted,

George B. Weaver
George B. Weaver,
General Manager

Form MF-104 Rev. (April 1952)

Budget Bureau No. 42-R1036.5

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

Month August, 1957 Docket No. DMEA 4671 Contract No. Idm-E 1114

Operator's Name Geo-Resource Corporation Minerals Uranium

Address Suite 525-528 Hutton Bldg., Spokane, Wn.

Contract Amount $45,960.00 Government Participation: 75 % Amount, $34,470.00

ITEMS OF COSTS Stage I	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contractors:						
Drilling	1188.30			924.00	—	924.00
Bulldozing	1575.00			1575.00	—	1575.00
Crosscutting						
Drifting						
Cementing & Casing				243.00	—	243.00
(2) Labor and Supervision:						
Labor						
Supervision	600.00			600.00	—	600.00
Technical Services	206.25			206.25	—	206.25
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
~~Core Boxes~~	~~8.00~~					
Gasoline	95.40			95.40	—	95.40
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	33.33			33.33	—	33.33
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	89.40			89.40	—	89.40
Liability Insurance						
~~Gasoline~~	~~95.40~~					
Core Boxes	8.00			8.00	—	8.00
(8) Contingencies (specify):						
TOTALS	3794.68			3774.38	—	3774.38

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

Date Sept. 3, 1957 *Payee Geo-Resource Corporation

Per George B. Weaver Title General Manager

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

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

(Instructions on reverse)

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

$ 2830.79

Signature Dorothy F. Pong (Authorized Certifying Officer)

Date 9/11/57 Vou. No. 2039

(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 1114 in accordance with the terms of the contract.

Signature /s/ Stephen W. Goldoh Title Mining Engr. Date Sept. 4, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Sept. 4, 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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1956 Docket No. DMEA 4671 Contract No. Idm-E 1114

Operator's Name Geo-Resource Corporation Minerals Uranium

Address Suite 525-528 Hutton Bldg., Spokane 4, Wn.

OPERATION Stage I	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Ft.	1188.30	154		154		3000	6.00/ft.
Cementing & Casing Churn	Ft.						100	2.00/ft.
Auger								
~~Stripping~~								
Trenching	Hr.	848.75	48½		48½		80	17.50/hr.
Test Pits								
Roads and Trails	Hr.	612.50	35		35		60	17.50/hr.
Drill Sites	Hr.	113.75	6½		6½		40	17.50/hr.
Total Distributed Costs		2763.30						Total Costs Authorized by Contract
Operating Equipment Purchased								
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 3 Sept., 1957 Operator Geo-Resource Corp.

Per George B. Weaver Title General Manager

Remarks:

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

(Instructions on reverse)

(For Government use only)

rd Stephen W. Goldok, 9/4/57

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

GEO-RESOURCE CORPORATION
TEL. MA. 4-9654 SUITE 525-528 HUTTON BUILDING CABLE: GEORESCO
SPOKANE 4, WASHINGTON

Blue Mountain Project
DMEA Docket No. 4671
Contract No. Idm-E 1114

NARRATIVE REPORT

Month of August, 1957

ROAD BUILDING

Work commenced on the Blue Mountain Project on 31 July, 1957. The first task was the construction of approximately 7000 feet of access road from the west 1/4 corner of Section 15, T. 29 N., R. 38 E., into the project area. This road was completed by 9 August. Reconnaissance during the preceding season had discovered the presence of several small high-level springs (approximate coordinates N. 12,000 E. 10,800) which bore promise of furnishing, after improvement, sufficient water to carry out the drilling program. To this end, about 1800 feet of trail was constructed into the spring area, the springs dozed out, and a pond constructed. However, due to the unseasonably dry summer the springs failed to develop sufficient water in 24 hours to support one shift of drilling. It is anticipated that if and when some rain brings up the water table these springs can be utilized for drilling water.

For the balance of the dry season it became obvious that water must be hauled. The nearest water sufficient for drilling was found in Camas Creek near the east edge of Section 11, T. 29 N., R. 38 E. In order to reduce the haul distance from a total of seven miles via the high access road, a short connecting trail was put in to a logging road near the SE Cor. Sec. 10, T. 29 N., R. 38 E. (Not yet mapped - will be shown next month.) This reduced the water haul to approximately three miles.

TRENCHING

Trenching was begun on 9 August. It had been hoped that a series of long straight trenches could be put in, exposing the contact at regular intervals. However a combination of steep slope and hard rock on the uphill side of the contact made it necessary to bring the trenches around the hillside at 30 to

to 35 degrees from normal to the slope. As of the end of the month, four trenches had been initiated. The contact was exposed in three of these, and the fourth is not completed yet. The nature of the exposures makes it difficult to determine the dip, but it appears to vary from vertical to 60 degrees toward the schist side of the contact. A rough section on a line through drill hole No. 1, perpendicular to the contact, showed the dip to be 66 degrees between the surface and where the contact cut the core at 132 feet.

DRILLING

Hole No. 1 was initiated on 21 August. The hole was started with BX core, drilling with a fairly thick mud fluid of bentonite and water. In competent rock the core recovery was excellent, and in fractured areas quite satisfactory. (See drill log attached.) However, it was discovered that in badly fractured areas the hole caved despite the column of mud fluid, and that in competent ground the core recovery was as good with water as it was with mud. It was also found that the bentonite mixed with cuttings to make a very abrasive mixture which tended to force through the perforations in the inner tube of the core barrel into the space between the two tubes, and wear on the inner tube as the rods rotate. A hole was actually worn through one BX inner tube. As a consequence of this experience the bentonite mud fluid has been thinned considerably. There has been no appreciable difference in core recovery. Hole No. 1 was bottomed at 154 feet and preparations begun for Hole No. 2 on the granite side of the contact at about 100 feet distance.

MISCELLANEOUS

The Spokane office of the Atomic Energy Commission has agreed to probe the drill holes with their portable gamma ray logging equipment. The probing equipment was put down Hole No. 1 on August 30. The recording equipment was not used, so spot readings were taken every five feet. The hole was probed to 120 feet where the probe encountered a caved spot. Subsequent jiggling of the probe resulted in caved material falling on top of it until it lodged firmly in the hole. Attempts to recover the probe finally resulted in the cable parting, and the probe was abandoned. AEC personnel have explained that their probe is calibrated in a barrel of material averaging 0.18% cU_3O_8, and that for all practical purposes, microampere readings may be taken to correspond directly to per cent uranium.

