DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE Idm-E NO._____ DMEA NO. 4800

14 NOV 1957

Application
- [ ] Denied
- [ ] Withdrawn

Contract 1154
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits
- [x] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [x] Project summary (final)
- [x] Work Completed analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [x] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. 2 : Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

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

Folders No._____ : Maps (Use pocket folder or envelope)

Folders No._____ : Settlement Sheets

Folders No._____ : Drill Logs

Folders No._____ : Royalty material

17963

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS E ORATION ADMINISTRATION

TO:	INITIALS	DATE
1. ~~Mr. C. O. Mittendorf~~	CEM	9/23
2. ~~Mr. Frank E. Johnson~~	FEJ	"
3. ~~Mr. George C. Selfridge~~		
4. Mr. ~~E. L. Knouse~~ Murphy		9/24
5.		
FROM: E. D. Talbert EDTalbert		9/22

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions xxx Your information

REMARKS:

INT.-DUP. SEC., WASH., D.C. M8278

[illegible] MINERALS EXPLORATION ADMINISTRATION
[illegible], ADMINISTRATION AND AUDIT DIVISION

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DATE	INITIALS	CODE

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Mudhole Exploration, Inc.
[illegible] Building
Spokane 4, Washington

[illegible]aining to Exploration Project Contract No. Idm-X1154, [illegible] [illegible] November 14, 1957, including Amendment No. 1, for the period of April 15, [illegible] to June 30, 1958, covering a project for the exploration of uranium on [illegible]perty known as the Ranson Lease, located in Spokane County, State of 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, consultation with the Government representative who visited and examined the project, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reasons:

(a) The administrative cost to the Government of an audit would be excessive in relation to estimated amount of possible further disallowances thereunder;
(b) the Monthly Reports were supported by documentary proof of the costs accepted under the contract's provisions for contribution by the Government on the basis of allowable costs incurred; and
(c) a major portion ($2,490.00) of the costs incurred covered work performed at unit rates under independent contract

The review disclosed the following facts in regard to the amounts paid or to be paid the Contractor:

Total cost claimed by Operator		$3,[illegible]1.12
Exceptions (per schedule)		
Prior to review	-0-	
Herewith	$43.45	43.45
Total accepted cost claimed		$3,[illegible]

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

Amount payable audited claim	$2,615.75
Amount reimbursed	2,448.24
Balance due Operator	$ 167.51

pd. to Opr. 10/17/58

C. A. Turner, Auditor

September 17, 1958

Schedule of Expenditures

Methala Exploration, Inc. | DMSA-4800 | Idaho-8154

Accepted costs claimed

Stage I

Independent Contracts			
Bulldozing	105 hrs. @ $17.00	$1,785.00	
Transportation of dozer		75.00	
		1,860.00	
Supervision	1 mo. @ $600.00	600.00	
Miscellaneous supplies		85.73	
Payroll taxes		31.50	
Liability Insurance		16.46	
Total Stage I			$2,533.69

Stage II

Independent Contracts			
Bulldozing	15 hrs. @ $17.00	$ 255.00	
Wagon Drilling	300 ft. @ 1.25	375.00	
		630.00	
Supervision	½ mo. @ $600.00	300.00	
Payroll taxes		15.75	
Liability Insurance		8.23	
Total Stage II			953.98
Total accepted costs claimed			$3,487.67

Disallowances

The Operator under the terms of the contract moved a bulldozer to the project at a cost of $118.45.

The Operator on his May 1958 Form MF-104 claimed $75.00 of the moving costs under Stage I, Category I - Independent Contract. This charge completed the allowable costs of this category to the category maximum of $1,860.00.

The balance of the moving costs, $43.45, were charged by the Operator on his June 1958 Form MF-104 to Stage II, Category I - Independent Contracts under caption of bulldozer transportation.

This amount, $43.45, was disallowed by the audit for the following reason: the bulldozer was already on the project ready to work and transportation was not required.

C. A. Turner, Auditor

September 17, 1958

Government's copy

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O. M. E.
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10/13	C	220
	Murphy	700

RUBIN
App'd. Sol. Off.
Selfridge
Johnson

TERMINATION AGREEMENT

It is agreed this 23d day of September, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government", and Mudhole Exploration, Inc., hereinafter called the "Operator", parties to that certain Exploration Project Contract No. Idm-E1154, Docket No. DMEA-4800, dated November 14, 1957, as amended, hereinafter called the "Contract", that:

1. Effective July 3, 1958, 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 the work performed prior to July 3, 1958.

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 certification of discovery or development, 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 hereby releases and agrees to save the Government harmless from all claims and 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. Mitterdorf
ACTING Director, Office of Minerals Exploration

MUDHOLE EXPLORATION, INC.

By Duane H. Watters

Title Secretary-Treasurer

September 2, 1958

Docket No. DMEA-4800 (Uranium)
Contract No. Idm-E1154
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington

JUSTIFICATION FOR TERMINATION AGREEMENT

The work authorized in Stage I was completed and consisted of five bulldozer trenches totaling 2,100 feet in length and averaging 8.5 feet in depth. The authorized number of D-8 bulldozer hours, 105, was used. In addition, the Operator excavated over 750' of trenching at its own expense.

In Stage II no trenching was authorized by the Field Team, but six wagon drill holes 50 feet deep were authorized and completed. One hole showed 0.3 feet of material assaying 1% U_3O_8 but all other holes were barren. The Operator drilled 15 holes for its own account near the State Park boundary to delineate an ore body discovered prior to the DMEA contract. The results of the DMEA work were so discouraging that no further work under Stage II was warranted.

Under these circumstances, termination of the contract by mutual agreement is in order.

Michael Ching
Michael Ching

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EXPLORATION PROJECT CONTRACT
MUDHOLE EXPLORATION, INC.
DOCKET NO. DMEA-4800

AMENDMENT NO. 1

It is agreed this 29th day of May, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Mudhole Exploration, Inc., a State of Washington corporation, that Exploration Project Contract No. Idm-E1154, (Docket No. DMEA-4800), dated November 14, 1957, is amended effective as of June 1, 1958, as follows:

In Article 3, the period of completion is extended from June 1, 1958 to September 1, 1958.

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

MUDHOLE EXPLORATION, INC.

By Adolf C. Nissen
President

MUDHOLE EXPLORATION, INC.
Exploration Project Contract No. Idm-E1154
Docket No. DMEA-4800

Justification for Amendment No. 1

The results of Stage I justify starting Stage II work. It is estimated that Stage II work will require about three months to complete if the first drilling authorized in this stage is successful.

D. R. MacLaren
Geologist

Government's copy

MF-200
(Revised June 1954)

Docket No. DMEA 4800

Commodity Uranium

Contract No. Idm-E 1154

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UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]

It is agreed this 14 NOV 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] Mudhole Exploration, Inc., a State of Washington corporation

whose mailing address is 712 Hutton Building
Spokane, Washington
hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and map, plate 1.

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Washington, County of Spokane, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] See Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Royalty of 10% of net receipts from the sale of all minerals payable to the lessor.

(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
Consent to Lien and Subordination Agreement

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium The work to be performed is described in Exhibit "A." The Operator on or before May 1, 1958 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 either have completed the work ~~or shall have incurred allowable costs (see Article 6) in an amount not less than the estimated total allowable cost set forth in Exhibit "A"~~ 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 $ 9,520.00
The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $ 7,140.00 : *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; ~~but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than 105 percent of the estimated total allowable cost of the work~~ See Article 13.

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

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

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article ~~9~~ 8. See Article 13.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and related costs incurred.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value therof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13. *Changes and added provisions.*—

(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."

Long
Dunger
Memphis
Ellis
Chambers
Martin
Johnson

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C J Mittendorf
Administrator, Defense Minerals
Exploration Administration

MUDHOLE EXPLORATION, INC.
(Operator)

By Adolf C. Nissen

Title President

I, Duane H. Watters, certify that I am the secretary of the corporation named as Operator herein; that Adolf C. Nissen 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.

Duane H. Watters

[CORPORATE SEAL]

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

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DATE	INITIALS	CODE

EXPLORATION PROJECT CONTRACT
MUDHOLE EXPLORATION, INC.
DOCKET NO. DMEA-4800

ANNEX I

The land referred to in Article 2 of the Contract consists of the southeast quarter (SE$\frac{1}{4}$) of sec. 33, T. 28 N., R. 45 E., W.M., Spokane County, Washington, on which are located the Hanson Nos. 1 through 10, unpatented lode mining claims. Notices of location of said claims are recorded in the official records of Spokane County, Washington, as follows:

Claim No.	Book No.	Page No.
Hanson No. 1	Miscellaneous 64	442
" No. 2	" "	443
" No. 3	" "	444
" No. 4	" "	445
" No. 5	" "	446
" No. 6	" "	447
" No. 7	" "	448
" No. 8	" "	449
" No. 9	" "	450
" No.10	" "	451

The Operator is in possession of the above-described land by virtue of a lease agreement, dated May 15, 1957, from Clarence A. Hanson, recorded in Volume 65 of Miscellaneous, page 10, of the official records of Spokane County, Washington.

A copy of a Consent to Lien and Subordination Agreement executed by Clarence A. Hanson is attached hereto.

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

Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Mudhole Exploration, Inc.
Docket No. DMEA- 4800
Contract No. Idm-E 1154
Contract Date ~~14 NOV 1957~~

RECEIVED DEC 2 1957 D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

RECEIVED JUL 29 1957 D.M.E.A.

To the United States of America:

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

in a lease dated May 15, 1957 and recorded in Volume 65, Record of Miscellaneous, on page 10 official records of said county as the SE 1/4 of Sec. 33, T. 28 N., R. 45 E.W.M.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

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

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

None

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

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in Book _____, Page _____, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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

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

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

Dated this 9th day of July, 1957.

Clarence A Hanson	[Seal]	E2923 Rowan	[Address]
	[Seal]	Spokane, Wash	[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

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DATE	INITIALS	CODE

EXPLORATION PROJECT CONTRACT
MUDHOLE EXPLORATION, INC.
DOCKET NO. DMEA-4800

Exhibit "A"

Description of the Work

General Provisions

The object of this project is to explore a series of shear zones in granitic rock formations by bulldozing trenches and by wagon drilling.

Sections of the trenches showing significant mineralization shall be sampled by cutting channels not to exceed five feet in length. Cuttings from the wagon drill holes shall be collected at two-foot intervals and tested radiometrically.

Channel samples and cuttings samples showing significant mineralization shall be split. The Operator shall have one-half of the sample chemically analyzed for its U_3O_8 content. The remaining half shall be stored for Government inspection and possible use in a suitable container properly identified as to the location and depth at which the sample was procured. With Government approval, the Operator may dispose of the stored samples.

The trenches shall be mapped geologically and the material penetrated by the wagon drill holes shall be logged geologically. Records of such mapping and logging, together with the assay certificates of the trench and drill hole samples, shall be submitted with the Operator's monthly progress report. The report shall also include a map or sketch showing the locations of the trenches and drill holes completed during the reporting period.

The Government will not participate in the cost of a trench or drill hole placed closer than 100 feet to the boundary of the project area.

The Operator shall provide a mining engineer-geologist full time to supervise and perform the necessary technical services required to complete the project in a satisfactory manner.

Bulldozer work shall be performed with a D-8 Caterpillar tractor or an equivalent unit of any other make.

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 the Stage II work as is approved in writing in advance by the Government. With written Government approval, units of work and costs pertaining thereto may be exchanged between stages.

Stage I

Bulldoze five (5) trenches, for an estimated total length of 2,100 feet, at the locations and in the directions shown tentatively on the map entitled, "Plate 1 - Map of a Portion of the Hanson Lease . . .," attached hereto.

The trenches shall be cut through the overburden to expose bedrock. It is estimated that the trenches will average 8 feet in depth and will require 105 hours of bulldozer work.

Trenches "A" and"B" shall be cut first at the approximate locations and bearings shown on Plate 1, to determine the strike of the potential ore-bearing structures. Trenches "C", "D", and "E", as shown, are tentative, their location, direction and extent to be determined by the strike of the major structures encountered in trenches "A" and "B". Trenches "C", "D", and "E" shall be excavated to cross the major structures at right angles.

Stage II

The work shall consist of additional trenching work, preparing drill sites, and wagon drilling.

The trenches shall be within and peripheral to the area explored by the Stage I trenches and shall be cut to expose bedrock. They shall be cut at right angles to the strike of the potential ore-bearing structures.

Mineralized zones exposed by the trench work shall be explored by wagon-drilling an estimated 1,000 feet of holes ranging in depth from 30 to 50 feet. If this shallow drilling encounters mineralized material, then additional holes, ranging from 75 to 150 feet in depth, shall be drilled to further explore the favorable areas.

Estimated Costs of the Project

	Actual Costs
Stage I	
Category (1) Independent Contracts:	
Bulldozer work,[1/] 105 hours @ $17.00/hr.	$1,785.00
Transporting bulldozer to and from project	75.00
Category (2) Personal Services:	
None except:	
Supervision and Technical Services, 1 month @ $600.00/month	600.00
Category (3) Operating Materials and Supplies:	
None except:	
Gasoline for supervisor's car, 80 gallons @ $0.37/gal.	29.60
Small tools	50.00
Sample sacks, 40 @ $0.25/sack	10.00
Categories (4), (5), and (6)	
None	

Category (7) Miscellaneous:

None except:

Payroll taxes and employment insurance, $600.00 @ 14.9%	$89.40	
Chemical analyses for U_3O_8 content of 50 samples @ $5.00/sample	250.00	
Total estimated cost Stage I		$2,889.00

Stage II

Category (1) Independent Contracts:

Bulldozer work, 1/ 95 hours @ $17.00/hr.	$1,615.00
Transporting bulldozer to and from property	75.00
Wagon drilling:	
Hole depths 0 to 80 feet, 1,000 feet @ $1.25/ft.	1,250.00
Hole depths 80 to 150 feet, 750 feet @ $1.40/ft.	1,050.00

Category (2) Personal Services:

None except:

Supervision and Technical Services, 3 months @ $600.00/month.	1,800.00

Category (3) Operating Materials and Supplies:

None except:

Gasoline for supervisor's car, 250 gallons @ $0.37/gal.	92.50
Sample sacks, 100 @ $0.25 each	25.00

Categories (4), (5), and (6)

None

Category (7) Miscellaneous:

None except:

Payroll taxes and employment insurance, $1,800.00 @ 14.9%	$268.20	
Chemical analyses for U_3O_8 content of 90 samples @ $5.00/sample	450.00	
Total estimated cost Stage II		$6,625.70

SUMMARY

Total estimated cost Stage I	$2,889.00	
Total estimated cost Stage II	6,625.70	
Total estimated cost of project (rounded)		$9,520.00
Government Participation @ 75%		$7,140.00

1/ The Government hereby authorizes the Operator, if it so elects, to perform the bulldozer work with its own D-8 Caterpillar dozer and personnel at a Fixed Unit Cost of $12.50/hr. The unit cost per hour for an independent bulldozing contract shall be subject to Government approval.

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

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DATE	INITIALS	CODE
7/29	B	215

July 23, 1957

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

Re: New Application (Uranium)
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington

Dear Mr. Selfridge:

Enclosed are three copies of an application submitted to this office by Duane H. Watters, Secretary-Treasurer of the Mudhole Exploration, Inc., 712 Hutton Building, Spokane, Washington. We have retained one copy for our files.

Sincerely yours,

A. E. Weissenborn

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

Enclosures

cc: USBM (2)
Geologist

P. S. Also enclosed are the original and four copies of Consent to Lien and Subordination Agreement.

Form MF-103
Revised Feb. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR

Budget Bureau No. 42-R1035.3
Approval expires June 30, 1958

DEFENSE MINERALS EXPLORATION ADMINISTRATION

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

NAME OF APPLICANT (Full legal name and mailing address as it should appear on contract if one is executed)

Mudhole Exploration, Inc.
712 Hutton Building
Spokane, Washington

RECEIVED
JUL 22 1957
U. S. G. S.
SPOKANE, WASH.

APPLICANT NOT TO USE THIS BLOCK

Docket Number: 4800
Date Received: 7/29/57
Government Participation %:
Region: I
Division Code: 700

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [X]
- Partnership [ ]
- Other (Specify) [ ]

State in which firm is organized: Washington

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
Adolf C. Nissen	1017 Buena Vista Dr., Spokane, Wash.	President
Ralph Umbreit	N. 4128 Lincoln, Spokane, Washington	Vice-Pres.
Duane H. Watters	712 Hutton Bldg., Spokane, Wash.	Sec'y-Treasurer
Frank H. Duval	E.15 Walton, Spokane, Washington	Director
Frank D. Duval	E.15 Walton, Spokane, Washington	Director

Mineral(s) for which you wish to explore: Uranium

Estimated Cost of Project: $12,700.00

LOCATION OF PROPERTY

Name	County	State
Hanson Lease	Spokane	Washington
SE 1/4 Sec. 33, T28N, R45EWM		

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order-I, Amended, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

CERTIFICATION

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

5 July 1957
Dated

Adolf C. Nissen
BY (Signature)

President
Title

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *Physical Description:*

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves on the property giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative, give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *property boundaries* or to the closest identifiable corner.

(b) If an access road to the project must be built, show the location on the property map and state the length, type, and construction methods proposed.

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. *(Note* – If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant, which will be used on the exploration project.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration project stating specifications and cost including labor, materials and supervision.

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

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

7. *(a)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Amended.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

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Mudhole Exploration, Inc.
712 Hutton Building
Spokane, Washington

DMEA Form MF-103
Application for aid in an exploration project

1. Applicants property rights:
   (a) The legal description of the property is the "Southeast Quarter of Section 33, Township 28 North, Range 45, E.W.M." The lessor acquired the surface rights in 1944. The mineral rights were released by the Northern Pacific Railroad on August 6, 1946, and recorded in Volume 531, Record of Deeds, on page 503 at the recorder's office in the Spokane County Courthouse, Spokane, Washington. In light of a recent United States Supreme Court decision, adverse to Railroads having acquired mineral rights by grant, the lessor has staked 10 mining claims covering the entire quarter section acquired by him. These claims were filed May 28, 1957 in Volume 64, Miscellaneous, on pages 442-451, inclusive, at the recorder's office in the Spokane County Courthouse, Spokane, Washington.
   (b) The property is known as the "Hanson Lease".
   (c) Our company is lessee of the land. One exact copy of the lease and "Acceptance of Discovery" is attached hereto.
   (d) There are no known liens, mortgages, or other encumbrances against the property, except, we are liable to the lessor for a royalty of 10% of net mill receipts less shipping costs for all ores from the property that are sold.
2. Physical description:
   (a) Exploration operations consist of walking the property with a Scintillator and hand digging test holes. Continuing negotiations to acquire adjacent favorable property are responsible for the meager preliminary exploration, confined to hand methods. Operations have been mainly confined to a high-anomally, mineralized ridge and valley on the Southwest corner of the property. See attached map. To the best of our knowledge, no other exploration or mining operations have been conducted on the property.
   (b) Exploration to date has been conducted by employees of the company.
   (c) There has been no past or current production.
   (d) The extent of ore reserves on the property is unknown.
   (e) Little is known of the true character of the general area except in the meager cuts and pits on a few properties in various stages of exploration and in road cuts. The entire area in question is covered by a uniformly heavy mantle of overburden supporting a moderate to heavy growth of brush (in old burns) and timber. Generally speaking, approaching the property from the Southwest by county road, light colored, fine grained granites are in evidence, cut by a few pegmatite dykes. Within the last one-half mile approaching the property, dykes and intrusions are more in evidence. Preliminary reconnaissance of the property showed that practically all loose rocks apparent on the surface were pegmatitic. The only rock in place, visible on the surface, appeared to be a twin granite dyke striking North-South and dipping approximately 60° West, visible on both sides of the main creek.

   The guiding physical features would indicate that the spur hills providing the tributary watersheds, which are more or less North and South, determine the course of the primary structure and probably the mineralization to a great degree. The high degree of mineralization and radioactivity confined to one hill and valley system and probably striking across the main creek drainage to its counterpart to the South would tend to substantiate this assumption.

Mudhole Exploration, Inc.
712 Hutton Building
Spokane, Washington

DMEA Form MF-103
Application for aid in an exploration project

However, the fact that unique crystals, showing no signs of ground movement damage to their fragile foliate structure, are found in the overburden of adjacent property and of also nearby on our leased property, coupled with high soil and water anomalies striking into the property on an approximate S 30° E angle would indicate a degree of mineralization on a secondary fracture or intersection.

(f) We have dug several test holes two to five feet deep about 100 feet apart along the strike for about 400 feet. High anomaly readings extend over about 700 feet. The width of the strike is about 6-8 feet wide.

(g) None available.

3. Accessibility of project:

(a) The following person will assist the DMEA representative assigned to examine the property:

Adolf Nissen
1017 Buena Vista Dr.
Spokane, Washington
Phone - MA 4-8826

The property is situated approximately 3 1/2 miles due South of Mt. Spokane and forms a part of the upper reaches of the South Fork of Deadman Creek watershed. The property is accessible by county road. The property is crossed by the Elliott Road, a side road from the Mt. Spokane highway. The manner in which the road crosses the property is shown on the attached map. The road ends just outside the boundry of the property.

(b) The property is about 25 miles from Spokane, Washington. Spokane will be the supply point and the employees will reside at Spokane. The ore will be hauled by truck, direct from the mine to the mill at Ford, Washington

4. The exploration project:

(a) The proposed exploration project is as follows:

(1) Removal of trees and brush in the immediate area of actual known mineralization and where spoil piles are to be pushed.

(2) Careful bulldozing with medium sized equipment at the point of surface mineralization. The peculiar nature of the discovery is that the apparent richness of the soil and overburden may constitute a mining operation inasmuch as the material so moved should be stockpiled.

(3) After the foregoing operation which may in itself show the beginnings of strikes and trends, a series of bull dozer cuts is contemplated, attempting to uncover structural features or mineralization. It must be pointed out here that rich ore found at a depth of five feet adjacent to this property, provided a surface anomaly of only two to three points over background count. All of the foregoing operations for the time are to be confined to the high-anomaly, mineralized ridge and valley on the Southwest corner of the property.

(4) Next, wagon drilling would probably be indicated, depending on conclusions extracted from the foregoing operation which would be presumed to have exposed some mineralization, localized some anomalies, and aided in interpreting the geologic structure. A partial dictate to the manner of bulldozer trenching would be to provide a road of sorts upon which to move a wagon drill outfit.

(5) Wagon drilling: At this time little in detail can be said of the mode, location, or plans for such drilling. A logical procedure would

Mudhole Exploration, Inc.
712 Hutton Building
Spokane, Washington

DMEA Form MF-103
Application for aid in an exploration project

indicate a profusion of shallow holes (20-30 feet) as an initial action, then utilizing the knowledge acquired, a few deeper holes. The presumption that the structure is highly fractured, plus general knowledge acquired by various operators in the Mt. Spokane region obviates the use of a diamond drill although the company owns one and is prepared to use it.

(6) It is the intention of this company to acquire the services of a competent mining engineer-geologist on a consulting basis to assist in this and subsequent operations if so indicated. Preliminary inquiries reveal there are one or more such individuals available in this area. Inquiries as to the availability of the contract services required to complete the foregoing operation indicates no problem on that score.

(7) No schedule is submitted for exploration of the balance of the property which contains interesting anomalies as its entire course of action would probably hinge directly on facts elicted from the foregoing program. Based on a comparable course of action the costs could be estimated to be in the neighborhood of $3,048.

(b) None required from loan funds.

(c) The exploration project would be commenced immediately and should be completed in less than two months.

5. Adolf C. Nissen, general manager on this project is an experienced prospector

The services of a consulting geologist will be emplyed for the duration of the exploration project. As of this date, that individual has not been selected, but will be before the project commences.

The secretary-treasurer of the company is a Certified Public Accountant.

6. (a) Independent contracts:

(1) Bulldozing - clearing or logging operation preparatory to uncover and trench - $12.50 per hour for 5 days		$500.00
(2) Bulldozing - uncovering and trenching operations - $12.50 per hour for 4 weeks		2,250.00
(3) Wagon drilling:		
50 holes (20-30 feet) 1,250 feet @ $1.25 per ft	$1,562.50	
15 holes (60-80 feet) 1,050 feet @ $1.40 per ft.	1,470.00	
7 holes (150 feet) 1,050 feet @ $1.60 per ft.	1,680.00	4,712.50
(4) Geological and engineering services: 20 days or equivalent @ $100.00 per day		2,000.00

(b) Personal services:

(1) General manager - 8 weeks @ $20.00 per day	1,000.00
(2) Day laborers (2 in number) 6 weeks each @ $15.00 per day	1,080.00

(c) Operating material and supplies:

(1) Dynamite and blasting supplies	50.00
(2) Small tools and equipment	50.00
(3) Miscellaneous supplies	50.00

(d) Operating equipment:

All equipment is furnished by independent contractors.

(e) Initial rehabilitation and repairs:

None

(f) New buildings, fixtures, installations:

None

Mudhole Exploration, Inc.
712 Hutton Building
Spokane, Washington

DMEA Form MF-103
Application for aid in an exploration project

(g) Miscellaneous:

Analytical services	207.50
Bookkeeping and accounting	300.00
Workman's compensation and employees' liability insurance, and payroll taxes	250.00
Insurance	50.00
Contingencies	200.00
Total estimate of costs	$12,700.00

7. (a) We are prepared to furnish our share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order-I, amended.

(b) We propose to furnish our entire share of the costs by providing money.

Washington Testing Laboratories, Inc.

N. 118 BROWNE SPOKANE 1, WASHINGTON PHONE TE. 8-2918

Date: May 29, 1957

Lab. No. A 1129

Report to: Mudhole Exploration Co.
Frank H. DuBval

Report on: Samples submitted

Sample identification: No. 1 Hole
2 Hole

Tests performed and results:

	U_3O_8 Percent
No. 1	2.87
2	9.02

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DMEA
RECEIVED JUL 29 1957
DATE | INITIALS | CODE

WASHINGTON TESTING LABORATORIES, INC.

Arthur M. Dryden (By LH)

Arthur M. Dryden, Chemist

I hereby certify that I took the above samples to the Washington Testing Laboratories, Inc. and that it came from the samples came from the Clarence Hanson property.

Frank H. Duval

Subscribed and sworn to before me this 29th day of May, 1957.

Notary Public in and for the State of Washington, Residing at Spokane

[illegible] of the [illegible] a com[illegible] 31st day [illegible] or prior [illegible].

[illegible] to enter upon said [illegible] to prospect [illegible], and mine the same [illegible] and approve, and in full compliance with all [illegible], and regulations governing mining operations and promulgated by the Federal and State governments and the Atomic Energy Commission.

3. Lessee agrees that in the prospecting of the demised premises it will not unnecessarily interfere with any [illegible] including trees, nor injure nor destroy any fences or improvements on the premises, and will fill any excavations made by it upon the completion of the prospecting:

Provided, however, that should a commercial ore body be discovered [illegible] demised premises, then Lessee shall have the right to

[illegible] necessary to cover [illegible] the event commercial [illegible] conditions must be met [illegible]

[illegible] agrees to pay a royalty to Lessor of [illegible] the net amount of energy received by Lessee [illegible] from or found [illegible] premises.

[illegible] set forth in the preceding [illegible] the actual amount of energy received by [illegible] sale of gas over, and only treatment charges of [illegible] transportation costs from the mine to [illegible] the Lessee is not [illegible] by the [illegible]

[illegible] the [illegible] and after [illegible] voluntarily [illegible] before the expiration of [illegible] thirty (30) days written notice of the [illegible]

[illegible] Lessee be in default under any of the terms of this agreement the Lessor shall have the right to give Lessee written notice of such default, stating the nature of the default, and if Lessee does not cure or remove such default within sixty (60) days after receipt of said notice, then this lease may at the option of Lessor be terminated.

[illegible] In the event of a termination of this lease by forfeiture or surrender, Lessee shall have the right within [illegible] days from the date of termination to remove from said premises all tools, equipment, machinery, and other property placed thereon by Lessee.

[illegible] shall inure to the benefit of and be [illegible] the heirs, [illegible], and successors in interest of [illegible].

This lease shall not be assigned without the [illegible] of Lessor, and any attempted or purported assignment [illegible] written consent shall void the lease.

[illegible] WHEREOF, the parties have this day and year [illegible] set their hands and seals.

[illegible]
Lessor

[illegible] EXPLORATION, INC.

By [illegible]
President

By [illegible]
Secretary

Lessee

Filed for record [illegible]
[illegible]
FRANK J. [illegible] [illegible]

ACCEPTANCE OF DISCOVERY

WHEREAS, I, CLARENCE A. HANSON, LESSOR, did on the 15th day of May, 1957, give and grant MIDIKER [illegible] WATTON, INC., LESSEE, the exclusive right to mine all minerals found on the following premises, to-wit:

> Southeast Quarter of Section Thirty-three (33), Township Twenty-eight (28), North Range Forty-five (45), E.W.M., in the County of Spokane and State of Washington,

and WHEREAS, said LESSEE claims to have discovered a commercial ore body on the above-described premises, and has given me notice of the same, and

WHEREAS, I have examined the premises and the discovery and am satisfied that such discovery has been made,

NOW, THEREFORE, I, the LESSOR, do hereby and herewith accept LESSEE's discovery as being the discovery of a commercial ore body on the demised premises and I further consent and agree that the term of the aforesaid lease dated May 15, 1957 be for twenty (20) years as set forth in paragraph 1. of said lease.

IN WITNESS WHEREOF, I have set my hand this 27 day of May, 1957.

Clarence A. Hanson

STATE OF WASHINGTON)
ss.
County of Spokane

I, the undersigned, a Notary Public in and for the above named County and State, do hereby certify that on this 27th day of May, 1957, personally appeared before me CLARENCE A. HANSON, to me known to be the individual described in and who executed the within instrument, and acknowledged that he signed and sealed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year last above written.

Notary Public in and for the State of Washington, Residing at Spokane

FILED FOR RECORD Jul 8 1957 AT M
REQUEST OF
FRANK J. GLOVER, SPOKANE COUNTY AUDITOR

WELLMAN CLARK
ATTORNEY AT LAW
711 HUTTON BUILDING
SPOKANE 8, WASH.

COPY

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 29 1957

DATE		CODE

CORKY SMITH
"Little Contractor"
E. 6609 Riverside Ke. 2081
Spokane 62, Wash.

