DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 1164

DMEA NO. 4820

Application
- [ ] Denied
- [ ] Withdrawn

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

Right Side

- [x] Project summary (final)
- [x] Work Completed analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [x] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [ ] 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. 3 : Settlement Sheets + Semiannual reports on Cert. project

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

17963

~~Mr. Murphy~~
225

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., and the Acting Field Officer, OME Region III, Denver, Colorado, pertaining to Contract No. Idm-E1164, Docket No. DMEA-4820 (Uranium), dated January 16, 1958, with

Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Spook and Skul claims located in Converse County, Wyoming, during the period January 16, 1958, through May 5, 1960.

A certification of discovery or development was issued on April 10, 1959, and, in accordance with Article 8 of the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final audit dated February 3, 1959, indicated accepted costs under the exploration contract amounting to $17,299.23 with the Government's contribution, on a 75 percent basis, being $12,974.42.

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

(1) Inspection reports by representatives of the Field Team, Region III, and other documents in the regional files indicate that no minerals were mined or produced from the land described in Article 2 of the contract on which royalty would be payable to the Government during the progress of the exploration work or subsequent thereto; and

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

C. E. Fisher
C. E. Fisher, OME Auditor

May 6, 1960

[illegible] NUCLEAR, INC.

February 19, 1960

EXECUTIVE OFFICES
SUITE 201 1700 BROADWAY
DENVER 2, COLORADO

OFFICIAL FILE COPY O. M. E. RECEIVED FEB 26 1960		
DATE	INITIALS	CODE
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2/26	[illegible]	800
~~2-29~~	~~Murphy~~	~~500~~
	J	115

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

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

Re: Docket No. DMEA 4820 (Uranium)
Contract No. Idm-E1164
(Spook & Skul claims)
Converse County, Wyoming

Douglas Corp.

Gentlemen:

Mr. William E. Meakins, the Assistant Secretary of Douglas Corporation, has completed and handed us your questionaire of February 8, 1960, which we are now enclosing herewith. Since Mr. Robert W. Adams, the President of our Company, has acquired all of the interest formerly held by Douglas Corporation, we have taken the liberty of resubmitting your questionaire, together with a verifax copy of the Mining Deed under which Mr. Adams acquired his interest from Douglas Corporation.

We would appreciate it if you would amend your records to show that Mr. Adams is now the owner of the Skul and Spook claims originally held by Douglas Corporation.

Please direct all future correspondence and inquiries to the attention of Mr. Robert W. Adams at this address.

Very truly yours,

James A. Larson

James A. Larson

Chairman

MINING DEED

THIS DEED, made this 20th day of July, 1959, between DOUGLAS CORPORATION, party of the first part, as Grantor, and ROBERT W. ADAMS, party of the second part, as Grantee.

W I T N E S S E T H

The said party of the first part, for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration in hand paid by party of the second part, the receipt and adequacy of which is hereby acknowledged, does by these presents convey, assign, grant, sell, remise, release, cancel and quitclaim forever unto the said party of the second part, its successors and assigns forever, all of its right, title, interest, claim and demand, including royalty interests, ore payments, interests under leases, working or operating agreements or any conceivable interest of whatever character now owned or hereafter acquired in and to the following described lode mining claims or tracts located in Converse County, Wyoming:

JIM LODE MINING CLAIMS - Nos. 1 thru 13, inclusive, located in Sections 8 and 9, Township 37 North, Range 73 West, 6th P.M.

BUCK LODE MINING CLAIMS - Nos. 1 thru 31, inclusive, located in Sections 4, 5, 8 and 9, Township 37 North, Range 73 West, 6th P.M.

SHY LODE MINING CLAIMS - Nos. 1 thru 13, inclusive, located in Sections 4 and 5, Township 37 North, Range 73 West, 6th P.M.

SAGE LODE MINING CLAIMS - Nos. 1 thru 18, inclusive, located in Sections 29 and 32, Township 38 North, Range 73 West, 6th P.M.

PAT LODE MINING CLAIMS - Nos. 1 thru 14, inclusive, located in Sections 20 and 29, Township 38 North, Range 73 West, 6th P.M.

ROCK LODE MINING CLAIMS - Nos. 1 thru 7, inclusive, located in Section 21, Township [illegible] North, Range 73 West, 6th P.M.

SPOOK LODE MINING CLAIMS - Nos. 1 thru 12, inclusive, located in Sections 27, 28 and 33, Township 38 North, Range 73 West, 6th P.M.

SKUL LODE MINING CLAIMS - Nos. 1 thru 5, inclusive, located in Section 27, Township 38 North, Range 73 West, 6th P.M.

CACTUS LODE MINING CLAIMS - Nos. 1 thru 11, inclusive, located in Sections 28 and 33, Township 38 North, Range 73 West, 6th P.M.

GUMBO LODE MINING CLAIMS - Nos. 1 thru 4, inclusive, located in Section 5, Township 37 North, Range 73 West, 6th P.M.

HORN LODE MINING CLAIMS - Nos. 1 and 2, located in Section 24, Township 37 North, Range 74 West, 6th P.M.

together with all the dips, spurs and angles, and also all the metals, ores, minerals, rock and earth therein, and all the rights, privileges and franchises thereto incident, appendant and appurtenant or therewith usually had and enjoyed, and, also, all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in any wise appertaining, and the rents, issues, royalties and profits thereto.

Party of the first part for itself, its heirs, executors and administrators does hereby covenant and agree to and with party of the second part, its successors or assigns, that they have not previously conveyed or encumbered its interests in the above-described lode mining claims or tracts and further, party of the first part does hereby covenant and agree with party of the second part, its successors or assigns that it will forever warrant and defend the above-described lode mining claims or tracts against all and every person or persons lawfully claiming or to claim the whole or any part thereof, by, through or under the said party of the first part.

The party of the first party hereby expressly [illegible] all rights under and by virtue of the Homestead [illegible] United States of America.

TO HAVE AND TO HOLD all and singular the said premises, together with the appurtenances, unto the party of the second part, its heirs, successors or assigns forever.

IN WITNESS THEREOF, said Grantor has hereunto set its hand this 20th day of July, A.D. 1959.

DOUGLAS CORPORATION

By: San Day, President

By: Gene E. Fischer, Secretary

STATE OF COLORADO }
COUNTY OF DENVER } ss.

On this 20th day of July, 1959, before me appeared San Day and Gene E. Fischer to me personally known who, being by me duly sworn, did say that they are President and Secretary, respectively, of Douglas Corporation, a Colorado Corporation, and that the seal affixed to the said instrument is the Corporate Seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its last Board of Directors and the said President and Secretary acknowledged said instrument to be the free act and deed of said corporation.

GIVEN under my hand and notarial seal this 20th day of July, 1959.

Notary Public

Commission Expires

MINING DEED

DOUGLAS CORPORATION

TO

ROBERT W. ADAMS

FILING No. 291178
OFFICE OF THE REGISTER OF DEEDS
STATE OF WYOMING }
County of Converse }

This instrument was filed for record this
day of AUG A. D. 19
at 9:00 o'clock A M., and duly recorded in
Book 331 Page 166
Olga Fingard
County Clerk and Ex-Officio Register of Deeds

Return: Western Nuclear Corp
1700 Broadway
Suite 201
Denver 2 Colo

PHOTOSTATED ✓
INDEXED ✓
ABSTRACTED ✓ 2 85

THE HILLS COMPANY, DENVER, COLO.

OME
DEPARTMENT OF THE INTERIOR
FEB 23 1960
REGION III
DENVER, COLORADO

Docket copy

Ching
Kuase
T. Lynch
Hoffland
App'd. Sol. Off.
Talbert
Selfridge

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Pursuant to the provisions of Exploration Project Contract No. Idm-E1164, dated January 16, 1958, (Docket No. DMEA-4820), hereinafter called the "contract," between the Douglas Corporation, a Colorado corporation, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien therefor and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

Exploratory drilling in the project area resulted in the discovery of deposits of uranium ore in an upper sandstone unit of the Wasatch formation of Tertiary age.

Dated: APR 10 1959

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of
Minerals Exploration

MChing/gla 4-2-59
Copies:
Operator
Jesse C. Johnson, Director,
Div. of Raw Materials, AEC,
Washington, D. C.
Elton A. Youngberg, AEC, Grand
Junction Operations Office
Docket
Fiscal Office
Division of Contract Adm. &Audit
Director's Reading File
Frank E. Johnson
Operating Committee
Frank D. Lamb, Rm. 3608
THKiilsgaard, Rm. 5224
Mr. Ching
OME Field Team, Region III (2)

INTERIOR DEPT.
APR 6 - 1959
SOLICITOR

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. Mr. Frank E. Johnson	FEJ	2/6
2. Mr. George C. Selfridge		
3. Mr. F. L. Knouse		
4.		
5.		
FROM: Jay L. Chambers	JLC	2/6/59

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:

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

EXTRA COPY O. M. E. RECEIVED FEB 6 1959		
DATE	INITIALS	CODE

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

pertaining to Exploration Project Contract No. Idm-M1164, DMEA No. 4820, including Amendment No. 1, and Termination Agreement dated December 19, 1958, for the period January 16, 1958 to October 26, 1958, inclusive, covering a project for the exploration of Uranium on property known as Spock and Skul Claims located in Converse County, Wyoming.

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

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

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

Total cost as billed by Contractor		$18,007.60
Exceptions: (Schedule Attached)		
Prior to this review	$716.87	
Less: Reinstatement by review	8.50	
Herewith	0.00	708.37
Total Accepted Cost		$17,299.23

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Twelve Thousand, Nine Hundred Seventy-Four and 42/100ths Dollars is valid and proper, provided that the Regional Executive Officer, the Director, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Amount payable to Operator	$12,974.42
Amount reimbursed	12,468.06
Balance due Operator	$ 506.36

Rel. to Appr. 2/12/59

Donald T. Finch
Donald T. Finch
OME Auditor

February 3, 1959

REASONS FOR REPORT OF REVIEW IN LIEU OF FINAL AUDIT

CONTRACT NO. 14m-21164 DOCKET NO. NMRA-4820

DOUGLAS CORPORATION

(a) The monthly reports were supported by documentary proof of that portion ($14,184.60) of the costs which covered work performed at unit rates under independent contract and that portion ($162.93) which covered other costs for contribution by the Government on the basis of actual costs (per summary attached.)

(b) The balance ($2,951.70) of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed; and

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

SCHEDULE OF EXCEPTIONS

CONTRACT NO. Ida-E1164 DOCKET NO. DMEA-4820

DOUGLAS CORPORATION

Prior Disallowances by Field Team, Region III

The following excess drilling was disallowed:

HOLE NO.	FEET
A-3	45
A-4	23
A-5	47
A-6	141
A-7	20
A-8	104
A-9	100
A-10	30
A-11	50
A-12	110
A-13	95
A-16	11
A-44	5
A-50	6

Total Excess Footage		787 Ft	
Less Footage not billed or claimed:			
Total footage drilled May, 1958	15,089		
Total footage billed to & claimed by Operator	14,880	209 Ft	
Net Excess Footage Disallowed at 70¢ per ft		578 Ft	$404.60
Incidental allowance at 15¢ per ft. applicable Disallowed Footage			$ 86.70
62 Analyses claimed at $3.50 each			$217.00
Disallowed because there was no indication those were checked analyses as required by exploration contract.			
Excess claim for sampling represented by 5% discount on Brown Laboratory invoice dated November 4, 1958			8.57
Total Prior Disallowances			$716.87

Reinstatements During Review

10 Feet drilling at 70¢ per foot	7.00	
Incidental allowance applicable to 10 Ft. reinstated @ 15¢/ft.	1.50	
Total Reinstatements		$ 8.50

Footage disallowed by Field Team should have been 568 feet instead of 578 feet as shown by following analyses:

Excess footage drilled		787 Ft
Total footage drilled (corrected)	15,899 Ft	
Total footage billed to and claimed by Operator	14,880 Ft	219
Corrected footage to be disallowed		568
Footage disallowed originally		578
Difference		10 Ft.

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

SUMMARY OF DOCUMENTED COSTS

CONTRACT NO. Idm-31164 DOCKET NO. DMSA-4820

DOUGLAS CORPORATION

	STAGE I	STAGE II	TOTAL
Independent Contracts			
Deep-core Drilling			
14,312 Feet at $0.70 per foot	$10,018.40		
5,366 Feet at $0.70 per foot		$3,796.20	
Standby Time			
30 Hours at $10.00 per hour	300.00		
11 Hours at $10.00 per hour		110.00	
Total Independent Contracts	$10,318.40	$3,866.20	$14,184.60
Miscellaneous			
49 Chemical Analyses at $3.50 ea. less 5% disc.		162.93	162.93
Total Documented Costs	$10,318.40	$4,029.13	$14,347.53
Fixed Unit Costs			
Incidental Allowance			
14,312 Feet of accepted drilling at $0.15 per ft.	$ 2,146.80		
5,366 Feet of accepted drilling at $0.15 per ft.		804.90	2,951.70
TOTAL ACCEPTED COSTS	$12,465.20	$4,834.03	$17,299.23

Government's copy

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O. M. E.
RECEIVED JAN 16 1959
DATE | INITIALS | CODE

Ryland
Sawyer
Chino
Kuorge
Chandler
Selfridge

TERMINATION AGREEMENT

It is agreed this 19th day of December, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government", and Douglas Corporation, hereinafter called the "Operator", parties to that certain Exploration Project Contract No. Idm-E1164, Docket No. DMEA-4820, dated January 16, 1958, as amended, hereinafter called the "Contract", that:

1. Effective October 26, 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 not contribute to the cost of any work performed after October 26, 1958, except the cost of analyses of samples taken not later than October 26, 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 Frank E. Johnson
ACTING Director, Office of Minerals Exploration

DOUGLAS CORPORATION

By

Title President

December 12, 1958

Docket No. DMEA-4820 (Uranium)
Contract No. Idm-E1164
Douglas Corporation
Spook and Skul Claims
Converse County, Wyoming

JUSTIFICATION FOR TERMINATION AGREEMENT

The subject contract provides for approximately 62 drill holes in Stage I and not more than 48 holes in Stage II. The contract completion date is October 31, 1958.