Primary mapping control was established by transit traverse lines, carrying elevation trigonometrically. All

traverses were closed and closure error has not exceeded 1/6000. Topography and workings are being mapped by transit-stadia methods. The survey was oriented by observation upon Polaris for meridian. A system of plane rectangular coordinates has been instituted, using an arbitrary origin. Level datum was taken from a multiplex spot elevation on the Hunters Quadrangle, and should be considered only approximate mean sea level.

A geochemical soil profile was taken at 50 feet stations along the access road. All samples were negative.

Respectfully submitted,

GEO-RESOURCE CORPORATION

George B. Weaver

George B. Weaver,
General Manager

GEO-RESOURCE CORPORATION
TEL. MA. 4-9654
SUITE 525-528 HUTTON BUILDING
SPOKANE 4, WASHINGTON
CABLE: GEORESCO

3 September, 1957

RE: BLUE MOUNTAIN PROJECT
DMEA DOCKET NO. 4671
CONTRACT NO. Idm-E 1114

Cost Segregation Sheet Supplement to MF-104

STAGE I.

Drilling

71 feet BX size hole @ $6.30	447.30
71 feet to 154 feet AX size hole @ $6.00	498.00
Hole cemented from 46 to 56 feet @ $3.00	30.00
AX Casing installed to depth of 71 feet @ $3.00	213.00

Bulldozing

Trenching - 48½ hours @ $17.50 hr.	848.75
Drill Sites - 6½ hours @ $17.50 hr.	113.75
Roads & Trails - 35 hours @ $17.50	612.50

Supervision

George B. Weaver, Project Superintendent, August, 1957	600.00

George B. Weaver
George B. Weaver,
General Manager

DMEA Field Team, Region I

September 11, 1957

DMEA Certifying Officer, Region I

Monthly Operating report for August 1957
Contract No. Idm-61114

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

An amount of $21.30 has been deleted for drilling. The Operator claimed 71 ft. BX size @ $6.30/ft. and 83 ft. AX size @ $6.00/ft., for a total of $945.30. We have paid the Operator for 154 ft. @ $6.00/ft., for a total of $924.00 or a difference of $21.30. The contract specifies "core drilling @ $6.00/ft." There is no provision for an increased cost for BX size.

Dorothy F. Lon

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

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1201 N. Division St.
Spokane 2, Washington

September 11, 1957

Geo-Resource Corporation
Suite 525-528 Hutton Building
Spokane 4, Washington

Re: Docket No. DMEA-4671 (Uranium)
Geo-Resource Corporation
Contract No. Idm-E1114
Monthly operating report for
August

Gentlemen:

This is to inform you the subject voucher could not be paid in the full amount claimed.

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

By Field Team, Region I

Donald R. MacLaren, Alternate Act. Exec. Officer
U. S. Geological Survey

Thomas E. Howard, Acting Member
U. S. Bureau of Mines

cc: DMEA (2)
USGS (2)

DMEA Field Team, Region I September 11, 1957

DMEA Certifying Officer, Region I

Monthly operating report for August 1957
Contract No. Idm-81114

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

An amount of $21.30 has been deleted for drilling. The Operator claimed 71 ft. BX size @ $6.30/ft. and 83 ft. AX size @ $6.00/ft., for a total of $945.30. We have paid the Operator for 154 ft. @ $6.00/ft., for a total of $924.00 or a difference of $21.30. The contract specifies "core drilling @ $6.00/ft." There is no provision for an increased cost for BX size.

Dorothy F. Long,

cc: DMEA (2)
USGS (2)

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

Mr. William D. Weaver, President DEC 31 1957
Geo-Measures Corporation
Suite 525-526 Hutton Building
Spokane 4, Washington

Re: Docket No. DMEA-4671 (Uranium)
Contract No. Ida-21114
Secs. 10 and 15, T. 29 N., R. 38 E., W.M.
Stevens County, Washington

Dear Mr. Weaver:

Reference is made to the subject contract which was terminated by mutual agreement on July 11, 1956.

By the terms of the Exploration Project Contract, as amended, and the Termination Agreement, all production of minerals from the land described in the contract, from July 24, 1957, is subject to the Government's percentage royalty as set forth in the contract until the sum of $11,313.05 is paid, or until July 24, 1960, whichever occurs first.

Payments should be made to the Executive Officer, OME Field Team, Region I, South 157 Howard Street, Spokane 4, Washington. Checks should be payable to the Office of Minerals Exploration, which is the successor to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer. Any bonus payments or allowances received by you from production are considered to be a part of the purchase price to which the Government's royalty applies. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify the Executive Officer of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Your attention is especially called to Article 2 (d) of the contract relating to the preservation of the Government's right to a percentage royalty on production. Also, if production is not made for an extended period, please notify the Executive Officer at six-month intervals that no production has been made, when that is the case.

Sincerely yours,

George C. Bannister

Acting Director

Distribution listed on
next sheet

Docket No. [illegible]-4671
Contract No. [illegible]-21114
Geo-Resource Corporation

[illegible]/gla
10-10-[illegible]
cc to: Director's Reading File
Frank E. Johnson
Governing Committee
Frank E. Lamb, No. [illegible]
T. E. Klingsperd, No. [illegible]
F. H. Murphy
Division of Contract Adm. & Audit
GRE Field Team, Region I (2)

DEC 31 1958

Mr. Clifton E. Toppen, President
[illegible] Mining Corporation
Spokane, Washington

S. 4055 Madelia

Re: Patent No. [illegible] (Uranium)
Contract No. [illegible]
Sun-Resource Corporation
Secs. 10 and 15, T. 29 N., R. 38 E., W.M.
Stevens County, Washington

Dear Mr. Toppen:

Enclosed is a copy of our letter of today to the Operator outlining its responsibility under the terms of the subject contract, as amended.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on September 24, 1957. The Government's prior lien on the land and upon any production thereform will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the Agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

George C. Seifridge

Acting Director

Enclosure

FMMurphy/glm 12-18-58
cc to: Director's Reading File
Frank E. Johnson
Operating Committee
Frank D. Lamb, Rm. 3600
T. H. Killingsord, Rm. 5224
F. M. Murphy
Contract Adm. & Audit Division
OME Field Team, Region I (2)

DEC 31 1958

Mr. Mark H. Jaeger, President
[illegible] Lease
[illegible] Bldg.
[illegible], Washington

Re: Contract No. [illegible] (Terminated)
[illegible]
[redacted]

Dear Mr. Jaeger:

Enclosed is a copy of our letter of today to the Operator outlining the responsibility under the terms of the subject contract, as modified.