Mudhole Exploration, Inc.
712 Hutton Building
Spokane, Washington

Gentlemen: Re: Hanson Lease

We submit a bid for exploration drilling at the following prices for wagon drilling:

Holes up to 50 feet @ $1.25 per lineal foot.
Holes from 0 to 100 feet @ $1.40 per foot.
Holes from 0 to 150 feet @ $1.60 per foot.

Corky Smith agrees to use approved methods for collecting cuttings for samples and to use every effort to insure drilling to the required depth. In the event unforseen ground conditions make drilling impractical, Corky Smith reserves the right to stop drilling and receive payment for footage already drilled.

Very truly yours,

/s/ Corky Smith

CORKY SMITH

COPY

Drilling prices on percussion drilling:

Holes up to 80', price per ft.	$1.25
Holes to 150', price per ft.	1.40

These prices are on minimum of 1,000 ft.

/s/ Herbert D. Sams

Drilling Contractor

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D M E A
RECEIVED 1957

Mudhole Exploration, Inc.

FRANK DUVAL, SR., PRESIDENT
ADOLF NISSEN, FIRST VICE PRES.

RIVERSIDE 7-1195 • 712 HUTTON BUILDING
SPOKANE 4, WASHINGTON

RALPH UMBREIT, SECOND VICE PRES.
DUANE H. WATTERS, SECY.-TREAS.

July 16, 1957

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DMEA
RECEIVED JUL 29 1957

DATE	INITIALS	CODE

Defense Minerals Exploration Administration
S. 157 Howard Street
Spokane, Washington

Gentlemen:

We have attempted to obtain bids for a drilling program from the following companies but were informed that they are not interested in submitting a bid:

E. A. Holman & Son, Spokane, Washington
Inland Drilling Company, Spokane, Washington
Spokane Drilling Company, Spokane, Washington

Sincerely yours,

Duane H. Watters
Secretary

DHW:gc

Docket copy

Project Summary Report

Murphy Nelson

By F. M. Murphy December 16, 1958

1. Docket No. DMEA-4800 (Uranium)
Contract No. Idm-E1154

Operator: Mudhole Exploration, Inc.
Mr. Adolf C. Nissen, President
712 Hutton Building
Spokane 4, Washington

Operator's Property Rights:

Lessor of unpatented lode mining claims, Hanson Nos. 1 through 10, covering the SE¼ of sec. 33, T. 28 N., R. 45 E., W.M., Spokane County, Washington. Owner, Clarence A. Hanson, E. 2923 Rowan, Spokane, Washington, executed the Consent to Lien and Subordination Agreement included in the contract.

2. Contract dated November 14, 1957.

Amendments -

No. 1 - dated May 29, 1958, extended completion date from June 1 to September 1, 1958.

Work Authorized -

Actual Costs

Stage I

Bulldozing 5 trenches	$2,889.00

Stage II

Additional bulldozing and 1,750 feet of wagon drilling	$6,625.00

Work Completed --

Stage I

(See following page)

Stage I

Bulldozing, 105 hours @ $17.00/hr.	$1,785.00	
Transportation of dozer	75.00	
Supervision, 1 month	600.00	
Misc. supplies	25.73	
Payroll taxes	31.50	
Liability insurance	16.46	$2,533.69

Stage II

Bulldozing, 15 hours @ $17.00/hr.	$ 255.00	
Wagon drilling, 300 feet @ $1.25/ft.	375.00	
Supervision, ½ month	300.00	
Payroll taxes	15.75	
Liability insurance	8.23	953.98
Total Actual Cost of Project		$3,487.67

Termination Agreement, dated September 23, 1958.

Work under the contract started about April 15, 1958, and ended about June 20, 1958.

Operator's final report received September 15, 1958.
Field Team's final report received November 18, 1958.

3. Audit Report of Review, dated September 17, 1958.

Total cost claimed by Operator	$3,531.12
Exceptions: Moving bulldozer to site as dozer was already on the ground	43.45
Total Accepted Cost	$3,487.67
Government Participation @ 75%	$2,615.75

4. Certification - none.

5. Comments -

Excerpts from Final Geologic and Engineering Report by Howard F. Albee, USGS, and Eric G. Erickson, USBM:

The project area is at the southern end of the presently known limits of the Mt. Spokane Autunite District, and is underlain by the Cretaceous Loon Lake

5. Comments (continued) -

granite. The granite contains abundant aplite and pegmatite dikes and segregations. Several small faults were exposed by the exploration work. At the Daybreak mine, about 8 miles northwest of the project area, the best uranium ore deposits are associated with the same type of faults, shear zones and joints that occur in the project area.

The only ore-bearing material found under the program was in trench C and C-1 and in drill hole GP-1. In the trench aggregates of autunite crystals were found in a thin zone of fault gouge and along a pegmatite dike. The largest accumulation was found where the fault cut the dike.

The drill hole GP-1 was drilled a short distance west of the uranium exposure in trench C. The pegmatite was penetrated at a depth of 22 feet. Six inches of autunite-bearing material was cut at 22½-23 feet. Later excavation proved this to be part of a small pod with very little lateral extent.

Production from the above exposures amounted to a total of 2 tons of material that contained about 0.50% U_3O_8. The Operator on his own account produced an additional 307.25 tons of uranium ore from workings in the 100-foot strip near the west boundary of the property. The contract did not allow Government participation within 100 feet of the property boundary. The west boundary adjoins Mt. Spokane State Park.

During the contract period 359.25 tons of .298% U_3O_8 material was shipped. Fifty tons of this material had been mined prior to DMEA participation. On September 16, 1958, the Operator sent Region I Field Team a royalty check for $431.44 covering this shipment. The Operator in the covering letter stated that it did not anticipate making another shipment from this property for some time.

Since the project failed to discover uranium ore, the field examiners and the Field Team recommend that no certification should be issued.

Commodity Members' Comments -

James Paone, USBM, November 20, 1958, agrees with the Field Team's recommendation that the project should not be certified.

5. Comments (continued) -

Division of Rare and Miscellaneous Metals -

The subject property has been adequately explored by the contract work without discovering significant deposits of uranium ore. Therefore, the writer agrees with the Field Team's recommendation regarding certification.

F. M. Murphy

F. M. Murphy

DMEA Form 17
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

M

WORK COMPLETED ANALYSIS

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

Operator **Mudhole Exploration, Inc.**		Actual Cost	✓
State **Washington**		Agreed Unit Cost	
Final Report of Audit		Commodity **Uranium**	Docket No. **DMEA-4800**
Final Report of Review	x - operators received		Contract No. **Idm-E1154**

Operation	Authorized by Contract and Amendments		Completed		Net cost after sale of Government Property
	Units	Cost	Units	Cost	
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling wagon (Specify) (Percussion)	1750'	3796.30	300'	675.00	675.00
Bulldozing trenches Surface Excavation		4763.40		2537.67	2537.67
Underground Excavation					
Roads and Trails & Bulldozing drill site		255.00		255.00	255.00
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Analyses U_3O_8 @ $5/sample		700.00		—	—
Totals		$ 9514.70		$ 3487.67	* $ 3487.67

Contract terminated effective 7/5/58

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

Certification will not be recommended by Field Team

Prepared by [signature] Date 11/13/58

(~~In~~complete)

31398

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/17/58	Murphy	700
12/18	Knowlt	700
Hold until 3/10/59	Chandler	800
3/12	Lefferdge	190
		110
		100
3/13	C	220
		700

MAR 12 1959

Mr. Adolf C. Nissen, President
Mudhole Exploration, Inc.
712 Hutton Building
Spokane, Washington

Re: Docket No. DMEA-4800 (Uranium)
Contract No. Idm-E1154
Hanson Lease
Spokane County, Washington

Dear Mr. Nissen:

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

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

We appreciate your interest and participation in the DMEA exploration program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

ACTING Director

FMMurphy/gla
12-17-58
cc to: Director's Reading File
Mr. Murphy
Division of Contract and Audit
OME Field Team, Region I (2)

cc to: Clarence A. Hanson

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/17/58	Murphy	700
12/18	Kubach	700
Hold until 3/10/59	Chamblin	800
3/12	Selfridge	130
		~~110~~
		~~100~~
		220

700

MAR 12 1959

Mr. Clarence A. Hanson
East 2923 Rowan
Spokane, Washington

Re: Docket No. DMEA-4800 (Uranium)
Contract No. Idm-E1154
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington

Dear Mr. Hanson:

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

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on July 9, 1957, under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

ACTING Director

Enclosure

FMMurphy/gla
12-17-58
cc to: Director's Reading File
Mr. Murphy
OME Field Team, Region I (2)

8623

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 26 1959

DATE	INITIALS	CODE
1-27	C	220
1-27	~~Murphy~~	~~700~~

So. 157 Howard Street
Spokane 4, Washington
January 20, 1959

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

Re: Docket No. EMEA-4800 (Uranium)
Mudhole Exploration, Inc.
Henson Lease
Spokane County, Washington
Contract No. Idm-E1134

Dear Mrs. Long:

On January 16, 1959, we sent to you a check covering royalty due the Government on the Initial Production Bonus from the Atomic Energy Commission on a shipment of ore from the Hanson Lease, Lot 1, made in August 1958. We are enclosing a reproduction of Form AEC 300, Application for Bonus Payment, which was sent to us by the Operator covering this transaction.

Sincerely yours,

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

Enclosure as indicated
cc: OME w/encl.
CPF

Rec'd. 1-21-59
D.L.

Form AEC-[illegible]
(9-61)

Form approved.
Budget Bureau No. 30-R0[illegible]

U. S. ATOMIC ENERGY COMMISSION

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 26 1959

APPLICATION FOR BONUS PAYMENT

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

(For instructions, see reverse side)

INITIALS	CODE

1. NAME OF APPLICANT: Mudhole Exploration, Inc
2. MAILING ADDRESS: 712 Hutton Building, Spokane, Washington
3. NAME OF MINING PROPERTY: Hanson Lease — SE¼ Sec. 33, T28N, R45E, WM
4. MINING DISTRICT: Northwest Mining District, Spokane County, Washington
5. DATE: December 22, 1958
6. AEC LICENSE NO.: P-3674
7. MINING PROPERTY CERTIFICATION NO.: D.U.P. C6-C-1075

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

8. ORE SHIPMENTS DELIVERED TO AND PAID FOR BY: Dawn Mining Company (Mill or Station)

LOCATED AT: Ford, Washington

DATES OF SETTLEMENT	(Fill in either) LIQUIDATION NO.	CHECK NO.	DRY TONS ORE	GRADE U3O8	POUNDS U3O8	BONUS RATE PER POUND	AMOUNT OF BONUS PAYMENT
9-2-58	45 LTN. 8-58		343.5715	.299	2047.69	2.30	[illegible]

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

I Certify that the above application is correct and just and that payment thereof has not been received.

NAME: MUDHOLE EXPLORATION, INC.

FOR: Duane H. Nielsen DATE: 12-22-58 TITLE: President

NOTE: Alteration of information shown in this application may subject the applicant to criminal penalties under Section 1001 of Title 18, U.S. Code. Any such alteration may be detected by the applicant from a photocopy of this form.

FOR USE BY ATOMIC ENERGY COMMISSION ONLY

I hereby certify that this application is correct and proper for payment.

[illegible]

OME

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 20 1959

DATE	INITIALS	OFFICE
1-20	C	220
1/20	Murphy	700

So. 157 Howard Street
Spokane 4, Washington
January 16, 1959

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

Re: Docket No. DMEA-4800 (Uranium)
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington
Contract No. IGm-E1154

Dear Mrs. Long:

Enclosed is Check No. 281, dated January 12, 1959, for $308.47 from Mudhole Exploration, Inc., of Spokane, Washington, covering royalty due the Government on the Initial Production Bonus from the Atomic Energy Commission on a shipment of ore from the Hanson Lease, Lot 1, made in August 1958. A copy of a letter, dated January 13, 1959, from Duane H. Watters, secretary-treasurer of the company, is also enclosed. We have requested from Mr. Waters the papers pertinent to this transaction from AEC.

Sincerely yours,

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

Enclosures as indicated

cc: Operator
OME w/encl.
CPF

1-16-59
A.L.
$73.91

Mudhole Exploration, Inc.

[illegible] CHARLES [illegible], PRESIDENT
ADOLF [illegible], Financial Secy.

RI VERSIDE 7-1195 • 712 HUTTON BUILDING
SPOKANE 4, WASHINGTON

RALPH UNDERIT, [illegible] Vice Pres
DUANE H. WATTERS, Secy.-Treas.

January 13, 1959

OFFICIAL FILE COPY O. M. E. RECEIVED JAN 20 1959		
DATE	INITIALS	CODE

United States of America
Department of the Interior
Defense Minerals Exploration Administration
S. 157 Howard Street
Spokane, Washington

Attention: Mr. A. E. Weissenborn

Re: Docket No. DMEA 4800
Commodity - Uranium
Contract No. Idm-E 1154

Gentlemen:

We are this date in receipt of our initial production bonus check for $7,166.92 from the Treasurer of the United States of America. This is the production bonus on our only shipment to date from the Hansen Lease.

You will recall per previous correspondence, that 50 tons of the ore shipped were mined prior to the effective date of the DMEA loan.

An analysis of our partial loan repayment is as follows:

Proceeds from production bonus	$7,166.92
Loan amortization [illegible]/359.25 x $7,166.92	997.48
Net proceeds from bonus subject to royalty	6,169.44
Royalty - [illegible] x $6,169.44	$308.47

Our check No. 281 for $308.47 is enclosed.

Very truly yours,

MUDHOLE EXPLORATION, INC.

Duane H. Watters,
Secretary-Treasurer

RECEIVED
JAN 14 1959
U. S. G. S.
SPOKANE, WASH.

DHWiga
enc

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DATE	INITIALS	CODE
11/20	C	220
		700

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

Date November 20, 1958
DMEA Docket No. 4800
DMEA Contract No.
Commodity Uranium
Name of Applicant Mudhole Exploration, Inc.
Location of property Spokane County, Washington
Estimated cost of project $3,487.67

Memorandum

To: Frederick L. Knouse, Acting Director, OME
Rare and Misc. Minerals Division

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

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

1. Date of subject document: 11/14/58 2. Date received by reviewer: 11/19/58

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

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

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

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

7. Explain items marked 'yes' above:

8. Factors meriting special consideration:

a. Location ☐
b. Ownership ☐
c. Evidence of mineralization ☐
d. Geology ☐
e. Proposed exploration method ☐
f. Alternate exploration method ☐
g. Costs
h. ☐

9. Action advised:

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
November 14, 1958

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DATE	INITIALS	CODE
11/18	J. G.	225
	OS	130
11	FED	110
	OS	130
11-21	CD	220
		700

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

Re: Docket No. DMEA-4800 (Uranium)
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington
Contract No. Idm-E889

Dear Mr. Selfridge:

Enclosed are three copies of a Field Team final report by E. G. Erickson, Mining Engineer, U. S. Bureau of Mines, and Howard F. Albee, Geologist, U. S. Geological Survey on this project.

Under Stage I, 2,100 linear feet of trenching was completed at a total cost of $2,533.69. Under Stage II, 6 wagon drill holes totaling 300 feet were drilled at a total cost of $953.98. The total cost of the project was $3,487.67, of which the Government's share was 75 percent or $2,615.75.

About 2 tons of ore averaging 0.50 percent U_3O_8 was sorted from narrow cracks and small pockets during the trenching operations. Drilling indicated that ore was not persistent laterally or at depth. Only 1 small lens of ore as much as 4-6 inches thick was found.

It is concluded that the completed work was sufficient to demonstrate that the probability of making a significant discovery on this property is remote and that no further expenditure of Government funds is justified. However, should the State Park land west of the property ever be opened for mining, consideration should be given to any request for aid to explore that area.

It is recommended that no Certification of Discovery or Development be made.

By Field Team, Region I

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

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

Enclosures
cc: USBM(2); USGS(SRO); Albee
AEC, Grand Junction, Colorado(2)

Reviewed by
OME OPERATING COMMITTEE
11/21/58
(date)

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 18 1958

DATE	INITIALS	CODE

DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION

FIELD TEAM, REGION I

FINAL REPORT

Contract Idm-E889

by

Eric G. Erickson
Mining Engineer
U. S. Bureau of Mines

Howard F. Albee
Geologist
U. S. Geological Survey

MUDHOLE EXPLORATION, INC.
712 Hutton Building
Spokane, Washington

Docket No.:	DMEA-4800
Commodity:	Uranium
Contract date:	November 14, 1957
Termination date:	July 3, 1958

Reviewed by
OME OPERATING COMMITTEE
11/21/58
(date)

HANSON LEASE
Mt. Spokane Autunite District
Spokane County, Washington

Spokane, Washington

November 1958

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Recommendations	2
LOCATION AND ACCESSIBILITY	2
PROPERTY	2
History	3
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Local Geology	4
THE PROJECT	5
Summary of Factual Data	7
Discussion of Conclusions	8

ILLUSTRATIONS

Figure		Map in pocket
1	Location Map	
2	Property Map of the Hanson Lease	
Plate		
1	Topographic map showing geology of open cuts and locations of drill holes	
2	Map of a portion of the Hanson Lease	

FINAL REPORT

MUDHOLE EXPLORATION, INC.
Hanson Lease
Mt. Spokane Autunite District
Spokane County, Washington

Contract Idm-E889

* * * *

INTRODUCTION

This report describes an exploration project for uranium at the Hanson Lease, Spokane County, Washington, conducted jointly by the Defense Minerals Exploration Administration and the Mudhole Exploration, Inc.

Summary

The purpose of the exploration project was to explore for uranium in granitic rock by bulldozing trenches and percussion drilling. The exploration program was outlined in two stages. Stage I authorized 105 hours of dozing and related cost items at an estimated cost of $2,889. Stage II work was contingent upon the results of Stage I and authorized drill site preparation, 1,750 feet of percussion drilling and related costs amounting to $6,625.70. The total amount authorized for Stages I and II was rounded to $9,520, with Government participation at 75 percent or $7,140.

Trenching completed in Stage I totaled 2,100 linear feet with the average trench depth being about 8.5 feet (pl. 1). The total cost of Stage I work was $2,533.69. Six wagon drill holes (pl. 1) totaling 300 feet of drilling were authorized and completed under Stage II. The total cost of this drilling and related items was $953.98. The total cost of the exploration project was $3,487.67; the Government's share was 75 percent or $2,615.75.

Sporadically distributed autunite occurring as wall coatings along slips and filling narrow cracks 1/8-inch to 1-3/8 inches

wide was exposed in trenches C and C-1 (pl. 1). About 2 tons of ore containing approximately 0.50 percent U_3O_8 was sorted during the trenching operations. Drilling results showed the ore was not persistent at depth. Only one autunite occurrence as much as 4-6 inches thick was encountered.

Recommendations

The modest exploration project failed to disclose a significant amount of uranium ore. The work completed was believed to be ample to demonstrate that the possibility of making a worth-while discovery in the contract target area is quite remote. A Certification of Discovery and Development is not recommended.

LOCATION AND ACCESSIBILITY

The property explored under the contract may be reached from Peone, Washington (fig. 1) by traveling northeastward on a paved county road 13.3 miles to the junction of the South Fork of Deadman Creek and Deadman Creek, thence turning right onto an unimproved county road and traveling 3.2 miles up the South Fork of Deadman Creek to the property.

The Hanson Lease is in the southern foothills of Mt. Spokane, 3 miles south of the summit. The gently rolling terrain is covered with dense growths of trees. The altitude ranges from 3,950 feet at the northeast corner to less than 3,300 feet in the southeast corner. The area is drained by the southwestward flowing South Fork of Deadman Creek. Most of the precipitation occurs during the midwinter as snow and in the spring months as rain and the average annual accumulated precipitation is estimated to be 20 inches. Generally, the winters are not severe and the summers are mild.

PROPERTY

Mudhole Exploration, Inc., controls the SE¼ sec. 33, T. 28 N., R. 45 E., Willamette meridian (fig. 2), by virtue of a lease from Clarence A. Hanson. The lease is for a period of 20 years. The mineral rights are held by the owner, Clarence A. Hanson, by right of location. The above quarter section (Hanson Lease) is included in the following group of claims recorded in the official records of Spokane County, Washington:

Claim No.	Book No.	Page No.
Hanson 1	Miscellaneous 64	442
" 2	" "	443
" 3	" "	444
" 4	" "	445
" 5	" "	446
Hanson 6	Miscellaneous 64	447
" 7	" "	448
" 8	" "	449
" 9	" "	450
" 10	" "	451

History

The Hanson Lease was a part of the Northern Pacific Railroad land grant. Clarence A. Hanson had acquired the surface rights to the quarter section in 1944. The mineral rights were released by the Northern Pacific Railroad on August 6, 1946; however, in the light of a recent United States Supreme Court decision adverse to railroads having acquired mineral rights by grant, Mr. Hanson staked 10 mining claims covering the entire quarter section to protect the mineral rights.

Mudhole Exploration, Inc., had explored the property with a scintillator and dug some test pits by hand prior to applying for Government exploration aid. There was no known production prior to November 14, 1957, the date of the exploration project contract; however, approximately 100 tons of uranium-bearing material had been stockpiled. Only 50 tons of the stockpiled material was of ore grade.

There are no surface buildings or underground workings.

GEOLOGY

Regional Geology

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

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

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

Local Geology

The Hanson Lease is at the southern end of the presently known limits of the Mt. Spokane Autunite District and is well isolated from the more productive northern and central parts of the district. The geology is similar, however, except that no well-defined shear zones nor strong faults are known.

The entire Hanson Lease area is underlain by the Loon Lake granite. The main rock type is a medium- to coarse-grained biotite quartz monzonite with numerous, generally small, pegmatite dikes and segregations. Several small faults have been exposed by the exploration work. The general attitude of the segregations, dikes, and faults is northerly with a west dip ranging from 35° to 50°.

The granitic bedrock is deeply weathered and the weathered surface is covered with an overburden of soil and slope creep material up to 8 feet thick. The maximum depth of the bedrock weathering was not reached in many places. Trench C (pl. 1) averaged 12 feet deep and, in places, the bottom was still in decomposed granite.

The exploration trenches did not encounter any major ore-bearing structures. Many aplite and pegmatite bodies were exposed, especially in trench B (pl. 1). The aplitic material was found to be generally darker colored than the pegmatitic material, sugary textured, friable, and slightly radioactive. No visible uranium was found associated with it, however. The pegmatitic material was found mostly as small lenses and irregularly shaped segregations, though some narrow dikes were exposed.

The only ore-bearing material found under the program was in trench C and C-1 and in drill hole GP-1. Aggregates of autunite crystals in a thin zone of fault gouge and some autunite along a 4- to 6-inch wide westerly dipping pegmatite dike were exposed. The largest accumulation of autunite was found where the fault cut the dike. The pegmatite was offset about 2 feet and the autunite was mainly along the fault between the offset segments. The autunite occurred mostly as fracture fillings up to 1/4-inch thick; however, locally some crystal aggregates were found up to about 1½ inches thick.

Six wagon drill holes were drilled under the contract, one of which encountered ore-grade material. Drill hole GP-1 was drilled a short distance west of the uranium exposure in trench C. The westerly dipping pegmatite was penetrated at a depth of about 22 feet. At approximately 22½-23 feet, 6 inches of autunite-bearing material was found. Later excavation proved this to be part of a small pod with very little lateral extent.

The company drilled 15 holes on its own account in addition to the 6 DMEA holes. One company drill hole encountered a thin seam of autunite at a depth of 8 feet. This seam was proved later to have no appreciable extent.

Production from trench C and from a trench that was excavated to open the 2 mineralized drill holes amounted to a total of 2 tons of material that contained approximately 0.50 percent U_3O_8. The Operator produced an additional 307.25 tons of uranium ore on his own account during the time of the exploration project contract from workings in the 100-foot strip near the west boundary of the property. The 100-foot strip was included as land in the contract, but Government participation in the cost of work within 100 feet of the property boundary was not authorized.

THE PROJECT

Showings of autunite in shallow pits on the property were impressive and equally as good as those that were first encountered on productive properties in the district. The showings were sufficiently promising to warrant exploration by trenching and shallow wagon drilling.

The project proposed by Mudhole Exploration, Inc., was designed to explore the southwesterly portion of the Hanson Lease by dozer trenches and wagon drill holes. The total estimated cost was $12,700. Although the Government examining team considered the project to be well planned, they recommended a slightly modified work program set up in two stages that provided for exploration of the best target area by the same methods proposed by the applicant. The exploration project contract authorized the following work:

Stage I

Bulldoze 5 trenches for an estimated total length of 2,100 feet, at locations and in the directions shown tentatively on a map titled "Map of a Portion of the Hanson Lease" (pl. 2).

Stage II

Authorized work consisting of additional trenching, preparing drill sites and wagon drilling as approved by the Government within the limits of the contract.

The total estimated cost of Stage I was $2,889 and of Stage II was $6,625.70. The total cost of both stages was rounded to $9,520, with the Government's share being 75 percent or $7,140.

The trenching outlined in Stage I was started in mid-April, but dozing operations were delayed about 2 weeks because of heavy rains. Stage I work was completed during May 1958. A total of 2,100 linear feet of trenches was excavated and the average depth of the trenches was about 8.5 feet. Uranium mineralization (autunite) was disclosed in trenches C and C-1 (pl. 1). The other trenches, A and E and B and D, were essentially barren.

The sparse exposures were not considered significant; therefore, chemical assays and ore reserve calculations were not made.

One amendment to the contract dated May 29, 1958, extended the completion date from June 1, 1958, to September 1, 1958.

Summary of Factual Data

The allowed costs of the project were:

Stage I	Units authorized	Units completed	Unit cost	Total cost
Bulldozing	105 hrs.	105 hrs.	$17.00/hr.	$1,785.00
Transportation of dozer	Job	Job	75.00	75.00
Supervision and technical services	1 mo.	1 mo.	600.00	600.00
Operating materials and supplies	$ 89.60	$25.73	--	25.73
Payroll taxes, etc.	89.40	47.96	*7.993%	47.96
Chemical analyses	50	None	5.00 ea.	--
Total cost - Stage I				$2,533.69
Stage II				
Bulldozing	95 hrs.	15 hrs.	$17.00/hr.	$ 255.00
Transportation of dozer	Job	None	75.00	--
Wagon drilling	1,750 ft.	300 ft.	1.25/ft.	375.00
Supervision and technical services	3 mo.	½ mo.	600.00/mo.	300.00
Materials and supplies	117.50	None	--	--
Payroll taxes, etc.	268.20	23.98	*7.933%	23.98
Chemical analyses	90	none	5.00 ea.	--
Total cost - Stage II				$ 933.98
Total cost of project				$3,487.67

*Percent of the cost for supervision and technical services

Total amount of contract	$9,520.00
Government's share at 75 percent	7,140.00
Total amount expended	$3,487.67
Government's participation	2,615.75
Total amount unexpended	$6,032.33
Government's share unexpended	4,524.25
Net value of production during contract period	$8,628.78
Royalty payments received	$ 431.44*

*Operator has not yet received bonus payment on production on which royalty will be due.

During the time of the exploration project contract 359.25 wet tons of ore containing 4.36 percent H_2O and 0.298 percent U_3O_8 was shipped from the property of which 50 tons was mined prior to the date of the contract. The Operator received a payment of $10,023.89 from the Dawn Mining Company for the 359.25 wet ton shipment. The 309.25 wet tons subject to Government royalty netted $8,628.78 and the 5 percent royalty amounted to $431.44.

The Government did not acquire an equity in equipment, materials or supplies used on the project.

Discussion of Conclusions

The project work included dozing trenches and percussion drilling. Dozing operations were suspended during April 1958 because of heavy rainfall, making dozing on the steep slopes impracticable, but no other unusual operating difficulties were encountered.

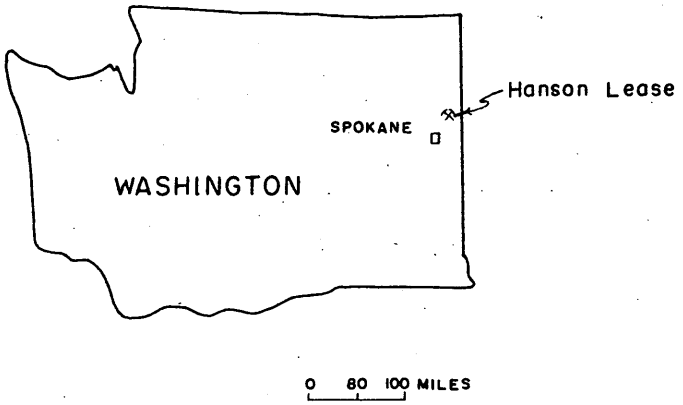
The Operator performed the work in a competent manner and no financial difficulties were indicated.

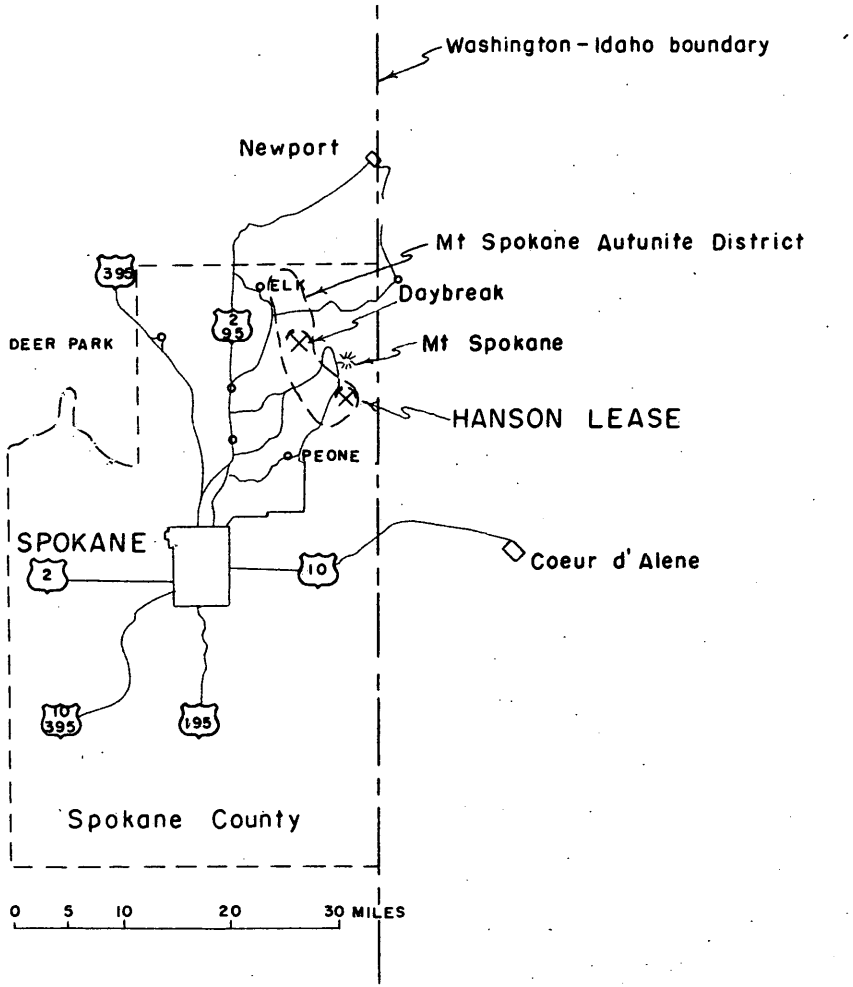
No worth-while amount of uranium ore was disclosed that would support a mining operation. A Certification of Discovery and Development is not recommended.