The Operator actually completed 62 holes in Stage I and 42 offset holes in Stage II by October 26. Eleven of the Stage I holes contained material assaying 0.1 percent U_3O_8 or better. Fourteen of the Stage II holes contained similar material. There appear to be two ore bodies on the claims containing roughly 30,000 tons of ore.

In a letter, dated November 17, 1958, the Operator requested termination of the contract in its present status. The Field Team has concluded that sufficient exploration has been done to evaluate the property in terms of probable ore bodies and that development work can now be initiated by the Operator.

Under the foregoing circumstances, a termination agreement is in order.

Michael Ching
Michael Ching

Government's copy

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DATE | INITIALS | CODE

Long
Hoffland
App'd. Sol. Off.
Ching
Chamberlin
Selfridge
Johnson

EXPLORATION PROJECT CONTRACT
DOUGLAS CORPORATION
DOCKET NO. DMEA-4820

AMENDMENT NO. 1

It is agreed this 22nd day of August, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Douglas Corporation, that Exploration Project Contract Idm-E1164 (Docket No. DMEA-4820), dated January 16, 1958, is amended as follows:

1. The date fixed in Article 3 of the Contract for completion of the work is extended from July 31, 1958, to October 31, 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, the amount of any item designated as "maximum", or the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mitteudorf
Administrator, Defense Minerals
Exploration Administration

DOUGLAS CORPORATION

By Jane E. Fisher

Title Secretary

August 12, 1958

Docket No. DMEA-4820 (Uranium)
Contract No. Idm-E1164
Douglas Corporation
Spook and Skul Claims
Converse County, Wyoming

Justification for Amendment No. 1

The original contract completion date is July 31, 1958. The contract was forwarded to the Field Team on January 16, 1958. Probably because of weather conditions the final starting date inserted in the contract was May 1, 1958.

Stage I work was completed on May 26. However, the Operator was delayed in securing analyses of the samples taken, and required considerable time in evaluating Stage I results and formulating its request for Stage II drilling.

The field examiners have recommended approval for 42 Stage II holes, indicating that the results of Stage I work are encouraging.

Should be approved by mail

Under the circumstances a three month extension of the completion date is necessary for an adequate test of the potential of the subject property.

Michael Ching

Michael Ching, Mining Engineer
Division of Rare and
Miscellaneous Metals

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Government's copy

MF-200
(Revised June 1954)

Docket No. DMEA 4820

Commodity Uranium

Contract No. Idm-E 1164

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 16 JAN 1958 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] Douglas Corporation, a Colorado corporation

Land sold to Robert W. Adams
Mr Adams is President of
Western Nuclear, Inc.
Suite 201 - 1700 Broadway
Denver 2, Colorado

whose mailing address is P. O. Box 785
Fort Collins, Colorado
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~~ Annex II, and "Figure 2--Maps of the Douglas Corporation Property..."

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 Wyoming, County of Converse, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] owner of [5] mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] Mining Deed, [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: None

(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: None

(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 July 31, 1958 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall ~~XXXX~~ have completed the work ~~xxxx

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, the Operator is not obligated to incur more than his agreed percentage of the estimated total allowable cost of the work. See Annex II.

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

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

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.

x 8. See Annex II.

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.*—

See Annex II.

Porter
Meyers
App'd. Sol. Off.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. W. Mitterdorf
Administrator, Defense Minerals
Exploration Administration

DOUGLAS CORPORATION
(Operator)

By Sam Day

Title President

I, Gene E. Fischer, certify that I am the secretary of the corporation named as Operator herein; that Sam Day 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.

Gene E. Fischer
Gene E. Fischer, Secretary

[CORPORATE SEAL]

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

Ching
Ellis
Jay L. Chambers
Selfridge
Johnson

EXPLORATION PROJECT CONTRACT
DOUGLAS CORPORATION
DOCKET NO. DMEA-4820

ANNEX I

The land referred to in Article 2 of the Contract consists of 17 unpatented lode mining claims situated in sections 27, 28, and 33, T. 38 N., R. 73 W., 6th P. M. & B., Converse County, Wyoming. The notices of location of the claims are recorded in the official records of Converse County, Wyoming, as follows:

Claim No.	Book	Page
Spook 1	306	187
Spook 2	306	186
Spook 3	306	192
Spook 4	291	599
Spook 5	293	10
Spook 6	293	11
Spook 7	306	185
Spook 8	293	13
Spook 9	293	14
Spook 10	301	543
Spook 11	301	544
Spook 12	306	189
Skul 1	291	425
Skul 2	291	424
Skul 3	291	423
Skul 4	291	422
Skul 5	291	421

The land is shown on the small-scale map entitled, "Geology of Claims Area and Vicinity," which is a part of Figure 2, attached to this Contract.

EXPLORATION PROJECT CONTRACT
DOUGLAS CORPORATION
DOCKET NO. DMEA-4820

ANNEX II

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) commending after the semicolon is deleted.

(c) Categories (2) through (6) 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.

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

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

EXPLORATION PROJECT CONTRACT
DOUGLAS CORPORATION
DOCKET NO. DMEA-4820

EXHIBIT "A"

Description of the Work

General Provisions

The work consists of exploration by non-core drilling to test the Wasatch formation of Eocene age.

Drilling depths are expected to range from 150 to 325 feet and to average 240 feet. All holes shall be drilled through the Wasatch formation and at least 2 feet, but not more than 15 feet, into the underlying Fort Union formation.

Cuttings shall be collected with a Duclone sample collector or equivalent unit of another make, unless wet drilling is necessary, in which case provision shall be made for taking satisfactory sludge samples. Cuttings from all drill holes shall be collected, sampled at each 2-foot interval, and checked for radioactivity. Samples indicating significant mineralization shall be split, and one portion shall be analyzed chemically for uranium, and the other portion shall be properly labeled and stored for the use of the Government. The non-mineralized cuttings also shall be labeled and stored for inspection by the Government. Any stored samples may be disposed of by the Operator upon approval by the Government.

All cuttings from the drill holes shall be logged geologically and the holes probed radiometrically, and the record of such logging and probing, together with certified copies of all assay certificates, shall be submitted with the Operator's monthly progress reports.

No hole shall be drilled closer than 100 feet to the outer boundaries of the land described in Annex I.

The Government will not contribute to any costs of an incompleted drill hole.

Access roads and drill sites shall be prepared with a D-7 bulldozer, or an equivalent unit of another make.

The project shall be supervised at all times by a geologist or mining engineer, who shall devote full time to the project work.

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

The work is divided into two stages as hereinafter described. The Operator shall complete Stage I, and shall perform as much of Stage II as the Government approves in writing in advance.

Stage I

Prepare access roads and drill sites by bulldozer, and drill approximately 62 holes, aggregating an estimated 14,880 feet of drill hole, at the locations indicated on the map entitled, "Map of Recommended Exploration," which is a part of Figure 2. The holes shall be drilled in 12 east-west rows 300 feet apart, with the holes in each row also 300 feet apart and staggered with respect to the holes in adjacent rows. As indicated on the map, some holes in this pattern have been omitted where previously drilled holes are present, but, in the event the Government determines that the existing holes are too shallow to adequately test any of these areas, the Operator may complete the regular pattern of drilling in such areas. If more than 14,880 feet of drilling is required to reach the desired horizon, the additional footage and funds required may, with the written approval of the Government, be transferred and deducted from Stage II.

Stage II

Prepare access roads and drill sites and drill not more than 48 holes aggregating not more than 11,520 feet as offsets to previously drilled holes showing favorable mineralization. Offset holes shall be drilled not closer than 100 feet to any previously drilled hole that completely penetrated through the Wasatch formation.

Estimated Cost of the Project

Stage I

Actual Costs

Category (1) Independent Contracts

14,880 feet non-core drilling @ $0.70/ ft. (See Annex II(f).)	$10,416.00		
31 hours drill crew standby time @ $10/ hr.	310.00		
30 hours bulldozing @ $10/hr.	300.00	$11,026.00	

Categories (2) through (6)

None

Category (7) Miscellaneous

62 chemical analyses @ $3.50/each sample	217.00	$11,243.00

Fixed Unit Costs (See Annex II(d).)

Incidental allowance 1/ for each foot of hole drilled, 14,880 feet @ $0.15/ft.	$2,232.00
Estimated Total Cost of Stage I	$13,475.00

Stage II

Actual Costs

Category (1) Independent Contracts

11,520 feet non-core drilling @ $0.70/ft. (See Annex II (f).)	$8,064.00		
24 hours drill crew standby time @ $10/hr.	240.00		
20 hours bulldozing @ $10/hr.	200.00	$8,504.00	

Categories (2) through (6)

None

Category (7) Miscellaneous

70 chemical analyses @ $3.50/each sample	245.00	$8,749.00

Fixed Unit Costs (See Annex II (d).)

Incidental allowance 1/ for each foot of hole drilled, 11,520 feet @ $0.15/ft.	1,728.00
Estimated Total Cost of Stage II	$10,477.00

S U M M A R Y

Estimated Total Cost of Stage I	$13,475.00	
Estimated Total Cost of Stage II	$10,477.00	
Estimated Total Cost of the Project		$23,952.00
Government participation @ 75 percent		$17,964.00

1/ Includes all costs that might be allowable costs of the project under Categories (1) through (7) of Article 6(a), except as otherwise scheduled in Exhibit "A."

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

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DATE	INITIALS	CODE
12/30	C	220
"	[illegible]	700

December 26, 1957

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 4820 (Uranium) Douglas Corporation (Spook and Skul claims) Converse County, Wyoming

Enclosed are the original and one copy of a letter from the subject Applicant and two photo copies of the executed Mining Deed from J. P. Hadfield, Jr., and Kathleen A. Hadfield to Douglas Corporation dated August 13, 1957.

It appears that the Applicant has furnished sufficient proof of title which we requested in our letter to him dated December 18, 1957,

WH King
W. H. King

WHK
HMC

DOUGLAS CORPORATION

Suite 224
U. S. Nat'l Bank Bldg.
Denver, Colorado
Telephone: KEystone 4-0129
KEystone 4-0120

P. O. Box 785
Fort Collins, Colorado
Telephone: HUnter 2-4710

P. O. Box 617
Casper, Wyoming
Telephone: 21173

December 23, 1957

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DMEA
RECEIVED DEC 30 1957

DATE	INITIALS	CODE

Mr. W. H. King
Executive Officer, DMEA
Field Team, Region III
United States Department of the Interior
224 New Customhouse
Denver 2, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
DEC 24 1957
REGION III
DENVER, COLORADO

Dear Sir:

In re: Docket No. DMEA 4820 (Uranium)
Spook and Skul Claims
Converse County, Wyoming

Pursuant to your letter of December 18, 1957, there is enclosed a photocopy of the executed Mining Deed from J. P. Hadfield, Jr., and Kathleen A. Hadfield to Douglas Corporation, dated August 13, 1957, which conveys and assigns to Douglas Corporation all right, title and interest in and to Spook Claims 1-12, inclusive, and Skul Claims 1-5, inclusive.

Please let me know if you require any further information to complete the processing of our application.

Yours very truly,

DOUGLAS CORPORATION

Gene E. Fischer, Secretary

GEF:blf

Enc.