This correspondence relates to the Contract to Lease and Subordination Agreement signed by you on July 8, 1957. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. We are obligated during that period to consult so not and to assure no claim is asserted with the Government's rights under the Agreement signed by you, and to give advance notice of the Government's rights to any transfer or lease of any part of your interest in the land or the production therefrom.

Sincerely yours,

George C. Seifridge

Acting Director

Enclosure

FXHurphy/glm 12-18-58
cc w/ encl Director's Reading File
Frank E. Johnson
Operating Committee
Frank D. Lash, Rm. 3608
T. E. Killgrove, Rm. 5208
F. H. Murphy
Contract Adm. & Audit Division
ONE Field Team, Region I (2)

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

DEC 31 1958

Miss Mae C. Hamilton
1416 E. 9th
Spokane, Washington

Re: Docket No. DMEA-4671 (Uranium)
Contract No. Idm-E1114
Geo-Resource Corporation
Secs. 10 and 15, T. 29 N., R. 38 E., W.M.
Stevens County, Washington

Dear Miss Hamilton:

Enclosed is a copy of our letter of today to the Operator outlining its responsibility under the terms of the subject contract, as amended.

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on July 22, 1957. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

George C. Sawtridge

Acting Director

Enclosure

FMMurphy/gla
12-18-58
cc to: Director's Reading File
Frank E. Johnson
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
F. M. Murphy
Contract Adm. & Audit Division
OME Field Team, Region I (2)

Docket No. DMEA-4671
Contract No. Idm-E1114
Geo-Resource Corporation

DEC 31 1958

Identical letters to the following persons:

E. K. Barnes
1008 W. 19th Avenue
Spokane, Washington

John H. Roberts
120 Rockwood
Spokane, Washington

Ruby K. Anderson
2308 S. Jefferson
Spokane, Washington

Amy Satterstrom
820 E. 35th
Spokane, Washington

Paul T. Hoetzel
1116 Club Court
Spokane, Washington

E. O. Dressel
Metaline Falls, Washington

Ellamae Anderson
1204 W. 18th
Spokane, Washington

Audit's copy

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TERMINATION AGREEMENT

It is agreed this 11th day of July, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Geo-Resource Corporation, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1114 (Docket No. DMEA-4671), dated July 24, 1957, as amended, hereinafter called the "Contract," that:

1. Effective November 30, 1957, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the allowable costs of work performed prior to November 30, 1957.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government respecting percentage royalty and liens to secure the payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayment, are hereby preserved.

5. 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 the royalty on production provided for in the Contract, in the same manner and amount, and for the same period, and subject to the same conditions provided in the Contract, as if certification of discovery or development had been made, such certification being hereby waived by the Operator.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this Termination Agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals
Exploration Administration

GEO-RESOURCE CORPORATION

By William L. Weaver

Title President

MME Form 14
Sept. 1958

Contract No. Idm-E) 1124
~~MMA23)~~

Docket No. DMEA) 4671
~~MME)~~

Date of Action Nov. 20, 1958

Terminated contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

To: Chief, Accounts Section, Finance Branch, Bureau of Mines

From: Director, Division of Operations Control and Statistics

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor: Geo-Resources Corporation
Suite 525-528 Hutton Bldg.
Spokane 4, Washington

Date of Contract	Region	State	Commodity
July 24, 1957	I	Washington	Uranium

	Reserve	Obligation
Prior Amount	0	40,480.00
Increase	0	0
Decrease	0	29,166.95
Revised Amount	0	11,313.05

Remarks:

cc: 800
210

43244

DMEA Form 14

Contract No. Idm-E 1114

Docket No. 4671

DEPARTMENT OF THE INTERIOR

Executed Amendment

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
July 24, 1957	I	Washington	Uranium

Name and Address of Operator: Geo-Resources Corporation
Suite 525-528 Hutton Bldg.
Spokane 4, Washington

	Reserve	Obligation
Prior Amount	6,010.00	34,470.00
Increase	0	6,010.00
Decrease	6,010.00	0
Revised Amount	0	40,480.00

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington 12/30/57

22845

Audit copy

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EXPLORATION PROJECT CONTRACT
GEO-RESOURCE CORPORATION
DOCKET NO. DMEA-4671

AMENDMENT NO. 2

It is agreed this 19th day of December, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and the Geo-Resource Corporation, hereinafter called the "Operator," that Exploration Project Contract No. Idm-E1114 (Docket No. DMEA-4671), dated July 24, 1957, as amended, hereinafter called the "Contract," is further amended as follows:

1. (a) Work under the Contract shall be suspended during the period beginning November 30, 1957, and ending not later than April 15, 1958.

(b) The Government shall not contribute to any costs incurred by the Operator during the period of suspension or to any costs of rehabilitation or repair which in its opinion would not have occurred had there been no suspension of work.

(c) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work and any property in which the Government has an interest.

2. In Article 3 of the Contract the time fixed for completion of the work is extended from June 1, 1958, to November 15, 1958.

3. In Article 8(b)(2) of the Contract, the maximum period for royalty payments and lien for the payment thereof is extended from 10 to 11 years.

4. In Article 5 of the Contract, the estimated total cost of the project is increased from $45,960.00 to $53,972.00, and the amount of Government participation at 75 percent is increased from $34,470.00 to $40,480.00.

5. Under Annex I of the Contract the following land is added to and included in the Contract:

Section 15, T. 29 N., R. 38 E., W.M., Stevens County, Washington.

The Operator is in possession of said Section 15 pursuant to the terms of an Operating Agreement executed June 27, 1957, with the Universal Mining Corporation. A Consent to Lien and Subordination Agreement executed by the Universal Mining Corporation is attached and made a part hereof.

6. In Exhibit "A":

(a) Under Description of the Work, the following new Stage is added:

Stage III

Work under this Stage shall be subject to the General Provisions of the Contract and shall consist of bulldozing trenches and preparing access roads and drill sites, and core-drilling four holes at the approximate locations shown on the map entitled "Figure 1, Map Showing location of proposed work in sec. 15, T. 29 N., R. 38 E., W.M. . . .," attached and made part hereof.