The Operator is continuing work on his own account near the west boundary of the property. The Government would not participate in the cost of any work done within 100 feet of the property line and this area (100-foot strip) was not benefited by the exploration contract work.

Based on results of work completed and geologic interpretation of the area, Government participation in further exploration of this property is not warranted.

Enclosures
Distribution:
DMEA(3)
USBM(5)
USGS(SRO)
Docket
Albee
AEC, Grand Junction(2)





LOCATION MAP

HANSON LEASE, MUDHOLE EXPLORATION, INC.

Spokane County, Washington

Oct. 1958

Fig. 1

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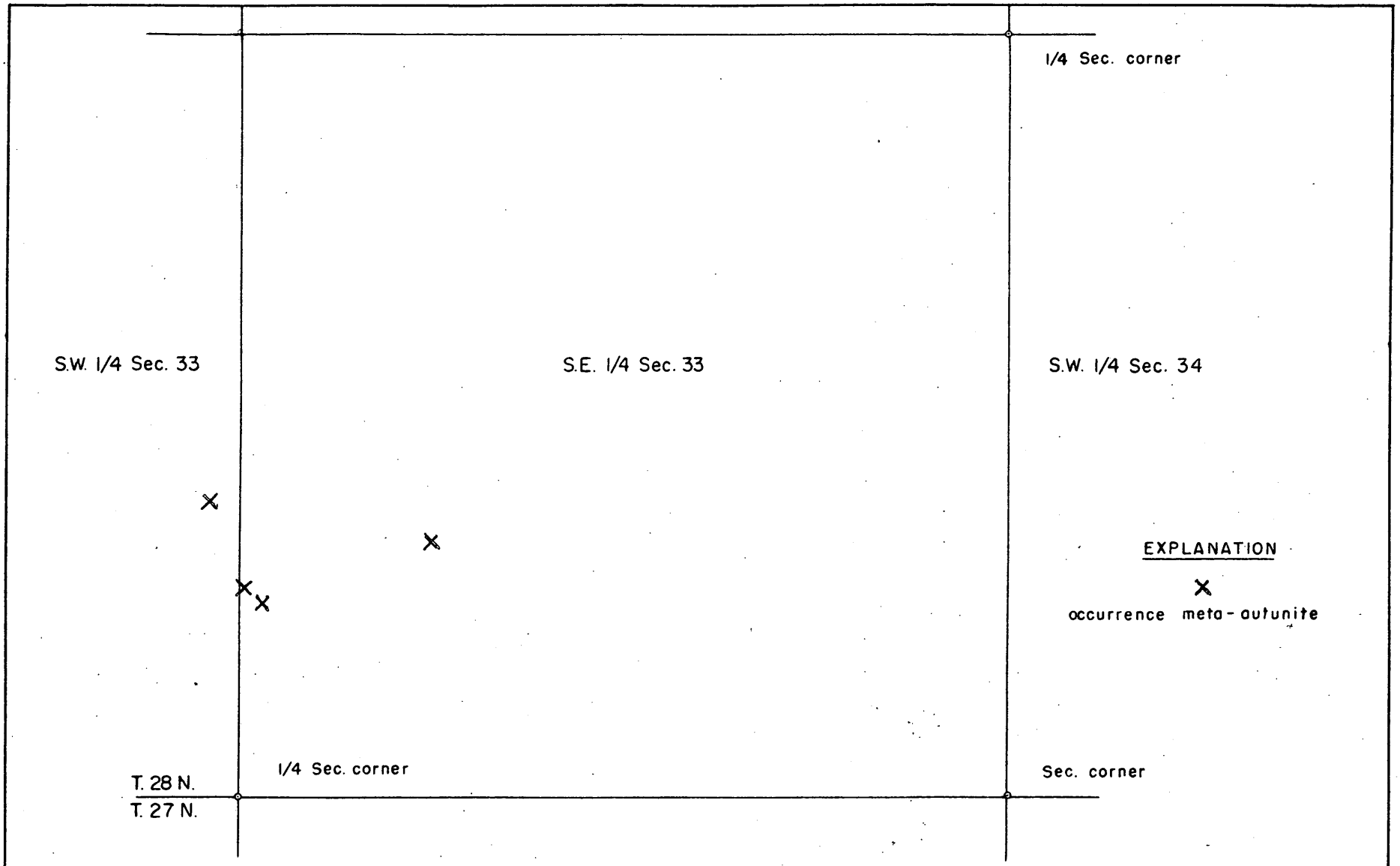
DATE	INITIALS	CODE



Property map of the Hanson Lease, Mudhole Exploration, Inc.

S.E. 1/4 Sec. 33, T. 28 N. R. 45 E., W.M. Spokane County, Washington

500 250 0 500 1000 FEET

Oct. 1958

Fig. - 2

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. 2236

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

Voucher prepared at Spokane, Washington 10/17/58
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idn-61154

To Mudhole Exploration, Inc.
(Payee)

712 Rutton Building Spokane, Washington
(Address) (City) (State)

PAID BY
RECEIVED
OCT 27 1958
O.M.E.
(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.
	May 26-June 30, 1958	Balance withheld under Voucher No. 2194 dated July 11, 1958, adjusted to Audit dated September 17, 1958				167	41
PAYMENT: Complete ☐ Partial ☐ Final ☐		FINAL PAYMENT					
		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	167	41

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 167 41

(Signature or initials) _____

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

[illegible]
[illegible]
September [illegible], 1950

Mrs. Dorothy Lane, Certifying Officer
[illegible] Area, Region I
12[illegible] N. Sylvania Street
[illegible]ne 2, Washington

[illegible] (Terminal,
[illegible] Installation, and
[illegible]

Dear Mrs. Lane:

The [illegible] project was completed by June [illegible], 1950. All the work performed was [illegible] satisfactorily to the Government. A final report [illegible] the results of the employee [illegible] program has been presented by the Contractor and accepted by the Executive Officer.

The Government has no [illegible] in unused [illegible] equipment purchased for use on the project.

A certification of [illegible] will not be required.

A final report of [illegible] by the Auditor [illegible] A. Turner has been received.

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

Sincerely yours,

[illegible], Exec. Officer
[illegible]

cc: [illegible] (2)
USGS (2)
Contract Admin. & Audit Div. (2)
Docket

So. 157 Howard Street
Spokane 4, Washington

September 30, 1958

10/3 C 220
10/3 GEG 800
" ~~Murphy~~ 700

Mr. Adolf C. Nissen, President
Modhole Exploration, Inc.
712 Hutton Building
Spokane 4, Washington

Re: Docket No. DMEA-4800 (Uranium)
Hanson Lease
Spokane County, Washington
Contract No. Idm-E1154

Dear Mr. Nissen:

Because all the work called for in the above-cited contract was not done, it is necessary to formally terminate the project by mutual agreement. Therefore, enclosed are the original and four copies of a proposed Termination Agreement, signed by the Acting Director of the Office of Minerals Exploration for the Government. The Office of Minerals Exploration is the successor to DMEA.

If you find the proposed agreement in order, please sign all copies, retain that copy marked for the Operator, and return the rest to this office. If it does not meet with your approval, please return all copies, unsigned, with your comments.

You have already complied with the requirements of Item 3. We have received your final voucher and a satisfactory final report.

Also enclosed for your information and files is a Report of Review by our auditor, C. A. Turner, covering the work performed at the Hanson Lease. It shows a balance due you amounting to $167.41. It has been scheduled for payment and you should receive it in a few days.

Sincerely yours,

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

Enclosure

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

1201 N. Division St.
Spokane 2, Washington
September 30, 1958

10/3 C 220
10/3 EEF 800
" ~~Murphy~~ 700

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

Re: Docket No. DMEA-4800 (Uranium)
Mudhole Exploration, Inc.
Contract No. Idm-E1154

Dear Mrs. Long:

The project work under the referenced contract was completed by June 30, 1958. All the work performed was done to the satisfaction of the Government. A final report evaluating the results of the exploration program has been presented by the Operator and accepted by the Executive Officer.

The Government has no interest in supplies or equipment purchased for use on the project.

A Certification of Discovery will not be recommended. ?

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

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

Sincerely yours,

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

cc: OME (2)
USGS (2)

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/22/58	Murphy	700
9/10/58	Knouse	700
9/10/58	Chambers	800
9/12/58	GCS	130
"	Johnson	110
"		100
9/24	C	220
		700

SEP 24 1958

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

Re: Docket No. DMEA-4800 (Uranium)
Contract No. Idm-E1154
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington

Dear Mr. Weissenborn:

Enclosed are the original and four copies of a proposed Termination Agreement to the subject contract, signed by the Acting Director for the Government. Also enclosed are two extra copies for Field Team use.

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

This agreement has been prepared in accordance with your recommendations submitted August 26, 1958.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2HB)

Enclosures

FMMurphy/gla
(9-9-58) 9-22-58
cc to: Director's Reading File
Operating Committee
THKiilsgaard, 5224
FMMurphy

APPROVED:

Frank J. Cservenyak (2HB)
Member, Bureau of Mines

N. E. Nelson (2HB)
Member, Geological Survey

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/9/58	Murphy	700
9/10	Kubinski	700
9-10	Abernethy	800
9/12	GCS	130
"	Johnson	110
		100
		220
		700

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

SOLICITOR

SEP 15 1958

INTERIOR DEPT.

Re: Docket No. DMEA-4800 (Uranium)
Contract No. Idm-E1154
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington

Dear Mr. Weissenborn:

Enclosed are the original and four copies of a proposed Termination Agreement to the subject contract, signed by the ~~Administrator~~ Acting Director for the Government. Also enclosed are two extra copies for Field Team use.

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

This agreement has been prepared in accordance with your recommendations submitted August 26, 1958.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

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

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

FMMurphy/gla
9-9-58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
FMMurphy

8623

Government's copy

Boltin
Kunzer
App'd. Sol. Off.

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1958, between the United States of America, acting through the Department of the Interior, ~~Defense~~ Office of Minerals Exploration ~~Administration~~, hereinafter called the "Government," and Mudhole Exploration, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1154, Docket No. DMEA-4800, dated November 14, 1957, as amended, hereinafter called the "Contract," that:

1. Effective July 3, 1958, 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 the work performed prior to July 3, 1958.

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 certification of discovery or development, 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 hereby releases and agrees to save the Government harmless from all claims and 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 Director, Office of
~~Administrator, Defense~~ Minerals
Exploration ~~Administration~~

MUDHOLE EXPLORATION, INC.

By_____

Title_____

Murphy
Kubert
Chambers
Selfridge
Johnson

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/22	Talbert	2
9/23	C	220
9/24	Murphy	700

SEP 23 1958

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

Re: Docket No. DMEA-4800 (Uranium)
Mudhole Exploration, Inc.
Contract No. Idm-E1154

Dear Mr. Turner:

Your Report of Review of the referenced project is acceptable and normal distribution is authorized after changing "months of May 1958 and June 1958, inclusive" in the first paragraph to "period of April 15, 1958 to June 30, 1958".

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert
Contract Administration
and Audit Division

EDTalbert/GMcC
Sept. 22, 1958

cc: Docket
Act. Director's Read. File
Mr. Chambers

8623

So. 157 Howard Street
Spokane 4, Washington
September 19, 1958

9/25 - Murphy 700

thy Long, Certifying Officer
l Team, Region I
Division Street
, Washington

Re: Docket No. DMEA-4800 (Uranium)
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington
Contract No. Idm-E1154

Dear Mrs. Long:

Enclosed is Check No. 227, dated September 15, 1958, from Mudhole Exploration, Inc. of Spokane, Washington, covering a shipment of ore from the Hanson lease, Lot 1. A copy of the ore settlement sheet from Dawn Mining Company, the buyer, is also enclosed together with a copy of a letter, dated September 16, 1958, and another dated August 7, 1958, from the Operator regarding this transaction.

Sincerely yours,

Donald R. MacLaren
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

Attachments as indicated
cc: Operator
DMEA w/encls. ✓
CPF

9-22-58
A.L.
$431.44

SEP 17 1958
O.R.O.
SPOKANE, WASH.

C O P Y

C O P Y

August 7, 1958

United States Department of the Interior
Defense Minerals Exploration Administration
1201 N. Division Street
Spokane 2, Washington

Attention: Mr. Zoldok

Dear Mr. Zoldok:

We are making our initial shipment of ore from the Hanson Lease to the Ford Plant next week. We expect to ship between 400 and 500 tons of ore. Estimated uranium content is between .25 and .30 Uranium Oxide. Of this shipment, 50 tons of ore were mined by Mudhole Exploration, Inc. prior to the time they entered into the DMEA Participation Loan.

Very truly yours,

MUDHOLE EXPLORATION, INC.

DHW:gr

Duane H. Watters, Secretary-Treasurer

ORE SETTLEMENT SHEET

Buyer: DAWN MINING COMPANY — Date: 9/2/58

Lot No. 45 — Log No. B-63 — Shipper's Lot No. 1

Shipper: MUDHOLE EXPLORATION COMPANY — A.E.C. License No. P3674

Mill: Hutton Building, Spokane, Washington — Date Received: 8/15/58

Ore of: Autunite — Contract No. 9

Mining Claim: Hansen Lease — Mining District: Mt. Spokane

County: Spokane — State: Washington — Locality: Mt. Spokane

Pounds	H_2O	Pounds	Assay - Percent U_3O_8	Content - Pounds U_3O_8
718,500	4.36	687,143	.298	2047.69

U_3O_8	Per Ton	Short Tons	Total Value
.298 % 5.96 # AT			$ 7,166.98
Development allowance 2047.69			1,029.05
5.96 # -4#) = 1.96 #At	1.47	343.5715	505.05
Premium in excess of 10# Per ton			
TOTAL U_3O_8 PAYMENT			[illegible]
Haulage allowance 62.1 miles @ 6¢ per wet ton mile (359.25 Wet Tons)			[illegible]
			[illegible]
Net Proceeds	Less Umpire Costs		[illegible]
			$10,000.[illegible]

Correct
Checked
Approved

Paid 9/17/58
Vo. No.
Check No. 3010

RECEIVED SEP 7 1958

Monthly Average — Cash Advance — Individual X

Cy sent to 800

OFFICIAL FILE COPY
DMEA
RECEIVED
DATE
9/19 C 220
Murphy 700

1301 N. Division Street
Spokane 2, Washington

September 10, 1958

Mr. G. A. Turner
DMEA Auditor, Region I
1301 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA-4600 ([illegible])
Madhole Exploration, Inc.
Hanson Lease
Spokane County, Washington
Contract No. Idm-K1154

Dear Mr. Turner:

The project work under the referenced contract was completed by June 30, 1958. All the work performed was done to the satisfaction of the Government.

A final inspection report on the completed work was submitted by G. G. Waddell on July 11, 1958.

The Operator's final engineering and geological report was received on September 9, 1958. It is considered as having met the requirements of Article 7(c) of the contract.

The Government has no equity in equipment, materials or supplies used at the project.

A certification of discovery will not be recommended in the Field Team final report.

Work units completed within the terms of the contract are:

Stage I	Authorized	Completed
Bulldozer work	105 hrs.	105 hrs.
Transportation of dozer	$75.00	$75.00
Supervision and technical services	1 month	1 month
Chemical analyses for U_3O_8	50 samples	none
Stage II		
Bulldozer work	95 hrs.	15 hrs.
Transportation of dozer	$75.00	$43.45
Wagon drilling - 0 - 80'	1000 ft.	380 ft.
80 - 150'	750 ft.	—
Supervision and technical services	3 months	1/2 month
Chemical analyses for U_3O_8	90 samples	none

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

By Field Team, Region I

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

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

cc: BSMA (3)
USGS (2)
USBM (AB)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division Street
Spokane 2, Washington

September 10, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 15 1958

DATE	INITIALS	CODE
9-15	C	220
9/15	[illegible]	800
"	Murphy	700

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

Re: Docket No. DMEA-4800 (uranium)
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington
Contract No. Idm-E1154

Dear Mr. Selfridge:

Enclosed are the original and one copy of the Operator's final report on this contract. This report is acceptable to the Field Team.

As stated in our letter to you of August 26, 1958, the Field Team final report will not recommend a Certification of Discovery.

By Field Team, Region I

A. E. Weissenborn

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

Stephen W. Zoldok

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

Enclosure

cc: USGS (2)
USBM (AD)

RECEIVED
BUREAU OF MINES
SEP 9 - 1958
SPOKANE, WASH.

Mudhole Exploration, Inc.

FRANK DUVAL, SR., PRESIDENT
ADOLF NISSEN, FIRST VICE PRES.

RIVERSIDE 7-1195 • 712 HUTTON BUILDING
SPOKANE 4, WASHINGTON

RALPH UMBREIT, SECOND VICE PRES.
DUANE H. WATTERS, SECY.-TREAS.

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 15 1958

DATE	INITIALS	CODE

DMEA No. Uranium
Contract No. Idm-E1154
Operator: Mudhole Exploration, Inc.
Name & location of property: Hanson lease (SE 1/4, Sec. 33, T28, R. 45 EWM)

The work commenced approximately April 15, 1958 and ended about June 20, 1958.

The work completed is as follows:

@ $17.00/hr

About 2,100 ft. of bulldozed trenching (105 hrs.)	$1,785.00
Bulldoze six drill platforms and access. (15 hrs.)	255.00
Drilling - 300 ft.	375.00
Labor	900.00
Payroll taxes and insurance	71.94
Moving D-8 Cat.	118.45 75.00
Small tools	25.73
Total	$3,531.12
	3,487.67 Fman

Attached is a copy of a geological report prepared by the Company's geologist, David M. Berry.

Also enclosed is a geological map of the property.

Very truly yours,

MUDHOLE EXPLORATION, INC.

Duane H. Watters

Duane H. Watters, Secretary-Treasurer

OPR'S FINAL REPORT

Mudhole Exploration, Inc.

FRANK DUVAL, SR., PRESIDENT
ADOLF NISSEN, FIRST VICE PRES.

RIVERSIDE 7-1195 • 712 HUTTON BUILDING
SPOKANE 4, WASHINGTON

RALPH UMBREIT, SECOND VICE PRES.
DUANE H. WATTERS, SECY.-TREAS.

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 15 1958
DATE | INITIAL | CODE

GEOLOGICAL REPORT

GENERAL DESCRIPTION:

The Hanson Lease of Mudhole Exploration, Inc. is located on the South Slope of Mount Spokane (slightly over 3 miles direct South of the summit). The lease has an average elevation of 3500 feet above sea level and is readily accessible by a graded county road. The lease is bisected from N. E. to S. W. by the valley of the South Fork of Deadman Creek. Numerous minor valleys which trend essentially N-.S. lead into the main valley. The lease is quite heavily timbered with the exception of the granite ridge in the northwest portion. Here buckbrush is the predominant vegetation. The topography is fairly rugged in most areas - 25° slopes being not too uncommon. Depth of overburden varies from 6' -8' in some level areas and in valleys to 1'-2' on some slopes and ridges.

GEOLOGY:

The entire Hanson Lease is underlain by the Loon Lake granite formation of Late Cretaceous age. The main rock type is a medium to coarse grained quartz monzonite with numerous pegmatitic segregations and some pegmatite dikes.

Trenching has shown the general attitude of the segregations, dikes and small faults to be North-South with a west dip varying from 40 to 50 degrees.

Exploration trenches on the Hanson Lease were unsuccessful in cutting any major ore-bearing structure. The autunite mineralization encountered in government trenches 'C' & 'C-1' is confined primarily to small slips & faults (?) which strike N-S and dip West at 45° . Though the mineral is sporadically distributed along the extent of the slips as wall coatings and fracture fillings (averaging 1/8" to 1/4" in thickness), there are also some localized spots where the mineral has attained crystals up to 1 3/8" thick.

The only production derived from government trenching was from trenches 'C' & 'C-1' (see map). This ore, though higrade, was not persistent at depth. The quantity of ore from this area was 2 (two) tons of 0.50% U_3O_8 and would be valued at $159.00 <u>if</u> the production bonus were realized. Prior to the granting of the government loan approximately 95 tons of low-grade ore were stockpiled from the area adjacent to the West property line. It was originally planned to use this ore to blend with higrade from the West line but because of the difficulty of maintaining a sufficiently high quality of ore with the backhoe employed in mining, only 50 tons of this ore was used.

Exploration drilling was carried out with a small percussion drill mounted on a D-2 Cat. Only 6 government holes were drilled to 50-foot depth. (seeMap) Government holes included G.P. -1 through 4 and G.P. 6 and 7. The only government hole to encounter autunite mineralization was G.P.-1 which cut a higrade zone of ore at 22 1/2 feet. This was approximately 4-6 inches thick and the cuttings were contaminated from 22 1/2 feet to 28 feet.

No assays were performed as the company employed a Babbet counter probe and footage counter to check the drill holes.

FINAL COMMENTS:

The company attempted to commence trench 'A' on April 15th, however previous heavy rains had rendered the steep slopes impossible for the D-8 Caterpillar. Consequently trenching operations were suspended until April 30th. The D-8 proved most satisfactory in performing trenching operations.

Though the project did not succeed in developing any worthwhile uranium mineralization in the area explored, the company presently intends to continue operations to the area adjacent to the West property line.

MUDHOLE EXPLORATION, INC.

DATED August 29, 1958

David M. Berry

David M. Berry, Geologist

MChing/gla
9/2/58

DRAFT

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Mudhole Exploration, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E 1154, Docket No. DMEA- 4800, dated November 14, 1957, as amended, hereinafter called the "Contract," that:

1. Effective July 3, 1958, 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 agreed actual and fixed unit costs of the work performed prior to July 3, 1958.

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 certification of discovery or development, 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 hereby releases and agrees to save the Government harmless from all claims and 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 _____
Administrator, Defense Minerals
Exploration Administration

_____

By _____

Title _____

1201 N. Division St.
Spokane 2, Washington

August 26, 1958

8/29 C 220
800
700
(Murphy) FMM

Mudhale Exploration, Inc.
712 Hutton Building
Spokane 4, Washington

Re: Docket No. DMEA-4800 (uranium)
Hansen Lease
Spokane County, Washington
Contract No. Idm-X1154

Gentlemen:

Work under the cited contract was completed by July 3, 1958 when a final inspection of the work was made by DMEA field men.

We cannot release any of the $800 currently being withheld until we receive five copies of an acceptable final report. The report should include a geological and engineering evaluation of the project work and a resume of the costs. The requirements of a final report are described in Article 7(c) of the contract.

Upon the receipt of an acceptable final report we can proceed with an audit of your account after which we will release any funds due you.

By Field Team, Region I

Ming G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

D. H. MacLaren, Acting Member
U. S. Geological Survey

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

August 26, 1958

8/29 C 220
" ~~Chm~~ 1304
(Murphy) 700

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

Re: Docket No. DMEA-4800 (uranium)
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington
Contract No. Idm-E1154

Dear Mr. Selfridge:

All of Stage I work and a portion of Stage II (see Work Authorization dated May 27, 1958) was completed by June 30, 1958. The results of the six holes drilled under Stage II were so discouraging that no further work was warranted.

We recommend that a mutual termination agreement be prepared effective as of July 3, 1958, the date of the final inspection.

The Field Team final report will not recommend a Certification of Discovery. A shipment of about 350 tons of uranium ore was recently made to the Ford mill on which returns have not yet been received. All but 50 tons is subject to royalty as the ore was mined during the contract period even though it was not benefited by the exploration. The bulk of the ore was mined from within 200 feet of the State Park boundary.

By Field Team, Region I

Wing G. Agnew

Wing G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

D R MacLaren

D. R. MacLaren, Acting Member
U. S. Geological Survey

cc: USGS (2)
USBM (AD)
Turner

		CODE
7/17	21.g.	225
7/17		800
		200

1201 N. Division St.
Spokane 2, Washington

July 14, 1958

Mudhole Exploration, Inc.
712 Hutton Building
Spokane, Washington

Re: Docket No. DMEA-4800 (Uranium)
Hanson Lease
Contract No. Idm-E1154
Monthly operating report for
May 26 to June 30, 1958

Gentlemen:

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

We are withholding an amount of $200.00 pending receipt of a final audit by a representative of the Contract Administration and Audit Division of Defense Minerals Exploration Administration. This is the customary procedure and is applicable to all contracts.

By Field Team, Region I

Wing G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

William C. Prinz, Acting Member
U. S. Geological Survey

cc: DMEA (2)
USGS (2)
AD

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

July 11, 1958

8/4 H.G. 225
" Com 100
" Hd 110
8/5 400 800
~~Total~~ 700

MEMORANDUM

To: DMEA Field Team, Region I

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

Subject: Final inspection, Docket No. DMEA-4800 (uranium), Mudhole Exploration, Inc., Hanson Lease, Spokane County, Washington, Contract No. Idm-E1154

The property was inspected July 3, 1958, with H. F. Albee, geologist, U. S. Geological Survey. We were accompanied by Mr. David Berry, company geologist and supervisor.

All of Stage I work and the work authorized under Stage II has been completed.

At the time of the inspection, Mr. Berry and two laborers were hand-picking ore. An estimated 14 tons containing 0.30% U_3O_8 + was recently stockpiled. Nearly all of this ore was mined from the original discovery near the Mt. Spokane State Park boundary but a small amount was hand-picked from uranium uncovered by the DMEA exploration work. Mr. Berry was reminded that this ore would be subject to Government royalty. An additional 100 tons of ore and sub-ore was stockpiled in 1957, prior to the DMEA contract. Of this stockpile 50 tons was estimated to assay 0.20% U_3O_8 and the other 50 tons would assay less than 0.05% U_3O_8. The Operator plans to mine and ship 350 tons of ore to the Ford mill that will average better than 0.20% U_3O_8.

The following work has been performed:

Stage I	Length	Depth	Hrs. Dozing (est.)
Trench A and E	750'	8'	42
B	550'	7'	21
C and C-1	500'	12'	34½
D	300'	8'	7½
	2100 ft. @ aver.	8½' depth	105 hrs.

In addition, the Operator excavated over 750 lateral feet of trenching at his own expense.

Stage II

Hole No.	Mineralization	Authorized	Completed
P-1	23-23.3' est. 1% U_3O_8	50'	50'
P-2	Blank	50'	50'
P-3	"	50'	70'
P-4	"	50'	50'
P-5	"	--	50'
P-6	"	50'	50'
P-7	"	50'	50'
P-8 thru P-21 *		--	665'
Total		300'	1035'

* Note: Most of these unauthorized holes were drilled near the State Park boundary to outline an ore body.

The status of the contract is:

Contract date: November 14, 1957
Termination date: September 1, 1958
Amount of contract: $9,520.00
Amount spent: 3,531.12 (subject to audit)

Stage I	Unit cost	Units Authorized	Units Completed
Bulldozer work	$17/hr.	105 hrs.	105 hrs.
Transportation of dozer		$75	$75
Supervision and tech. serv.	$600/mo.	1 mo.	1 mo.
Chem. analyses for U_3O_8	$5/sample	50 samples	none
Stage II			
Bulldozer work to prepare drill sites	$17/hr.	95 hrs.	15 hrs.
Transportation of dozer		$75	$43.45
Wagon drilling 0 - 80'	$1.25/ft.	1000 ft.	300 ft.
80 - 150'	1.40/ft.	750 ft.	--
Supervision and tech. serv.	$600/mo.	3 mo.	½ mo.
Chem. analyses for U_3O_8	$5/sample	90 samples	none

The Government holds no equity in the equipment used on this project.

No certification of discovery or development is recommended and no further exploration work with Government participation is warranted. Royalty will be due for the ore mined during the life of the contract.

G. G. Waddell

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

June 6, 1958

dum

Hazel Berry, Operating Committee

Grace L. Ault, Division of Rare and Misc. Metals

ect: Amendment to contract

Mr. Murphy has reviewed and approved Amendment No. 1, dated May 29, 1958, to Contract No. Idm-E1154, Docket No. DMEA-4800, Mudhole Exploration, Inc., executed by the Operator and the Executive Officer, Region I. It does not require review by the Legal Division.

/s/ Grace L. Ault

Grace L. Ault

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

ORIGINAL FILE COPY
DMEA
RECEIVED JUN 5 1958

June 2, 1958

6/5 C 220
Murphy 130
700

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

Re: Docket No. DMEA-4800 (Uranium)
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington
Contract No. Idm-E1154

Dear Mr. Selfridge:

Enclosed are the Government and Audit copies of Amendment No. 1 to the contract.

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

Sincerely yours,

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

Enclosures

cc: USBM (2)
USBM (AD) w/copy of encl.
Albee

OFFICIAL FILE COPY
DMEA
RECEIVED 1958
DATE

So. 157 Howard Street
Spokane 4, Washington

May 29, 1958

Mudhole Exploration, Inc.
712 Hutten Building
Spokane, Washington

Re: Docket No. DMEA-4800 (Uranium)
Hansen Lease
Spokane County, Washington
Contract No. Ism-E1154

Gentlemen:

Enclosed are the original and four copies of a proposed Amendment No. 1 signed by the Executive Officer, DMEA Field Team, Region I, for the Government, extending the completion period of your contract from June 1, 1958 to September 1, 1958.

If this amendment meets with your approval, please sign all copies, retain the one marked for the Operator, and return the other copies to this office. If the amendment does not meet with your approval, please return all copies to us.