DMEA
DEPARTMENT OF THE INTERIOR
DEC 24 1957
REGION III
DENVER, COLORADO

MINING DEED

THIS DEED, made this 13th day of August, 1957, between J. P. HADFIELD, JR. and KATHLEEN A. HADFIELD, his wife, of Casper, County of Natrona, State of Wyoming, parties of the first part, and DOUGLAS CORPORATION, party of the second part,

WITNESSETH:

The said parties of the first part, for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration in hand paid by party of the second part, the receipt and adequacy of which is hereby acknowledged, do by these presents convey, assign, grant, sell, remise, release, cancel and quitclaim forever unto the said party of the second part, its successors and assigns forever, all of their right, title, interest, claim and demand, including royalty interests, ore payments, interests under leases, working or operating agreements or any conceivable interest of whatever character now owned or hereafter acquired in and to the following described lode mining claims or tracts located in Converse County, Wyoming:

All of these lode mining claims known and referred to as Shul Nos. 1-5, inclusive (5 locations) situated in Sec. 27, Twp. 38 N., Rge. 73 W., 6th Principal Meridian, Converse County, Wyoming, more particularly described by the recorded location notices thereof recorded in the office of the County Clerk and Ex-Officio Register of Deeds, Converse County, Wyoming, at the following Book and pages: Book 291, pages 421-425, inclusive;

All of these lode mining claims known and referred to as Gumbo Nos. 1-4, inclusive (4 locations) situated in Sec. 5, Twp. 37 N., Rge. 73 W., 6th Principal Meridian, Converse County, Wyoming, more particularly described by the recorded location notices thereof recorded in the office of the County Clerk and Ex-Officio Register of Deeds, Converse County, Wyoming, at the following Book and pages: Book 291, pages 585-588, inclusive;

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DMEA
RECEIVED DEC 30 1957

DATE	INITIALS	CODE

All of those lode mining claims known and referred to as Rock Nos. 1-7, inclusive, (7 locations) situated in Sec. 21, Twp. 38 N., Rge. 73 W., 6th Principal Meridian, Converse County, Wyoming, more particularly described by the recorded location notices thereof recorded in the office of the County Clerk and Ex-Officio Register of Deeds, Converse County, Wyoming, at the following Books and pages: Book 291, pages 590-595, inclusive, and Book 290, page 507;

All of those lode mining claims known and referred to as Jim Nos. 1-13, inclusive (13 locations) situated in Secs. 8, 9, & 17, Twp. 37 N., Rge. 73 W., 6th Principal Meridian, Converse County, Wyoming, more particularly described by the recorded location notices thereof recorded in the office of the County Clerk and Ex-Officio Register of Deeds, Converse County, Wyoming, at the following Books and pages: Book 291, pages 409-414, inclusive; Book 306, page 190; Book 291, page 407; Book 301, page 542; Book 291, pages 404 and 405; Book 306, page 188; and Book 291, page 426;

All of those lode mining claims known and referred to as Shy Nos. 1-13, inclusive (13 locations) situated in secs. 4 and 5, Twp. 37 N., Rge. 73 W., 6th Principal Meridian, Converse County, Wyoming, more particularly described by the recorded location notices thereof recorded in the office of the County Clerk and Ex-Officio Register of Deeds, Converse County, Wyoming, at the following Books and pages: Book 293, page 19, Book 291, page 600; Book 293, pages 1-9, inclusive; Book 291, page 560; and Book 306, page 191;

All of those lode mining claims known and referred to as Spooks Nos. 1-12, inclusive (12 locations) situated in Secs. 27, 28, & 33, Twp. 38 N., Rge. 73 W., 6th Principal Meridian, Converse County, Wyoming, more particularly described by the recorded location notices thereof recorded in the office of the County Clerk and Ex-Officio Register of Deeds, Converse County, Wyoming, at the following Books and pages: Book 291, page 599; Book 293, pages 10 & 11 and 13 & 14; Book 301, pages 543-544; Book 306, pages 185, 186, 187, 189 and 192:

together with all the dips, spurs and angles, and also all the metals, ores, minerals, rock and earth therein, and all the rights, privileges and franchises thereto incident, appendant and appurtenant or therewith usually had and enjoyed, and, also, all and singular the tenements, hereditaments and appurtenances and thereunto belonging, or in any wise appertaining, and the rents, issues, royalties and profits thereto.

Parties of the first part for themselves, their heirs, executors and administrators do hereby covenant and agree to and with party of the second

part, its successors or assigns, that they have not previously conveyed or encumbered their interests in the above-described lode mining claims or tracts and further, parties of the first part do hereby covenant and agree with party of the second part, its successors or assigns, that they will forever warrant and defend the above-described lode mining claims or tracts against all and every person or persons lawfully claiming or to claim the whole or any part thereof, by, through or under the said parties of the first part.

The parties of the first part hereby expressly waive all rights under and by virtue of the Homestead Exemption Laws of the State of Wyoming.

TO HAVE AND TO HOLD all and singular the said premises, together with the appurtenances, unto the party of the second part, its heirs, successors or assigns forever.

IN WITNESS WHEREOF, the parties of the first part, as hereinabove set forth, have caused this instrument to be executed as of the day and year first above written.

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 30 1957

DATE	INITIALS	CODE

J. P. Hadfield, Jr.

J. P. Hadfield, Jr.

Kathleen A. Hadfield

Kathleen A. Hadfield

STATE OF WYOMING)
) ss.
COUNTY OF Natrona)

On this 31st day of August, 1957, before me personally appeared J. P. HADFIELD, JR. and KATHLEEN A. HADFIELD, husband and wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and the effect of signing and acknowledging the said instrument.

Given under my hand and seal this 31st day of August, 1957.

Betty Joyce Johnson
Notary Public

My Commission Expires: December 1, 1958

DOUGLAS CORPORATION

Suite 224
U. S. Nat'l Bank Bldg.
Denver, Colorado
Telephone: KEystone 4-0129
KEystone 4-0120

P. O. Box 785
Fort Collins, Colorado
Telephone: HUnter 2-4710

P. O. Box 617
Casper, Wyoming
Telephone: 21173

September 17, 1957

Mr. Ernest Wm. Ellis, Director
Division of Rate and Miscellaneous Metals
United States Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D.C.

Re: Docket No. DMEA-4820 (Uranium)
Spook and Skul Claims
Converse County, Wyoming

Dear Mr. Ellis:

In accordance with your request of September 3, 1957, I submit the enclosed additional information pertaining to our Spook and Skul claims.

Sincerely yours,

DOUGLAS CORPORATION

Sam Day, President

SD/s

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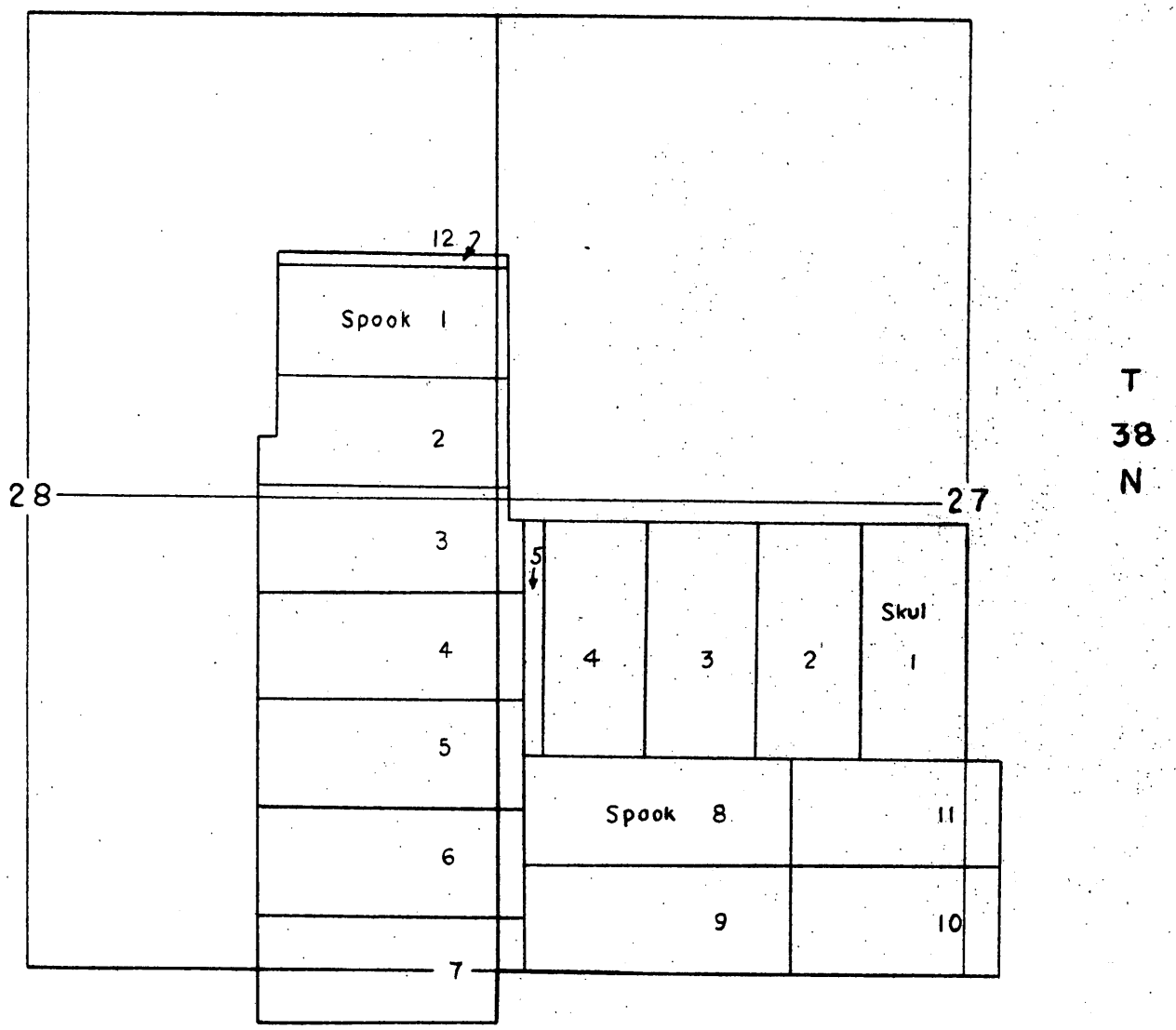
DATE	INITIALS	CODE
9/20	C	220
"		700

Enclosures:
1. Map (Fig. 1) showing all claim boundaries.
2. Map (Fig. 2) and text, giving location and extent of work done (See also Fig. 4).
3. Map (Fig. 3) showing known favorable target areas.
4. Map (Fig. 4) showing location of ore-grade samples.
5. Map (Fig. 5) showing location and pattern of proposed drilling.
6. Description of proposed drilling program.
7. Copies (2) of available assay certificates. (Samples were taken at 2-foot intervals).
8. Bids from three independent drilling contractors.

Original



CLAIM MAP

Converse County

Scale
1" = 1000'

FIG. 1

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DATE	INITIALS	CODE

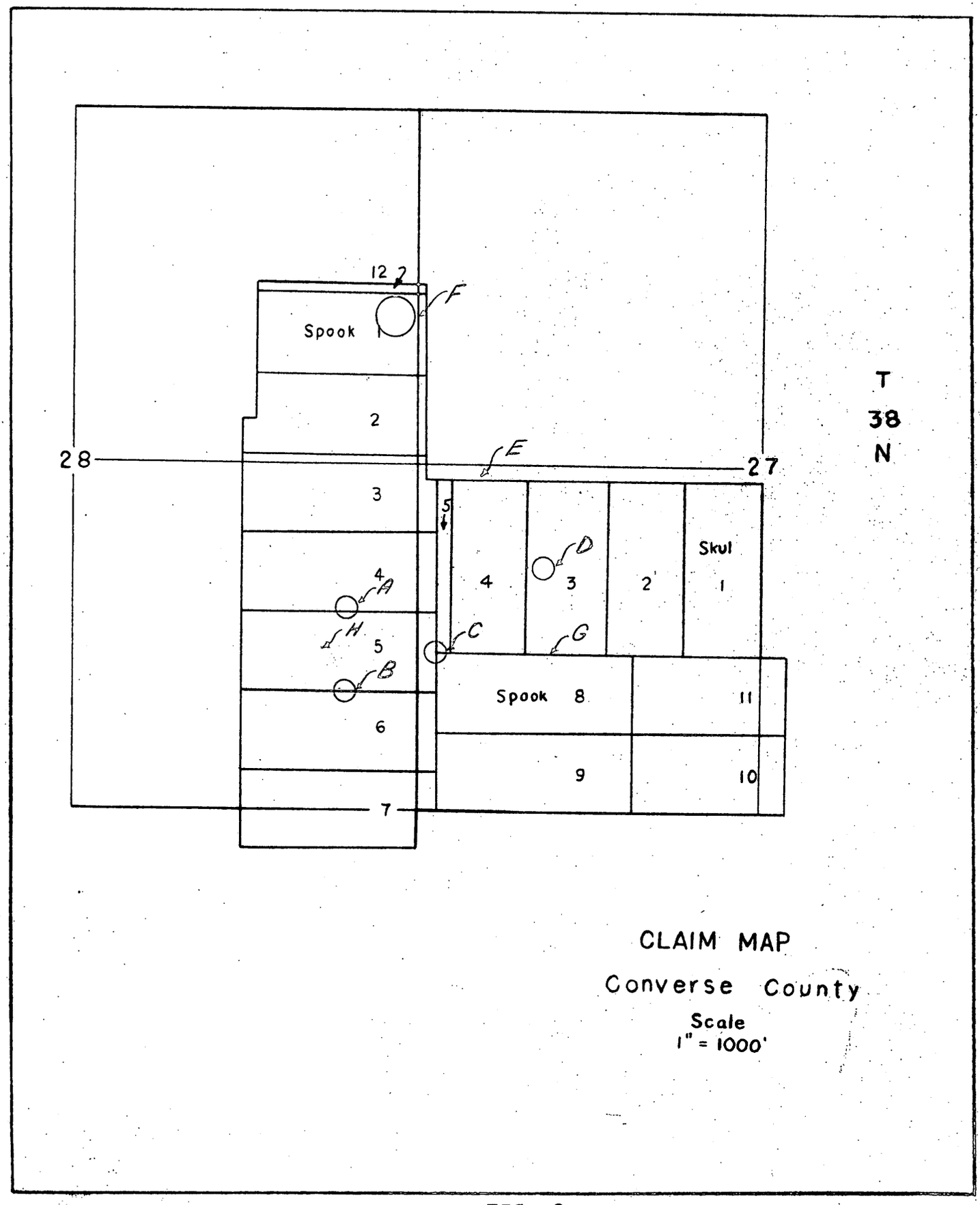


FIG. 2
Location of Previous Work

Location and Extent of Previous Work

(See Figure 2 for Reference)

A. Thirteen (13) holes, approximately 50 to 70 feet apart, to an average depth of 70 feet. No samples taken.

Results - Probing shows 8 times background at a depth of 6 feet; another horizon at a depth of 56 feet shows 10 times background.

B. Two (2) holes, approximately 50 feet apart, drilled to 10 and 62 feet respectively. No samples taken.

Results - Probing of the first hole shows 12 times background at a depth of 8 feet. The second hole shows 10 times background at a depth of 3 feet.

C. Seven (7) holes, approximately 50 to 70 feet apart, drilled to an average depth of 62 feet. No samples taken.

Results - Probing shows up to 27 times background at a depth of 55 feet.