Bulldoze two trenches, each about 100 feet long, along the side hill between the open cut and the contact of the metasediments (Togo formation) and the granite (Loon Lake) to intersect the possible extensions of the shear zones. These trenches shall be completed first. The remaining bulldozer hours shall be used to bulldoze cuts to expose the granite-metasediment contact at several places along the north side of the tongue of granite that protrudes into the metasediments.

Not more than four holes aggregating 700 feet shall be drilled under this Stage III of the Contract.

The maximum depth of an individual hole shall not exceed 200 feet. Holes Nos. 2 and 4 shall be inclined approximately -60° to intersect both the vertical shear zone and the granite contact. Holes Nos. 1 and 3 shall be drilled vertically to explore the metasediments near the contact. Holes Nos. 1, 2, and 3 shall be collared within 100 feet of the metasediment-granite contact.

(b) Under Estimated Costs of the Project, the Summary at the end thereof is deleted and the following Actual Costs and Summary are added:

Actual Costs

Stage III

Category (1) Independent Contracts

Bulldozer Work:

Access roads and drill sites, 10 hours @ $17.50/hr.	$175.00	
Trenches, 40 hours @ $17.50/hr.	700.00	
Transporting dozer, 100 miles @ $1.00/mile	100.00	
Diamond drilling:		
Core drilling, 700 feet @ $6.00/ft. 1/	4,200.00	
Driving standpipe, 100 feet @ $7.50/ft.	750.00	
Cementing and drilling out or reaming and casing, 60 feet @ $3.00/ft.	180.00	
Standby and set-up time, 20 hours @ $7.50/hr.	150.00	$6,255.00

Category (2) Personal Services		
Subcategory (a) Supervision		
Supervisor, 1½ months @ $600/mo.	$900.00	
Subcategory (b) Technical Services		
Consulting geologist - 6 days @ $75/day	450.00	
Subcategory (c) Labor	None	$1,350.00
Category (3) Operating Materials and Supplies		
Gasoline, 100 gallons @ $0.36/gal.	$36.00	
Sample sacks, 30 @ $0.35/each	10.50	
Cardboard core boxes, 20 @ $1.00/each	20.00	$66.50
Category (4) Operating Equipment		
Subcategories (a) and (b) Rental and Purchases	None	
Subcategory (c) Depreciation		
Jeep 105 truck, 1½ months @ $33.33/mo.	$50.00	$50.00
Categories (5) and (6)	None	
Category (7) Miscellaneous:		
Payroll taxes 14.9% of supervisor's salary ($900)	$134.10	
Chemical analyses for U_3O_8 content of 30 samples @ $5.00/sample	150.00	
Transportation of samples	9.00	$293.10
Estimated Total Cost Stage III		$8,014.60

S U M M A R Y

Estimated Total Cost Stage I	$28,403.92	
Estimated Total Cost Stage II	$17,554.20	
Estimated Total Cost Stage III	$8,014.60	
Estimated Total Cost of Project (rounded)		$53,972.00
Government Participation @ 75% (rounded)		$40,480.00

1/ See Article 13(d).

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mitteundorf
Administrator, Defense Minerals
Exploration Administration

GEO-RESOURCE CORPORATION

By Richard Weare

Title Secretary

MF-205
(Combines and supercedes MF-[illegible] and MF-203)
June 1956

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

RECEIVED DEC 30 1957 D.M.E.A.

RECEIVED NOV 4 D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

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

Sections 3 and 15, both in Township 29 North, Range 38 East, 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.)

Operating Agreement held by Geo-Resource Corporation
Suite 525-528 Hutton Building - Spokane 4, Washington.

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 24th day of September, 1957.

UNIVERSAL MINING CORPORATION	[Seal]		[Address]
Cline E. Tedrow	[Seal]		[Address]
President	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

I, Gladys McGregor certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that Cline E. Tedrow 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.

Gladys McGregor
[Corporate Seal]