Sincerely yours,

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

Enclosures

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

So. 157 Howard Street
Spokane 4, Washington

May 27, 1958

Mudhole Exploration, Inc.
712 Hutton Building
Spokane, Washington

Re: Work Authorization
Docket No. DMEA-4300 (Uranium)
Hanson Lease
Spokane County, Washington
Contract No. Idm-11154

Gentlemen:

This letter confirms verbal authorization given to Mr. Dave Berry May 26, 1958, to drill six holes under Stage II at the approximate locations indicated to him on the map he brought to the office. The proposed holes are located in three areas with two holes in each area. If mineralized material is encountered in any of the three areas, then further holes may be drilled in that area with prior authorization by the Field Team.

The drill holes are to be spaced not closer than 100 feet apart and are not to be drilled deeper than 50 feet unless mineralized material is found. In the event mineralized material is encountered, the holes may be drilled deeper with prior authorization of the Field Team.

By Field Team, Region I

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

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

cc: DMEA(3)
[illegible](2)
[illegible](A2)
File

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

May 26, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 9 1958

6/9	C	220
	Com	100
"		110
6/10		800
To	Murphy	700

MEMORANDUM

To: DMEA Field Team, Region I

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

Subject: Interim inspection, Docket No. DMEA-4800 (uranium), Mudhole Exploration, Inc., Hanson Lease, Spokane County, Washington, Contract No. Idm-E1154

The property was inspected May 16, 1958, with Howard Albee, geologist, U. S. Geological Survey, accompanied by David Berry, company geologist, Mr. Umbright, a company officer, and Mr. Hansen, the property owner. On May 26 Mr. Berry visited the Bureau office to discuss Stage II plans.

At the time of the visit the last dozer trench was being completed. We requested the Operator to deepen Trench C and to widen the trench in an attempt to trace a structure. The trenching followed the original plan except that Trench E footage was used to extend Trench A, and Trench D was moved uphill to facilitate better drainage. This work consumed the 105 hours allotted for dozing under Stage I. In addition, the Operator performed a small amount of trenching at his own expense in an area about which he was curious.

The following is a summary of the work performed:

	Length	Depth
Trench A and E	800 ft.	8 ft.
B	600	
C	400	
D	300	
	2100 ft. @ 8' depth	

The Operator has plotted the location of 8 drill holes for Stage II and some dozer work for drill sites. I recommend that this work be authorized.

The status of the contract is:

Date of contract: November 14, 1957
Termination date: September 1, 1958 (as amended)
Amount of contract: $9,520.00
Amount spent: 0 (no voucher submitted as yet)

Stage I	Authorized	Completed
Bulldozer trenching	105 hrs.	105 hrs.

G. G. Waddell

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

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

DMEA
JUN 9 1958

May 20, 1958

MEMORANDUM

To: DMEA Field Team, Region I

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

Subject: Interim Inspection Report, Docket No. DMEA-4800 (Uranium), Mudhole Exploration, Inc., Hanson Lease, Spokane County, Washington, Contract No. Idm-E1154

The property was visited May 16, 1958, in company with G. G. Waddell, Mining Engineer, U. S. Bureau of Mines.

Trenching under Stage I was nearly completed at the time of the inspection. A wide mineralized zone of anomalous radioactivity is exposed in one trench but there were no visible uranium minerals. Aggregates of autunite crystals in a thin zone of fault gouge and some autunite along a 4-6 inch wide pegmatite are exposed in another trench. The largest accumulation of autunite was seen in the wall of this trench where the fault cut the pegmatite. The pegmatite was offset about 2 feet and the autunite was mainly along the fault between the offset segments of the pegmatite.

The inspecting team recommended that the remaining trenching be used to expose the pegmatite along its strike to see if it were cut by other faults. Such a relationship appears to afford the best target for possible drilling under Stage II.

The company geologist is preparing a map to show the results of Stage I bulldozing. When it is received, copies will be made to supplement this memorandum.

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

OFFICIAL FILE COPY DMEA RECEIVED MAR 19 1958		
DATE	INITIALS	CODE
3/19	C	220
		700

[illegible]

[illegible] March 18, 1958

DMEA Contract No. 4800
DMEA Contract [illegible]
Commodity: Uranium
Name of Applicant: Mudhole Exploration, Inc.
Name of Property: Hanson Lease
Location of property: Spokane, Washington
Estimated cost of project: $9,439.70

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

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

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

1. Date of subject document: 3/10/58 2. Date received by reviewer: 3/18/58

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

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

5. Information available on past production: Yes [ ] No [ ]

6. Other pertinent factors known to reviewer: Yes [ ] No [ ]

7. Explain items marked yes above:

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

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

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

Official COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

DATE	INITIALS	CODE
12/2	C	220
12/3	B	215
11	FMM	700

November 27, 1957

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

Re: Docket No. DMEA-4800 (Uranium)
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington
Contract No. Idm-E1154

Dear Mr. Selfridge:

Enclosed are the Government and Audit copies of this contract. By copy of this letter, other copies are being distributed.

Due to snow in the area the Operator will not be able to start work this fall. With luck, he hopes to be able to start by May 1, 1958, and to complete at least Stage I by June 1, 1958. If the snow conditions make it impossible for work to start by May 1, 1958, we will request an amendment extending the starting and completion dates.

By Field Team, Region I

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

Thomas E Howard
for Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures
cc: Finance Office w/cy contract
USBM(2)
Albee

XXXXXXXXXXXXXXXXX
So. 157 Howard Street
Spokane 4, Washington

November 19, 1957

11/22 C 220
~~21 EWM 700~~

Mudhole Exploration Company
712 Hutton Building
Spokane, Washington

Re: Docket No. DMEA-4800 (Uranium)
Hanson Lease
Spokane County, Washington

Gentlemen:

Enclosed are the original and four copies of a proposed contract signed by the Administrator for the Government. If the contract meets with your approval, would you please have an authorized representative of the corporation sign all copies, retain that copy marked for the Operator, and return the rest to this office. If any part of the proposed contract does not meet with your approval, please return all copies to this office with your objections.

Please note that you are authorized to do the bulldozing yourself at a cost of $12.50 per hour. If you choose to have the bulldozing done by an independent contractor, the unit cost per hour shall be subject to Government approval (p. 5 of Exhibit "A", footnote 1).

Please insert in Article 3 the date work shall commence.

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

Sincerely yours,

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

Enclosures

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

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

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 13 1957
DATE | Initials | CODE
11/15 | C | 220
11 | [illegible] | 700

November 12, 1957

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

Re: Docket No. DMEA-4800 (Uranium)
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington

Dear Mr. Selfridge:

Enclosed are three copies of a letter dated October 30, 1957, from Mr. Arthur E. Granger, Area Manager, Salt Lake Area Office, Atomic Energy Commission, in regard to this property located in the Mount Spokane area.

Sincerely yours,

A E Weissenborn

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

Enclosures
cc: USBM(2)
Alvord

SLAO:RJM:[illegible]

October 30, 1957

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

Re: Docket No. DMEA-4800 (Uranium)
Moulthrop Exploration
[illegible]son Lease
[illegible] County, Washington

Dear A[illegible]

Geologically the property appears [illegible] for exploration. Although the location [illegible] state land [illegible] to mineral entry [illegible] expedency [illegible] of the venture [illegible] located from the producing Mo Spr[illegible] would afford an excellent opportunity [illegible] of this type of [illegible]

Very truly yours,

Arthur [illegible] Granger
Area Manager
Salt Lake Area Office

DMEA Form 7
(12-56)

retyped

OFFICIAL FILE COPY

Date	Surname	Code
11/13	Martin	130
"	Johnson	110
"	[illegible]	100
		~~240~~
11/14	C	220
		700

B

NOV 14 1957

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

Re: Docket No. DMEA-4800 (Uranium)
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington

Dear Mr. Weissenborn:

Enclosed are the original and four copies of a proposed long-form contract, signed by the Administrator for the Government. Attached to each contract form MF-200 are Annex I (1 page), a Consent to Lien and Subordination Agreement, Exhibit "A" (5 pages), and Plate 1. Also enclosed for Field Team use are two extra copies of Annex I, Exhibit "A," and Plate 1.

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

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

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (SAB)

Enclosures

APPROVED:

O. M. Bishop (SAB)

Member, Bureau of Mines

Thor H. Kiilsgaard (SAB)

Member, Geological Survey

P.S. Note special notice 1/ Estimated Costs.

*Insert in Article 3 the date work shall commence.

FMMurphy/izm 11-7-57

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

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11-7	Murphy	700
11-7	Ellis	700
11-7	Chambers	800
		138
		110
		160
		5[illegible]
		220
		700

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

Re: Docket No. DMEA-4800 (Uranium)
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington

Dear Mr. Weissenborn:

Enclosed are the original and four copies of a proposed long-form contract, signed by the ~~Acting~~ Administrator for the Government. Attached to each contract form MF-200 are Annex I (1 page), a Consent to Lien and Subordination Agreement, Exhibit "A" (5 pages), and map Plate 1. Also enclosed for Field Team use are two extra copies of Annex I, Exhibit "A," and Plate 1.

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

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

Sincerely yours,

Chairman, Operating Committee

Enclosures

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

*Insert in Article 3 the date work shall commence.

FMMurphy/izm 11-7-57
cc: Mr. Murphy
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224

P.S. Note special notice 1/ Estimated Costs

8623

Smith
4800

Mr. Delsingh

Operating Committee:
We've never paid
so high for bulldozing.
JK

P.S. If Operator does not
use stockholders equipment
and the bids should be obtained
before field town approves
entire [illegible]
JK

add to

The unit cost per hour for an independent bulldozing contract shall be subject to Government approval.

Call Legal (Long)

Government's copy

MF-200
(Revised June 1954)

Docket No. DMEA 4800

Commodity Uranium

Contract No. Idm-E

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this ..... day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Mudhole Uranium, Inc., a State of Washington corporation (?)

whose mailing address is 712 Hutton Building
Spokane, Washington
hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and map, plate 1.

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Washington, County of Spokane, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] See Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] ..... recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Royalty of 10% of net receipts from the sale of all minerals payable to the lessor.

(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 Consent to Lien and Subordination Agreement

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium The work to be performed is described in Exhibit "A." The Operator on or before shall commence the work, and on or before June 1, 1958 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall ~~either~~ have completed the work ~~or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A"~~ 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 $ 9,520.00 The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $ 7,140.00 : *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

Mudhole Exploration, Inc.

FRANK DUVAL, SR., PRESIDENT
ADOLF NISSEN, FIRST VICE PRES.

RIVERSIDE 7-1195 • 712 HUTTON BUILDING
SPOKANE 4, WASHINGTON

RALPH UMBREIT, SECOND VICE PRES.
DUANE H. WATTERS, SECY.-TREAS.

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 31 1957

DATE	INITIALS	CODE
10/31	C	220
11	FMM	700

October 28, 1957

United States Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Attention: Ernest Wm. Ellis, Director
Division of Rare and
Miscellaneous Metals

Re: Docket No. DMEA-4800 (Uranium)
Hanson Lease
Spokane County, Washington

Dear Sir:

As per your request of October 21, 1957, we enclose herewith:

(1) A copy of the instrument recorded in Volume 531, Record of Deeds, page 503; wherein the mineral rights to the SE¼ of sec. 33, T. 28 N., R. 45 E., E.W.N. were released by the Northern Pacific Railroad on August 6, 1946.

(2) Copies of the 10 notices of mining location covering the entire ¼ section involved and recorded in volume 64, Miscellaneous, on pages 442-451.

Mr. Clarence A. Hanson is unmarried.

We trust this information will meet your requirements.

Very truly yours,

MUDHOLE EXPLORATION, INC.

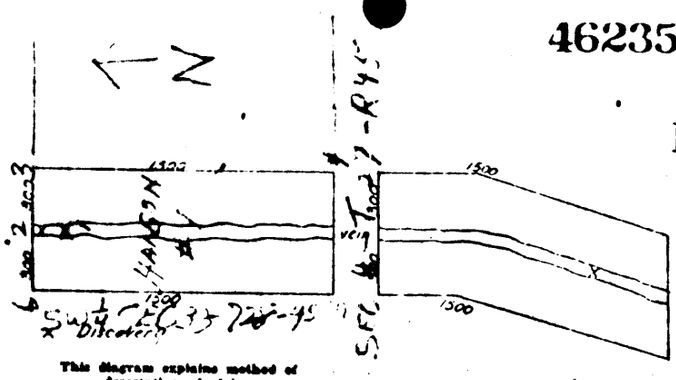
Duane H. Watters

Duane H. Watters
Secretary-treasurer

DHW:gr
encls.

BOOK 64 PAGE 442

4623548



This diagram explains method of description of claim.

Notice of Mining Location

WASHINGTON State

SPOKANE County

MT. SPOKANE Mining District

NOTICE IS HEREBY GIVEN That the undersigned, having complied with the requirements of Chapter six of Title thirty-two of the Revised Statutes of the United States, and the laws of the above State, and the local customs and regulations of said District, has located and does hereby locate 1500 linear feet in length, and 600 feet in width on the "HANSON #1" lode, vein, ledge or deposit (or placer ground), situated in the above State, County and Mining District, and further described as follows: Commencing at a post marked No. 1 at the Discovery shaft (cut or tunnel), from thence 100 feet in a Northerly direction to an end post marked No. 2, thence 300 feet in a Easterly direction to a corner post marked No. 3. thence 1500 feet in a Southerly direction to a corner post marked No. 4, thence 600 feet in a westerly direction to a corner post marked No. 5, thence 1500 feet in a Northerly direction to a corner post marked No. 6, thence 300 feet in an Easterly direction to said end post No. 2; hereby locating and intending to claim 100 feet in a Northerly direction from discovery to the North end line. and 1400 feet in the opposite direction from discovery to the South end line and 300 feet on each side of the middle of said lode or ledge, for the purpose of mining the same and claiming all surface rights, privileges, and minerals, with all dips, spurs, angles and variations, and other rights granted by existing laws and customs.

This claim is further described as follows:

Situated in the Southeast quarter of Section 33, Township 28, Range 45 EWM. The South End line of said claim and the Section line between Sections 4 and 33 are common. The West Side line and the quarter section line of Section 33 are common. Said claim adjoins the "HANSON #2" to the East and the "HANSON #6" to the North.

This notice is placed at Discovery on post No. 1; posts are placed at each corner, and the name of this lode, and date of location, are placed on all posts.

Located this 26th day of May A. D. 1957

Cleonice A. Hanson

Locator.

WITNESSES:

Ralph E. Ulmarcit

Adolf C. Hansen

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 31 1957

DATE	INITIALS	CODE

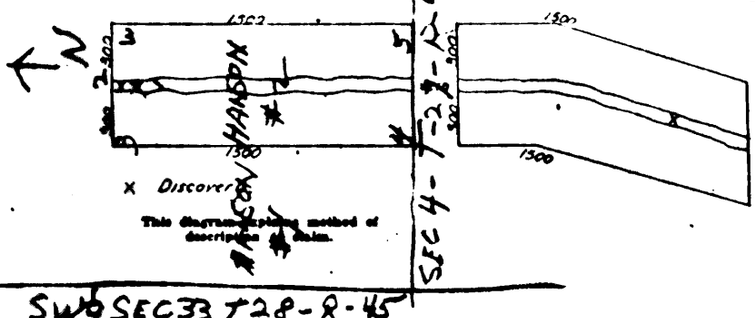
FILED FOR RECORD May 28 1957

Adolf

FRANK

462355B

Notice of Mining Location



SW¼ SEC 33 T28-R-45

WASHINGTON State

SPOKANE County

MT. SPOKANE Mining District

NOTICE IS HEREBY GIVEN That the undersigned, having complied with the requirements of Chapter six of Title thirty-two of the Revised Statutes of the United States, and the laws of the above State, and the local customs and regulations of said District, has located and do hereby locate 1500 linear feet in length, and 600 feet in width on the "HANSON #2" lode, vein, ledge or deposit (or placer ground), situated in the above State, County and Mining District, and further described as follows: Commencing at a post marked No. 1 at the Discovery shaft (cut or tunnel), from thence 100 feet in a Northerly direction to an end post marked No. 2, thence 300 feet in a westerly direction to a corner post marked No. 3, thence 1500 feet in a Southerly direction to a corner post marked No. 4, thence 600 feet in a Easterly direction to a corner post marked No. 5, thence 1500 feet in a Northerly direction to a corner post marked No. 6, thence 300 feet in a Westerly direction to said end post No. 2; hereby locating and intending to claim 100 feet in a Northerly direction from discovery to the North end line, and 1400 feet in the opposite direction from discovery to the South end line and 300 feet on each side of the middle of said lode or ledge, for the purpose of mining the same and claiming all surface rights, privileges, and minerals, with all dips, spurs, angles and variations, and other rights granted by existing laws and customs.

This claim is further described as follows:

Situated in the Southeast Quarter of Section 33, Township 28N, Range 45 EWM. The South End line of Said Claim and the Section line Between Sections 4 and 33 are common. The West Side line is parallel to and approximately 600 feet East of the quarter Section line of Section 33. Said claim adjoins the "HANSON#1 to the West, the "HANSON#3" to the East and the "HANSON#7" to the North. Distances are approximate.

This notice is placed at Discovery on post No. 1; posts are placed at each corner, and the name of this lode, and date of location, are placed on all posts.

Located this 26th day of May, A. D. 1957

Clarence A. Hanson

Locators.

WITNESSES:

Ralph H. Norbert

Ralph C. Nielsen

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 31 1957

DATE	INITIALS	CODE

FILED FOR RECORD MAY 28 1957 AT 11:01A

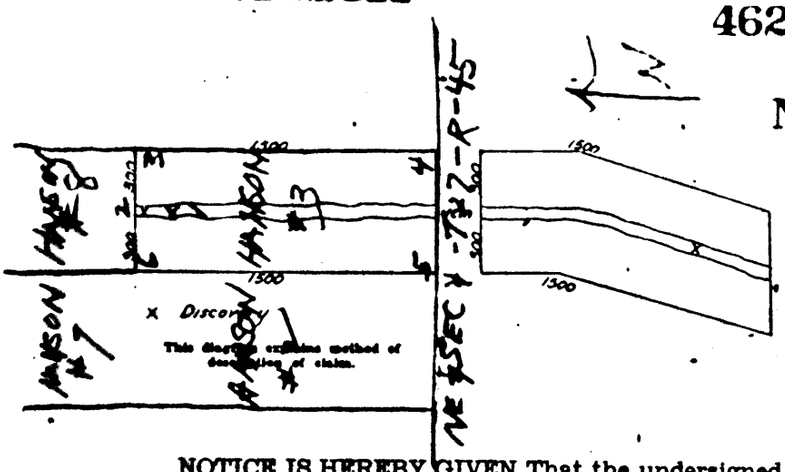
Ralph C. Nielsen

FRANK J. GLASER, SPOKANE

Guaranteed title insurance, which guaranty is insured in LLOYD'S, London - Pat. Pend.
Form No. D-204

BOOK 64 PAGE 444

462356B



Notice of Mining Location

WASHINGTON State

SPOKANE County

MT. SPOKANE Mining District

NOTICE IS HEREBY GIVEN That the undersigned, having complied with the requirements of Chapter six of Title thirty-two of the Revised Statutes of the United States, and the laws of the above State, and the local customs and regulations of said District, has located and does hereby locate 1500 linear feet in length, and 600 feet in width on the "HANSON #3" lode, vein, ledge or deposit (or placer ground), situated in the above State, County and Mining District, and further described as follows: Commencing at a post marked No. 1 at the Discovery shaft (cut or tunnel), from thence 100 feet in a Northerly direction to an end post marked No. 2, thence 300- feet in an Easterly direction to a corner post marked No. 3, thence 1500 feet in a Southerly direction to a corner post marked No. 4, thence 600 feet in a Westerly direction to a corner post marked No. 5, thence 1500 feet in a Northerly direction to a corner post marked No. 6, thence 300 feet in a Easterly direction to said end post No. 2; hereby locating and intending to claim 100 feet in a Northerly direction from discovery to the North end line. and 1400 feet in the opposite direction from discovery to the South end line and 300 feet on each side of the middle of said lode or ledge, for the purpose of mining the same and claiming all surface rights, privileges, and minerals, with all dips, spurs, angles and variations, and other rights granted by existing laws and customs.

This claim is further described as follows:

Situated in the Southeast quarter of Section 33, Township 28, Range 45 EWM. The South End line of said claim and the Section line between Sections 4 and 33 are common. The West Side line is parallel to and approximately 1200 feet East of the quarter Section line of section 33. Said claim adjoins the "Hanson #2" to the West and the "Hanson #8" to the North. Distances are approximate.

This notice is placed at Discovery on post No. 1; posts are placed at each corner, and the name of this lode, and date of location, are placed on all posts.

Located this 26th day of May, A. D. 1957

Charles A. Hanson

Locators.

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 31 1957

DATE	INITIALS	CODE

WITNESSES:

Ralph E. Somberset

Adolf C. Nissen

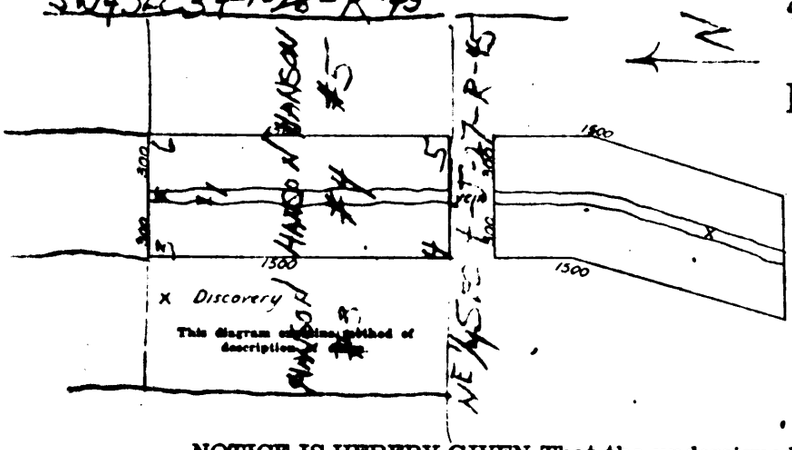
FILED FOR RECORD MAY 28 1957 AT 11:00 A.M.

Adolf C. Nissen

COUNTY AUDITOR

This blank is guaranteed against successful attack. Washington Legal Blank Co. (Notice of Min...)

SW¼SEC34-T-28-R-45



4623578 BOOK 64 PAGE 445

Notice of Mining Location

WASHINGTON State

SPOKANE County

MT. SPOKANE Mining District

NOTICE IS HEREBY GIVEN That the undersigned, having complied with the requirements of Chapter six of Title thirty-two of the Revised Statutes of the United States, and the laws of the above State, and the local customs and regulations of said District, has located and do hereby locate 1500 linear feet in length, and 600 feet in width on the "Hanson #4" lode, vein, ledge or deposit (or placer ground), situated in the above State, County and Mining District, and further described as follows: Commencing at a post marked No. 1 at the Discovery shaft (cut or tunnel), from thence 100 feet in a Northerly direction to an end post marked No. 2, thence 300 feet in a Westerly direction to a corner post marked No. 3. thence 1500 feet in a Southerly direction to a corner post marked No. 4, thence 600 feet in a Easterly direction to a corner post marked No. 5, thence 1500 feet in a Northerly direction to a corner post marked No. 6, thence 300 feet in a Westerly direction to said end post No. 2; hereby locating and intending to claim 100 feet in a Northerly direction from discovery to the North end line. and 1400 feet in the opposite direction from discovery to the South end line and 300 feet on each side of the middle of said lode or ledge, for the purpose of mining the same and claiming all surface rights, privileges, and minerals, with all dips, spurs, angles and variations, and other rights granted by existing laws and customs.

This claim is further described as follows:

Situated in the Southeast quarter of Section 33, Township 28, Range 45EWM. The South End line of Said claim and the Section line between Sections 4 and 33 are common. The West Side line is parallel to and approximately 1800 feet East of the quarter Section line of Section 33. Said claim adjoins the "Hanson#5" to the East, the "Hanson#3" to the West and the "Hanson #9" to the North. Distances are approximate.

This notice is placed at Discovery on post No. 1; posts are placed at each corner, and the name of this lode, and date of location, are placed on all posts.

Located this 26th day of May, A. D. 1957

Clarence A. Hanson

Locators.

OFFICIAL FILE COPY
DNEA
RECEIVED OCT 31 1957

DATE	INITIALS	CODE

WITNESSES:

Ralph E. Strabrick

Adolf C. Nissen

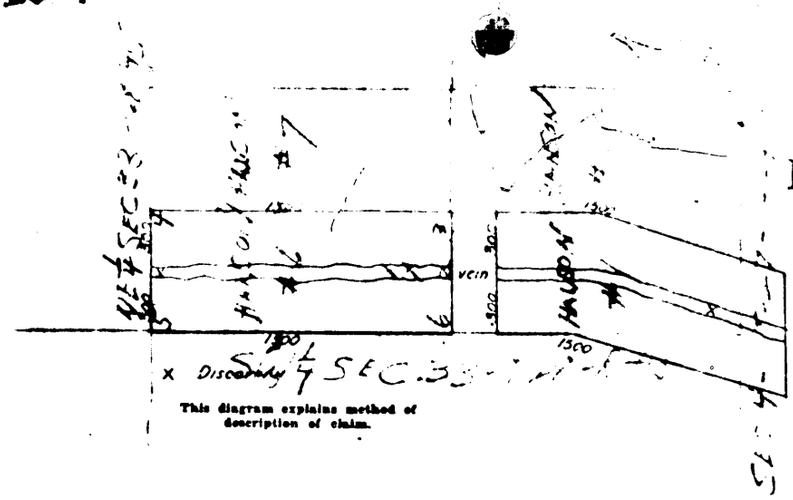
FILED FOR RECORD MAY 28 1957 AT 11:01 A

REQUEST OF Adolf C. Nissen

FRANK J. GLOVER SPOKANE COUNTY

This blank is guaranteed against successful alteration, which guaranty is insured in LLOYD'S, London - Pat. Pend.
Washington Legal Blank Co. (Notice of Mining Location - Quartz) Form No. D-284

4623598 BOOK 64 PAGE 447



This diagram explains method of description of claim.

Notice of Mining Location

WASHINGTON State

SPOKANE County

MT. SPOKANE Mining District

NOTICE IS HEREBY GIVEN That the undersigned, having complied with the requirements of Chapter six of Title thirty-two of the Revised Statutes of the United States, and the laws of the above State, and the local customs and regulations of said District, have located and do as hereby locate 1200 linear feet in length, and 600 feet in width on the "Hanson #6" lode, vein, ledge or deposit (or placer ground), situated in the above State, County and Mining District, and further described as follows: Commencing at a post marked No. 1 at the Discovery shaft (cut or tunnel), from thence 100 feet in a Southerly direction to an end post marked No. 2, thence 300 feet in a Easterly direction to a corner post marked No. 3. thence 1200 feet in a Northerly direction to a corner post marked No. 4, thence 600 feet in a Westerly direction to a corner post marked No. 5, thence 1200 feet in a Southerly direction to a corner post marked No. 6, thence 300 feet in a Easterly direction to said end post No. 2; hereby locating and intending to claim 1100 feet in a Northerly direction from discovery to the North end line. and 100 feet in the opposite direction from discovery to the South end line and 300 feet on each side of the middle of said lode or ledge, for the purpose of mining the same and claiming all surface rights, privileges, and minerals, with all dips, spurs, angles and variations, and other rights granted by existing laws and customs.

This claim is further described as follows:

Situated in the Southeast quart of Section 33, Township 28, Range 45 EWM. The North End line of said claim and the quarter Section line of Section 33 are common. The West Side line and the quarter Section line of Section 33 are common. Said claim adjoins the "Hanson #7" to the East and the "Hanson #1" to the South.

This notice is placed at Discovery on post No. 1; posts are placed at each corner, and the name of this lode, and date of location, are placed on all posts.

Located this 26th day of May, A. D. 1957.

Lawrence A. Hanson

Locators.

WITNESSES:

Ralph E. Umbart

Ada G. Nissen

FILED FOR RECORD MAY 28 1957 AT 11:01 A. M.

RECORDER Ada G. Nissen

COUNTY AUDITOR

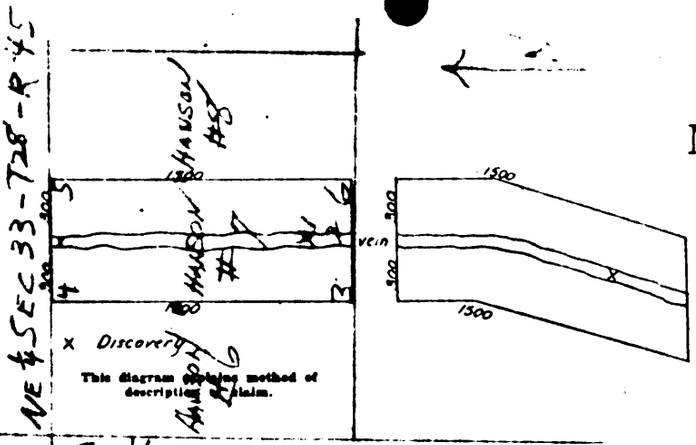
OFFICIAL FILE COPY
DMEA
RECEIVED OCT 31 1957

DATE	INITIALS	CODE

This blank is guaranteed against successful alteration, which guaranty is insured in ... Washington Legal Blank Co. (Notice of Mining Location - Quartz)

BOOK 64 PAGE 448

4623601



Notice of Mining Location

WASHINGTON State

SPOKANE County

MT. SPOKANE Mining District

SW¼ SEC 33 T-28 R-45

NOTICE IS HEREBY GIVEN That the undersigned, having complied with the requirements of Chapter six of Title thirty-two of the Revised Statutes of the United States, and the laws of the above State, and the local customs and regulations of said District, has located and do hereby locate 1200 linear feet in length, and 600 feet in width on the "Hanson #7" lode, vein, ledge or deposit (or placer ground), situated in the above State, County and Mining District, and further described as follows: Commencing at a post marked No. 1 at the Discovery shaft (cut or tunnel), from thence 100 feet in a Southerly direction to an end post marked No. 2, thence 300 feet in a Westerly direction to a corner post marked No. 3, thence 1200 feet in a Northerly direction to a corner post marked No. 4, thence 600 feet in a Easterly direction to a corner post marked No. 5, thence 1200 feet in a Southerly direction to a corner post marked No. 6, thence 300 feet in a Westerly direction to said end post No. 2; hereby locating and intending to claim 1100 feet in a Northerly direction from discovery to the North end line, and 100 feet in the opposite direction from discovery to the South end line and 300 feet on each side of the middle of said lode or ledge for the purpose of mining the same and claiming all surface rights, privileges, and minerals, with all dips, spurs, angles and variations, and other rights granted by existing laws and customs.