D. Two (2) holes, approximately 250 feet apart, to depths of 57 and 72 feet. No samples taken.

Results - Probing shows up to 4 times background at a depth of 31 feet.

E. One (1) drilled by Loma Uranium Co., approximately 40 feet north of claim boundary, to a depth of 101 feet or more. No sample data.

Results - Probing shows up to 7 times background at a depth of 59 feet, and 14 times background at a depth of 101 feet.

F. Six (6) holes drilled by applicant on 200- by 400-foot spacing, to an average depth of 119 feet. (See Figure 4).
All holes completely sampled.

Results - Two (2) holes showed ore-grade assays (see assay certificates). Three other holes showed abnormally high radioactivity and carbonaceous material (two of them show visible uranium mineral(s).

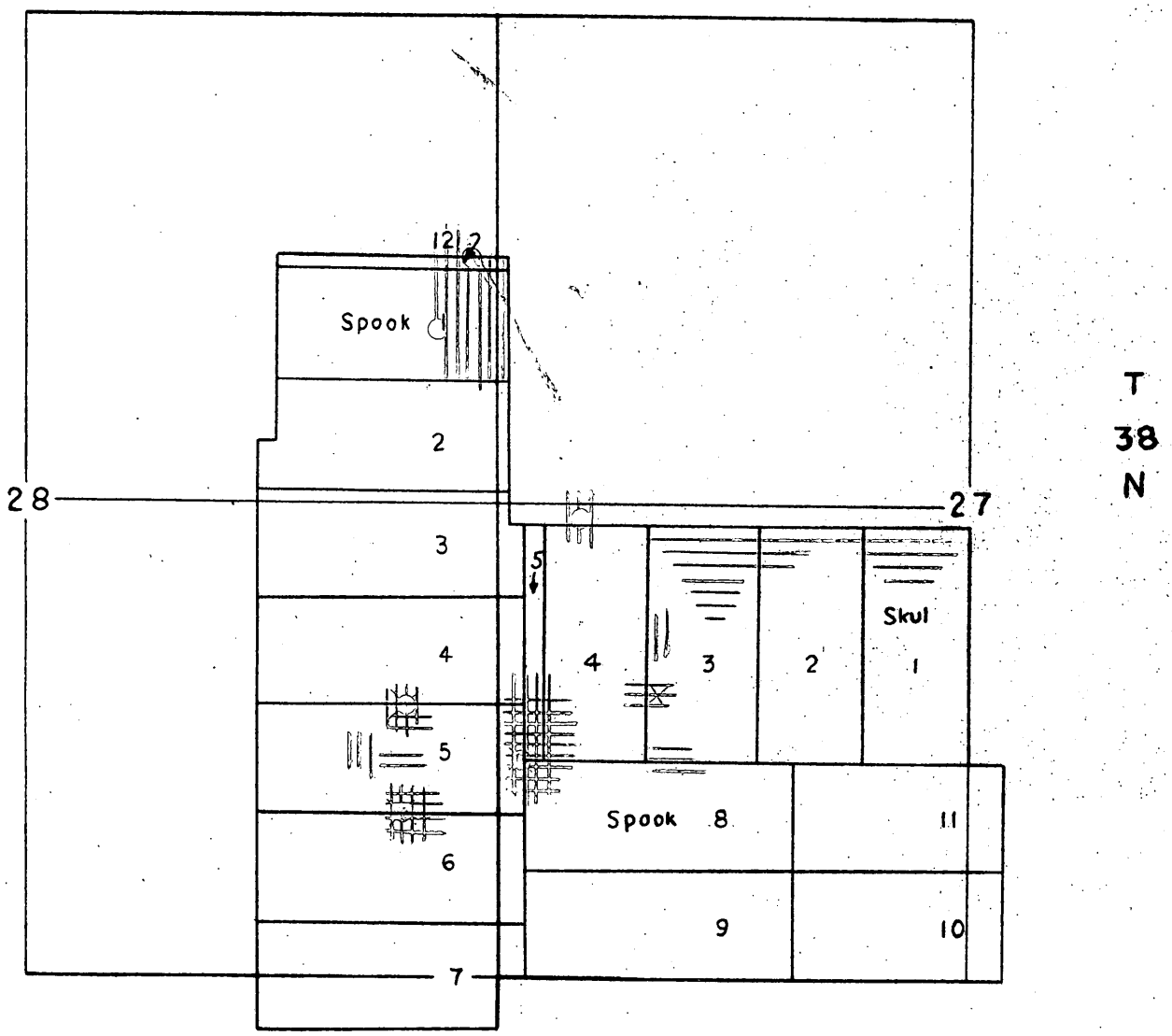
In all, seven potential ore horizons were cut in these six holes.

G. One (1) hole drilled to a depth of 120 feet.

Results - Radioactivity is 2.5 times background at a depth of 53 feet.

H. One (1) hole drilled to a depth of 122 feet.

Results - Radioactivity is 4.5 times background at a depth of 86 feet.



CLAIM MAP

Converse County

Scale
1" = 1000'

Visible Mineral in Hole
Visible Mineral on Surface
High Surface Radioactivity
High Subsurface Radioactivity

Favorable Target Areas
Fig. 3

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DATE	INITIALS	CODE

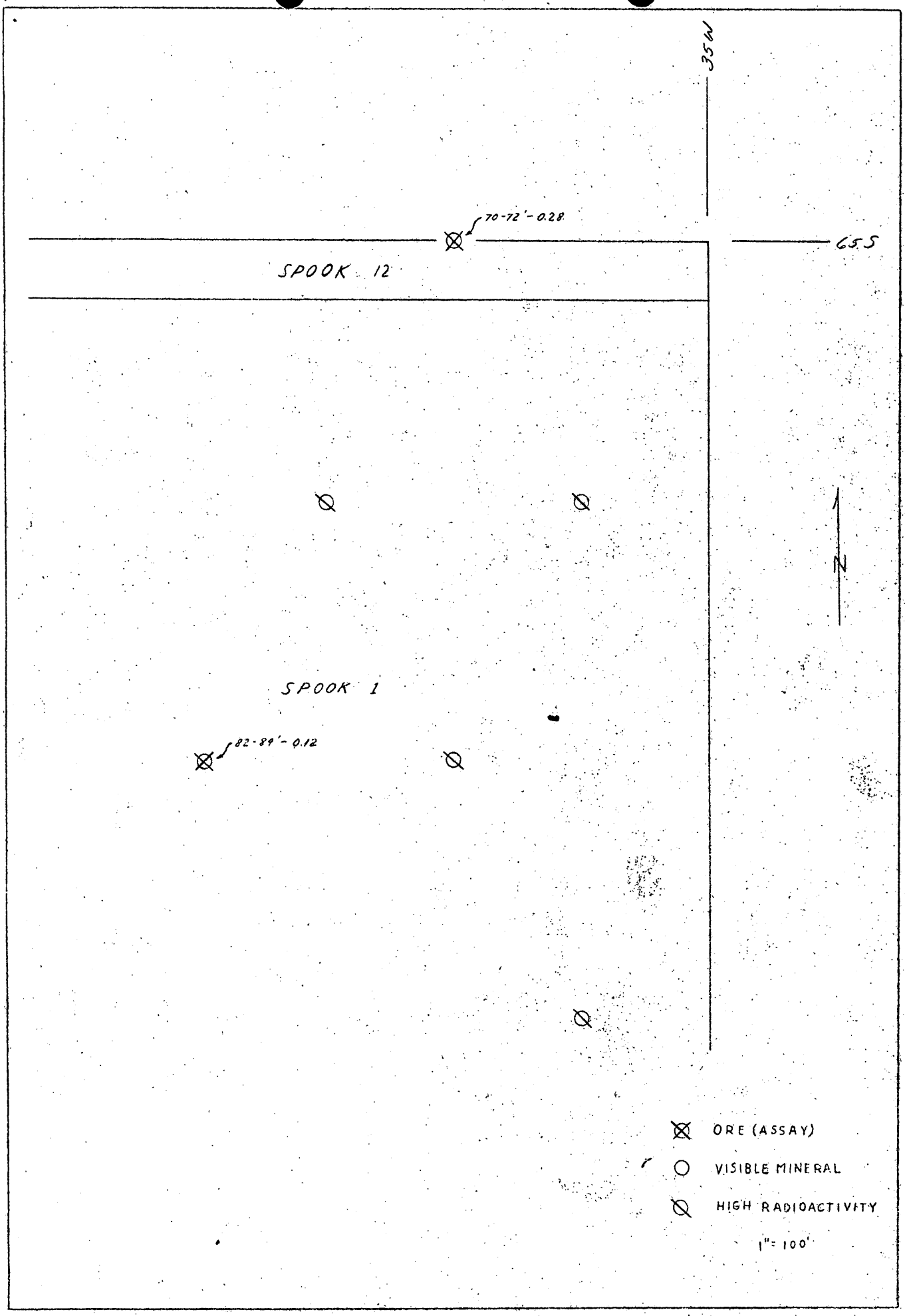
35W
70-72'-0.28
65S
SPOOK 12
N
SPOOK 1
82-89'-0.12
ORE (ASSAY)
VISIBLE MINERAL
HIGH RADIOACTIVITY
1"= 100'

FIG. 4

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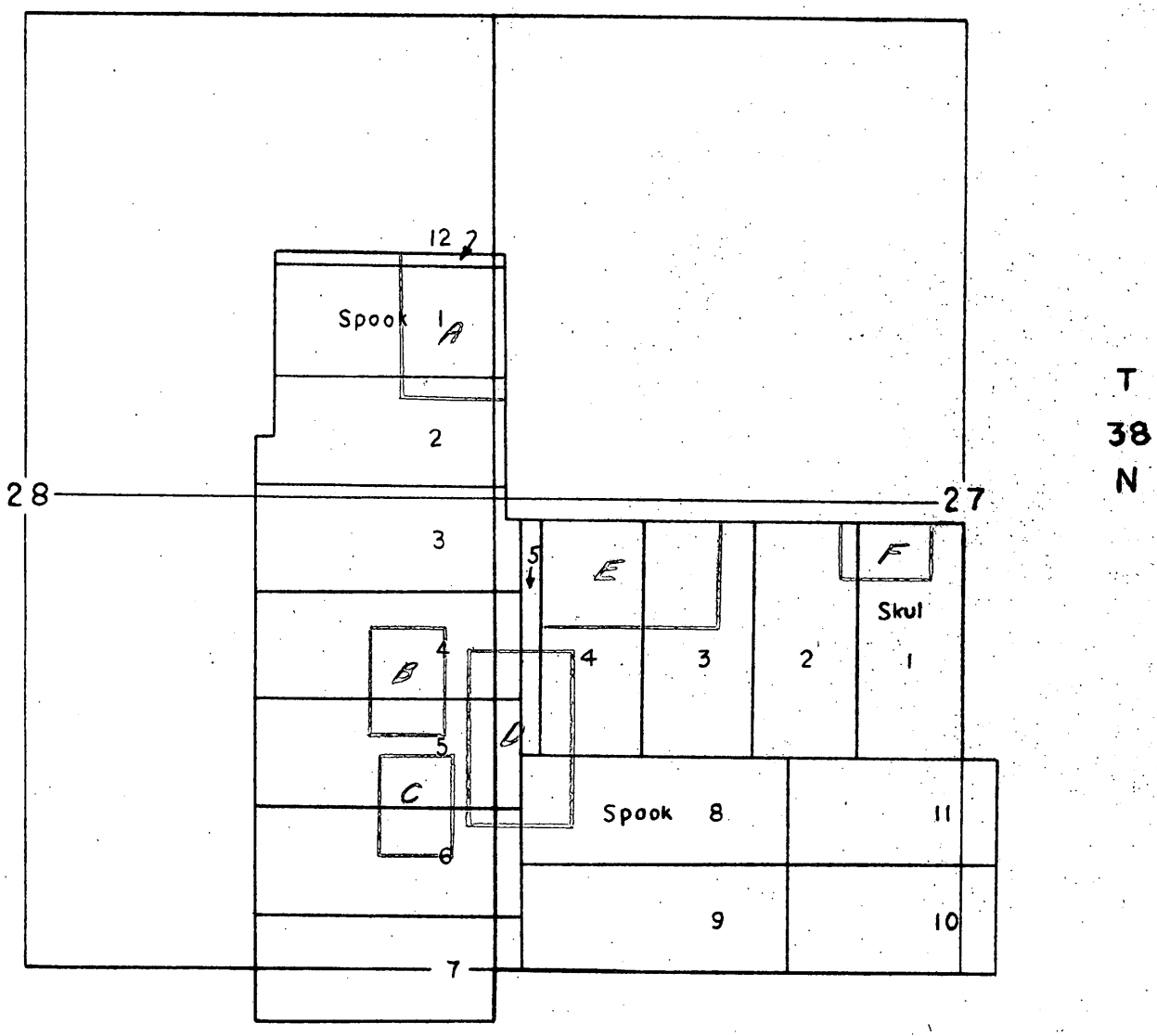
DATE	INITIALS	CODE



CLAIM MAP

Converse County

Scale
1" = 1000'

Drill Pattern

Stage 1 - 200' x 400' Grid (Offset). See Fig. 4
Stage 2 - 100' Grid
Stage 3 - 50' Grid

Proposed Drill Areas
Fig. 5

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DATE	INITIALS	CODE

Proposed Drilling Program

(See Fig. 5 for Reference)

Stage 1 - 200' by 400' Centers
Stage 2 - 100' Centers
Stage 3 - 50' Centers

1. AREA A - SPOOK NO. 1 CLAIM

Stage 1 - 12 Holes to 120'	=	1440 Ft.
Stage 2 - 45 Holes to 100'	=	4500 Ft.
Stage 3 -158 Holes to 100'	=	15,800 Ft.
		21,740 Ft.