United States
Department of the Interior

Prepared for
Defense Minerals Exploration Administration
Examination Report

Docket No. DMEA 4671

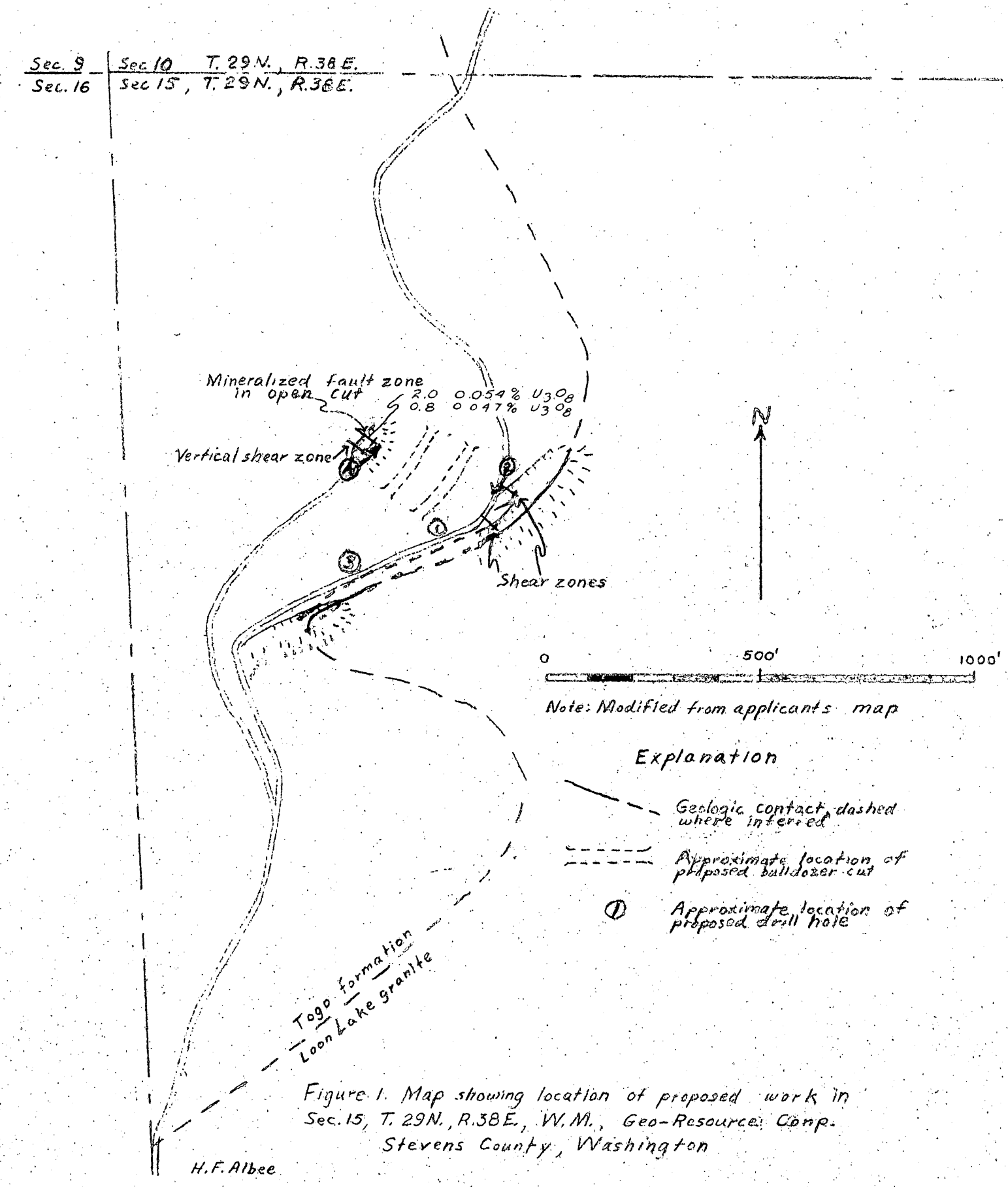

Figure 1. Map showing location of proposed work in Sec. 15, T. 29N., R. 38E., W.M., Geo-Resources Corp. Stevens County, Washington

H.F. Albee

DMEA Form 14

Con[illegible]ct No. Idm-E 1114

Docket No. 4671

Approved ~~contract~~ amendment

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
July 24, 1957	I	Washington	Uranium

Name and Address of Operator: Geo-Resources Corporation
Suite 525-528 Hutton Bldg.
Spokane 4, Washington

	Reserve	Obligation
Prior Amount	0	34,470.00
Increase	6,010.00	0
Decrease	0	0
Revised Amount	6,010.00	34,470.00

Remarks:

ALLEN S. DAKAN
(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington 12/19/57

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EXPLORATION PROJECT CONTRACT
GEO-RESOURCE CORPORATION
DOCKET NO. DMEA-4571

AMENDMENT NO. 1

It is agreed this 27th day of November, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration and Geo-Resource Corporation, that Exploration Project Contract No. Idm-E1114 (Docket No. DMEA-4571), dated July 24, 1957, is amended, effective July 24, 1957, as hereinafter specified:

In Exhibit A, Description of the Work, the third paragraph under Stage I is revised to read as follows:

> "Along the contact exposed by the trenches drill not in excess of eighteen (18) holes aggregating not more than 3,000 feet. The holes shall be collared within 150 feet of the contact, and shall be spaced not less than 200 nor more than 300 feet apart. One hole shall be drilled on the granite side of the contact; the remainder, which are to be drilled on the metasediment side, shall be placed to intersect the contact at a depth of approximately 200 feet."

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor any item of allowable cost which is expressly designated "maximum".

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. D. Mitteendorf
Administrator, Defense Minerals Exploration Administration

GEO-RESOURCE CORPORATION

By Richard Weaver

Title Secretary

DMEA Form 14

Contract No. Idm-E ~~1114~~

Docket No. ~~4671~~

DEPARTMENT OF THE INTERIOR

Executed contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
July 24, 1957	I	Washington	Uranium

Name and Address of Operator: Geo-Resources Corporation
Suite 525-528 Hutton Bldg.
Spokane 4, Washington

	Reserve	Obligation
Prior Amount	34,470.00	0
Increase	0	34,470.00
Decrease	~~34,470.00~~	~~0~~
Revised Amount	0	34,470.00

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 8/7/57

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MF-200
(Revised June 1954)

Docket No. DMEA - 4671

Commodity Uranium

Contract No. Idm-E1114

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 24 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] GEO-RESOURCE CORPORATION, a State of Washington corporation,

whose mailing address is Suite 525-528 Hutton Building, Spokane 4, 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 I.

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 Stevens, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] See Annex I of [5] ..... in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] ....., [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: See Annex I

(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: See Annex I

(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 AUG 1 1957 shall commence the work, and on or before June 1, 1958 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall [illegible]r have completed the work [illegible] except as otherwise provided in Exhibit "A" with respect to stages of work. (See Article 13.)

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 $45,960.00 The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $34,470.00: *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; b[redacted] See Article 13.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums. See Article 13.

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 2. b. 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.*—

(a) That part of the last sentence of Article 3 beginning with the word "either" is deleted and replaced by the words "have completed the work, except as otherwise provided in Exhibit 'A' with respect to stages of work."

(b) That part of the last sentence in the first paragraph of Article 6(a) commencing after the semicolon is deleted.

(c) In the last sentence of Article 6(c), the words "Article 8" are substituted for the words "Article 9."

(d) Notwithstanding any other provision of the contract, the allowable unit cost per foot of a drilling item is the average unit cost per foot computed on the basis of all the actual unit costs of said drilling item incurred by the Operator: Provided, That the Government will not contribute to any portion of an average unit cost of a drilling item that exceeds the estimated unit cost of said item set forth in the contract.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. J. Mitkendorf

Administrator, Defense Minerals Exploration Administration

GEO-RESOURCE CORPORATION
(Operator)

By William D. Weaver

Title President

I, Richard Weaver, certify that I am the secretary of the corporation named as Operator herein; that William D. Weaver 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.