This claim is further described as follows:

Situated in the Southeast quarter of Section 33, Township 28, Range 45 EWM. The North End line of said claim and the quarter Section line of Section 33 are common. The West Side line is parallel to and approximately 600 feet East of the quarter Section line of Section 33. Said claim adjoins the "Hanson #8" to the East, the "Hanson #6" to the West and the "Hanson #2" to the South. Distances are approximate.

This notice is placed at Discovery on post No. 1; posts are placed at each corner, and the name of this lode, and date of location, are placed on all posts.

Located this 26th day of May, A. D. 1957.

Lawrence A. Hanson

Locators.

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 31 1957

DATE	INITIALS	CODE

WITNESSES: Ralph Hanson

Adolf C. Hansen

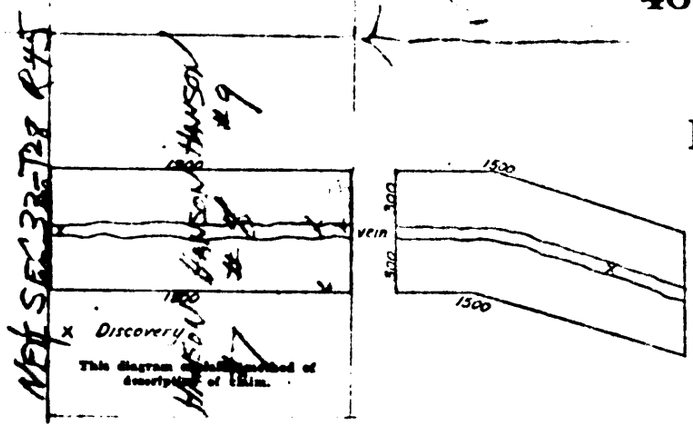
FILED FOR RECORD May 28 1957 AT 11:01 A M

REQUEST Adolf C. Hansen

FRANK J. LOUCKS SPOKANE COUNTY AUDITOR

Blank is guaranteed against successful alteration, which guaranty is insured in LLOYD'S, London - Pat. Pend.
Washington Legal Blank Co., Notice of Mining Location, Quartz. Form No. 105-M

4623618



Notice of Mining Location

WASHINGTON State

SPOKANE County

MT. SPOKANE Mining District

NOTICE IS HEREBY GIVEN That the undersigned, having complied with the requirements of Chapter six of Title thirty-two of the Revised Statutes of the United States, and the laws of the above State, and the local customs and regulations of said District, has located and does hereby locate 1200 linear feet in length, and 600 feet in width on the "Hanson #8" lode, vein, ledge or deposit (or placer ground), situated in the above State, County and Mining District, and further described as follows: Commencing at a post marked No. 1 at the Discovery shaft (cut or tunnel), from thence 100 feet in a Southerly direction to an end post marked No. 2, thence 300 feet in a Easterly direction to a corner post marked No. 3, thence 1200 feet in a Northerly direction to a corner post marked No. 4, thence 600 feet in a Easterly direction to a corner post marked No. 5, thence 1200 feet in a Southerly direction to a corner post marked No. 6, thence 300 feet in a Easterly direction to said end post No. 2; hereby locating and intending to claim 1100 feet in a Northerly direction from discovery to the North end line, and 100 feet in the opposite direction from discovery to the South end line and 300 feet on each side of the middle of said lode or ledge, for the purpose of mining the same and claiming all surface rights, privileges, and minerals, with all dips, spurs, angles and variations, and other rights granted by existing laws and customs.

This claim is further described as follows:

Situated in the Southeast quarter of Section 33, Township 28, Range 45 EWM. The North end line of said claim and the quarter Section line of Section 33 are common. The West Side line is parallel to and approximately 1200 feet East of the quarter Section line of Section 33. Said claim adjoins the "Hanson #7" to the West, the "Hanson #9" to the East and the "Hanson #3" to the South. Distances are approximate.

This notice is placed at Discovery on post No. 1; posts are placed at each corner, and the name of this lode, and date of location, are placed on all posts.

Located this 26th day of May, A. D. 19 57

Clarence A. Hanson

Locators.

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 31 1957

DATE	INITIALS	CODE

WITNESSES:

Ralph G. Umbreit

Adolf C. Nissen

FILED FOR RECORD MAY 28 1957 AT 11:01 A M

REQUEST OF Adolf C. Nissen

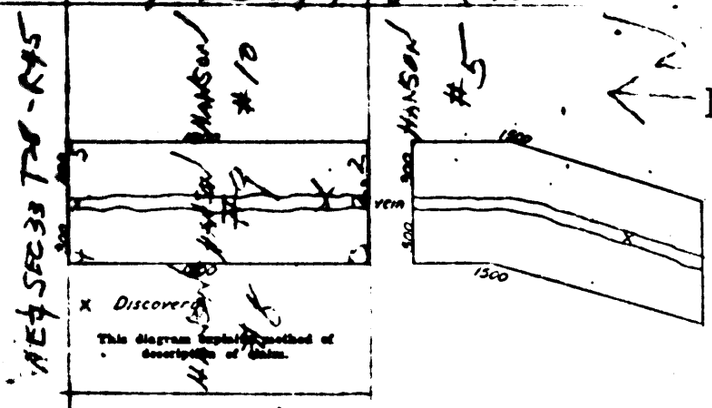
FRANK J. GLOVER, SPOKANE COUNTY AUDITOR

This mark is guaranteed against successful alteration or forgery and is insured by LLOYD'S, London - Pat. Pend.

BOOK 64 PAGE 450

SW ¼ SEC 34 T-28 -R45

462362B



Notice of Mining Location

WASHINGTON State

SPOKANE County

MT. SPOKANE Mining District

NOTICE IS HEREBY GIVEN That the undersigned, having complied with the requirements of Chapter six of Title thirty-two of the Revised Statutes of the United States, and the laws of the above State, and the local customs and regulations of said District, have located and do hereby locate 1200 linear feet in length, and 600 feet in width on the "Hanson #9" lode, vein, ledge or deposit (or placer ground), situated in the above State, County and Mining District, and further described as follows: Commencing at a post marked No. 1 at the Discovery shaft (cut or tunnel), from thence 100 feet in a Southerly direction to an end post marked No. 2, thence 300 feet in a Westerly direction to a corner post marked No. 3, thence 1200 feet in a Northerly direction to a corner post marked No. 4, thence 600 feet in a Easterly direction to a corner post marked No. 5, thence 1200 feet in a Southerly direction to a corner post marked No. 6, thence 300 feet in a Westerly direction to said end post No. 2; hereby locating and intending to claim 1100 feet in a northerly direction from discovery to the Northern end line, and 100 feet in the opposite direction from discovery to the South end line and feet on each side of the middle of said lode or ledge, for the purpose of mining the same and claiming all surface rights, privileges, and minerals, with all dips, spurs, angles and variations, and other rights granted by existing laws and customs.

This claim is further described as follows:

Situated in the Southeast quarter of Section 33, Township 28, Range 45 E.W.M. The North End line of Said claim and the quarter section line of Section 33 are common. The West side line is parallel to and approximately 1800 feet East of the quarter Section line of Section 33. Said claim adjoins the "Hanson #10" to the East, the "Hanson #8" to the West and the "Hanson#4" to the south. Distances are Approximate.

This notice is placed at Discovery on post No. 1; posts are placed at each corner, and the name of this lode, and date of location, are placed on all posts.

~~Located~~ this 26th day of May, A. D. 1957

Clarence A. Hanson

Locators.

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 31 1957

DATE	INITIALS	CODE

WITNESSES:

Ralph E. Humbreit

Adolf C. Nisson

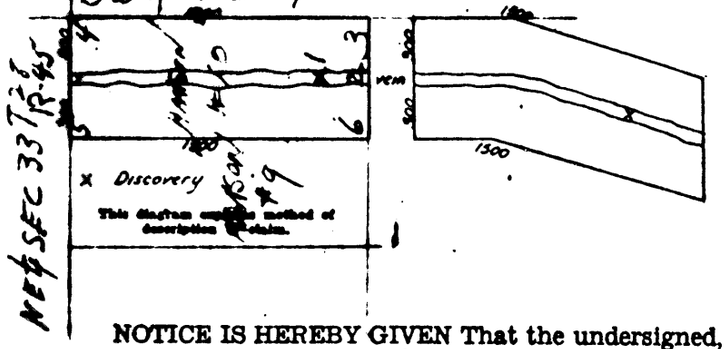
FILED AND RECORDED MAY 28 1957 AT 11:01 A.M.

Adolf C. Nisson

SPOKANE COUNTY

4623638

SW¼ SEC 34 - T-28 - R-45



Notice of Mining Location

WASHINGTON State

SPOKANE County

MT. SPOKANE Mining District

NOTICE IS HEREBY GIVEN That the undersigned, having complied with the requirements of Chapter six of Title thirty-two of the Revised Statutes of the United States, and the laws of the above State, and the local customs and regulations of said District, has located and does hereby locate 1200 linear feet in length, and 600 feet in width on the "Hanson # 10" lode, vein, ledge or deposit (or placer ground), situated in the above State, County and Mining District, and further described as follows: Commencing at a post marked No. 1 at the Discovery shaft (cut or tunnel), from thence 100 feet in a Southerly direction to an end post marked No. 2, thence 300 feet in a Easterly direction to a corner post marked No. 3, thence 1200 feet in a Northerly direction to a corner post marked No. 4, thence 600 feet in a Westerly direction to a corner post marked No. 5, thence 1200 feet in a Southerly direction to a corner post marked No. 6, thence 300 feet in a Easterly direction to said end post No. 2; hereby locating and intending to claim 1100 feet in a Northerly direction from discovery to the North end line. and 100 feet in the opposite direction from discovery to the South end line and 300 feet on each side of the middle of said lode or ledge, for the purpose of mining the same and claiming all surface rights, privileges, and minerals, with all dips, spurs, angles and variations, and other rights granted by existing laws and customs.

This claim is further described as follows:

Situated in the Southeast quarter of Section 33, Township 28, Range 45 EWM. The North End line of said claim and the quarter Section line of Section 33 are common. The East Side line and the Section line between Sections 33 and 34 are common. Said claim adjoins the "Hanson #9" to the West and the "Hanson #5" to the South.

This notice is placed at Discovery on post No. 1; posts are placed at each corner, and the name of this lode, and date of location, are placed on all posts.

Located this 26th day of May, A. D. 1957

Clarence A. Hanson

Locators.

WITNESSES:

Ralph E. Hanson

Adolf C. Hansen

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 31 1957
DATE | INITIALS | CODE

FILED FOR RECORD MAY 28 1957

REQUEST OF Adolf C. Hansen

715854A
Quit Claim Deed
Filed Sep 11, 1946 11:24 A.M.
Req. N.P.Railway Co.
Joe A. Stewart, Aud.
E.Armstrong, Dep.
Rec. L. Knock
COMPARED

Miscellaneous Receipt
Contract No. 2791

Quitclaim Deed
No. 25123-W

NORTHERN PACIFIC RAILWAY COMPANY

The Grantor ,NORTHERN PACIFIC RAILWAY COMPANY, a corporation under the laws ofWisconsin, for and in consideration of the sum of one dollar ($1) to it in hand paid, receipt of which is hereby acknowledged, conveys and quitclaims to the owner or owners, of the following described lands, situated in the County of Spokane and State of Washington, all minerals and rights of mining heretofore reserved by the Northern Pacific Railroad Company, Receivers of the Northern Pacific Railroad Company, and the Northern Pacific Railway Company in said property, to each seperate owner the minerals and mining rights in that portion of the premises which he holds as an original grantee, or as successor in interest of such grantee,to-wit:

Description	Section	Township	Range	
N½ fractional, SE¼	1	21 North	40 East	Willamette Meridian
Lot 3,NE¼ fractional, SE¼NW¼,S½	3	"	"	"
NE¼ fractional S½	5	"	"	"
NE¼NE¼, S½NE¼,S½ fractional	7	"	"	"
All	9	"	"	"
S½	11	"	"	"
E½,W½SW¼, SE¼SW¼	13	"	"	"
All	15	"	"	"
W½	17	"	"	"
NE¼, W½	21	"	"	"
E½, NW¼	23	"	"	"
E½, E½NW¼, NW¼NW¼, S½SW¼	25	"	"	"

Description	Section	Township	Range	Willamette Meridian
All except the NW¼NW¼NW¼SE¼	27	"	"	"
NW¼, S½	29	"	"	"
All fractional	31	"	"	"
All	33	"	"	"
NW¼, SW¼	35	"	"	"
S½	1	22 North	40 East	"
Lot 4, SW¼NE¼, E½SW¼, SW¼SW¼	3	"	"	"
All, except that part of the town-site of Tyler lying between the east line of "B" Street and the west line of "D" Street and north 400-foot right of way of Northern Pacific Railway Company	3	"		"
All fractional	5	"	"	"
NE¼, S½	7	"	"	"
S½	9	"	"	"
All	11	"	"	"
E½	13	"	"	"
All	15	"	"	"
W½NE¼, W½ fractional, SE¼	17	"	"	"
N½	19	"	"	"
All	21	"	"	"
N½NE¼, NW¼	23	"	"	"
N½, N½S½	25	"	"	"
All fractional	27	"	"	"
NE¼NE¼, W½E½, W½	31	"	"	"
SW¼SE¼, E½SE¼	33	"	"	"
	35	"	"	"
Lots 1,2, SE¼NW¼ SE¼	1	23 North	40 East	"
E½ NW¼ fractional, E½SW¼	7	"	"	"
NE¼NW¼, W½W½, SE¼SW¼	9	"	"	"
SE¼NE¼, E½SE¼	11	"	"	"
W½NW¼, SW¼, NE¼SE¼, S½SE¼	13	"	"	"
N½NE¼, W½	15	"	"	"
E½NE¼, NW¼	17	"	"	"
Lots 1,2, SE¼ and that part of E½NW¼ lying west of Harrison Road	19	"	"	"
W½NW¼,SE¼	21	"	"	"
All	23	"	"	"
NW¼NE¼, S½NE¼, W½, SE¼	25	"	"	"
All	27	"	"	"
W½, S½SE¼	29	"	"	"
NW¼ fractional, SE¼	31	"	"	"
NE¼NE¼, W½E¼, W½	33	"	"	"
NW¼NW¼, S½NW¼, E½SW¼, S½SE¼	35	"	"	"
Lots 1,2,7,8,9,10,15,16	1	24 North	40 East	"
SW¼	11	"	"	"
Lots 2,3,6,7,9	13	"	"	"
W½SW¼	15	"	"	"
NE¼NW¼, W½W½, SE¼SW¼	17	"	"	"
Lots 1,2,3,4, E½NW¼, NE¼SW¼	19	"	"	"
W½NE¼, NW¼SE¼, E½SE¼	21	"	"	"
All	23	"	"	"
Lot 1, W½, NE¼SE¼, W½SE¼	25	"	"	"
SE¼	29	"	"	"
Lots 1,2, SE¼NW¼, SE¼	31	"	"	"
SW¼	33	"	"	"
E½ ,N½SW¼	35	"	"	"
All fractional	1	25 North	40 East	"
S½	3	"	"	"
N½ fractional, SW¼	5	"	"	"
All fractional	7	"	"	"
NW¼	9	"	"	"
N½NE¼, SW¼	11	"	"	"
W½NW¼, NW¼, S½SE¼	13	"	"	"
SW¼	15	"	"	"
S½NE¼, SE¼	17	"	"	"
NE¼	21	"	"	"
SE¼	23	"	"	"
E½	25	"	"	"
SW¼	27	"	"	"
SW¼	29	"	"	"
All fractional	31	"	"	"
NE¼NE¼, S½NE¼, S½	35	"	"	"
NE¼ fractional,W½SE¼	1	26 North	40 East	"
W½W½ fractional	3	"	"	"
E½ fractional	5	"	"	"
E½ NW¼, fractional	7	"	"	"
Lots 1,3, NE¼NE¼	9	"	"	"
Lots 1,2,3,4,NE¼, S½	11	"	"	"
W½E½, NW¼, E½SW¼	13	"	"	"
Lots 1,2, NW¼NE¼, S½NW¼	15	"	"	"
SE¼	17	"	"	"
NW¼	21	"	"	"
E½, S½SW¼	23	"	"	"
N½	25	"	"	"
All	27	"	"	"
S½	33	"	"	"
E½, E½NW¼, SW¼	35	"	"	"

Description	Section	Township	Range	
Lots 1,6,7,10, $E\frac{1}{2}SE\frac{1}{4}$	1	27 North	40 East	Willamette Meridian
Lots 3,4,	15	"	"	"
$S\frac{1}{2}$	21	"	"	"
$E\frac{1}{2}$	23	"	"	"
$SW\frac{1}{4}$, $S\frac{1}{2}SE\frac{1}{4}$	25	"	"	"
All	27	"	"	"
Lots 1,5,6, $E\frac{1}{2}NE\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$, $S\frac{1}{2}$ $SW\frac{1}{4}$, $SE\frac{1}{4}$	29	"	"	"
$NE\frac{1}{4}$	31	"	"	"
$N\frac{1}{2}$ $N\frac{1}{2}SW\frac{1}{4}$, $SE\frac{1}{4}$	33	"	"	"
$E\frac{1}{2}$	35	"	"	"
All fractional	1	21 North	41 East	"
$N\frac{1}{2}$ fractional $SE\frac{1}{4}$	3	"	"	"
$NE\frac{1}{4}$ fractional	5	"	"	"
All fractional	7	"	"	"
$N\frac{1}{2}N\frac{1}{2}$, $SE\frac{1}{4}NE\frac{1}{4}$, $S\frac{1}{2}SW\frac{1}{4}$, $SE\frac{1}{4}$	9	"	"	"
$N\frac{1}{2}$, $N\frac{1}{2}S\frac{1}{2}$	11	"	"	"
$W\frac{1}{2}NE\frac{1}{4}$, $SE\frac{1}{4}NE\frac{1}{4}$, $NW\frac{1}{4}$, $NW\frac{1}{4}SW\frac{1}{4}$,$E\frac{1}{2}SE\frac{1}{4}$	13	"	"	"
$N\frac{1}{2}$, $SW\frac{1}{4}$, $W\frac{1}{2}SE\frac{1}{4}$	15	"	"	"
$N\frac{1}{2}$, $N\frac{1}{2}S\frac{1}{2}$, $S\frac{1}{2}SE\frac{1}{4}$	17	"	"	"
All fractional	19	"	"	"
$E\frac{1}{2}$, $NE\frac{1}{4}NW\frac{1}{4}$, $W\frac{1}{2}NW\frac{1}{4}$	21	"	"	"
$NW\frac{1}{4}$	23	"	"	"
Lots, 1,2, $NE\frac{1}{4}$, $E\frac{1}{2}SW\frac{1}{4}$, $W\frac{1}{2}SE\frac{1}{4}$	25	"	"	"
$NW\frac{1}{4}$	27	"	"	"
$S\frac{1}{2}NE\frac{1}{4}$, $SE\frac{1}{4}$	35	"	"	"
Lots 2,3,4 $S\frac{1}{2}NW\frac{1}{4}$	5	22 North	41 East	"
$S\frac{1}{2}NW\frac{1}{4}$ Fractional, $SE\frac{1}{4}$	7	"	"	"
$NW\frac{1}{4}$	9	"	"	"
$S\frac{1}{2}N\frac{1}{2}$, $S\frac{1}{2}$	15	"	"	"
$W\frac{1}{2}NE\frac{1}{4}$, $W\frac{1}{2}$, $S\frac{1}{2}SE\frac{1}{4}$	21	"	"	"
$SE\frac{1}{4}NE\frac{1}{4}$, $W\frac{1}{2}NE\frac{1}{4}$, $W\frac{1}{2}$ $SE\frac{1}{4}$	23	"	"	"
$E\frac{1}{2}$ fractional $SW\frac{1}{4}$	25	"	"	"
All fractional	27	"	"	"
All	29	"	"	"
$W\frac{1}{2}NE\frac{1}{4}$, $W\frac{1}{2}$ fractional $N\frac{1}{2}SE\frac{1}{4}$	31	"	"	"
Lots 1,2,3,4 $N\frac{1}{2}$ $SW\frac{1}{4}$	33	"	"	"
$E\frac{1}{2}$, $E\frac{1}{2}W\frac{1}{2}$, $NW\frac{1}{4}NW\frac{1}{4}$	35	"	"	"
All fractional	3	23 North	41 East	"
$W\frac{1}{2}NW\frac{1}{4}$ fractional	5	"	"	"
Lots 1,2,3,	7	"	"	"
$W\frac{1}{2}$	9	"	"	"
$W\frac{1}{2}$	11	"	"	"
$NE\frac{1}{4}SE\frac{1}{4}$ and those parts of the $NE\frac{1}{4}$, $SW\frac{1}{4}$, $W\frac{1}{2}SE\frac{1}{4}$ lying Easterly of the Northern Pacific Railway Company's right of way excepting those parts thereof lying within the Addition and The Second Addition to the Town,now the City of Cheney,also excepting an irregular tract in the $E\frac{1}{2}SW\frac{1}{4}$ and $W\frac{1}{2}SE\frac{1}{4}$ described in Deed No.6622-W,dated January 11,1900 to the Spokane County Fair Association	13	23 North	41 East	Willamette Meridian
$N\frac{1}{2}$	15	"	"	"
$NE\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}$	17	"	"	"
$E\frac{1}{2}NE\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$	19	"	"	"
All	21	"	"	"
$E\frac{1}{2}NE\frac{1}{4}$, $NW\frac{1}{4}NE\frac{1}{4}$ $NE\frac{1}{4}SE\frac{1}{4}$	23	"	"	"
$W\frac{1}{2}NE\frac{1}{4}$	29	"	"	"
$NE\frac{1}{4}$	31	"	"	"
$NW\frac{1}{4}NE\frac{1}{4}$, $N\frac{1}{2}NW\frac{1}{4}$	33	"	"	"
Lots 1,8,9,16	5	24 North	41 East	"
$W\frac{1}{2}$	11	"	"	"
$SW\frac{1}{4}$	13	"	"	"
$NE\frac{1}{4}$	15	"	"	"
Lots 5 and those parts of Lot 4 and $E\frac{1}{2}SW\frac{1}{4}$ lying outside Silver Lake Addition to the Town of Medical Lake, and all of Blocks 1 to 23 inclusive in Silver Lake Addition	17	"	"	"
Lots 3,4, $NE\frac{1}{4}SW\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}$, $W\frac{1}{2}SE\frac{1}{4}$	19	"	"	"
Lot 3, $NE\frac{1}{4}$, $W\frac{1}{2}SE\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}$	21	"	"	"
Lot 2, $NE\frac{1}{4}SW\frac{1}{4}$,$W\frac{1}{2}SW\frac{1}{4}$	23	"	"	"
Lots 1,2, $NE\frac{1}{4}$, $S\frac{1}{2}NW\frac{1}{4}$, $S\frac{1}{2}$	27	"	"	"
Lots 2,3,6,7, $W\frac{1}{2}$	29	"	"	"
Lots 3,4, $E\frac{1}{2}SW\frac{1}{4}$, $W\frac{1}{2}SE\frac{1}{4}$	31	"	"	"
$E\frac{1}{2}$, $NW\frac{1}{4}$	33	"	"	"
$W\frac{1}{2}$	35	"	"	"
$SW\frac{1}{4}$	1	25 North	41 East	"
$N\frac{1}{2}$ fractional$N\frac{1}{2}SW\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}$	3	"	"	"
$N\frac{1}{2}$ fractional, $SE\frac{1}{4}$	5	"	"	"
Lots 3,4, $NE\frac{1}{4}SW\frac{1}{4}$, $SE\frac{1}{4}$	7	"	"	"
$E\frac{1}{2}$, $SW\frac{1}{4}$	9	"	"	"
$N\frac{1}{2}SE\frac{1}{4}$	11	"	"	"
$E\frac{1}{2}$, $NW\frac{1}{4}$	13	"	"	"

Description	Section	Township	Range	
All	17	"	"	Willamette Meridian
W½NE¼, W½NW¼ fractional, S½ fractional	19	"	"	"
NW¼	21	"	"	"
All	23	"	"	"
W½	25	"	"	"
NE¼NW¼	27	"	"	"
N½ except that part of S½NW¼ lying southeasterly of the Greast Northern right of way	29	"	"	"
SE¼	31	"	"	"
W½, SE¼	35	"	"	"
NE¼ fractional, S½	1	26 North	41 East	"
NE¼ fractional, E½SE¼	3	"	"	"
All fractional	7	"	"	"
SE¼	9	"	"	"
All	11	"	"	"
All	13	"	"	"
All	15	"	"	"
W½ SE¼	17	"	"	"
N½ fractional W½SW¼ fractional, S½ SE¼	19	"	"	"
All	21	"	"	"
NW¼ SE¼	23	"	"	"
NE¼ W½	25	"	"	"
All	27	"	"	"
NE¼ W½NW Fractional				
SW¼ fractional, E½SE¼	31	"	"	"
NE¼, SW¼, E½SE¼	33	"	"	"
All	35	"	"	"
Lots 4,5,8,9	5	27 North	41 East	Willamette Meridian
All fractional	7	"	"	"
Lots 2,3,6 W½NW¼ SE¼, SW¼SE¼	17	"	"	"
E½, E½NW¼, W½SW¼ fractional	19	"	"	"
N½, N½SW¼, SE¼	29	"	"	"
E½NE¼, NW¼ fractional	31	"	"	"
E½	33	"	"	"
Lots 5,8,NW¼SE¼, S½S½	35	"	"	"
S½NE¼,SE¼NW¼, S½ fractional, and those parts of Lots 1,2, N½NE¼ NE¼NW¼ lying south of Spokane River	31	28 North	41 East	"
NW¼ fractional	1	21 North	42 East	"
W½NE¼ fractional W½ fractional	5	"	"	"
All fractional	7	"	"	"
All fractional	19	"	"	"
SW¼	21	"	"	"
N½	23	"	"	"
NW¼	25	"	"	"
N½	27	"	"	"
N½	29	"	"	"
W½ fractional	31	"	"	"
SE¼SW¼, S½SE¼	9	22 North	42 East	"
NE¼	13	"	"	"
S½NE¼ NW¼	15	"	"	"
S½ fractional	19	"	"	"
NE¼	23	"	"	"
NE¼NW¼, S½N½, S½	29	"	"	"
N½ fractional, S½SW¼ fractional	31	"	"	
NE¼	33	"	"	"
Lots 2,4, SW¼NW¼, SW¼SW¼ SE¼	1	23 North	42 East	"
SE¼NW¼, SW¼ SW¼SE¼	3	"	"	"
NW¼ fractional, SE¼	5	"	"	"
N½NE¼ W½SE¼, SE¼SE¼	7	"	"	"
N½, E½SW¼, SE¼	9	"	"	"
NE¼NE¼, SW¼NE¼ W½NW¼, SE¼	11	"	"	"
NW¼ W½SW¼	13	"	"	"
SW¼NW¼	15	"	"	"
NW¼NE¼ N½NW¼, E½SW¼, S½SE¼	17	"	"	"
S½NE¼, W½SE¼	19	"	"	"
NE¼ W½SW¼, E½SE¼	21	"	"	"
N½, W½	23	"	"	"
W½NE¼, W½, W½SW¼, SE¼SE¼	25	"	"	"
NE¼, SW¼	27	"	"	"
NE¼, E½NW¼	29	"	"	"
W½NE¼, E½NW¼, SE¼	33	"	"	"
S½	1	24 North	42 East	"
Lots 11, 12, 13,14	3	"	"	"
Lots 11, 14	5	"	"	"
E½	7	"	"	"
S½N½, S½	9	"	"	"
S½NE¼, W½, SE¼	11	"	"	"
SE¼NE¼, SE¼	13	"	"	"
N½, SW¼, NE¼SE¼, S½SE¼	15	"	"	"
SE¼NE¼, NW¼, S½	17	"	"	"
NE¼, S½ fractional	19	"	"	"
E½NE¼, SW¼NE¼, S½	21	"	"	"
SE¼NW¼, W½W½	23	"	"	"
NE¼NE¼, W½E½, E½W½ SW¼NW¼	25	"	"	"

Description	Section	Township	Range	
NE¼, W½NW¼, S½SW¼, W½SE¼, NE¼SE¼	27	"	"	Willamette Meridian
NE¼NE¼, SW¼NE¼, S½	29	"	"	"
NE¼, SW¼ fractional	31	"	"	"
N½, W½SW¼, NE¼SW¼	33	"	"	"
NW¼NE¼, E½NW¼, SW¼NW¼, N½SW¼	35	"	"	"
Lot 5	3	25 North	42 East	"
N½ fractional SE¼	5	"	"	"
NW¼ fractional	7	"	"	"
SW¼SW¼	15	"	"	"
W½NW¼, N½SW¼	17	"	"	"
NE¼, W½ fractional	19	"	"	"
SE¼SE¼	21	"	"	"
NW¼SW¼	27	"	"	"
The southwest 28.3 rods square of Lot 4	31	"	"	"
NE¼, E½SW¼, W½SE¼, except those portions thereof lying northwesterly of the right of way for State Highway No. 11	33	"	"	"
All fractional	1	26 North	42 East	"
NE¼ fractional, S½SW¼	3	"	"	"
NE¼ fractional	5	"	"	"
All fractional	7	"	"	"
SW¼ S½SE¼	11	"	"	"
NW¼NW¼	13	"	"	"
NE¼ W½	15	"	"	"
Lots 2,3,4,5,6,9,10 S½NW¼, W½SW¼, NE¼SW¼	17	"	"	"
All fractional	19	"	"	"
Lots 3,4, E½, E½NW¼	21	"	"	"
SW¼	23	"	"	"
N½ W½SE¼ SE¼SE¼	25	"	"	"
N½ SE¼SW¼, and that part of SW¼SE¼ lying south of Nine Mile Road	27	"	"	"
N½, E½SW¼	29	"	"	"
NW¼NE¼, NW¼ fractional				
N½SW¼ fractional	31	"	"	"
NE¼NW¼, W½NW¼SE¼, and those parts of W½NW¼ SE¼NW¼, E½SW¼, SW¼SE¼ lying east of Great Northern Right of Way	33	"	"	"
All fractional	1	27 North	42 East	"
SE¼	3	"	"	"
E½W½ fractional	5	"	"	"
All	9	"	"	"
All	11	"	"	"
NW¼,SE¼	13	"	"	"
All	15	"	"	"
E½, E½W½	17	"	"	"
All	21	"	"	"
All	23	"	"	"
All	25	"	"	"
S½	27	"	"	"
E½ E½W½	29	"	"	"
Lots 2,3,4,5,6, SW¼NE¼ SE¼NW¼, S½ fractional	31	"	"	"
All	33	"	"	"
NE¼NE¼, W½E½, W½ SE¼SE¼	35	"	"	"
N½ fractional, W½SW¼, SE¼SW¼, NW¼SE¼	3	28 North	42 East	"
NE¼ fractional	5	"	"	"
All	9	"	"	"
W½W½	11	"	"	"
E½	13	"	"	"
All	15	"	"	"
N½NE¼	17	"	"	"
All	21	"	"	"
N½	23	"	"	"
All	27	"	"	"
NE¼, E½NW¼	29	"	"	"
N½	33	"	"	"
NE¼, W½E½SE¼	35	"	"	"
NE¼ fractional	5	29 North	42 East	"
NE¼ N½SW¼	11	"	"	"
NE¼, SW¼SW¼	13	"	"	"
E½W½	17	"	"	"
NW¼	21	"	"	"
E½	23	"	"	"
E½,NW¼, N½SW¼	27	"	"	"
E½SW¼, SE¼	29	"	"	"
S½	33	"	"	"
NW¼NW¼	35	"	"	"
SE¼	7	21 North	43 East	"
E½ NW¼	13	"	"	"
N½, SE¼SE¼	15	"	"	"
W½SW¼, W½SE¼	17	"	"	"
All	21	"	"	"
NE¼NW¼, W½SW¼, SE¼SW¼	27	"	"	"
N½	33	"	"	"
SW¼	35	"	"	"