2. AREA B - SPOOK NO. 5 CLAIM

Stage 1 - 10 Holes to 100'	=	1000 Ft.
Stage 2 - 25 Holes to 100'	=	2500 Ft.
Stage 3 - 95 Holes to 100'	=	9500 Ft.
		13,000 Ft.

3. AREA C - SPOOK NO. 5 CLAIM

Stage 1 - 21 Holes to 80'	=	1680 Ft.
Stage 2 - 56 Holes to 80'	=	4480 Ft.
Stage 3 -196 Holes to 80'	=	15,680 Ft.
		21,840 Ft.

4. AREA D - SPOOK NO. 5 CLAIM

Stage 1 - 10 Holes to 100'	=	1000 Ft.
Stage 2 - 25 Holes to 100'	=	2500 Ft.
Stage 3 - 82 Holes to 100'	=	8200 Ft.
		11,700 Ft.

AREA E - SKUL NO. 3-4 CLAIMS

Stage 1 -	21 Holes to 100'	=	2100 Ft.
Stage 2 -	56 Holes to 100'	=	5600 Ft.
Stage 3 -	196 Holes to 100'	=	19,600 Ft.
			27,300 Ft.

AREA F - SKUL NO. 1 CLAIM

Stage 1 -	6 Holes to 75'	=	450 Ft.
Stage 2 -	17 Holes to 75'	=	1275 Ft.
Stage 3 -	47 Holes to 75'	=	3525 Ft.
			5,250 Ft.

Total 100,830 Ft.

THE BROWN LABORATORY

2263 Broadway
GRAND JUNCTION, COLORADO

ANALYTICAL DEPARTMENT

CHapel 2-4589

CERTIFICATE OF ANALYSIS #2

TO

Jack Hadfield
P.O. Box 617
Casper, Wyoming

Date 6-14-57
Order No. 9175-G

Material: Ore Samples
Received: 6-13-57
For: Analysis

Lab. No.	Your No.	Description	Radiometric %eU3O8	Chemical %U3O8	%V2O5	%CaCO3
		COORDINATES				
9175-1	H65-37-50	48-50' Sp.	0.06	0.02		
9175-2	H65-37-72	70-72' Sp.	0.43	0.28		
9175-3	H65-37-74	72-74' Sp.	0.19	0.06		
9175-4	H65-37-86	84-86' Sp.	0.05	0.01		
9175-5	H69-3895-84	82-84' Sp.	0.17	0.12		
9175-6	H69-3895-86	84-86' Sp.	0.08	0.04		
9175-7	H69-3895-88	86-88'	0.05	0.04		
9175-8	H69-3895-100	98-100'	0.04	0.03		
9175-9	H69-3895-102	100-102'	0.06	0.03		

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DATE	INITIALS	CODE

Analyst.

THE BROWN LABORATORY

2263 Broadway
GRAND JUNCTION, COLORADO

ANALYTICAL DEPARTMENT

CHapel 2-4589

CERTIFICATE OF ANALYSIS #1

TO

Jack Hadfield
P.O. Box 617
-Casper, Wyoming

Date 4-24-57
Order No. 8896-S

Material: Ore Samples
Received: 4-24-57
For: Analysis

Lab. No.	Your No.	Description	Radiometric %eU3O8	Chemical %U3O8	%V2O5	%CaCO3
		COORDINATES				
8896-1	H 67-38-62	DEPTH 60-62' S p	0.04	0.04		
8896-2	H 67-36-74	DEPTH 72-74' S p	0.05	0.03		
8896-3	H 69-37-100	98-100' S p	0.04	0.01		
8896-4	H 69-37-42	40-42' S p	0.10	0.04		

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DATE	INITIALS	CODE

Analyst.

ALLOWAY & McGEE DRILLING CO.

EVERETT ALLOWAY
GEORGE McGEE

P. O. BOX 517
CASPER, WYOMING

Sept. 15, 1957

The Douglas Corp.
% Mr. J.P. Hadfield
Casper, Wyoming

Dear Sir:

We are submitting herewith our bid for the Exploration drilling project, at Douglas, Wyoming. The price listed is based on the specifications and type of equipment you require.

Rotary air plug drilling, 0 to 150' ..... .70 ¢

Very truly yours

George D. McGee

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RECEIVED SEP 20 1957

DATE	INITIALS	CODE

APACHE
DRILLING COMPANY, INC.
phone: KEystone 4-0129
224 U. S. National Bank Building
DENVER, COLORADO

September 17, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 20 1957

DATE	INITIALS	CODE

Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Gentlemen:

Per your request, Apache Drilling Co., Inc. herein bids on your drilling program in the Monument Hill area of Converse County, Wyoming as follows:

Upon your specifications as submitted, which are use of a 600 C. F. M. 2-stage compressor; 4-3/4" hole to be paid by footage probed, with samples taken and bagged for each 2 foot run, with hole thoroughly cleaned before last run, but no drill-site clearance necessary, and samples to be collected with a dust collector.

On said specifications as hereinabove stated, our bid for the above-described program of approximately 100,000 feet of drilling is 65¢ per foot.

Yours very truly,

APACHE DRILLING CO., INC.

By: William E. Meakins, Jr.
William E. Meakins, Jr.,
Secretary

WEMjr.:df

V. L. GRANTHAM - PH. UL 6-3587
D. L. HARKINS - PH. UL 6-3102
BOX 1102 - RIVERTON, WYO.

Teton Exploration Drilling Co., Inc.

BOX 1102 - RIVERTON, WYOMING

W. K. ELLIS - CH. 4-4493
531 SOUTH KIMBALL
CASPER, WYOMING

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D M E A
RECEIVED SEP 20 1957

DATE	INITIALS	CODE

September 9, 1957

Mr. J. P. Hadfield
Douglas Corporation
1844 West 15th. St.
Casper, Wyoming

Dear Mr. Hadfield:

Thank you for the opportunity of bidding on your proposed D.M.E.A. drilling program, to be conducted in the vicinity of the Hornbuckle Ranch located in the Monument Hill area -- forty five miles northwest of Douglas, Wyoming.

Specification as outlined call for a minimum of 10,000 foot of plug bit drilling. The drilling will be on a 200 x 400 foot grid with the average depth of hole to be 100 feet. Samples are to be caught and sacked at two foot intervals, from a 4 3/4" hole, with sufficient blowing time at the end of each 2 foot run to thoroughly clean the hole before proceeding with the next 2 foot. It was specified that a 600 C.F.M. two-stage compressor would be mandatory. It was further specified that drilling was to be paid for by the linear footage actually probed. The work would progress on a 5 day week -- 10 hours per day basis. The drilling contractor would have trailer parking privileges on the work site.

Our bid on this proposed drilling program to meet the above specifications is ninety-five cents (95¢) per ft.

Yours very truly,

TETON EXPLORATION DRILLING CO., INC.

R. K. Lisco per. G. Jones

By R. K. Lisco

LIVINGSTON & WILSON EXPLORATION DRILLING

LONGMONT, COLORADO
PHONE 1333

SHOT HOLE AND DIAMOND CORE DRILLING CONTRACTORS

WALTER W. WILSON

FRED L. LIVINGSTON

September 11, 1957

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DMEA
RECEIVED SEP 20 1957

DATE	INITIALS	CODE

Douglas Corporation
American Building
Ft. Collins, Colorado

Gentlemen:

We would like to submit the following bid on the work you propose to do near Pumpkin Buttes, Wyoming.

We will furnish drilling rig, water truck, pickup and one 600 Ingersoll Rand Gyro air compressor truck mounted capable of delivering 600 cubic feet of air at 100 PSI. Also, a du clone air sampling device. In other words, the work will be carried on the same as the work we did for the A. E. C.

Bid as follows:	Air or Water	4-3/4 Hole
0-100	65¢	
100-200	75¢	
200-300	85¢	
300-400	95¢	

We cannot move in for less than 2000 feet of drilling. And if when the water in the hole gets to bad to drill with air we will be allowed to go to water drilling.

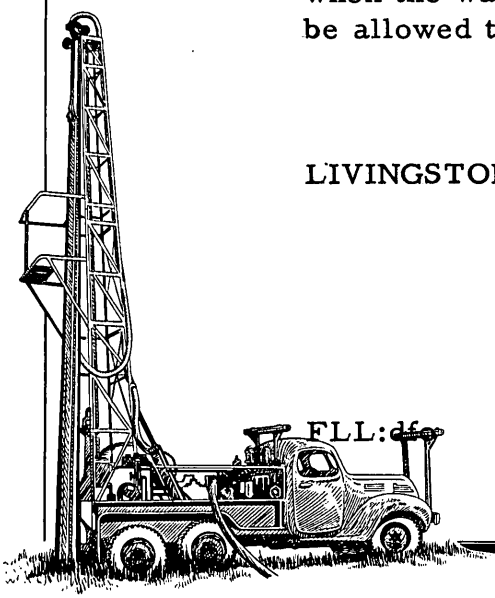
Very truly yours,

LIVINGSTON & WILSON EXPLORATION AND DRILLING COMPANY

Fred L. Livingston

Fred L. Livingston

FLL:df



UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

August 27, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 29 1957

DATE	INITIALS	CODE

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Application for DMEA Aid (Uranium) Douglas Corporation (Spook and Skul claims) Converse County, Wyoming

Enclosed are the original and two copies of the subject application. One copy of the application is being retained in our file.

The Applicant proposes to explore a mineralized target area by 100,830 feet of rotary non-core drilling at a total estimated project cost of $92,622.50.

The Applicant failed to submit either a description of the proposed work or bids from each of three independent drilling contractors.

E. N. Harshman

E. N. Harshman
Acting Executive Officer

Enclosures

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

DMEA

DEPARTMENT OF THE INTERIOR

AUG 26 1957 REGION III DENVER, COLORADO

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

Not to be filled in by applicant

Docket No. 4820
Metal or Mineral Uranium
Date Received 8/29/57
Estimated Cost $ 92,622.50
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Douglas Corporation, P.Box 785, Fort Collins, Colorado; a Colorado Corp.; Sam Day- President, Gene E. Fischer - Vice President and Secretary, both above address; Alvin J. Kruchten - Treasurer, P.O.Box 644, Fort Collins, Colorado.

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract

See Accompanying Paper

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

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

Owner

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

(*e*) If you own the land, describe any liens or encumbrances on it No Liens or Encumbrances

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

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

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

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

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

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

5. *The exploration project.*—State the mineral or minerals for which you wish to explore Uranium

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

(*c*) The work will start within 30 days and be completed within 12 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper. Applicant's share of the cost will be furnished from Cash on Hand.

CERTIFICATION

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

Dated August 22, 1957

DOUGLAS CORPORATION
(Applicant)

By [signature]
Sam Day, President

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

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

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D M E A
RECEIVED AUG 29 1957

DATE	INITIALS	CODE

PAPER ACCOMPANYING APPLICATION FOR AID IN AN EXPLORATION PROJECT BY DOUGLAS CORPORATION

3 (a). Applicant's property rights:

			Section
SPOOK NO.	1	- Book 306, Page 187	28
	2	- Book 306, Page 186	28
	3	- Book 306, Page 192	27, 28
	4	- Book 291, Page 599	27, 28
	5	- Book 293, Page 10	27, 28
	6	- Book 293, Page 11	27, 28
	7	- Book 306, Page 185	27, 28, 33
	8	- Book 293, Page 13	27
	9	- Book 293, Page 14	27
	10	- Book 301, Page 543	27
	11	- Book 301, Page 544	27
	12	- Book 306, Page 189	28
SKUL NO.	1	- Book 291, Page 425	27
	2	- Book 291, Page 424	27
	3	- Book 291, Page 423	27
	4	- Book 291, Page 422	27
	5	- Book 291, Page 421	27

All in Township 38 North, Range 73 West, 6th P.M., Converse County, Wyoming.

4. Physical description:

(a) Limited exploration drilling was carried on in five (5) very small areas by previous owners. This work disclosed visible subsurface uranium mineral(s) (possibly tyuyamunite) in four of these areas, and abnormally high subsurface radioactivity in the fifth area. Exploration drilling by the applicant has disclosed existent uranium mineralization of up to .28% U_3O_8 (by chemical analysis) in a sixth area.

No mining operations have been carried on to date.

(b) None.

(c) The applicant's claims lie in the Monument Hill district of northern Converse County, approximately 20 airline miles north-northwest of Douglas, Wyoming.

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DMEA
RECEIVED AUG 29 1957
DATE | INITIALS | CODE

The host rock of locally known uranium deposits is the Eocene basal Wasatch formation. Believed to be at least 100 feet thick, the unit consists of generally horizontal, interbedded mudstones, siltstones, and lenticular, predominately very fine to very coarse grained, often conglomeratic sandstones.

The deposits themselves, generally lenticular, are irregular to elliptical in plan.

Loma Uranium is conducting open pit mining operations just off the northeast corner of these claims.

Assays and maps are available. ?

(d) Topographically, the district consists of low, rounded, gently rolling hills and ridges. The accessibility is therefore excellent. Little, if any, drill-site clearance is necessary. All claims are accessible by approximately 36 miles of county and ranch roads from Orpha, Wyoming, the nearest shipping point. Orpha is approximately 9 miles northwest of Douglas, Wyoming, the nearest supply and residence point.

(e) All necessary manpower is available. Materials and supplies usually must be shipped from Denver or Casper. Water must be hauled to the area and power must be supplied by portable power plants. Applicant has the necessary equipment.

5. The Exploration Project:

(a) Uranium.