Richard Weaver

[CORPORATE SEAL]

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

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RECEIVED AUG 5 1957
DATE | INITIALS | CODE

EXPLORATION PROJECT CONTRACT
GEO-RESOURCE CORPORATION
DOCKET NO. DMEA-4671

ANNEX I

The land referred to in Article 2 of the contract consists of all of section 10, T. 29 N., R. 38 E., W.M., Stevens County, Washington. Contracts for mining in section 10 were executed November 28, 1956, by the State of Washington as follows:

Name	Contract No.	Description of Land
Mae C. Hamilton	417	W½ of the SE¼
E. K. Barnes	421	W½ of the NE¼
John H. Roberts	416	W½ of the NW¼
Ruby K. Anderson	419	W½ of the SW¼
Amy Satterstrom	420	E½ of the SE¼
Paul T. Hoetzel	415	E½ of the NE¼
E. O. Dressel	414	E½ of the NW¼
Ellamae Anderson	418	E½ of theSW¼

In a Lease Agreement, dated February 19, 1957, the above-named individuals as a group leased their respective interests in section 10 to Grandview Mines, a corporation, retaining a 1 percent royalty for each individual. This Lease Agreement was approved by the State of Washington, on April 15, 1957.

In an Operating Agreement, dated May 10, 1957, Grandview Mines assigned its rights under the above-mentioned Lease Agreement to Geo-Resource Corporation, retaining a royalty of 12½% of net smelter returns on all minerals.

Consents to Lien and Subordination Agreements signed by the above-named individuals and Grandview Mines are attached hereto and made part hereof.

The Consent to Lien and Subordination Agreement by the State of Washington is waived.

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

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Geo-Resource Corporation
Docket No. DMEA-[illegible]
Contract No. Idm-E
Contract Date

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

RECEIVED AUG 5 1957 DMEA

To the United States of America:

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

in a Lease Agreement, dated February 19, 1957, between Grandview Mines, a corporation, and the undersigned.

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.)

A royalty is payable to the State of Washington not to exceed 4% from production if there be any.

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 _____ day of JUL 22 1957, 195__.

Mae C. Hamilton	[Seal] 1416 E. 9th Spokane Wash	[Address]
E. R. Barnes	[Seal] 1008 N-19th Ave Spo Wn	[Address]
John H. Roberts	[Seal] 120 Rockwood " "	[Address]
Ruby K. Anderson	[Seal] 2308 S Jefferson, Spokane, Wn.	[Address]
Amy Gatherstron	[Seal] 820 E 35th Spokane Wn	[Address]
Paul T. Hoetzel	[Seal] 1116 - Club Court Spokane	[Address]

I, MAE C. FORD certify that I am the Assistant Secretary (Secretary, etc.) of the corporation named herein; that KARL W. JASPER 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.

[Corporate Seal]

E. O. Dressel	Mitchell Falls, Wash (Address)
Ellamae Anderson	1204 W. 11th, Spokane, Wn (Address)

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

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Geo-Resource Corporation
Docket No. DMEA-4871
Contract No. Idm-E
Contract Date

RECEIVED AUG 5 1957 D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

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

All of sec. 10, T. 29 N., R. 38 E., W. M., comprising approximately 640 acres.

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.)

A royalty is payable to the State of Washington not to exceed 4% from production if there be any.

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 8th day of July, 1957

Grandview Mines

	[Seal]		[Address]
By: Karl W. Jasper	[Seal]	President	[Address]
	[Seal]	318 Radio Central Bldg	[Address]
	[Seal]	Spokane Wash.	[Address]
	[Seal]		[Address]
	[Seal]		[Address]

I, MAE C. FORD certify that I am the Assistant Secretary (Secretary, etc.) of the corporation named herein; that Karl W. Jasper 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.

[Corporate Seal]

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 5 1957
DATE INITIALS CODE

EXPLORATION PROJECT CONTRACT
GEO-RESOURCE CORPORATION
DOCKET NO. DMEA-4671

EXHIBIT "A"

Description of the Work

General Provisions:

The object of this project is to explore for uranium ore deposits in a northeasterly trending quartz monzonite-meta sediments contact zone that traverses the subject property. The work will consist of bulldozer trenching and core drilling holes to depths of 100, 150, and 200 feet.

The primary purpose of the trenching is to locate more accurately the exact position of the contact in order to place the drill holes to the best advantage. Sections of the trenches showing significant mineralization shall be sampled. Such samples shall be split, the Operator using one-half for assay purposes; the other half shall be stored in a suitable container properly identified as to sample number, trench number, the location where procured in the trench, the classification of the material sampled, and the length of the channel cut to obtain the sample.

Sections of core showing significant mineralization shall be split, the Operator using one-half for chemical assay purposes; the other half shall be stored with the non-mineralized core in boxes properly identified as to hole number and with markers placed in the core sections to indicate the depth represented.

The stored drill core and trench samples shall be for Government inspection and use. With previous Government approval the Operator may dispose of the core and trench samples.

The drill holes shall be logged geologically and probed radiometrically by the Operator. Records of such logging and probing, together with the assay certificates of the core and trench samples, shall be submitted with the Operator's monthly progress report, which shall also include a map or sketch showing the location of all holes and trenches completed during the reporting period.

A D-8 Caterpillar dozer or equivalent unit of any other make shall be used in cutting trenches and in preparing access roads and drill sites.

If necessary the drill holes shall be cemented and drilled out or reamed and cased. The Government will not participate in the cost of an incomplete hole or to one that bottoms less than AX core size.

The Operator shall employ a competent supervisor full time to direct the work and a consultant geologist part time to assist in completing the project in a satisfactory manner.

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

The work shall be performed in two stages. The Operator shall perform all the Stage I work and as much of Stage II work as is approved of in writing by the Government.

Stage I

The approximate location of the work to be performed under Stage I is shown on the map entitled "Plate 1, Plan, Showing Recommended Access Road, Trenches, and Diamond Drill Holes, Geo-Resources, Inc. . . .," attached hereto and made part hereof.

Bulldoze access roads, drill sites, and seven (7) trenches normal to and cutting the quartz monzonite-metasediments contact at intervals of about 400 feet.

In or adjacent to each of trenches 2, 3, 5, and 7, drill 3 holes along a line at right angles to the contact. In each line one hole shall be drilled about 50 feet from the contact to a depth of 100 feet in the quartz monzonite; two holes shall be drilled in the metasediments at distances of about 50 and 150 feet from the contact to depths of 150 and 200 feet, respectively. No holes shall be drilled in trenches 1, 4, and 6, but at approximately 150 feet on each side of these trenches and about 50 feet from the contact, holes shall be drilled to depths of approximately 200 feet in the metasediments.

Not in excess of seven (7) trenches shall be excavated nor more than eighteen (18) holes shall be drilled under this Stage I of the contract.

Stage II

Stage II will consist of additional core drilling to further explore favorable zones indicated by the trench work and drilling under Stage I.