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Description	Section	Township	Range	
NE¼ fractional	3	22 North	43 East	Willamette Meridian
NW¼ fractional	5	"	"	"
NW¼ fractional, SE¼	7	"	"	"
S½	9	"	"	"
E½	11	"	"	"
SE¼	19	"	"	"
E½ SW¼	23	22 North	43 East	"
E½	27	"	"	"
S½	29	"	"	"
SW¼	33	"	"	"
Lots 1,2, SW¼NE¼	1	23 North	43 East	"
W½ fractional	3	"	"	"
NW¼ fractional S½	5	"	"	"
Lots 3,4, N½NE¼ NE¼NW¼, SE¼SW¼, SW¼SE¼, E½SE¼	7	"	"	"
E½, SW¼SW¼, E½SW¼	9	"	"	"
SW¼NE¼, E½NW¼, W½SW¼, SE¼SW¼, NE¼SE¼	11	"	"	"
E½NW¼	13	"	"	"
NE¼NE¼ W½NE¼, W½	15	"	"	"
E½	17	"	"	"
E½E½, SW¼SE¼	19	"	"	"
All	21	"	"	"
NE¼NW¼, W½NW¼, NW¼SW¼	23	"	"	"
S½	25	"	"	"
E½NE¼, SW¼NE¼, N½SE¼	29	"	"	"
W½	35	"	"	"
Lots 3,6,11,13,14, SE¼SW¼,SE¼	5	24 North	43 East	"
NE¼SW¼, W½SE¼	7	"	"	"
SE¼	9	"	"	"
N½SE¼, SW¼SE¼	13	"	"	"
W½W½	17	"	"	"
W½NW¼, W½ fractional SE¼	19	"	"	"
SE¼NE¼	23	"	"	"
S½NW¼	27	"	"	"
E½NE¼, NE¼SE¼	29	"	"	"
N½SE¼	31	"	"	"
W½NE¼, W½	33	"	"	"
S½	1	26 North	43 East	"
W½E½ fractional, W½ fractional, E½SE¼	3	"	"	"
Lot 3, NE¼NE¼, W½NE¼, SE¼NW¼				
NE¼SW¼, NW¼SW¼	7	"	"	"
SE¼	11	"	"	"
S½NW¼	15	"	"	"
S½SW¼, SE¼	21	"	"	"
N½	23	"	"	"
E½SW¼, SW¼SE¼	25	"	"	"
W½NE¼, W½, W½NW¼SE¼, and west 4 acres of E½NW¼SE¼	27	"	"	"
SE¼NE¼, W½NE¼, N½SE¼	29	"	"	"
SE¼SW¼	35	"	"	"
All fractional	1	27 North	43 East	"
All fractional	3	"	"	"
Lots 1,2,3,4, S½NW¼, SW¼SE¼	5	"	"	"
NE¼, W½	9	"	"	"
E½, NW¼	11	"	"	"
E½ SW¼	13	"	"	"
All	15	"	"	"
NE¼, W½, N½SE¼	17	"	"	"
E½ SW¼ fractional	19	"	"	"
All	21	"	"	"
All	23	"	"	"
NW¼NE¼, W½, SE¼	25	"	"	"
All	27	"	"	"
All	29	"	"	"
All fractional	31	"	"	"
NE¼NW¼, SE¼	33	"	"	"
NE¼, W½, NW¼SE¼	35	"	"	"
N½ fractional, N½SW¼, SE¼	1	28 North	43 East	"
All fractional	3	"	"	"
W½ fractional	5	"	"	"
NE¼NE¼	7	"	"	"
NW¼SW¼	9	"	"	"
E½ E½NW¼, SW¼NW¼	11	"	"	"
All	13	"	"	"
E½, E½NW¼,SW¼NW¼, SW¼	15	"	"	"
All fractional	19	"	"	"
SE¼NE¼, W½NW¼, NW¼SW¼, E½SW¼, E½SE¼	21	"	"	"
All	23	"	"	"
All	25	"	"	"
NE¼, W½	27	"	"	"
NE¼ W½, SW¼SE¼, E½SE¼	29	"	"	"
All fractional	31	"	"	"

Description	Section	Township	Range	
NE¼, W½	33	28 North	43 East	Willamette Meridian
All except NW¼NW¼NW¼SW¼	35	"	"	"
E½ fractional, E½SW¼	1	29 North	43 East	"
Lots 1,2,3,5,6, SE¼NW¼, NW¼SE¼, S½SE¼	5	"	"	"
E½	13	"	"	"
Lots 1,2,3,4, N½NE¼, NE¼SW¼, SE¼	15	"	"	"
E½	21	"	"	"
W½	23	"	"	"
NE¼NE¼, NE¼NW¼, W½W½	25	"	"	"
All	27	"	"	"
SE¼SE¼	31	"	"	"
NE¼, E½SE¼	33	"	"	"
NE¼NE¼, S½NE¼, NW¼, S½	35	"	"	"
All fractional	5	21 North	44 East	"
SW¼ fractional	7	"	"	"
All	13	"	"	"
All	15	"	"	"
SW¼	17	"	"	"
SW¼ fractional	19	"	"	"
SE¼	27	"	"	"
NE¼, E½SW¼, except that part of NE¼SW¼ lying northwesterly of Spokane, Coeur d'Alene and Palouse Railway Company right of way	29	"	"	"
S½ fractional	31	"	"	"
All	33	"	"	"
N½ fractional, SE¼	1	22 North	44 East	"
Lot 2, S½NE¼, NE¼SW¼	5	"	"	"
SW¼	11	"	"	"
E½NW¼, NE¼SW¼	17	"	"	"
NW¼ fractional SE¼	19	"	"	"
NW¼	21	"	"	"
N½	23	"	"	"
NE¼	29	"	"	"
NW¼	35	"	"	"
Lots 3,4, SW¼SW¼, E½SW¼, SE¼	3	23 North	44 East	"
SE¼	5	"	"	"
Lot 1, NE¼NW¼	7	"	"	"
E½, NW¼, S½SW¼	9	"	"	"
E½NE¼, S½NE¼, W½, SE¼	11	"	"	"
NE¼, S½NW¼, SW¼	13	"	"	"
All	15	"	"	"
N½SE¼	21	"	"	"
E½NE¼, W½, N½SE¼	23	"	"	"
N½	25	"	"	"
E½NE¼	27	"	"	"
E½NE¼, W½NW¼, SW¼	29	"	"	"
NE¼	35	"	"	"
W½ Lot 5, W½ Lot 8	1	24 North	44 East	"
All fractional except E½ Lot 9	5	"	"	"
E½, E½W½	7	"	"	"
E½, SW¼NW¼, W½SW¼, SE¼SW¼	9	"	"	"
NE¼NE¼, W½NE¼, NW¼, N½SW¼	11	"	"	"
NW¼NE¼, NE¼NW¼, W½NW¼, NW¼SW¼	17	"	"	"
N½SE¼	25	"	"	"
E½	29	"	"	"
NE¼NW¼, W½NW¼	33	"	"	"
SW¼NE¼; S½NW¼	1	25 North	44 East	"
Lots 1,2, SE¼NE¼	3	"	"	"
Lots 6,10,11	11	"	"	"
Lot 4	13	"	"	"
SE¼NW¼, E½SW¼, SE¼	19	"	"	"
SE¼NE¼, W½NE¼, E½NW¼, W½SE¼	27	"	"	"
NE¼ W½NW¼, N½SW¼	29	"	"	"
E½, SW¼ fractional	31	"	"	"
N½	33	"	"	"
SW¼	35	"	"	"
S½NE¼, NW¼ fractional NW¼SW¼				
SE¼SW¼ SW¼SE¼, E½SE¼	1	26 North	44 East	"
W½NW¼ Fractional E½SE¼	3	"	"	"
SW¼	9	"	"	"
S½SW¼	17	"	"	"
N½NE¼, W½, SE¼	21	"	"	"
E½E½, NW¼SE¼	25	"	"	"
NW¼, E½	27	"	"	"
NW¼, SE¼	29	"	"	"
Lots 3,4, SE¼SW¼, NE¼SE¼	31	"	"	"
All fractional	5	27 North	44 East	"
All fractional	7	"	"	"
NE¼, SW¼	9	"	"	"
NW¼	11	"	"	"
W½, SE¼	15	"	"	"
E½, NW¼, SE¼SW¼	17	"	"	"
All fractional	19	"	"	"
All	21	"	"	"

Description	Section	Township	Range	
SW¼	23	"	"	Willamette Meridian
All	25	"	"	"
W½, SE¼	27	"	"	"
All	29	"	"	"
NE¼	31	"	"	"
All	33	"	"	"
E½, NW¼ N½SW¼	35	"	"	"
All fractional	5	28 North	44 East	"
All fractional	7	"	"	"
All	9	"	"	"
N½NW¼, W½SW¼	17	"	"	"
All fractional	19	"	"	"
All	21	"	"	"
All	27	"	"	"
E½NE¼, NE¼NW¼, W½NW¼, NW¼SW¼	29	"	"	"
E½, NW¼ fractional	31	"	"	"
SE¼SE¼NE¼NE¼, E½NW¼, S½	33	"	"	"
NW¼	35	"	"	"
N½ fractional W½SW¼, SE¼	1	29 North	44 East	"
S½ and that part of Lot 4 lying northwesterly of Great Northern right of way	3	"	"	"
All fractional	5	"	"	"
All fractional	7	"	"	"
All	9	"	"	"
All	11	"	"	"
All	13	"	"	"
All	15	"	"	"
E½, SW¼	17	"	"	"
SE¼NE¼, SE¼	19	"	"	"
E½, NW¼, NW¼SW¼, E½SW¼	21	"	"	"
N½NE¼	27	"	"	"
All	29	"	"	"
All fractional	31	"	"	"
S½S½	33	"	"	"
NW¼ fractional	1	21 North	45 East	"
W½ fractional	5	"	"	"
NE¼	9	"	"	"
NW¼	17	"	"	"
E½ NW¼ fractional	19	"	"	"
NE¼, SW¼	21	"	"	"
E½	23	"	"	"
N½N½, SW¼	25	"	"	"
SE¼	27	"	"	"
NW¼	33	"	"	"
W½	35	"	"	"
SW¼	3	22 North	45 East	"
N½	9	"	"	"
W½	11	"	"	"
S½	13	"	"	"
E½	15	"	"	"
N½	17	"	"	"
SW¼	23	"	"	"
E½	25	"	"	"
SW¼	27	"	"	"
All	35	"	"	"
Lots 1,2,3,4,	1	23 North	45 East	"
SW¼	3	"	"	"
NW¼ fractional	5	"	"	"
SW¼ fractional	7	"	"	"
S½SW¼ N½SE¼	9	"	"	"
W½	11	"	"	"
SE¼	13	"	"	"
NW¼	15	"	"	"
NW¼, SE¼	17	"	"	"
E½ SW¼ fractional	19	"	"	"
W½NE¼, W½ SE¼	21	"	"	"
W½NW¼	23	"	"	"
NE¼, S½SW¼	25	"	"	"
NE¼, W½W½	27	"	"	"
S½NW¼	29	"	"	"
SE¼	31	"	"	"
SE¼	33	"	"	"
SW¼	35	"	"	"
All fractional	1	24 North	45 East	"
Lots 8,9, SW¼, S½SE¼	3	"	"	"
E½, E½W½, Lot 4	7	"	"	"
All	9	"	"	"
All	11	"	"	"
All	15	"	"	"
N½NE¼, SW¼SW¼, E½SW¼, SE¼	17	"	"	"
NE¼, W½ fractional	19	"	"	"
All	21	"	"	"
All	23	"	"	"
All	25	"	"	"
N½	27	"	"	"
W½	29	"	"	"
All fractional	31	"	"	"

Description	Section	Township	Range	
Lots 7,8,9,10 SE¼SW¼ SE¼	1	25 North	45 East	Willamette Meridian
NE¼ fractional	11	"	"	"
All	13	"	"	"
N½NW¼ fractional SE¼SE¼	19	"	"	"
N½	21	"	"	"
All fractional	25	"	"	"
E½	35	"	"	"
All fractional	1	26 North	45 East	"
All fractional	3	"	"	"
All fractional	5	"	"	"
All fractional	7	"	"	"
All fractional	9	"	"	"
E½	13	"	"	"
W½NE¼, SE¼NE¼, W½, SE¼	15	"	"	"
All	17	"	"	"
NE¼, E½NW¼, W½W½ fractional SE¼SW¼, SW¼SE¼, E½SE¼	19	"	"	"
NE¼ W½ SE¼SE¼	21	"	"	"
W½	23	"	"	"
E½, S½NW¼, SW¼	25	"	"	"
NE¼, W½, N½SE¼	27	"	"	"
W½, SE¼	29	"	"	"
W½NE¼	33	"	"	"
All	35	"	"	"
All fractional	1	27 North	45 East	"
All fractional	3	"	"	"
All fractional	5	"	"	"
NE¼	7	"	"	"
All	9	"	"	"
All	11	"	"	"
All	13	"	"	"
All	15	"	"	"
All	17	"	"	"
All fractional	19	"	"	"
All	21	"	"	"
All	23	"	"	"
All	25	"	"	"
All	27	"	"	"
All	29	"	"	"
All fractional	31	"	"	"
All	33	"	"	"
All	35	"	"	"
All fractional	1	28 North	45 East	"
All fractional	3	"	"	"
W½, SW¼	9	"	"	"
All	11	"	"	"
All	15	"	"	"
All fractional	19	"	"	"
S½	21	"	"	"
S½N½,S½	23	"	"	"
All	25	"	"	"
All	27	"	"	"
E½,NW¼	29	"	"	"
All fractional	31	"	"	"
E½,NW¼	33	"	"	"
All fractional	1	29 North	45 East	"
NW¼ fractional	3	"	"	"
Lots 1, 2	7	21 North	46 East	"
All fractional	31	22 North	46 East	"
All fractional	7	23 North	46 East	"
Lot 1	19	"	"	"
All fractional	7	24 North	46 East	"
All fractional	19	"	"	"
All fractional	31	25 North	46 East	"
All fractional	7	26 North	46 East	"
All fractional	31	"	"	"
All fractional	19	27 North	46 East	"
All fractional	7	28 North	46 East	"
All fractional	19	"	"	"
All fractional	31	"	"	"

Dated this sixth day of August A.D.1946.

NORTHERN PACIFIC RAILWAY COMPANY
By B.W.Scandrett
Vice President
Attest: A.M.Gottschald
Secretary.

Northern Pacific Railway Company :

STATE OF MINNESTOA)
County of Ramsey)ss. On this 4th day of September 1946, before me, personally appeared B.W Scandrett and A.M.Gottschald to me known to be the Vice President and Secretary of the corporation that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 31 1957

DATE	INITIALS	CODE

512

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

Notarial Seal :
Ramsey County Minn. :
Etoile DuNord :

Thos. W. Miles
Notary Public Ramsey County
Minn.
My commission expires April 1, 1948

State of Washington
County of Spokane } ss

I, FRANK J. GLOVER, Auditor of Spokane County, State of Washington, do hereby certify that the foregoing instrument is a true and correct copy of the original thereof now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of my office, at Spokane, Washington, this 25 day of Oct, 195

FRANK J. GLOVER, Auditor
Spokane County, Washington

By _____
DEPUTY

RECEIVED
OCT 31 1951
DATE | TRANSACTION

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/18	Murphy	700
10/18	Long	140
	Sawyer	140
10/21	Johnson	140
"	Whitlock	000
10/21	C O	220
		700

Mr. Adolf C. Nissen, President
Mudhole Exploration, Inc.
712 Hutton Building
Spokane, Washington

OCT 21 1957

Re: Docket No. DMEA-4800 (Uranium)
Hanson Lease
Spokane County, Washington

Dear Mr. Nissen:

Your application states that your lessor (Mr. Clarence A. Hanson) acquired the surface rights to the SE¼ of sec. 33, T. 28 N., R. 45 E., W.M.&B., in 1944 and that the mineral rights were released by the Northern Pacific Railroad on August 6, 1946, and recorded in Volume 531, Record of Deeds, on page 503, Recorder's Office, Spokane, Washington.

Your application further states that in light of a recent Supreme Court decision, adverse to railroads having acquired mineral rights, the lessor has located 10 mining lode claims over the entire quarter section and recorded the same in Volume 64, Miscellaneous, on pages 442-451, inclusive, at the Recorder's Office, Spokane, Washington.

The Supreme Court case to which you referred is Union Pacific vs. the United States 353 U. S. 112, wherein the Court in general held that the railroads did not acquire the mineral rights when they acquired the rights-of-way. In view of this, in order to satisfy the Government that you have a valid interest in the land, we request that you furnish us with the following documents on record in the Recorder's Office in Spokane, Washington:

1. A copy of the instrument recorded in Volume 531, Record of Deeds, page 503; and

2. Copies of the location notices recorded in Volume 64, Miscellaneous, on pages 442-451.

Also, we note that Washington is a "community property" state and with a few exceptions requires that both the husband and wife execute conveyances. We assume, since your lease is signed only by Clarence A. Hanson, that he is either unmarried or that the land is his separate property. However, we would appreciate your confirming this statement.

8623

In order to continue processing your application, it is essential that we receive the above information promptly.

Sincerely yours,

Ernest Wm. Ellis, Director
Division of Rare and
Miscellaneous Metals

RWLong/gla/izm
10-18-57
cc: Mr. Murphy
Admr.'s Reading File
THKiilsgaard, 5224
DMEA FT Reg. I (2)

DRAFT
10/9/57
FMMurphy/gla

DOCKET COPY

MF-200
(Revised June 1954)

Docket No. DMEA-4800

Commodity Uranium

Contract No. Idm-E

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this ..... day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Mudhole Uranium, Inc., incorporated in the State of Washington, whose mailing address is 712 Hutton Building Spokane, Washington, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and map Plate 1

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Washington, County of Spokane, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] see Annex I in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] see Annex I, [7] recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: .....

(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 Consent to Lien and Subordination Agreement.

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before June 1, 1958 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A."

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $9,520.00 The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $7,140.00 : *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work.

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

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

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 9.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and related costs incurred.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value therof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13. *Changes and added provisions.*—

(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 stage of work."

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

~~(c) Categories (3) through (7) of Article 6(a) are deleted.~~

~~(d) In addition to the costs of work estimated in Exhibit "A" by categories of actual costs, the costs of work requirements specified in Exhibit "A" as "Fixed Unit Costs" are allowable costs of the project. The Government will contribute to the fixed unit costs as work units are performed. A "Fixed Unit Cost" is an agreed price for each unit of work to be performed regardless of costs incurred by the Operator. Costs set forth in Exhibit "A" include all allowable costs of the work to be performed under the contract.~~

(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 [illegible] per foot computed on the basis of all the [illegible] contract said unit line item newly 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 .....

.....
(Operator)

By .....

.....

I, ..., certify that I am the ..... secretary of the corporation named as Operator herein; that ..... who signed this contract on behalf of the Operator, was then ..... of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

.....

[CORPORATE SEAL]

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

DRAFT
10/9/57
FMMurphy/gla

EXPLORATION PROJECT CONTRACT
MUDHOLE EXPLORATION, INC.
DOCKET NO. DMEA-4800

ANNEX I

The land mentioned in Article 2 of the contract consists of all the SE¼ of sec. 33, T. 28 N., R. 45 E., W. M. & B., Spokane County, Washington.

The Operator has right of possession of the above-described land under the terms of an Agreement, dated May 15, 1957, between Clarence A. Hanson, Lessor, and Mudhole Exploration, Inc., Lessee, ~~and Mudhole Exploration~~ recorded July 8, 1957, in the Official Records, Spokane County, in Volume 65 of Miscellaneous on page 10.

A copy of a Consent to Lien and Subordination Agreement signed by Clarence A. Hanson is hereto attached.

EXPLORATION PROJECT CONTRACT
MUDHOLE EXPLORATION, INC.
DOCKET NO. DMEA-4800

Exhibit "A"
Description of the Work

General Provisions

The object of this project is to explore a series of shear zones in granitic rock formations by means of bulldozing trenches and wagon drilling.

Sections of the trenches showing significant mineralization shall be sampled by cutting channels not to exceed five feet in length. Cuttings from the wagon drill holes shall be collected at two-foot intervals and tested radiometrically.

Channel samples and cutting samples showing significant mineralization shall be split. The Operator shall have one-half of the sample chemically analyzed for its U_3O_8 content. The remaining half shall be stored for Government inspection and possible use in a suitable container properly identified as to the location and at what depth the sample was procured. With Government approval, the Operator may dispose of the stored samples.

The trenches shall be mapped geologically and the material penetrated by the wagon drill holes shall be logged geologically. Records of such mapping and logging, together with the assay certificates of the trench and drill hole samples, shall be submitted with the Operator's monthly progress report. The report shall also include a map or sketch showing the locations of the trenches and

drill holes completed during the reporting period.

The Government will not participate in the cost of a trench or drill hole placed closer than 100 feet to the boundary of the project area.

The Operator shall provide a mining engineer-geologist full time to supervise and perform the necessary technical services required to complete the project in a satisfactory manner.

Bulldozer work shall be performed with a D-8 Caterpillar tractor or an equivalent unit of any other make. ~~The Operator at its option may use its own D-8 Caterpillar dozer on the project work at a maximum unit cost of $12.50 per hour.~~

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 advance in writing by the Government. With written Government approval, units of work and costs pertaining thereto may be exchanged between stages.

<u>Stage I</u>

The work shall consist of bulldozing five (5) trenches, totaling an estimated 2,100 feet in length at the locations and in the directions tentatively shown on the map entitled, "Plate 1 - Map of a Portion of the Hanson Lease - - -," attached hereto.

Trenches "A" and "B shall be cut first at the approximate locations and bearings shown on Plate 1, to determine the strike of the potential ore-bearing structures. Trenches "C," "D," and "E," as shown, are tentative, their location, direction and extent to be determined by the strike of the major structures encountered in trenches "A" and "B." Trenches "C," "D," an "E" shall be excavated to cross the major structures at right angles.

The trenches shall be cut through the overburden to expose bedrock. It is estimated that the trenches will average 8 feet in depth and will require 105 hours of bulldozer work.

Stage II

The work shall consist of additional trench work, preparing drill sites, and wagon drilling.

The trenches shall be within and periperal to the area explored by the Stage I trenches and shall be cut to expose bedrock. They shall be cut at right angles to the strike of the potential ore-bearing structures.

Mineralized zones exposed by the trench work shall be explored by wagon-drilling an estimated 1,000 feet of holes ranging in depth from 30 to 50 feet. If this shallow drilling encounters mineralized material, then additional holes, ranging from 75 to 150 feet in depth, shall be drilled to further explore the favorable areas.

Estimated Costs of the Project

Actual Costs

Stage I

Category (1) Independent Contracts:		
Bulldozer work, 105 hours @ $17.00/hr.	$1,785.00	
Transporting bulldozer to and from project	75.00	
Category (2) Personal Services:		
None except:		
Supervision and Technical Services 1 month @ $600.00/mth.	600.00	
Category (3) Operating Materials and Supplies:		
None except:		
Gasoline for supervisor's car 80 gallons @ $0.37/gal.	29.60	
Small tools	50.00	
Sample sacks, 40 @ $0.25/sack	10.00	
Categories (4), (5), and (6):	None	
Category (7) Miscellaneous:		
None except:		
Payroll taxes and employment insurance, $600.00 @ 14.9%	89.40	
Chemical analyses for U_3O_8 content of 50 samples @ $5.00/sample	250.00	
Total Estimated Cost Stage I		$2,889.00

Stage II

Category (1) **Independent Contracts:**

Bulldozer work, 95 hours @ $17.00/hr.	$1,615.00
Transporting bulldozer to and from property	75.00
Wagon drilling:	
Hole depths 0 to 80 feet, 1,000 feet @ $1.25/ft.	1,250.00
Hole depths 80 to 150 feet, 750 feet @ $1.40/ft.	1,050.00

Category (2) **Personal Services:**

None except:	
Supervision and Technical Services, 3 months @ $600.00/mth.	1,800.00

Category (3) **Operating Materials and Supplies**

None except:	
Gasoline for supervisors car 250 gallons @ $0.37/gal.	92.50
Sample sacks, 100 @ $0.25 each	25.00
Categories (4), (5), and (6)	None

Category (7) **Miscellaneous:**

None except:	
Payroll taxes and employment insurance, $1,800.00 @ $14.9%	268.20
Chemical analyses for U_3O_8 content of 90 samples @ $5.00/sample	450.00
Total Estimated Cost Stage II	$6,625.70

S U M M A R Y

Total Estimated Cost Stage I	$2,889.00	
Total Estimated Cost Stage II	6,625.70	
Total Estimated Cost of Project (rounded)		$9,520.00
Government Participation @ $75%		$7,140.00

~~1/ See Article~~ 13(d)

1/ The Government hereby authorizes the operator, if it so elects, to perform the bulldozer work with its own D-8 Caterpillar dozer and personnel at a Fixed Unit Cost of $12.50/hr

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	Murphy	700

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

Date October 4, 1957

DMEA Docket No. 4800
DMEA Contract No.
Commodity Uranium
Name of applicant Mudhole Exploration, Inc.
Name of property Hanson Lease
Location of property Spokane County, Washington
Estimated cost of project $9,439.70

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

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

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

1. Date of subject document: 9/27/57. 2. Date received by reviewer: 10/1/57

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

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

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

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

7. Explain items marked yes above:

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

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

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

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

October 4, 1957

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

Re: Docket No. DMEA-4800 (Uranium)
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington

Dear Mr. Selfridge:

Enclosed are 8 copies of plate 1 of the subject examination report as requested in your teletype of October 4, 1957, and 3 extra copies to replace the incomplete plate 1 accompanying the report.

Sincerely yours,

Donald R. MacLaren

Donald R. MacLaren
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team Region I.

Enclosures

cc: USBM (2)
Alvord

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"	Murphy	700

DMEA Form 7
(12-56)

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Date	Surname	Code
10/3	Murphy	700
10/3	Ellis	700
10/4	GLS	130
	Lamb	
	Williams	
	Johnson	110
	Mattingly	100
10/7	B	220
		700

OCT 4 1957

Department of the Interior

DMEA

14X4401(01) Revolving Fund, Defense Production Act, Interior, (Transfer to Office of Secretary)

T E L E T Y P E

A. E. WEISSENBORN, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION I
SOUTH 157 HOWARD STREET
SPOKANE 4, WASHINGTON

RE DOCKET DMEA-4800, MUDHOLE EXPLORATION, INC.,

PLEASE FORWARD EIGHT COPIES OF MAP PLATE I SHOWING LOCATION OF TRENCHES MENTIONED PAGE 8, PARAGRAPH 3, FIELD EXAMINATION REPORT.

George C. Selfridge

CHAIRMAN, OPERATING COMMITTEE

FMMurphy/gla
10-3-57
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, Rm. 5224
FMMurphy, Code 700
Confirmation to Region I

8623

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

IN REPLY REFER TO:
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October 2, 1957

Memorandum

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

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

Subject: Review of field examination report, DMEA 4800 (uranium), Mudhole Exploration, Inc., Hanson lease, Spokane County, Washington

The examining team conclude that conditions on the applicant's property are favorable for the presence of uranium ore deposits. Mineralized rock of above ore grade has been found on the lease. Not enough work has been done on the property, however, to determine structural controls of the ore. The examiners state that in its present state the property looks as promising as the Daybreak property did at a comparable stage of development.

The Field Team recommends approval of an exploration project that is much the same as the applicant's proposal but somewhat reduced. I agree with the program outlined in the field examination report.

W. P. Williams

W. P. Williams

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"	FMM	[illegible]

So. 157 Howard Street
Spokane 4, Washington

September 30, 1957

Mr. Arthur L. Granger, Manager
Salt Lake Area Office
U. S. Atomic Energy Commission
P. O. Box 2196
Salt Lake City, Utah

Re: Docket No. DMEA-4800 (Uranium)
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington

Dear Art:

Enclosed is a copy of an application received from Mudhole Exploration, Inc. to explore the Hanson Lease in Spokane County, Washington, together with a copy of our evaluation report recommending a program of exploration.

We would appreciate receiving your comments as to the merits of this property, and as soon as we receive them we will forward them to Washington so that they will have the benefit of your observations.

Sincerely yours,

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

Enclosures

cc: AEC, Spokane w/copy of report
DMEA (2)
USBM (2)
Alvord

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

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11/2	CL	220
11	FMM	700

September 27, 1957

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

Re: Docket No. DMEA-4800 (Uranium)
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington

Dear Mr. Selfridge:

Enclosed are three copies of a report from Alvord of the Geological Survey, and Waddell of the Bureau of Mines, recommending a contract with Mudhole Exploration, Inc. to explore their Hanson lease in the Mount Spokane area. The showings of uranium on the property are quite impressive and the Field Team concurs in the program recommended by the examiners.