(b) The proposed exploration consists of 100,830 feet of rotary, non-core, air drilling.

(c) 30 days: 12 months.

(d) The project will be supervised by J. P. Hadfield, Jr.

Qualifications:

B.S. Degree in Geology; Harvard (1949). 1-1/2 years graduate study; University of Colorado.

4 years as geologist for U.S. Atomic Energy Commission, including approximately 1-1/2 years as district geologist in charge of the Gas Hills area, Fremont and Natrona Counties, Wyoming.

2 years experience in uranium property evaluation and exploration.

6. Estimate of Costs:

(a) None.

(b) J. P. Hadfield, Jr. as geological consultant and supervisor at $500.00 per month, a total of $6,000.00, plus drilling of 100,830 ft. @ $0.75 per foot, or a total drilling cost of $75,622.50.

(c) Miscellaneous rock bits, tools and miscellaneous drilling equipment with an estimated value of $1,000.00, but with replacement value of considerably more.

(d)

Operating Equipment	Present Value
Ingersol-Rand Model 600 Gyro-Slo Air Compressor	$11,000.00
Winter-Weiss PortaDrill with 200 feet of drill pipe Mounted on a 1956 Ford, Model F800 Truck.	)
Winter-Weiss, 1,000 gallon water tank with mounted intake and output pump mounted on a 1955 Ford Model F600 Truck.	)
1955 Ford one-half Ton Pickup.	$29,000.00
1957 Ford one-half Ton Pickup	2,000.00
Total	$42,000.00
Leased Equipment	
Mount Sopris motor driven, scintillation type probe. Cost - approximately $165.00 per month for estimated contract period of 12 months:	$3,960.00

(e) None. All Equipment very recently overhauled and reconditioned at applicant's expense.

(f) None. Only necessary building for project is a trailer house. Applicant owns practically new trailer house with present value of $5,000.00 which is located on the property.

(g)

Sampling - Radiometric 1000 at $1.50 per:	$1,500.00
Chemical 1000 at $3.50 per:	$3,500.00
Workmen's compensation and employers' liability insurance, and payroll taxes:	$1,000.00
Cost of repairs and maintenance of operating equipment--Estimate:	$5,000.00
Total	$11,000.00

(h) None. The cost of drilling estimate based on average cost of contract work done by individual contractors in the area should provide for all contingencies.

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OMRA
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DATE | INITIALS

DMEA Form 17
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

C

WORK COMPLETED ANALYSIS

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

Operator Douglas Corporation		Actual Cost	X
State Wyoming		Agreed Unit Cost	
Final Report of Audit	Commodity Uranium	Docket No. DMEA-4820	
Final Report of Review		Contract No. Idm-E1164	

Operation	Authorized by Contract and Amendments		Completed		Net cost after sale of Government Property
	Units	Cost	Units	Cost	
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) Rotary Non-core	26,400'	$ 23,990.00	19,678' ~~19,668~~	$ 17,136.30 ~~$ 17,127.80~~	$ 17,136.30 ~~$ 17,127.80~~
Surface Excavation					
Underground Excavation					
Roads and Trails		500.00		—	—
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Chem. Analyses		462.00		162.93	162.93
Totals		$ 23,952.00		$ 17,299.23 ~~17,290.93~~	$ 17,299.23 ~~17,290.93~~

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

Complete
~~Incomplete~~

Prepared by Michael Ching Date 2-9-59 ~~1-20-59~~

31398

Docket Copy

Kuone

Project Summary Report

By: Michael Ching April 1, 1959

1. Docket No. DMEA-4820 (Uranium)
Contract No. Idm-E1164

Operator - Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Property - 17 unpatented lode mining claims, Spook 1-12 and Skul 1-5, situated in secs. 27, 28, and 33, T. 38 N., R. 73 W., 6th P.M.& B., Converse County, Wyoming

Operator's Property Rights - Owner - no liens.

2. Contract (Long Form) dated January 16, 1958

Final starting date - May 1, 1958
Actual starting date -- May 1, 1958
Contract completion date - October 31, 1958
Termination Agreement - dated December 19, 1958, effective October 26, 1958

Work Authorized -

Test the Wasatch formation of Eocene age for uranium by non-core drilling in two stages as follows:

Stage I (approximately 62 holes)

Actual Costs

14,880 feet non-core drilling @ $0.70/ft.	$10,416.00	
31 hrs. standby time @ $10.00/hr.	310.00	
30 hrs. bulldozing @ $10.00/hr.	300.00	
62 chem. analyses @ $3.50 each	217.00	

Fixed Unit Costs

14,880 feet @ $0.15/ft. incidental allowance	2,232.00	$13,475.00

2. Work Authorized -

Stage II (Not more than 48 holes)

Actual Costs

11,520 feet non-core drilling @ $0.70/ft.	$8,064.00	
24 hrs. standby time @ $10.00/hr.	240.00	
20 hrs. bulldozing @ $10.00/hr.	200.00	
70 chem. analyses @ $3.50 each	245.00	

Fixed Unit Costs

11,520 feet @ $0.15/ft. incidental allowance	1,728.00	$10,477.00

Estimated total cost of the project	$23,952.00
Government participation @ 75%	$17,964.00

Amendments -

No. 1 - dated August 22, 1958. Extends completion date from July 31, 1958, to October 31, 1958.

Work Completed -

Stage I (62 holes)

14,312 feet non-core drilling @ $0.70/ft.	$10,018.40	
30 hrs. standby time @ $10.00/hr.	300.00	
14,312 feet @ $0.15/ft. incidental allowance	7,146.80	$12,465.20

Stage II (42 holes)

5,366 feet non-core drilling @ $0.70/ft.	$3,756.20	
11 hrs. standby time @ $10.00/hr.	110.00	
49 chem. analyses @ $3.33 each	162.93	
5,366 feet @ $0.15/ft. incidental allowance	804.90	4,834.03

Total cost of the project	$17,299.23
Government participation @ 75%	$12,974.42

Final Reports Received -

Operator - dated January 5, 1959, received January 30, 1959
Field Team - dated March 9, 1959, received March 23, 1959

3. Auditor's Report of Review - dated February 3, 1959

Total cost as billed by Operator	$18,007.60
Exceptions	708.37
Total accepted cost	$17,299.23
Government participation @ 75%	$12,974.42

4. Certification of discovery - dated April 10, 1959

5. Results and Comments -

The 62 Stage I holes were spaced on 300-foot centers in a staggered grid pattern. Four ore holes and seven mineralized holes in this stage warranted offset drilling under Stage II.

In Stage II, 14 of the 42 offset holes penetrated ore. The Operator proceeded to drill a number of offset holes for his own account on 100-foot spacings. Nine of these penetrated ore.

As a result of the above-described drilling, two separate ore bodies were outlined in the Spook 1, 2, and 3 claims. One deposit contained about 35,000 tons and the other about 40,000 tons of indicated and inferred ore assaying 0.25 percent U_3O_8. Several small deposits were also indicated. The ore is found from 60 to 110 feet below the surface in a central 50-foot interval of an upper sandstone unit of the Wasatch formation. The Operator estimated reserves as 42,142 tons of ore assaying 0.26 percent U_3O_8.

Stage I holes averaged 231 feet in depth and penetrated the entire Wasatch formation. Stage II holes averaged only 128 feet in depth and was confined to that part of the upper Wasatch which included the mineralized interval determined by the Stage I holes.

Drilling was done with truck-mounted rotary drills, using air as the circulating medium. In a few holes, loose silty material necessitated the use of water. The 14,312 feet of drilling in Stage I was completed during the period May 1-26, 1958, and the 5,366 feet of drilling in Stage II was completed during the period October 6-25, 1958.

5. Results and Comments (continued) -

The Operator experienced some delay in securing analyses of Stage I samples and required considerable time to evaluate Stage I results and formulate plans for Stage II drilling. The Field Team required from July 18 to August 29 to approve the requested Stage II work. The Operator experienced further delays in getting Stage II drilling started. These factors account for the long delay between the two stages. Aside from this delay, the work was done efficiently.

A certification of discovery is fully justified by the results of this project.

Michael Ching

Michael Ching

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/2	Murphy	500
	Fitzpatrick	500
11/2	Talbert	800
11/3	Selfridge	120
		110
		220

NOV 3 1960

Western Nuclear, Inc.
Suite 1420, 1700 Broadway
Denver 2, Colorado

Re: DMEA-4820 (Uranium)
Douglas Corporation
Spook and Skul Claims
Converse County, Wyoming
Contract Idm-E1164

Gentlemen:

This is to advise that the Douglas Mining Venture check #331 in the sum of $7,524.45, submitted with your letter of October 17, 1960, completes repayment in full of the Government's participation of $12,974.42 in the above-referenced exploration contract for uranium. As a result of the repayment, the Government retains no lien or claim against the property or any future production therefrom.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

FMMurphy/gla
11-2-60
cc to: Director's Reading File
Mr. Johnson
Region III (2)
CA&A Division
Code 500
Chron

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/2	Murphy	500
	Arbabel	500
11/2	Talbert	800
11/3	Selfridge	120
		110
		220

NOV 3 1960

Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Re: DMEA-4820 (Uranium)
Douglas Corporation
Spook and Skul Claims
Converse County, Wyoming
Contract Idm-E1164

Gentlemen:

This is to advise that the final payment made by Western Nuclear, Inc., completes repayment in full of the Government's participation of $12,974.42 in the above-referenced exploration contract for uranium. As a result of the repayment, the Government retains no lien or claim against the property or any future production therefrom.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

FMMurphy/gla
11-2-60
cc to: Director's Reading File
Mr. Johnson
Region III (2)
CA&A Division
Code 500
Chron

43683

CHERRY 4-3349

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 30 1960

DATE	INITIALS	CODE
9-30	gad	220
	EEJ	800
10/3	~~Murphy~~	~~800~~
	OVE	
		225

WESTERN NUCLEAR, INC.

EXECUTIVE OFFICES
SUITE 1430 1700 BROADWAY
DENVER 2, COLORADO

September 27, 1960

U. S. Department of Interiors
Office of Mineral Exploration
Building 20
Federal Center
Denver 25, Colorado

E 1164

Re: Docket #DMEA 4820 (Uranium)
Contract #Idm-E1164
(Spook and Skul Claims)
Converse County, Wyoming

Douglas Corporation
certified: 4/10/59

Gentlemen:

Mr. R. W. Adams - President of Western Nuclear, Inc., has initiated the mining operation of the above caption claims. It is my understanding that the above caption claims are subject to the DMEA 4820 loan. It would be appreciated if you would forward to me as soon as possible the necessary forms to be completed in connection with this mining operation. It would also be appreciated if you would advise me of the amount of DMEA loan outstanding at this time and where payment of this loan should be made.

If you have any questions in connection with this matter, I would appreciate it if you would forward them to my office at the above address.

Very truly yours,

William J. Dale
Chief Accountant

WJD/db

cc: Fred W. Roecker

W. O. (2)

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 30 1960
DATE

Building 20 - Federal Center
Denver 25, Colorado

September 23, 1960

William J. Dale, Chief Accountant
Western Nuclear, Inc.
1700 Broadway, Suite 1420
Denver 2, Colorado

Re: Docket DMEA 4320 (Uranium)
Contract Idm-71164
Douglas Corporation
(Spook and Skul claims)
Converse County, Wyoming

Dear Mr. Dale:

Thank you for your letter of September 27, 1960 concerning the mining operation on the captioned property.

The Government contributed $12,974.42 in the exploration of the property which amount is to be repaid through royalty on production of ore. No royalty has been received to date from this property. The basis for computing DMEA royalty payments is as follows:

When Value Per Dry Ton is		Royalty Payments are:
$ 0.01 - $ 8.49		1.5%
8.50 - 8.99		2.0
9.00 - 9.49		2.5
9.50 - 9.99	then	3.0
10.00 - 10.49		3.5
10.50 - 10.99		4.0
11.00 - 11.49		4.5
11.50 - and over		5.0

It is customary for the mill purchasing the ore to forward this office a check for the amount of royalty due on each shipment of ore together with two copies of each settlement sheet and you should so advise the purchasers of your ore. Checks should be made payable to the

Field Officer, OME, Region III
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

There are no forms to be completed by you in connection with this mining operation.

If you have any further questions regarding royalty due the Government from the sale of ore from the captioned property, please feel free to call on us.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer
OME, Region III

HMC/lm
cc: Chief, Division of Field Operations, OME (2)
Contract Corres. E1164
Semiannual Report E1164
Chron

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 27 1960

DATE	INITIALS	
5-27	gad	VVO
5/27	[illegible]	800
~~5/31~~	~~[illegible]~~	~~800~~
		2RJ

Building 20 - Federal Center
Denver 25, Colorado

May 25, 1960

Memorandum

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

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

Subject: Docket No. DMEA-4820 (Uranium)
Contract No. Ma-E1164
Douglas Corporation
(Spook and Kaul)
Converse County, Wyoming

Enclosed is the original Report of Royalty Review on the subject contract for the period January 16, 1958, through May 5, 1960.

Original signed by

Hugh M. Connors

Enclosure

HMC/lm
cc: Chief Division of Field Operations (2)
M. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E1164
Chron

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

Memorandum

March 21, 1960

To: Acting Director
Office of Minerals Exploration

From: Associate Solicitor
Division of Mineral Resources

Subject: Docket No. DMEA-4820 (Uranium)
Douglas Corporation
Spook and Skul Claims
Converse County, Wyoming
Contract No. Idm-E1164

The memorandum dated March 3, 1960, from the Chief, Division of Minerals, inquires whether the mining deed dated July 20, 1959, from the Douglas Corporation, operator under contract No. Idm-E1164, to Mr. Robert W. Adams, provides for the preservation of the Government's right to percentage royalty on production from the subject mining claims. It is stated in the memorandum that there has been no production from the property to date.