Prepare access roads and drill sites, and drill an aggregate of not more than 2,000 feet of holes.

No hole drilled under this Stage II shall be closer than approximately 100 feet to any other hole drilled under the contract, nor within 100 feet of the boundary lines of the property.

Estimated Costs of the Project

Actual Costs

Stage I

Category (1) Independent Contracts

Bulldozer Work:

Access roads, 60 hours @ $17.50/hr.	$ 1,050.00	
Trenches, 80 hours @ $17.50/hr.	1,400.00	
Drill site preparation, 40 hours @ $17.50/hr.	700.00	
Transporting dozer, 100 miles @ $1.00/mile	100.00	

Diamond drilling:

Core drilling 3,000 feet @ $6.00/ft. 1/	18,000.00	
Driving standpipe 100 feet @ $7.50/ft.	750.00	
Cementing and drilling out or reaming and casing 100 feet @ $3.00/ft.	300.00	
Stand-by time, 24 hours @ $7.50/hr.	180.00	$22,480.00

Category (2) Personal Services

Subcategory (a) Supervision

Supervisor, 4 months @ $600.00/mo.	2,400.00	

Subcategory (b) Technical Services

Consulting geologist, 5 days per month 20 days @ $50.00/day	1,000.00	

Subcategory (e) Labor	None	$ 3,400.00
Category (3) Operating Materials and Supplies		
Gasoline, 300 gallons @ $0.36/gal.	$ 108.00	108.00
Category (4) Operating Equipment		
Subcategories (a) and (b) Rental and Purchases	None	
Subcategory (c) Depreciation		
Jeep station wagon, 4 months @ $33.33/mo.	133.32	133.32
Category (5) Initial Rehabilitation and Repairs	None	
Category (6) New Buildings, Fixtures, and Installations	None	
Category (7) Miscellaneous		
Payroll taxes, 14.9% of supervisor's salary ($2,400.00)	357.60	
Chemical analyses for U_3O_8 content of 300 samples @ $5.00/sample	1,500.00	
300 cardboard core boxes @ $1.00/each	300.00	
300 sample sacks @ $0.35/each	105.00	
Transportation of samples	20.00	$ 2,282.60
Estimated Total Cost, Stage I		$28,403.92

Stage II

Category (1) Independent Contracts		
Bulldozer work:		
Access roads and drill site preparation 24 hours @ $17.50/hr.	420.00	
Transporting dozer 100 miles @ $1.00/mile	100.00	

Diamond drilling		
Core drilling 2,000 feet @ $6.00/ft. 1/	$12,000.00	
Driving standpipe 60 feet @ $7.50/ft.	450.00	
Cementing and drilling out or reaming and casing, 60 feet @ $3.00/ft.	180.00	
Stand-by time 16 hours @ $7.50/hr.	120.00	$13,270.00
Category (2) Personal Services		
Subcategory (a) Supervision		
Supervisor, 3 months @ $600.00/mo.	1,800.00	
Subcategory (b) Technical Services		
Consulting geologist 5 days per month 15 days @ $50.00/day	750.00	
Subcategory (c) Labor	None	2,550.00
Category (3) Operating Materials & Supplies		
Gasoline 225 gallons @ $0.36/gal.	81.00	81.00
Category (4) Operating Equipment		
Subcategories (a) and (b) Rental and Purchases	None	
Subcategory (c) Depreciation		
Jeep station wagon, 3 months @ $33.33/mo.	100.00	100.00
Category (5) Initial Rehabilitation & Repairs	None	
Category (6) New Buildings, Fixtures, and Installations	None	
Category (7) Miscellaneous		
Payroll tax, 14.9% of supervisor's salary ($1,800.00)	268.20	

Chemical analyses for U_3O_8 content of 200 samples @ $5.00/sample	$ 1,000.00	
200 cardboard coreboxes @ $1.00/each	200.00	
200 sample sacks @ $0.35/each	70.00	
Transportation of samples	15.00	$ 1,553.20
Estimated Total Cost, Stage II		$17,554.20

S U M M A R Y

Estimated Total Cost, Stage I	$28,403.92	
Estimated Total Cost, Stage II	17,554.20	
Estimated Total Cost of Project (rounded)		$45,960.00
Government Participation @ 75%		$34,470.00

1/ See Article 13(d)

EXTRA COPY DMEA RECEIVED AUG 5 1957		
DATE	INITIALS	CODE
		800

No. 157 Howard Street
Spokane 4, Washington

July 31, 1957

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

Re: Docket No. DMEA-4671 (Uranium)
Geo-Resource Corporation
Sec. 10, T. 29 N., R. 38 E., W.M.B.
Stevens County, Washington
Contract No. Idm-E1114

Dear Mr. Selfridge:

We are enclosing herewith the Government and Audit copies of the above-referenced contract signed by appropriate officers of the Geo-Resource Corporation. By copy of this letter, other copies of the contract are being distributed.

The justification for waiving Performance Bond requirement and third party Guaranty with respect to Grandview Mines or others is attached.

By Field Team, Region 1

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

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

Enclosures

cc: Finance Office w/encls.
USBM (2)
Albee

EXTRA COPY
DMEA
RECEIVED
DATE | INITIALS | CODE

So. 157 Howard Street
Spokane 4, Washington

July 31, 1957

MEMORANDUM

To: Chairman, Operating Committee, DMEA, Washington, D. C.

From: Executive Officer, DMEA Field Team, Region I

Subject: Justification for waiving Performance Bond and third party Guaranty for Contract Idm-E1114, Docket No. DMEA-4671 (Uranium), Geo-Resource Corporation, Stevens County, Washington.

As explained in the Field Team letter of July 11, 1957, Geo-Resource Corporation was unable to obtain a Performance Bond that would guarantee payment of royalty for a 10-year period except on unreasonable terms.

In a conversation between the Executive Officer, and Karl Jasper, President of Grandview Mines, Inc., Mr. Jasper stated that Grandview Mines was unwilling to sign a third party Guaranty. He maintained that Grandview had already signed a Consent to Lien and Subordination Agreement and that this in effect makes the company liable for the payment of royalty should Geo-Resource Corporation default in their royalty payments. A third party Guaranty would, in his opinion, merely duplicate this document. Further, to act as surety for a third party Guaranty would require certain disclosures of the company's financial position which they are unwilling to risk falling into the hands of their competitors. In a letter dated July 29, 1957 (three copies attached) from William D. Weaver, President of Geo-Resource Corporation, reasons are given as to why Grandview Mines is unwilling to sign a third party Guaranty.