Some of the better showings are on the west side of the property where it joins State Park land, in fact there are showings on the State Park land. We feel that in this case DMEA would be justified in working somewhat closer to the property boundary than it normally considers prudent inasmuch as State Park land is not open for mining. However, none of the proposed trenches are closer than about 100 feet of the west boundary.

By Field Team, Region I

A. E. Weissenborn

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

for Stephen W. Golden

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

Enclosures

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

Reviewed by
DMEA OPERATING COMMITTEE
10/2/57
(date)

ON-SITE EXAM. REPORT

DMEA

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DATE	INITIALS	CODE

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

September 23, 1957

MEMORANDUM

To: DMEA Field Team, Region I

From: D. C. Alvord, Geologist, U. S. Geological Survey and
G. G. Waddell, Mining Engineer, U. S. Bureau of Mines

Subject: Field Examination Report, Docket No. DMEA-4800 (Uranium), Mudhole Exploration, Inc., Hanson Lease, Spokane County, Washington

INTRODUCTION AND SUMMARY

An application for Government aid to explore for uranium on the Hanson Lease was received from Mudhole Exploration, Inc., on July 22, 1957. The applicant proposes a carefully thought out program of exploration entailing essentially 200 hours of dozer trenching and 3,350 feet of wagon drilling in 72 holes at an estimated total cost of $12,700.

The property was examined on August 23, 1957, by Howard F. Albee, Geologist, U. S. Geological Survey, and G. G. Waddell, Mining Engineer, U. S. Bureau of Mines, accompanied by Sui-Ju Kung, Mining Engineer, Taiwan, Nationalist China, and A. C. Nissen, President, Mudhole Exploration, Inc. The property was also visited on August 9, 1957, by William Lee, Geologist, U. S. Geological Survey, and D. C. Alvord while on a reconnaissance study of the Mt. Spokane autunite deposits. A Brunton and tape traverse was made of the only known exposures of autunite on the property and of one occurrence in the adjacent Mt. Spokane State Park land. Nine samples were taken and the traverse was tied to a corner of the property (SE¼ sec. 33).

The Hanson Lease contains excellent showings of meta-autunite that indicate a commercial potential of the property. Insufficient work has been done to disclose a controlling structure or distribution trend that would form a good target of exploration. Nonetheless, the property is sufficiently promising to warrant Government-supported exploration and a program involving 200 hours of D-8 bulldozer trenching and 1,750 feet of wagon drilling at a total cost of $9,439.70 is recommended.

Reviewed by DMEA OPERATING COMMITTEE 10/2/57 (date)

RECOMMENDATION

A program comprising essentially dozer trenching and wagon drilling similar to that proposed by the applicant, only somewhat less extensive, is recommended.

LOCATION, ACCESSIBILITY, AND DESCRIPTION OF THE PROPERTY

The Hanson Lease, comprising the SE¼ sec. 33, T. 28 N., R. 45 E. W. M., can be reached from Peone, Washington (fig. 1) by traveling northeastward on a graded county road 13.3 miles to the junction of the South Fork of Deadman Creek with Deadman Creek, thence turning right and following an ungraded county road 3.2 miles northeastward to the property.

The Hanson Lease is in the southern foothills of Mt. Spokane, 3 miles due south of the summit. The terrain, covered with dense stands of trees, is gently rolling, the altitude ranging from 3,950 feet at the northwest corner to less than 3,300 feet at the southeast corner. Drainage is southwestward via the South Fork of Deadman Creek. Precipitation may exceed 20 inches a year, most of which falls during the mid-winter and spring months. Generally winters are not severe, but in some years surface exploration may not be feasible during the mid-winter.

Development consists of a graded road which passes northeasterly through the property, a truck trail to the applicant's trenches, three narrow trenches excavated with a cat-mounted backhoe, a small amount of dozer scraping in the vicinity of the trenches, and at least one hand-dug pit (pl. 1). The applicant has also prospected west of the trenches, on Mt. Spokane State Park land, with several shallow hand-dug pits, only one of which is shown on plate 1. As the applicant has no legal right to this land, these pits have been back-filled to conceal them from possible claim jumping and the idle curious.

APPLICANT'S PROPERTY RIGHTS

On May 15, 1957, Mudhole Exploration, Inc. leased from Clarence A. Hanson the SE¼ sec. 33, T. 28 N., R. 45 E. W. M., for a term of 20 years. Consent to lien signed by Hanson was submitted with the application.

Because the land in question originally was part of the land granted to the Northern Pacific Railroad and because the validity of the mineral rights of land granted to railroads has recently been challenged, the lessor has staked 10 mining claims covering the entire quarter section. The applicant has also staked the adjacent State Park land and hopes to gain the mineral rights at sometime in the future. However, the State Park property is not to be considered in this project.

There are no liens against the property.

MANAGEMENT, MANPOWER, SUPPLIES, ETC.

None of the men associated with Mudhole Exploration, Inc. have had mining experience. However, the company is hiring a mining engineer or geologist to work full time and manage the operation. This should be a requirement of the contract.

The employees will reside in Spokane which is only 25 miles from the property. Spokane has all the contractors and mining supplies necessary to carry on the proposed exploration project.

GEOLOGIC SETTING

The Hanson Lease is in the Mt. Spokane autunite district, an area in which a number of meta-autunite deposits have been discovered since the initial discovery of the Daybreak ore body in December 1954. The district is in a north-trending zone at least 14 miles long and 3 miles wide that is underlain by deeply weathered granitic rock which is cut by small granitic pegmatites.

To date, all shipments from the district have come from open-pit operations on three properties. The Daybreak Mining Company has shipped about 6,200 tons of ore averaging more than 0.25 percent U_3O_8 from its Daybreak deposit and its Huffman Lease. The North Star Uranium, Inc. has shipped or stock-piled more than 300 tons of ore averaging about 0.20 percent U_3O_8 from its Lehmbecker Lease. During the past winter activity has been slow pending completion of a mill at Ford, Washington, which will reserve 25 percent of its capacity of 440 tons per day for custom milling. Daybreak Mining Company has 5,000 or more tons stock-piled for shipment to the mill and a few other properties reportedly have small stock-piles. Shipment of the Daybreak ore to the mill has begun.

Exploration has disclosed several northwest- to west-trending shear zones cutting the granitic rocks. These are associated with the more promising deposits and clearly have influenced their localization. Meta-autunite not only occurs within the principal northwest- to west-trending shear strands, but also in splits from the principal strands and in joints, tension faults, cross faults, and in other fracture systems in the surrounding rocks. Recently important northeast-trending shears have been encountered that cut and, at the Daybreak, apparently offset the main northwest-trending shears.

The deposits are characterized by massive aggregates of autunite crystals encrusting and, in places, filling vugs and fractures within the shear zones and in joints, small faults, and irregular minor fractures in the granitic wall rock. Vein fillings and crustifications are commonly localized along partings

between contacts, such as between a pegmatite dike and the country rock or between an aplite dike and a pegmatite dike. Lesser amounts of autunite occur as disseminated crystals or scales along grain boundaries and other minute openings in the rocks.

GEOLOGY AND ORE DEPOSITS OF THE HANSON PROPERTY

The Hanson property is at the southern end of the presently known limits of the Mt. Spokane autunite district and is well isolated from the better explored and therefore better understood deposits in the northern and central portion of the district.

The granitic bedrock underlying the property is deeply weathered and from the present workings it is known to be covered with overburden of from at least 1 to 3 feet of soil and slope creep material. Within the district it is not uncommon to encounter from 6 to 10 feet of such overburden and it should be assumed that similar depths of cover are present on the Hanson property.

Prospecting by the applicant has been insufficient to disclose any structures along which ore occurrences are concentrated, but it has been sufficient to disclose the nature of the bedrock, namely, granite cut by numerous small pegmatite dikes, and to show the presence of ore-grade meta-autunite in the dozer and trench area adjacent to the Mt. Spokane State Park land near Station 5-3430 and in a shallow pit 650 feet east of this locality (pl. 1). Good autunite showings are also present in a trench 8 by 3 by 6 feet deep located in State Park land northwest of the applicant's trench area. At this locality, Lee and Alvord, by digging around, were able to find good crystals of meta-autunite up to 3/4-inch in diameter in place. A grab sample (CCW-1) of some dump material, which contained 0.335 percent U_3O_8, indicates the grade potential at this locality.

In the trench nearest Station 5-3430 meta-autunite occurs in the walls and sill over an interval of about 18 feet in length as disseminated crystals and fine fracture fillings, some of which can be traced from one wall across the sill into the other wall, but which have not been or cannot be followed on down the slope to the trench by Station 8-3390. Samples CCW-3, -7, and -8 were taken across zones bearing visible autunite and samples CCW-2 and -6 were cut near the mineralized zones but in rock that appeared barren. Sample CCW-4 was cut in broken and weathered granitic material where autunite occurs as thin coatings and finely disseminated crystals. It is not certain whether this material represents rock approximately in place or float from above. Sample CCW-5 was taken as a vertical channel from the east wall of the trench south of Station 8-3390. This trench appeared to be entirely in barren bedrock. The applicant, however, reports that some autunite was found while the trench was being excavated. Sample CCW-9 was cut from the bottom of the pit next to Station 20-3468.

There are no ore reserves, but the company has stock-piled approximately 100 tons of sub-ore estimated to average between 0.10 and 0.15 percent U_3O_8. This was mined in the vicinity of sample CGW-4. The ore here was in a layer about 2 feet thick and followed the contour of the land. Mineralization was in the form of autunite and apparently was detrital or recrystallized in the residual overburden.

As indicated on the map accompanying the application, there are numerous ground anomalies and at least one radioactive spring on the property. This data constitutes favorable indications, but it is not sufficiently systematic or dense for use in detailing exploration work. Although a definite structure or trend has not been disclosed, the applicant believes that the controlling structures may trend more in a north-south direction than in the east-west direction found in the central and northern portions of the district. Until more is known concerning the property, however, it would be more judicious to assume that ore-bearing structures possibly present on the property might strike in any direction and therefore exploration plans should be made with that assumption in mind.

MERIT OF THE PROPERTY

All in all, prospecting done to date indicates that the Hanson property contains excellent showings of meta-autunite. It is unfortunate that insufficient work has been done to relate the occurrences to a structure or trend that would form a good target upon which exploration could be concentrated. It is worth pointing out, however, that persons well acquainted with the deposits of the district believe the property to be very promising. Hugh Norman, geologist for the Daybreak Mining Company, who is beyond doubt better acquainted with the Mt. Spokane deposits than any other person, states that the showings at the Hanson property are equally as good as those first encountered at the Daybreak deposit when it was undergoing a similar amount of exploration. Although the adjacent State Park land may well contain indications of important ore potential, the Hanson property, on its own merits, is more than sufficiently promising to warrant exploration by dozer trenching and shallow wagon drilling.

APPLICANT'S EXPLORATION PROPOSAL AND COST ESTIMATES

The applicant's proposal is very well thought out and is given below approximately as it appears in the application.

(1) Removal of trees and brush in the immediate area of actual known mineralization and where spoil piles are to be pushed.

(2) Careful bulldozing with medium-sized equipment at the point of surface mineralization. The peculiar nature of the discovery is that the apparent richness of the soil and overburden may constitute a mining operation inasmuch as the material so moved should be stock-piled.

(3) After the foregoing operation, which may in itself show the beginnings of strikes and trends, a series of bulldozer cuts is contemplated, attempting to uncover structural features or mineralization. It must be pointed out here that rich ore found at a depth of five feet adjacent to this property, provided a surface anomaly of only two to three points over background count. All of the foregoing operations for the time are to be confined to the high anomaly, mineralized ridge and valley on the southwest corner of the property.

(4) Next, wagon drilling would probably be indicated, depending on conclusions extracted from the foregoing operation which would be presumed to have exposed some mineralization, localized some anomalies, and aided in interpreting the geologic structure. A partial dictate to the manner of bulldozer trenching would be to provide a road of sorts upon which to move a wagon drill outfit.

(5) Wagon drilling: At this time little in detail can be said of the mode, location, or plans for such drilling. A logical procedure would indicate a profusion of shallow holes (20-30 feet) as an initial action, then utilizing the knowledge acquired, a few deeper holes. The presumption that the structure is highly fractured, plus general knowledge acquired by various operators in the Mt. Spokane region obviates the use of a diamond drill, although the company owns one and is prepared to use it.

(6) It is the intention of this company to acquire the services of a competent mining engineer-geologist on a consulting basis to assist in this and subsequent operations if so indicated. Preliminary inquiries reveal there are one or more such individuals available in this area. Inquiries as to the availability of the contract services required to complete the foregoing operation indicates no problem on that score.

(7) No schedule is submitted for exploration of the balance of the property which contains interesting anomalies as its entire course of action would probably hinge directly on facts elicited from the foregoing program. Based on a comparable course of action the costs could be estimated to be in the neighborhood of $3,048.

The exploration project would be commenced immediately and should be completed in less than two months.

Independent contracts:

(1)	Bulldozing - clearing or logging operation preparatory to uncover and trench - $12.50 per hour for 5 days		$ 500.00
(2)	Bulldozing - uncovering and trenching operations - $12.50 per hour for 4 weeks		2,250.00
(3)	Wagon drilling:		
	50 holes (20-30 ft.) 1,250 ft. @ $1.25/ft.	$1,562.50	
	15 holes (60-80 ft.) 1,050 ft. @ $1.40/ft.	1,470.00	
	7 holes (150 ft.) 1,050 ft. @ $1.60/ft.	1,680.00	
			4,712.50
(4)	Geological and engineering services: 20 days or equivalent @ $100/day		2,000.00 ?

Personal services:

(1)	General manager - 8 weeks @ $20/day	1,000.00
(2)	Day laborers (2 in number) 6 weeks each @ $15/da.	1,080.00

Operating materials and supplies:

(1)	Dynamite and blasting supplies	50.00
(2)	Small tools and equipment	50.00
(3)	Miscellaneous supplies	50.00

Operating equipment:

All equipment is furnished by independent contractors.

Initial rehabilitation and repairs:

None

New buildings, fixtures, installations:

None

Miscellaneous:

Analytical services	207.50
Bookkeeping and accounting	300.00
Workmen's compensation and employees' liability insurance, and payroll taxes	250.00
Insurance	50.00
Contingencies	200.00
Total estimate of costs	$12,700.00

The applicant proposes to furnish its entire share of the costs by providing money.

DISCUSSION OF THE APPLICANT'S PROPOSAL

Inasmuch as the Hanson property warrants exploration, particularly in its westerly portions, and as dozer trenching and drilling would yield fairly conclusive information concerning the potential of the deposits, the applicant's proposal is basically sound. Therefore, except for size, the DMEA-supported exploration program recommended in this report is very similar to the applicant's proposal.

RECOMMENDED DMEA EXPLORATION PROGRAM

The applicant has applied for 200 hours of D-8 dozer work which would be sufficient to cut 4,000 feet of trenches to bedrock, anticipating 8 feet as the average depth of the trenches. It would be most desirable that the trenching start from known occurrences, but keeping the work at least 100 feet from the property lines essentially precludes this approach. It is proposed instead that the initial work consist of trenches A through E as shown on plate 1. (not shown) These trenches would explore the ground presently considered most promising. It should be pointed out, however, that because the ground to the east is State Park land not presently available for mining, DMEA would be justified in working closer to the boundary than it usually considers prudent.

Cross trenches A and B should be cut first to determine the strike of the ore-bearing structures. Trenches C through E are tentatively located on the assumption that the structures will prove to strike somewhere between westward, northwestward, or northward; however, these trenches might actually be cut in a northwestward trend depending upon the information gained by trenches A and B. The proposed trenches A through E cumulate 2,100 feet of trenching and about 105 dozer hours will be required for this work. The remaining 95 hours should be allowed for additional trenching within and peripheral to the area explored by trenches A through E, and for the preparation of drill sites. The location of this trenching would be dependent upon the results of the preceding work and would be performed only upon mutual oral agreement between the Operator and the Field Team.

Stg II?

There are no well-defined structures exposed in the prospecting work thus far; therefore, no wagon drill holes can be plotted until more trenching has been completed. An estimated 1,000 feet of drilling will probably be needed to explore the mineralized zones anticipated. These holes will be from 30 to 50 feet deep. Phase A. w/ Description

If the foregoing operation is successful, additional drilling to test the ore zones at greater depth would be warranted.

To accomplish this a Stage II is suggested. If Stage II drilling is warranted, a map showing the proposed location of the holes should be submitted after the completion of Stage I. A maximum of 750 feet of wagon drilling to depths ranging from 75 to 150 feet should be allowed for this stage. Provision should be made to allow any dozer time unused in Stage I, for preparation of any drill sites required for Stage II drilling.

The applicant was offered a D-8 cat and operator at the rate of $12.50 per hour by one of the stockholders who is a contractor. However, the going rate of $17.00 per hour has been allowed in the estimated costs as a maximum in case the stockholder's dozer is not available or his performance unsatisfactory. For the wagon drilling Herbert D. Sams, drilling contracter, submitted the lowest bid at $1.25 per foot for holes up to 80 feet deep and $1.40 per foot for holes up to 150 feet deep.

The project should commence within two weeks of the signing of the contract unless this date falls in the severest part of the winter. Total time expected to complete Stage I is 3 months. Stage II can be completed in 1 month.

RECOMMENDED COSTS OF PROJECT

Stage I

200 hours bulldozing and 1,000 feet wagon drilling

1.	Independent contracts		
	Bulldozer D-8 cat - ~~200~~ 105/hr hrs. @ $17.00/hr.	$3,400.00	
	Wagon drilling - 1,000 ft. @ 1.25/ft.	1,250.00	
	Transportation of dozer to and from the property	75.00	$4,725.00
2.	Labor and supervision		
	Labor	none	
	Supervision, geologist, engineering (must be mining engineer or geologist) @ $600/mo. - 3 months	1,800.00	1,800.00
3.	Operating materials and supplies		
	Gasoline - 250 gal. @ $0.37/gal. for supervisor's car	92.50	
	Small tools	50.00	142.50
4.	Operating equipment	none	
5.	Rehabilitation and repairs	none	
6.	New buildings	none	
7.	Miscellaneous		
	Unemploy. comp., Indust. insur., etc. 14.9% of payroll ($1,800)	268.20	
	Samples - ~~100~~ 50 @ $5/ea.	500.00	
	100 Sample sacks ~~& transportation~~ @ 25¢/ea.	25.00	793.20
	Total Stage I		$7,460.70

Stage II

750 feet of wagon drilling up to 150 feet deep

1. Independent contracts
   Bulldozing 95 hrs
   Wagon drilling: ~~@ 150 ft.~~ @ $1.40/ft., 750 ft. $1,050.00
   (bid by H. D. Sams, Drilling Contractor)

2. Labor and supervision

   Mining engineer or geologist & supervisor
   1 month @ $600/mo. — 600.00

3. Operating materials

   80 gals. gasoline @ $0.37/gal. — 29.60

4. Operating equipment — None

5. Rehabilitation and repairs — none

6. New buildings, etc. — none

7. Miscellaneous

   Unemploy. comp., Indust. insur., etc.
   14.9% of payroll ($600.00) — 89.40

   Samples - 40 @ $5.00/ea. — 200.00

   40 Sacks and ~~transportation~~ @ $0.25/ea. — 10.00

Total Stage II	$1,979.00
Total - Stage I	$7,460.70
Stage II	1,979.00
Total Cost Stages I and II	$9,439.70
Government participation @ 75 percent	$7,080.00

Trans-Dozer - 9439.70
75%
9514.70

Distribution:
DMEA (3)
USBM (5)
USGS(SRO)
AEC (2)
Docket
Alverd

Attachments 3

Docket No. DMEA-4800

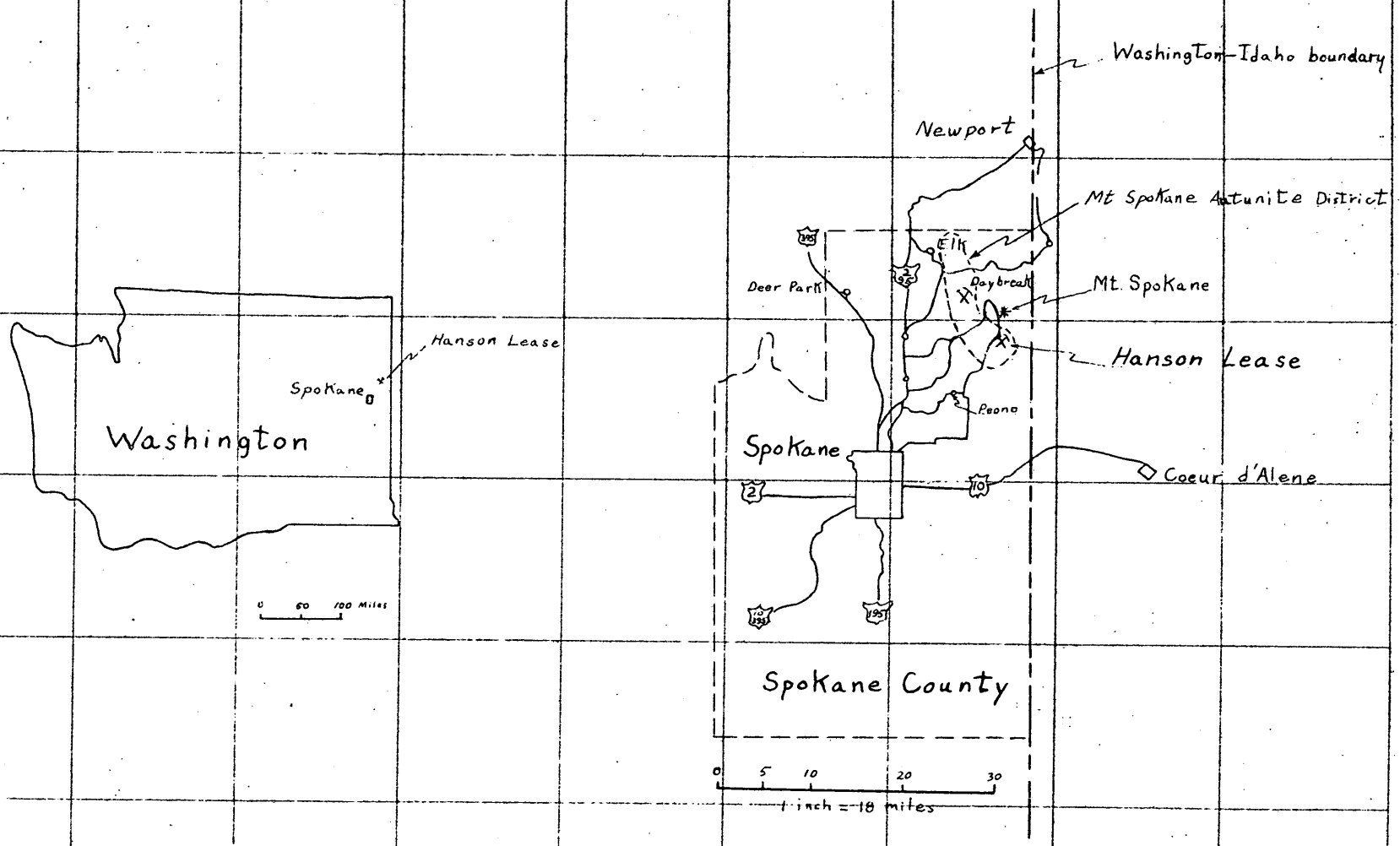


Figure 1 Location Map, Hanson Lease, Mudhole Exploration, Inc.
Spokane County, Washington

A. Gandron Co., Spokane

Docket No. DMEA-4800

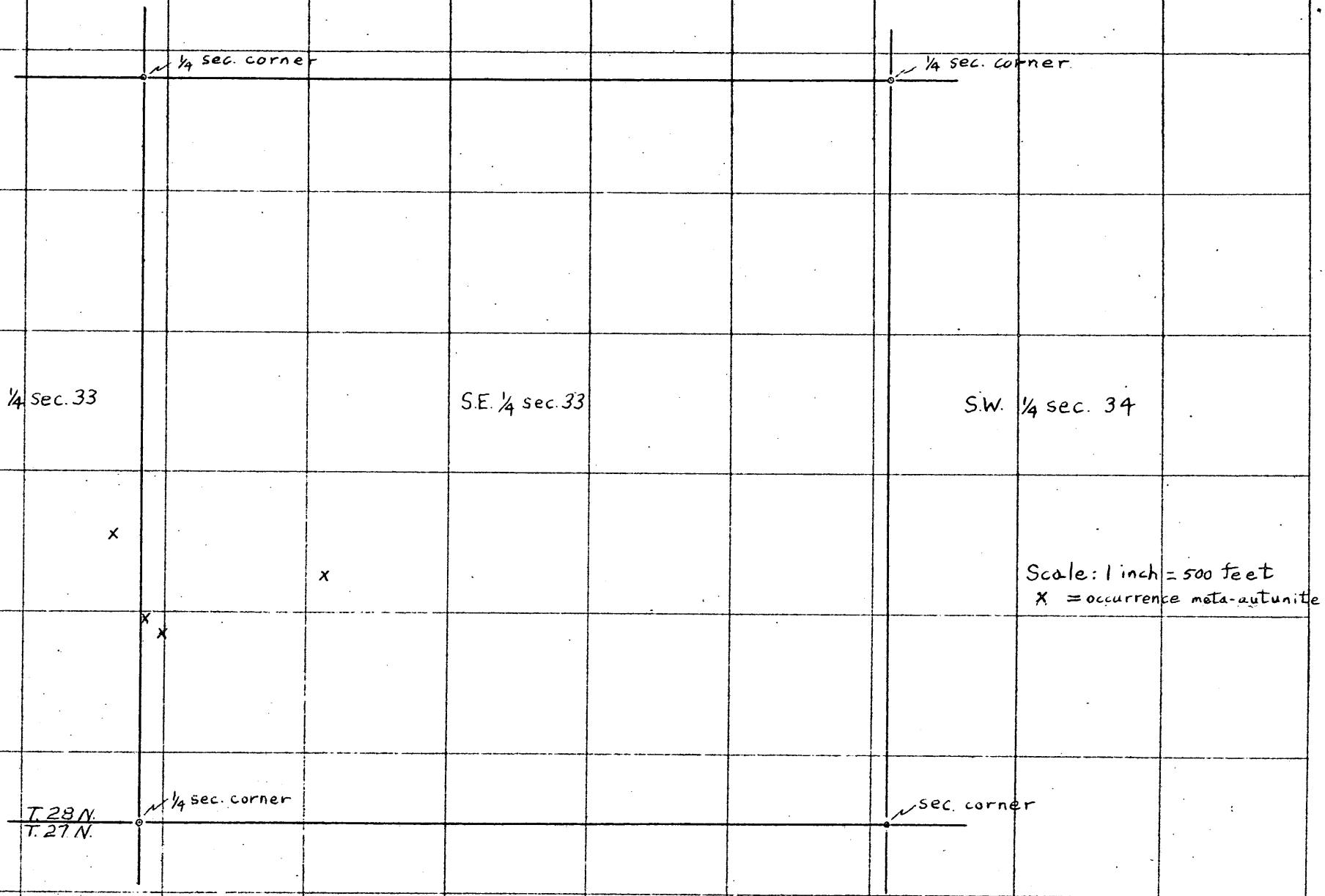


Figure 2 -- Property map of the Hanson Lease, Mudhole Exploration, Inc. S.E. 1/4 sec. 33, T. 28 N. R. 45 E., W.M., Spokane County, Washington.

A. Gendron Co., Spokane
"ALBANENE" NO. 198M K&E CO., N.Y. REG. U.S. PAT. OFF.

OFFICIAL FILE COPY
D M E A
RECEIVED SEP 30 1957

DATE	INITIALS	CODE

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/2	Murphy	700
"	[illegible]	700
8/5	Martin	130
"	Johnson	110
"	Mittendorf	100
8/6	P.K.	220
		700

8/5 Yoo 130
8/5 [illegible] 130

AUG - 5 1957

Mr. Adolf C. Nissen, President
Mudhole Exploration, Inc.
712 Hutton Building
Spokane, Washington

Re: Docket No. DMEA-4800 (Uranium)
Hanson Lease
Spokane County, Washington

Dear Mr. Nissen:

The application for assistance in exploring your property, under the captioned docket number, has been reviewed by the Division of Rare and Miscellaneous Metals of the Defense Minerals Exploration Administration. It has been referred to:

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

The Regional Office will contact you in regard to your project if additional information is required.

Sincerely yours,

C. O. Mittendorf

Administrator

FMMurphy/izm 8-2-57
cc to: Mr. Murphy
Admr.'s Reading File
DMEA FT Reg. I (2)

8623

DMEA Form
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/5	Murphy	700
"	Ellis	700
8/5	Martin	130
"	Johnson	110
		100
		220

AUG - 5 1957

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

Re: Docket No. DMEA-4800 (Uranium)
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington

Dear Mr. Weissenborn:

The captioned application is referred to Region I Field Team for investigation, a field examination if deemed advisable, and recommendations.

Enclosed are copies of memoranda dated July 30 and 31, 1957, by James Paone, USBM, and N. E. Nelson, USGS, respectively, relating to the application. Also enclosed for Field Team use is one copy of the application.

Although the initial phase of the proposed project appears to be of a prospecting nature, the fact that material from the Applicant's test holes Nos. 1 and 2 assayed 2.87 and 9.02% U_3O_8, respectively, is very interesting. Therefore, a field examination seems indicated unless you have sufficient information on the property.

The Forms MF-205, signed by C. A. Hanson and included with the application, are acknowledged. However, Mr. Hanson's full address was not given, and should be obtained if a project is recommended.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (JB)

APPROVED:

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

Thor H. Kiilsgaard (JB)
Member, Geological Survey

FMMurphy/WSMartin/izm/esf - 8/5/57
cc to: Mr. Murphy
Admr. Read. File
Oper. Comm.
THKiilsgaard, 522

Enclosures

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8-2	Murphy	700
8-2	Ellis	700
		130
		110
		100
		220
		700

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

Re: Docket No. DMEA-4800 (Uranium)
Madhole Exploration, Inc.
Hanson Lease
Spokane County, Washington

Dear Mr. Weissenborn:

The captioned application is referred to Region I Field Team for investigation, a field examination if deemed advisable, and recommendations.