The deed conveys all right, title, and interest of the Douglas Corporation "including royalty interests, ore payments, interests under leases, working or operating agreements or any conceivable interest of whatever character now owned or hereafter acquired . . ." in the mining claims here in question and other claims. The deed does not convey the property subject to the Government's lien for royalty on production as provided in the project contract. However, under the provisions of Article 8(g) of the contract, the Government has a lien upon the land or the operator's interest in the land to secure the payment of its percentage royalty. Also, pursuant to Article 8(h), the operator is required to give notice of the Government's claim for royalty to any purchaser of the minerals produced from the land. It also appears from a letter dated February 19, 1960, from the Assistant to the President of Western Nuclear, Inc., that Mr. Robert W. Adams is president of Western Nuclear, Inc., and that the parties in interest have notice of the existing project contract with the Government.

No action required.

Charles M. Soller
Associate Solicitor
Division of Mineral Resources

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/3	Murphy	500
		500
		140

FROM SOLICITOR

MAR 4 - 1960

Memorandum

FOR SIGNATURE

To: Associate Solicitor, Division of Mineral Resources

From: Chief, Division of Minerals

Subject: Docket No. DMEA-4820 (Uranium)
Douglas Corporation
Spook and Skul Claims
Converse County, Wyoming
Contract No. Idm-R1164

Please review the Mining Deed in which the subject claims are conveyed to Mr. Robert W. Adams and advise whether or not it properly provides for the preservation of the Government's right to percentage royalty on production from the claims. The deed is on the left side of the Official Docket File.

For your information, there has been no production from the property to date.

W. R. Griswold

FMMurphy/fw-3/3/60

cc: Docket
Dir.Read.File
Chron.

43683

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

February 8, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 10 1960

DATE	INITIALS	CODE
2-10	gad	220
2/10	[illegible]	800
2/10	[illegible]	~~500~~
		225

Douglas Corporation
P. O. Box 735
Fort Collins, Colorado

Re: Docket No. ~~DMEA 4120 (Uranium)~~
Contract No. ~~Idm-E1164~~
(Spook & Skul claims)
Converse County, Wyoming

Gentlemen:

In reference to the "Certification by the United States of America of a Discovery or Development under an exploration Project Contract" and the instructions in the Washington Office letter of transmittal of the Certification on the captioned project, please indicate your answer to the following questions and return one copy of the questionnaire immediately to this office.

Very truly yours,

Original signed by

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

1. Has the property been sub-leased or any change made in ownership other than this office has been notified? Yes ___ No___. If yes, please furnish details of the transaction on a separate sheet and include a true or signed copy of any instrument that was executed in conjunction with the matter.

2. Has there been production from the land subordinated under the referenced contract since ~~January 1, 1959~~? Yes___ No___. If yes, and shipments made, who was the purchaser? _____

3. Is any of the following material stockpiled? Yes___ No___.

(a) Ore, Tons _____ Estimated grade _____
(b) Concentrates, lbs. _____ Estimated grade _____
(c) Low grade ore, tons _____ Estimated grade _____
Place stockpiled _____

Signed _____

Title _____ Date _____

HMC:ltm cc: Chmn. Op. Comm. ✓ Roy. Corres. E1164 Chron.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/2/59	Ching	700
4/3	Kuestee	700
4/7	J. Lynch	140
		~~140~~
4/9	Talbert	800
4/10	Sellgren	130
4/10	Yoppe	130
4/10	Gilgan	130
		~~110~~
4/13	C	~~100~~ 220
		700

Mr. Sam Day, President
Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

APR 10 1959

Re: Docket No. DMEA-4820 (Uranium)
Douglas Corporation
Spook and Skul Claims
Converse County, Wyoming
Contract No. Idm-E1164

Dear Mr. Day:

Enclosed is a "Certification by the United States of America of a Discovery or Development Under an Exploration Project Contract." This certification covers all the land described in Article 2 of the subject contract.

By the terms of the Exploration Project Contract, as amended, and of the certification, all minerals mined or produced from January 16, 1958, to January 16, 1968, are subject to the Government's percentage royalty as set forth in the contract until the sum of $12,974.42 is repaid to the Government.

Payments should be made to the Executive Officer, OME Field Team, Region III, 224 New Customhouse Building, Denver 2, Colorado. Checks should be payable to the Office of Minerals Exploration, which is the successor to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer. Any bonus payments or allowances received by you from production are considered to be a part of the purchase price to which the Government's royalty applies. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify the Executive Officer of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Your attention is especially called to Article 2(d)

43683

of the contract relating to the preservation of the Government's right to a percentage royalty on production. Also, if production ceases at any time for an extended period, please notify the Executive Officer at six-month intervals that no production has been made, when that is the case.

Sincerely yours,

Frank E. Johnson (fw)

Acting Director

Enclosure

MChing/gla
4-2-59
cc to: Director's Reading File
Frank E. Johnson
Operating Committee
Frank D. Lamb, Rm. 3608
THKiilsgaard, Rm. 5224
OME Field Team, Region III (2)
Division of Contract Adm. & Audit
Mr. Ching

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/2/59	Ching	700
4/3	Krause	700
4/6	Jelynd	140
		~~140~~
4/9	Talbot	800
4/10	Selfridge	130
4/10	Yokes	130
4/10	Kiilsgaard	130
		~~110~~
		~~100~~
		220
		700

APR 10 1959

Mr. Jesse C. Johnson
Director, Division of Raw Materials
Atomic Energy Commission
Washington 25, D. C.

Re: Docket No. DMEA-4820 (Uranium)
Douglas Corporation
Spook and Skul Claims
Converse County, Wyoming
Contract No. Idm-E1164

Dear Mr. Johnson:

I am enclosing one copy of a certification of discovery or development relating to the subject exploration contract.

The contract, dated January 16, 1958, covered an exploration project estimated to cost $23,952.00, with Government participation amounting to 75 percent, or $17,964.00. The total accepted cost of the project was $17,299.23, of which the Government paid $12,974.42.

The project work was carried out on 17 unpatented lode mining claims known as the Spook and Skul claims, situated in sections 27, 28, and 33, T. 38 N., R. 73 W., 6th P.M.& B., Converse County, Wyoming. It consisted of 19,678 feet of non-core drilling in 104 holes.

The exploration work resulted in the discovery of approximately 75,000 tons of indicated and inferred ore containing 0.25 percent U_3O_8. The ore occurs in an upper sandstone unit of the Wasatch formation of Tertiary age.

Sincerely yours,

Frank E. Johnson (for)

Acting Director

Enclosure

cc: Elton A. Youngberg, with enclosure

MChing/gla 4-2-59
cc to: Director's Reading File
Frank E. Johnson
Operating Committee
OME Field Team, Region III(2)
Frank D. Lamb, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
Mr. Ching
W. N. Chamberlain

43683

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

RECEIVED MAR 26 1959

DATE	INITIALS	CODE
3/26	C	220
		70e

Date March 26, 1959
DMEA Docket No. 4820
DMEA Contract No. Idm-E1164
Commodity Uranium
Name of Applicant Douglas Corporation
Location of property Converse County, Wyoming
Estimated cost of project $17,299.23

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 Final Report
(Applications, Field Team Report, etc.)

1. Date of subject document: 3/16/59. 2. Date received by reviewer: 3/25/59.

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

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

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

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

7. Explain items marked 'yes' above:

8. Factors needing special consideration:

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

9. Action advised:

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

10. Remarks: (Use back of page if necessary). Certification as discovery or development recommended.

DMEA FORM 6 REFERENCE SLIP

REV. 12-5 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. 110		3/30
2. ~~800~~		3/30
3. 700		
4.		
5.		
FROM:		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

224 New Customhouse
Denver 2, Colorado

March 16, 1959

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To: Chairman, Operating Committee, OME

From: OME Field Team, Region III

Subject: Docket No. DMEA 4820 (Uranium), Contract No. ~~Idm-E1164~~ (Spook & Skul Claims), Douglas Corporation, ~~Converse~~ County, Wyoming - FINAL SUMMARY REPORT

Enclosed are the original and two copies of a Joint Final Engineering and Geologic Report, dated March 9, 1959, by William N. Sharp, Geologist, Geological Survey, and Milton H. Marshall, Mining Engineer, Bureau of Mines, pertaining to work completed under the subject contract. The original and one copy of the Operator's final report were forwarded by memorandum of January 27, 1959.

The contract was terminated before completion of all work originally provided for, by a Termination Agreement dated December 19, 1958, which was made effective October 26, 1958.

Final payment of the Operator's account was processed by this office February 10, 1959, in accordance with the Report of Review of reported project costs, by the Contract Administration and Audit Division, OME, dated February 3, 1959.

Exploration work completed consisted of the drilling of 104 holes, aggregating 19,678 feet of non-core drilling. Additional work or service incident to the drilling consisted of 41 hours drill crew standby time, incidental allowance for 19,678 feet of drilling, and chemical analysis of 49 samples for U_3O_8 content. The total accepted cost of the project was $17,299.23, toward which the Government contributed 75 percent, or $12,974.42.

FINAL F.I. REPORT

Reviewed by
OME OPERATING COMMITTEE
3-27-59
(date)

The exploration work completed resulted in the discovery of a significant quantity of uranium ore, therefore the field examiners recommend that the project be certified as a discovery or development, in which this office concurs.

By J. W. Townsend

By E. N. Harshman

Enclosures

Checked 3-16-59

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

OFFICE OF MINERALS EXPLORATION
REGION III

OME
DEPARTMENT OF THE INTERIOR
MAR 13 1959
DENVER, COLORADO

DMEA 4820

Contract Idm-E 1164

Douglas Corporation

Spook and Skul Claims

Converse County, Wyoming

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Uranium

Joint Final Engineering and Geologic Report

by

William N. Sharp
Geological Survey

Milton H. Marshall
Bureau of Mines

Reviewed by
OME OPERATING COMMITTEE
3-27-59
(date)

March 9, 1959

WD

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DMEA 4820
Contract Idm-E 1164

DOUGLAS CORPORATION
SPOOK AND SKUL CLAIMS
CONVERSE COUNTY, WYOMING

INTRODUCTION AND SUMMARY

On August 26, 1957, an application for Government assistance was received from Douglas Corporation. The applicant proposed to explore the Wasatch formation underlying an area covered by the Spook and Skul claims for uranium by non-core rotary drilling estimated to cost $92,622.50. A field examination of the claims area, located in the Powder River Basin, Wyoming, was made October 31, 1957. The field examiners recommended a two-stage non-core drilling program at an estimated total cost of $22,555.00.

The applicant was awarded Contract Idm-E 1164 dated January 16, 1958, which provided for a two-stage non-core drilling project at an estimated total allowable project cost of $23,952.00 with Government participation at 75 percent, or not to exceed $17,964.00.

The project work started May 1, 1958, and was terminated by mutual agreement October 26, 1958, without the completion of all work provided by the contract. The work completed resulted in a discovery of a significant amount of uranium ore estimated to be about 75,000 tons of material in place containing about 0.25 percent U_3O_8. A Certification of Discovery or Development is recommended.

PROPERTY

Ownership

Douglas Corporation is owner of the mineral rights in the land by virtue of a mining deed.

The claims, all unpatented mining claims, are recorded at the County Clerk and Recorder's Office, Douglas, Converse County, Wyoming, as follows:

Claim No.	Book	Page
Spook 1	306	187
Spook 2	306	186
Spook 3	306	192
Spook 4	291	599
Spook 5	293	10
Spook 6	293	11
Spook 7	306	185
Spook 8	293	13
Spook 9	293	14
Spook 10	301	543
Spook 11	301	544
Spook 12	306	189
Skul 1	291	425
Skul 2	291	424
Skul 3	291	423
Skul 4	291	422
Skul 5	291	421

Location and description

The claims are located in Converse County, Wyoming (fig. 1), in secs. 27, 28, and 33, T. 38 N., R. 73 W., Sixth Principal Meridian. The mean altitude of the property is about 5,000 feet above sea level. The Dry Fork of the Cheyenne River which drains eastward is 0.25 mile south of the property. Erosion along the Dry Fork and the shallow subsidiary