Geo-Resource has under a 20-year lease the land included in the contract, and consents to lien have been obtained from Grandview Mines as well as the individuals who obtained the original lease from the State of Washington. It would appear, therefore, that the Government's right to royalty is adequately protected and that neither a Performance Bond nor a third party Guaranty is necessary in this case.

A. E. Weissenborn

Enclosures

cc: w/orig. (2)
USBM (2)
Finance Office
Docket
Albee

GEO-RESOURCE CORPORATION

TEL. MA. 4-9654

[illegible]

CABLE. G[illegible]

[illegible]

[illegible] ARRANGEMENT [illegible] INFORMATION [illegible]

1. GRAND[illegible] THAT [illegible]

2. GRAND[illegible]

3. GRAND[illegible] POSITION

[illegible]

[illegible] WEAVER, PRESIDENT

DMEA Form 14

Contract No. Idm-E1114

Docket No. 4671

DEPARTMENT OF THE INTERIOR

Approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
July 24, 1957	I	Washington	Uranium

Name and Address of Operator:

Geo-Resource Corp.
Suite 525-528 Hutton Bldg.
Spokane 4, Washington

	Reserve	Obligation
Prior Amount	0	0
Increase	34,470.00	0
Decrease	0	0
Revised Amount	34,470.00	0

Remarks:

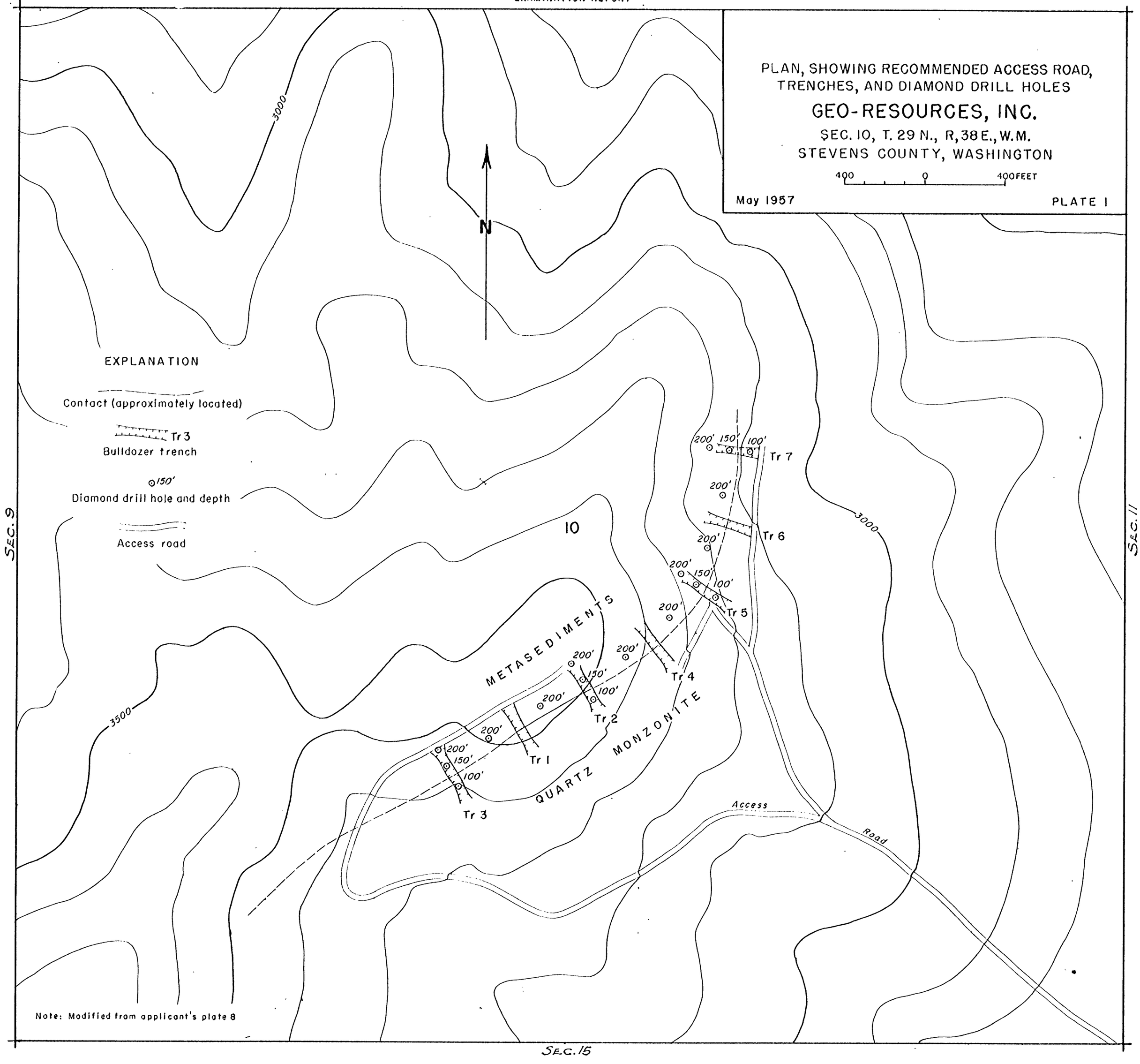
(Name)

Allen S. Dakan, Chief
Operations Control and Statistics Div.
(Title)

Date Delivered to Bureau of Mines, Washington

7/25/57

16416


PLAN, SHOWING RECOMMENDED ACCESS ROAD, TRENCHES, AND DIAMOND DRILL HOLES
GEO-RESOURCES, INC.
SEC. 10, T. 29 N., R. 38 E., W.M.
STEVENS COUNTY, WASHINGTON
400 0 400 FEET
May 1957
PLATE I
N
EXPLANATION
Contact (approximately located)
Tr 3
Bulldozer trench
150'
Diamond drill hole and depth
Access road
3000
3500
10
SEC. 9
SEC. 11
SEC. 15
METASEDIMENTS
QUARTZ MONZONITE
Tr 1
Tr 2
Tr 3
Tr 4
Tr 5
Tr 6
Tr 7
200'
150'
100'
Access
Road
Note: Modified from applicant's plate 8