Enclosed are copies of memoranda, dated July 30 and 31, 1957, by James Paone, USBM, and N. E. Nelson, USGS, respectively, relating to the application. Also enclosed for Field Team use is one copy of the application.

Although the proposed project ~~does~~ appears to be prospecting ~~in its initial phase~~, the fact that material from the Applicant's test holes Nos. 1 and 2 assayed 2.37 and 9.02% U_3O_8, respectively, is very interesting. Therefore, a field examination seems indicated unless you have sufficient information on the property.

The Forms IF-205, signed by G. A. Hanson and included with the application, are acknowledged. ~~However,~~ Mr. Hanson's full address was not given~~. Therefore, it~~ should be obtained if a project is recommended.

Sincerely yours,

Enclosures
APPROVED:

Chairman, Operating Committee

Member, Bureau of Mines

Member, Geological Survey

FMMurphy/izm 8-2-57
cc to: Mr. Murphy
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224

8623

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 1 1957
IN REPLY REFER TO:

DATE	INITIALS	CODE
8/1	C	220
"	Ellis	700
	FMM	
	Complete	

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

July 31, 1957
Re: DMEA 4800
Mudhole Exploration, Inc.
Hanson Lease
Spokane County, Washington
$12,700 - Uranium

Memorandum

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

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

Subject: Review of application

The applicant requests assistance in exploring, by bulldozing and shallow wagon drilling, (20-30-foot holes) an area characterized by springs running radioactive water and covered by overburden from which autunite has been picked.

Except for one place, no radioactive material has been found in place and the purpose of the proposed exploratory work is to locate the source of the scattered material. Pegmatitic material is conspicious in the overburden and may comprise a good part of the bedrock. At one place autunite, is said, to have been traced from the surface through 6' of overburden and into pegmatite in place.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 31 1957

DATE	INITIALS	CODE
7/31	C	220
"	~~Ellis~~	700
"	FMM	

July 30, 1957

4800

Uranium

Mudhole Exploration, Inc.

Hanson Lease

Spokane County, Washington

$12,700.00

Ernest William Ellis, DMEA Member
Uranium Commodity Committee
James Paone, Bureau of Mines Member JP
Uranium Commodity Committee

Application

7/5/57 7/30/57

x

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

July 29, 1957

Mudhole Exploration, Inc.
712 Hutton Building
Spokane, Washington

Subject: DMEA-4800

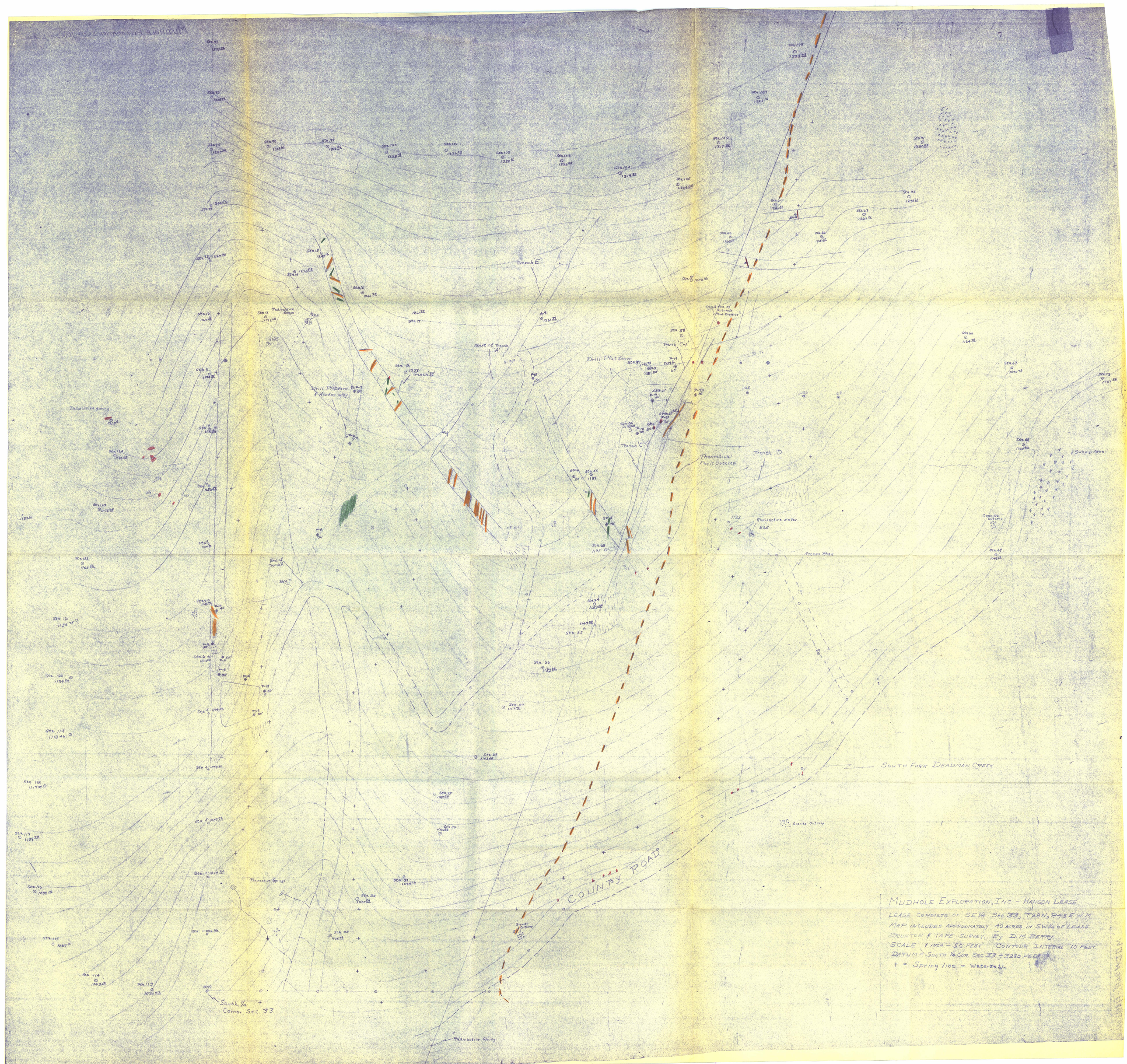
Gentlemen:

Your application for exploration assistance, dated July 5, 1957 submitted to our office at Spokane, Washington has been assigned Docket Number 4800 and referred to the Rare & Miscellaneous Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to: Docket
Region I



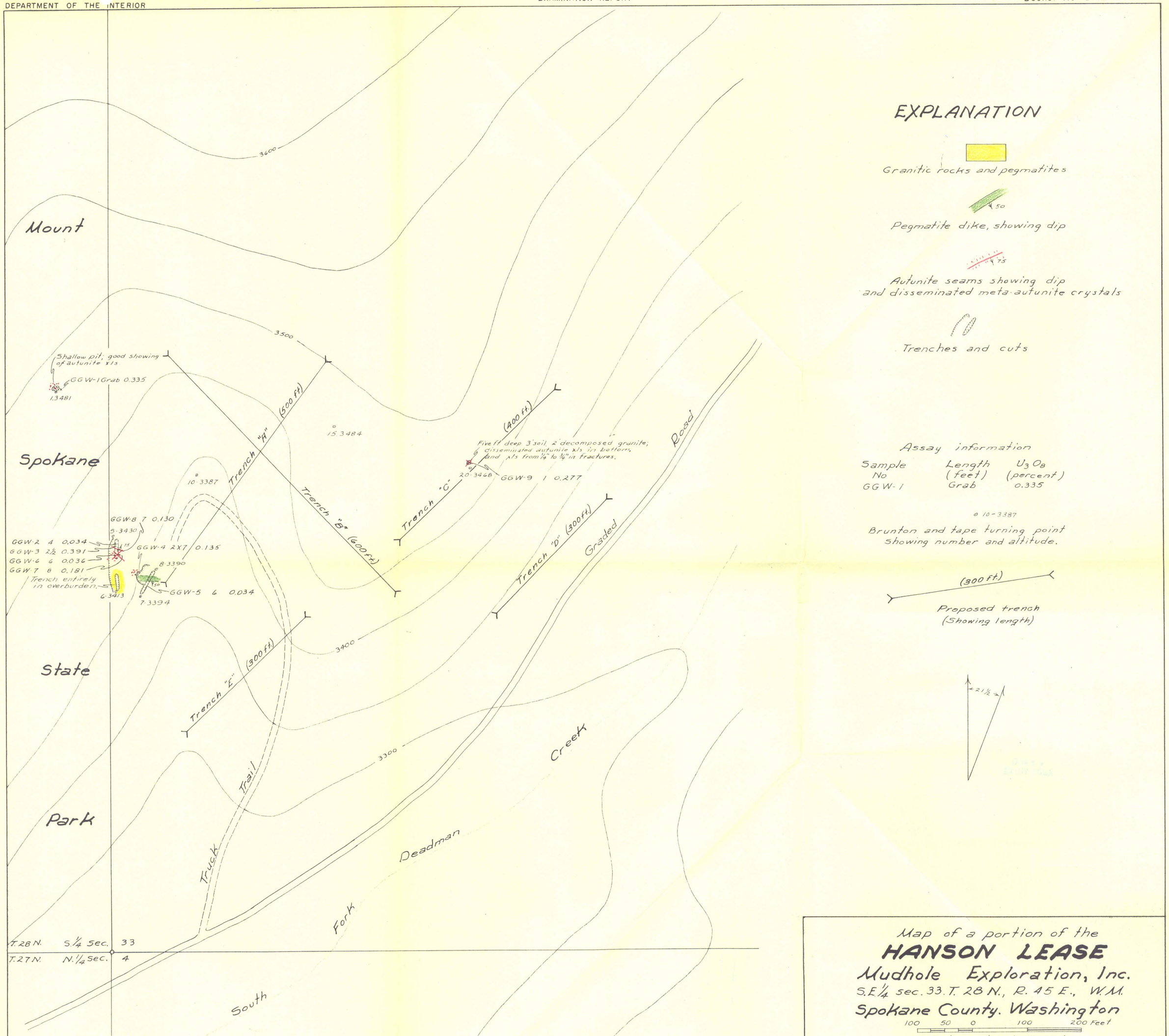
MUDHOLE EXPLORATION, INC - HANSON LEASE

LEASE CONSISTS OF SE1/4 Sec. 33, T28N, R45E W.M.
MAP INCLUDES APPROXIMATELY 40 ACRES IN SW1/4 OF LEASE
BRUNTON & TAPE SURVEY, BY D.M. BERRY
SCALE 1 INCH = 50 FEET CONTOUR INTERVAL 10 FEET
DATUM - SOUTH 1/4 COR Sec. 33 = 3290 FEET
+ = Spring line - Water table

UNITED STATES
DEPARTMENT OF THE INTERIOR

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXAMINATION REPORT

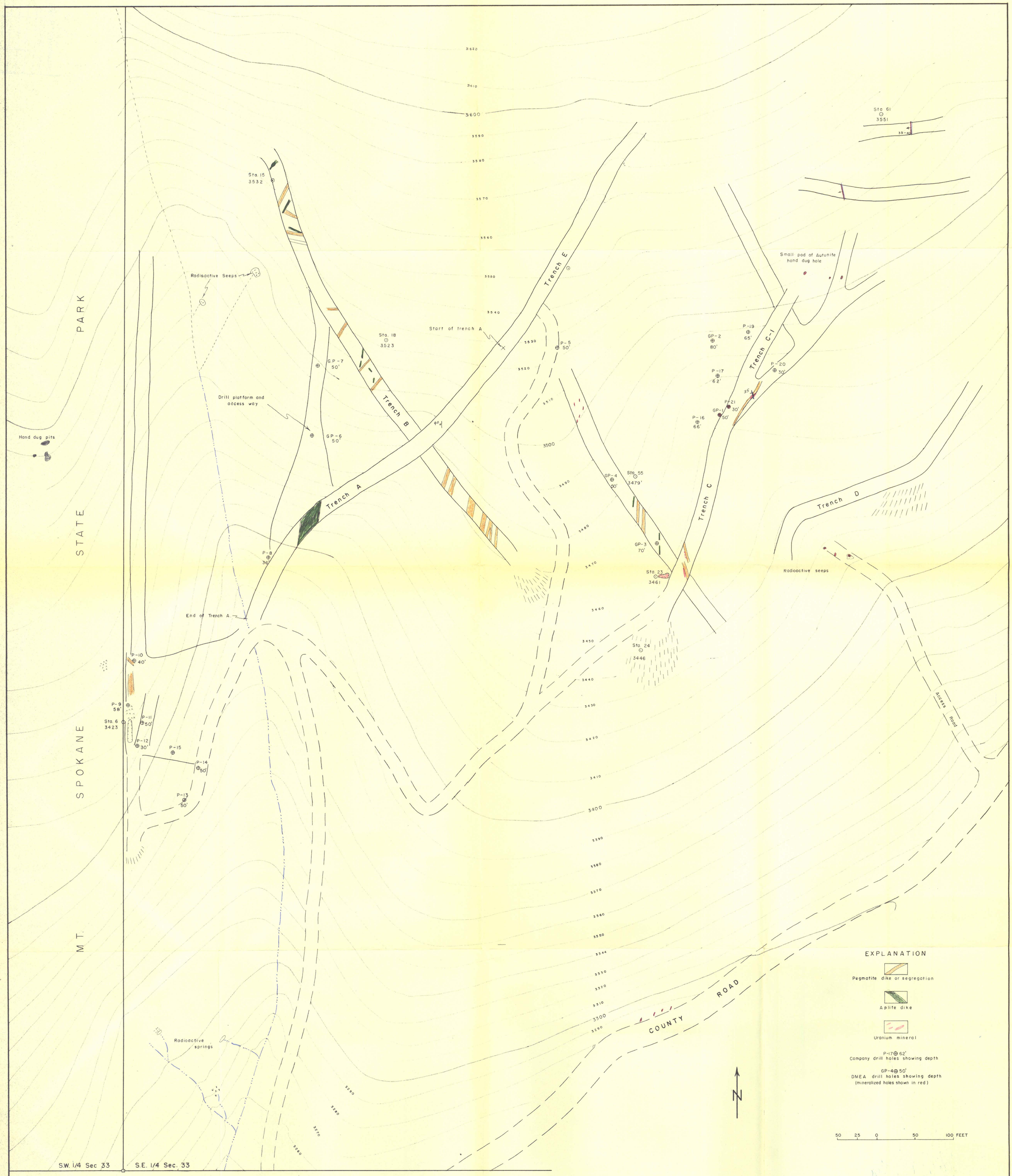
Docket No DMEA 4800



UNITED STATES
DEPARTMENT OF THE INTERIOR

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
FINAL REPORT

DOCKET NO DMEA 4800



NOTE: Modified from brunton and tape survey of D.M. Berry.

TOPOGRAPHIC MAP SHOWING GEOLOGY OF OPEN CUTS AND LOCATIONS OF DRILL HOLES

HANSON LEASE

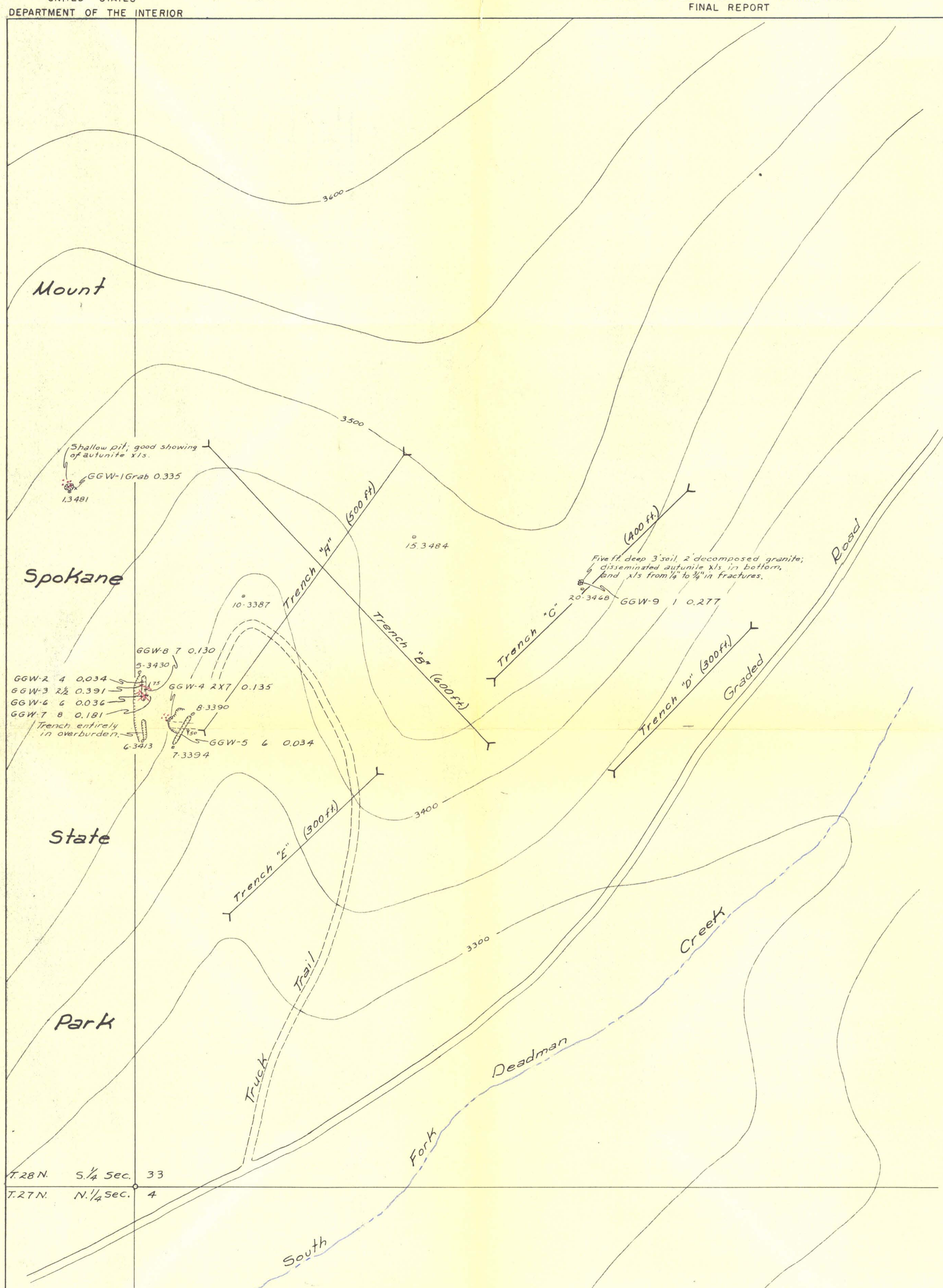
Mudhole Exploration Inc.

S.E. 1/4 Sec. 33, T.28N., R.45E. W.M.

SPOKANE COUNTY, WASHINGTON

Oct. 1958

Plate I



Geology from tape and brunton survey by H.F. Albee, Galen Waddell and Sui-Ju Kung 8/23/57.
Topography modified from Mt. Spokane Quadrangle 15 minute edition sheet.

EXPLANATION

Granitic rocks and pegmatites

Pegmatite dike, showing dip

Autunite seams showing dip and disseminated meta-autunite crystals

Trenches and cuts

Assay information

Sample No	Length (feet)	U_3O_8 (percent)
GGW-1	Grab	0.335

10-3387
Brunton and tape turning point showing number and altitude.

(300 ft)
Proposed trench (Showing length)

21½

Map of a portion of the
HANSON LEASE
Mudhole Exploration, Inc.
S.E.1/4 sec. 33. T. 28 N., R. 45 E., W.M.
Spokane County. Washington

100 50 0 100 200 Feet
Contour Interval 50 Feet
Datum Mean Sea Level
D.C. ALVORD

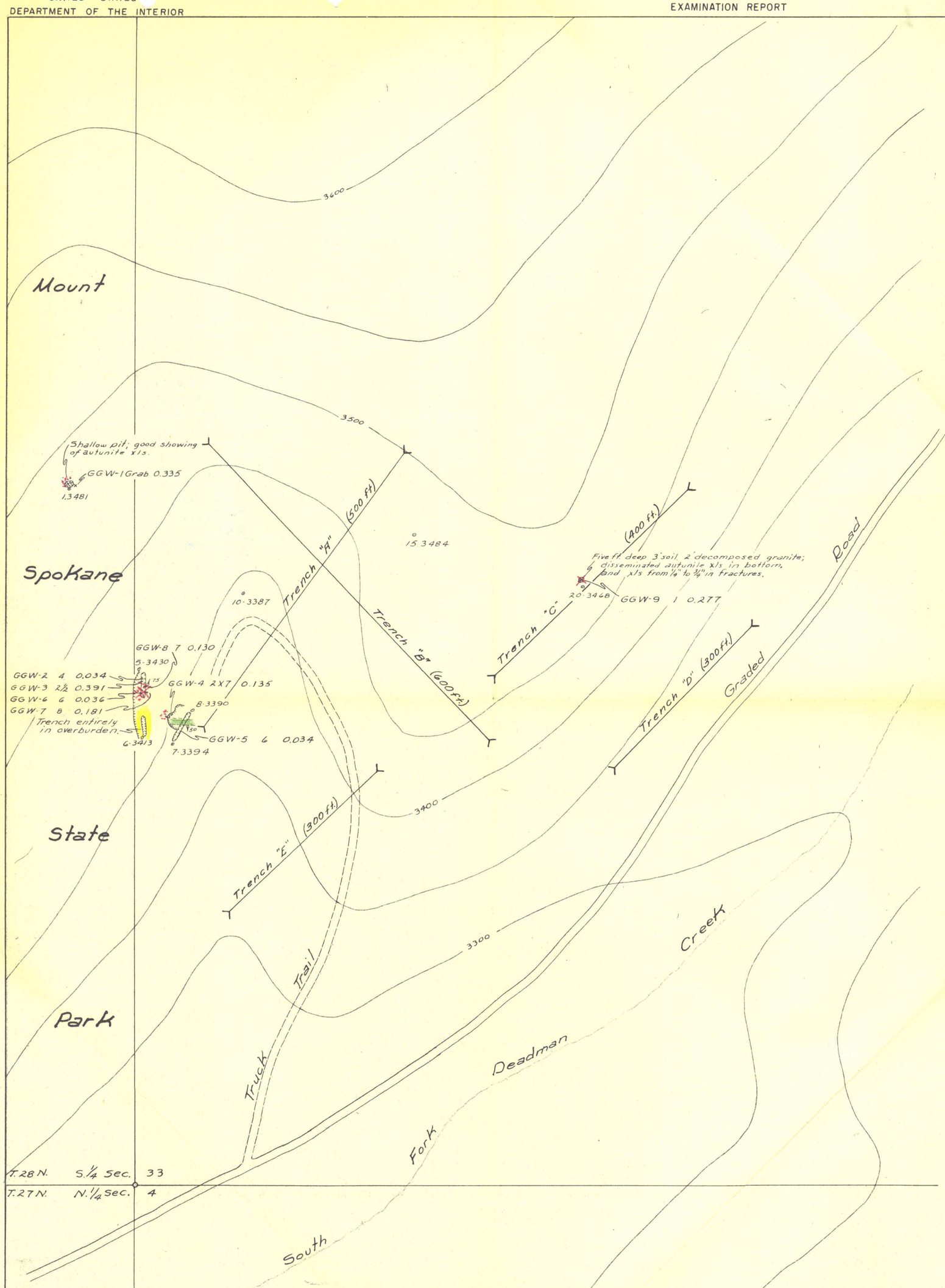
Oct. 1958

Plate 2

UNITED STATES
DEPARTMENT OF THE INTERIOR

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXAMINATION REPORT

Docket No DMEA 4800



Geology from tape and brunton survey by H.F. Albee, Galen Waddell and Sui-Ju Hung 8/23/57.
Topography modified from Mt. Spokane Quadrangle 15 minute edition sheet.

EXPLANATION

Granitic rocks and pegmatites

50

Pegmatite dike, showing dip

75

Autunite seams showing dip and disseminated meta-autunite crystals

Trenches and cuts

Assay information

Sample No	Length (feet)	U_3O_8 (percent)
GGW-1	Grab	0.335

⊙ 10-3387

Brunton and tape turning point showing number and altitude.

(300 ft.)

Proposed trench (Showing length)

21½

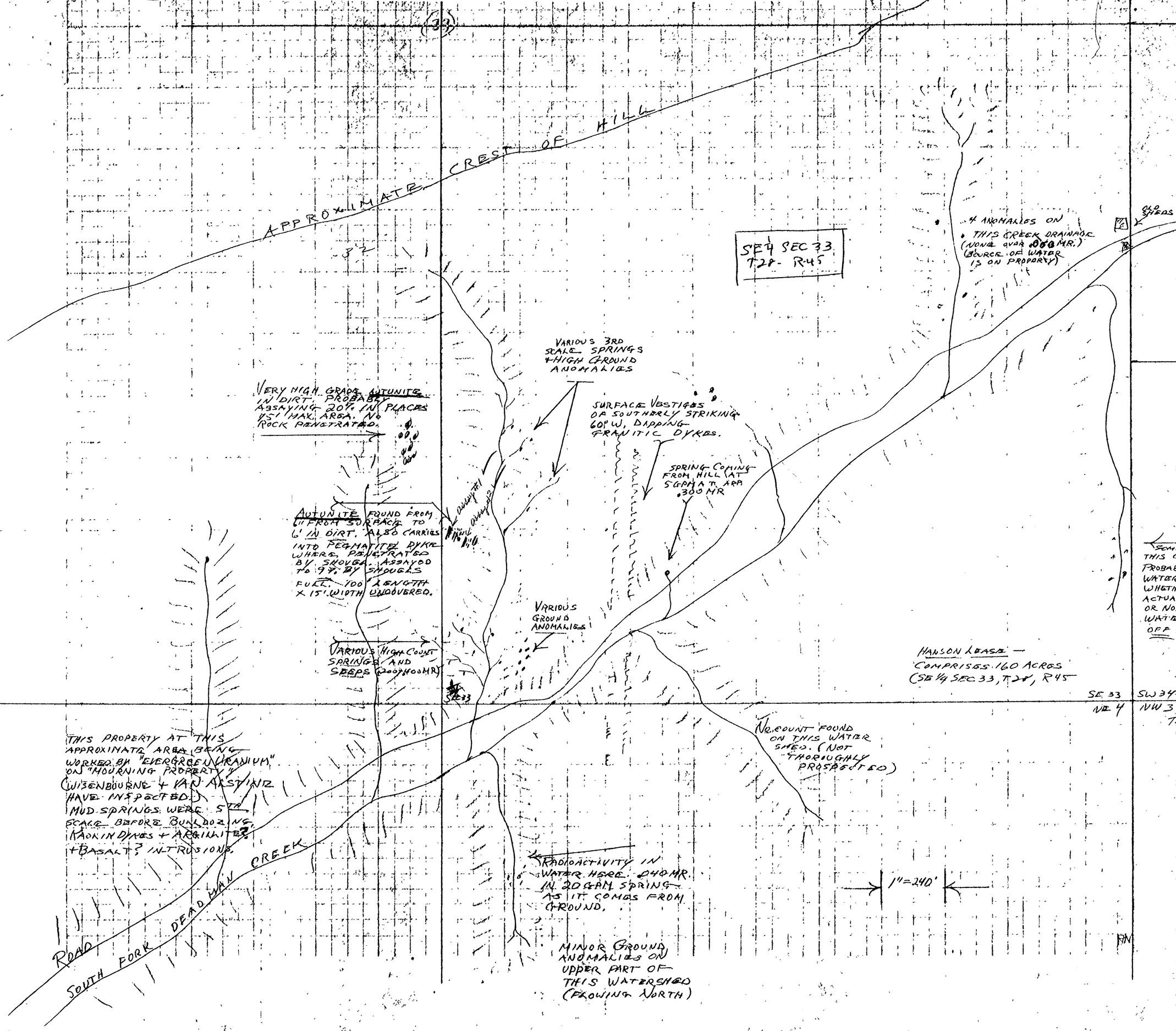
Map of a portion of the
HANSON LEASE
Mudhole Exploration, Inc.
S.E.1/4 sec. 33. T. 28 N., R. 45 E., W.M.
Spokane County. Washington

100 50 0 100 200 Feet

Contour Interval 50 feet
Datum Mean Sea Level
D.C. ALVORD

Sep. 1957

Plate 1


(33)
APPROXIMATE CREST OF HILL
SE¼ SEC 33
T28 - R45
4 ANOMALIES ON THIS CREEK DRAINAGE (NONE OVER .050 MR.) (SOURCE OF WATER IS ON PROPERTY)
OLD SHEDS
VARIOUS 3RD SCALE SPRINGS + HIGH GROUND ANOMALIES
VERY HIGH GRADE AUTUNITE IN DIRT. PROBABLY ASSAYING 20% IN PLACES VS1 MAX. AREA. NO ROCK PENETRATED.
SURFACE VESTIGES OF SOUTHERLY STRIKING 60° W, DIPPING GRANITIC DYKES.
SPRING COMING FROM HILL (AT 5 GPM) AT APP .300 MR
AUTUNITE FOUND FROM 6" FROM SURFACE TO 6' IN DIRT. ALSO CARRIES INTO PEGMATITE DYKE WHERE PENETRATED BY SHOVEL. ASSAYED TO 9% BY SHOVELS FULL 100' LENGTH X 15' WIDTH UNCOVERED.
VARIOUS GROUND ANOMALIES
VARIOUS HIGH COUNT SPRINGS AND SEEPS (200-400 MR)
HANSON LEASE — COMPRISES 160 ACRES (SE¼ SEC 33, T28, R45
SE 33
SW 34
NE 4
NW 3
NO COUNT FOUND ON THIS WATER SHED. (NOT THOROUGHLY PROSPECTED)
THIS PROPERTY AT THIS APPROXIMATE AREA BEING WORKED BY "EVERGREEN URANIUM" ON "MOURNING PROPERTY" (WISENBOURNE + VAN ALSTINE HAVE INSPECTED). MUD SPRINGS WERE 5TH SCALE BEFORE BULLDOZING. RADIN DIKES + ARGILLITE? + BASALT? INTRUSIONS.
RADIOACTIVITY IN WATER HERE .040 MR. IN 20 GPM SPRING AS IT COMES FROM GROUND.
1" = 240'
MINOR GROUND ANOMALIES ON UPPER PART OF THIS WATERSHED (FLOWING NORTH)
ROAD
SOUTH FORK DEAD MAN CREEK