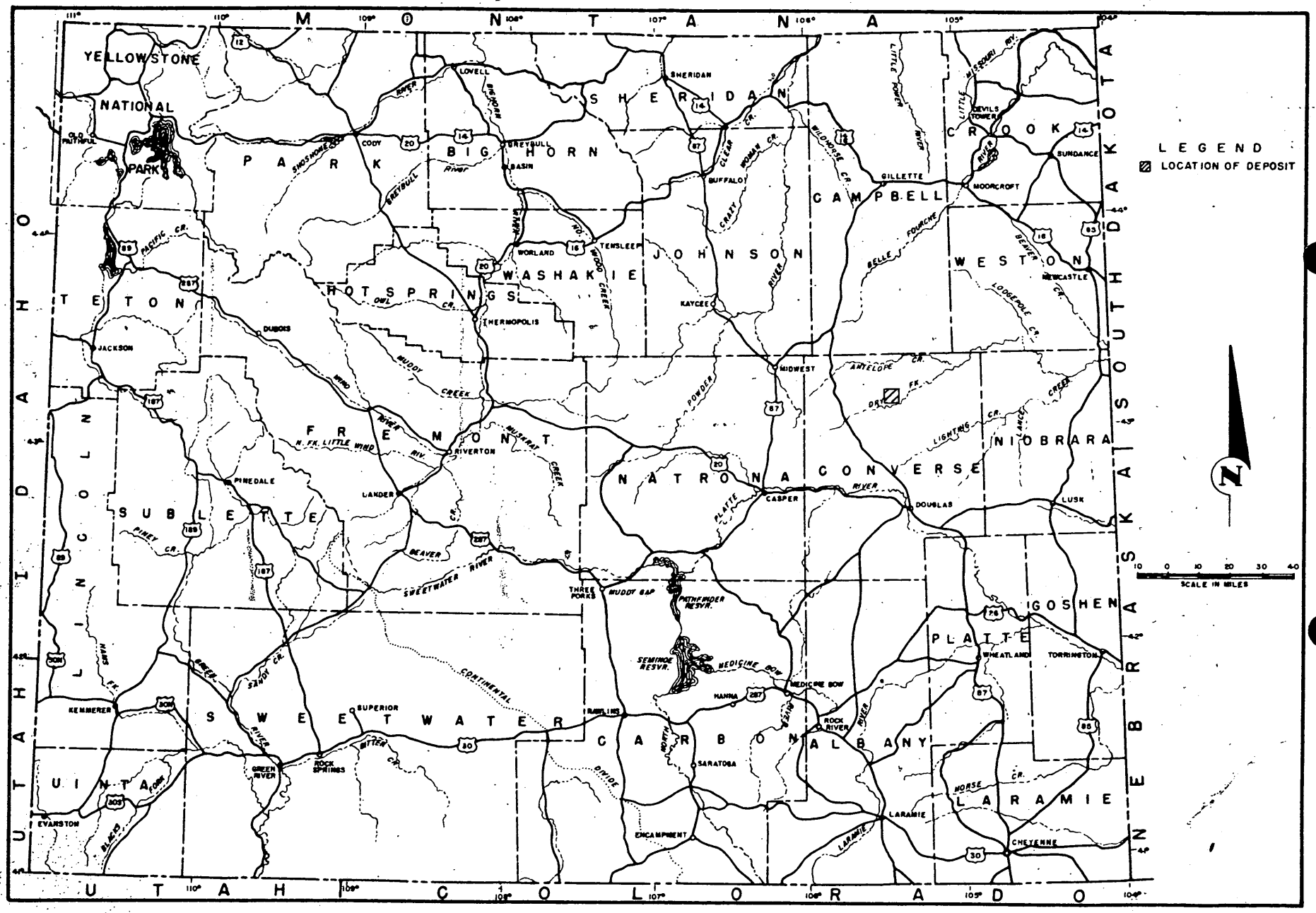

FIGURE 1 - LOCATION MAP, SPOOK AND SKUL CLAIMS, DOUGLAS CORPORATION, CONVERSE COUNTY, WYO. DMEA 4820
CONTRACT Idm - E 1164

gulleys that head in the property produce a local relief of about 175 feet. Vegetation consists of sage brush and native grasses.

Access

The claims may be reached by traveling from Douglas, Wyoming, west 2.0 miles on U. S. Highway 20 to junction of the Ross road, then on Ross road northwest, past the community of Orpha for a distance of 17.0 miles to the junction of the Hyland Loop road, then north on the Hyland Loop road a distance of 18.0 miles, then easterly on the Loma Mine road for 3.0 miles to the property. Only U. S. Highway 20 and the first 5 miles of the Ross road are paved; the remainder is dirt.

Climate

Temperatures range from below 0° in the winter to about 90° F. in the summer. Although the claims are located in a semi-arid region, local intense rainstorms occurring during the spring and summer months frequently cause severe damage to access roads. Likewise winter snows accompanied by constant winds result in considerable drifting, which make roads in the area temporarily impassable.

Supply

Industrial water may be hauled from ranches in the immediate areas of exploration. Additional industrial water may be obtained from the Dry Fork of the Cheyenne River. There are very few trees in the vicinity suitable for mine timber; however, lumber is available from mills in the Laramie Mountains, less than 100 miles from the claims. Casper, 100 miles distant, is the major supply point in the area. Minor supplies and labor may be obtained from Douglas, 40 miles southeast of the property.

History and production

Uranium minerals were first found in the Powder River Basin in the Pumpkin Buttes area in 1951. Shortly thereafter other deposits were discovered throughout the central part of the basin and as far south as the property area. In 1953 ore-grade material was produced from the Dry Fork area. The following year, exploitation of larger deposits such as at the Pat mine and the Hardy mine began. Total production from these large deposits exceeds 50,000 tons of ore-grade material. During 1953 the northeastern part of the subject property was investigated by Kerr-McGee Oil Industries, Inc. A small area was drilled to a shallow depth, and 15 tons of material was mined from a shallow pit. No further production has been made from the property.

GEOLOGY

General statement

The Powder River Basin in northeastern Wyoming is a physiographic as well as a structural basin, bounded by the Big Horn Mountains and the Laramie Range on the west and south, and by the Black Hills and Hartville uplift on the east. The basin is underlain predominantly by the Wasatch formation of Eocene age. The Fort Union formation of Paleocene age underlies the Wasatch formation and crops out around the periphery of the basin.

The Wasatch formation is a sequence, about 500 to 1,000 feet thick in the southern basin, of flat-lying claystone and siltstone beds which are interbedded with randomly spaced coarse-grained sandstone lenses. Coal and carbonaceous shale beds are numerous.

In the central part of the basin the formation is characterized by much sandstone in the form of broad lenses and narrow channel-fillings. Sandstone in this facies constitutes as much as one-third of the formation.

The sandstone of the Wasatch formation in the Powder River Basin is generally drab, yellowish-gray to yellowish-brown, but sandstone units in a zone along the axis of the basin are commonly reddish, pink, and grayish-red (fig. 2). Not all the sandstones within this zone are red; many lenses are red only in part and some are entirely drab. Where it is found in a lens, the red tint affects a large continuous mass of the rock; it does not occur as isolated splotches of color. The contact of red color within any partly red sandstone body is generally very sharp but irregular in plan and cross section. The contacts are generally convex into the drab sandstone. Lobes and long arms of red color extending into drab sandstone are common contact features.

The restrictive occurrence of reddish sandstone in a definite portion of the Wasatch outcrop has suggested outlining a "red sandstone zone," that is, the smallest continuous area which will contain all known outcrops of red sandstone. The boundary is developed by circumscribing the mapped positions of all red sandstone occurrences as closely as possible with a single smooth line.

The "red sandstone zone" thus delineated is about 70 miles long and 5 to 20 miles wide. The long axis of the zone closely parallels the axis of the basin. It extends from near Douglas, at the southern edge of the basin, to several miles north of the Pumpkin Buttes in the central part of the basin.

The uranium deposits of the Wasatch formation are in sandstone units in the "red sandstone zone." They are mostly in units that are only partly red because the bulk of the uranium minerals in the deposits are concentrated in the drab sandstone at, and close to, red color contacts. Major concentrations of uranium minerals occur where the color contact is highly irregular. Without exception, the major uranium deposits that have been mined in the basin are not only at a color change within a sandstone unit, but also very near the boundary of the "red sandstone zone" in the basin (fig. 2).

The red coloration in sandstone of the Wasatch formation, which is considered to be epigenetic, appears to be one manifestation, in addition to the uranium deposits themselves, of localized physical-chemical conditions that brought about, among other things, the concentration of uranium into particular places in the sandstone units.

The deposits consist largely of yellow uranium minerals, tyuyamunite, carnotite, uranophane, and locally liebigite, that are disseminated in the sandstone. At places they contain small masses of uraninite and pyrite-cemented sandstone,usually rimmed by thick halos of yellow oxidized minerals. The pyrite and uraninite appear to have been localized by coalified wood fragments.

Black, sub-metallic nodules and irregular masses of manganese oxides occur near and at the surface in many deposits. Some of these masses also contain yellow uranium minerals. A few small occurrences consist almost entirely of such uraniferous manganese-oxide concretions.

Douglas Corporation property

The Douglas Corporation property lies astride part of the western boundary of the red sandstone zone in an area that has yielded some of the largest uranium deposits yet found in the basin (fig. 2). Northwest of the Douglas property on contiguous ground is the Hardy pit that has produced about 25,000 tons of ore-grade material. Southward across the Dry Fork drainage, also on boundary of the "red sandstone zone" is the Pat mine which has produced about 10,000 tons of ore-grade material. Several other active mines lie farther south along the same trend.

The Wasatch formation that underlies the Douglas claims appears typical of the Wasatch all along the central basin. Several thick sandstone lenses are interbedded with the fine-grained clastic part of the formation in the remaining interval that underlies the area. The remaining Wasatch in the area varies in thickness from place to place due in part to small irregularities in the Wasatch-Fort Union contact, and in part to the local relief. The Wasatch under the Douglas property ranges in thickness from 325 feet on the ridges to 150 feet at the southern edge closest to the Dry Fork flood plain.

PROPOSED EXPLORATION

The Douglas Corporation application for Government aid, dated August 22, 1957, was received August 26, 1957. The applicant proposed to explore the Wasatch formation underlying the Spook and Skul claims by a three-stage, rotary non-core air drilling program estimated to cost $92,622.50. The first stage was to consist of 80 drill holes on 200-foot by 400-foot centers for a total of 7,670 feet. Stage II consisted of 224 holes comprising 20,855 feet of non-core drilling at 100-foot offset sites. Stage III consisted of 774 holes comprising 72,305 feet of non-core drilling. The three stages amounted to a total of 1,078 holes comprising 100,830 feet of non-core drilling.

RECOMMENDED EXPLORATION

A field examination was made October 31, 1957, by W. N. Sharp, Geological Survey, and Carl Belser, Bureau of Mines. J. P. Hadfield, Jr., the applicant's geologist, accompanied the examing team during the inspection. The Government's field examiners concluded that an exploration project was warranted, but not of the magnitude of the applicant's proposal.

The recommended exploration project consisted of a two-stage non-core drilling program estimated to cost a total of $22,555.00. Stage I comprised 60 holes totaling 14,880 feet. Stage I drilling would utilize a 300- x 600-foot diamond offset grid oriented north so as to parallel the northward trend of the favorable color boundary. Stage II comprised

approximately 48 holes to be drilled as four-way offsets 100 feet from previously drilled Stage I mineralized holes. All holes would be logged geologically and probed radiometrically with results furnished to the Government.

SUMMARY OF CONTRACT PROVISIONS

Original provisions

Contract Idm-E 1164, dated January 16, 1958, provided for a two-stage non-core drilling program at an estimated total allowable cost of $23,952.00, with Government participation at 75 percent or not to exceed $17,964.00.

Stage I consisted of approximately 62 holes aggregating an estimated 14,880 feet of drilling. Holes were to be drilled in 12 east-west rows 300 feet apart with the holes in each row also 300 feet apart, but staggered with respect to the holes in adjacent rows. Some holes of this pattern were to be omitted where prior holes had been drilled. If more than 14,880 feet of drilling was required, additional footage and funds could be transferred and deducted from Stage II with written approval of the Government.

Stage II comprised not more than 48 holes aggregating not more than 11,520 feet as offsets to previously drilled holes showing favorable mineralization. The offset holes were to be drilled not closer than 100 feet to any previously drilled hole.

Modifications

The contract was modified by one amendment and complemented by one work approval described as follows:

1. Amendment No. 1 - Effective August 22, 1958.
   Extended the completion date from July 31, 1958, to October 31, 1958.

2. Work Approval - Effective August 29, 1958.
   Approved 42 Stage II offset holes.

SUMMARY OF PROJECT WORK COMPLETED

Work

Exploration was conducted with truck-mounted rotary non-core drills. Most of the holes were drilled with air as the circulating medium. In a few holes, loose silty overburden necessitated the use of water as the circulating medium. Samples were collected at 2-foot intervals.

Stage I work started May 1, 1958, and was completed May 26, 1958, with 62 holes drilled (fig. 2) for a total of 14,312 feet of acceptable drilling. The first nine holes were bottomed below what the operator's geologist termed the "Rawlins Coal" (Sic) (Roland Coal) member of the Fort Union. The procedure resulted in nine holes being drilled deeper than provided for by the contract. It was administratively determined, however, that the depth penetrated by the first two holes would be allowable and acceptable to the Government.

Stage II work started October 1, 1958, and was completed October 25, 1958, with 42 offset holes drilled for a total of 5,366 feet. The operator requested that the project be considered completed with the completion of the 42 offset holes, to which the Government concurred. Accordingly, Termination Agreement, effective October 26, 1958, was prepared and signed by the operator without the completion of all work provided by the contract.

Units and costs

The units and costs for each item of work acceptable to the Government are summarized by table 1. Units and costs for each item of work have been verified by the Contract Administration and Audit Division, OME.

Table 1.--Summary of items, units, and costs of work

Item of work	Provided by Contract			Accepted by Government		
	Units	Cost per Unit	Costs	Units	Cost per Unit	Costs
STAGE I						
Non-core Drilling	14,880	$ 0.70	$10,416.00	14,312	$ 0.70	$10,018.40
Standby Time	31	10.00	310.00	30	10.00	300.00
Bulldozing	30	10.00	300.00	0	10.00	0.00
Chemical Analyses	62	3.50	217.00	0	3.50	0.00
Incidental Allowance	14,880	0.15	2,232.00	14,312	0.15	2,146.80
Totals			$13,475.00			$12,465.20
STAGE II						
Non-core Drilling	11,520	$ 0.70	$ 8,064.00	5,366	$ 0.70	$ 3,756.20
Standby Time	24	10.00	240.00	11	10.00	110.00
Bulldozing	20	10.00	200.00	0	10.00	0.00
Chemical Analyses	70	3.50	245.00	49	3.33 *	162.93
Incidental Allowance	11,520	0.15	1,728.00	5,366	0.15	804.90
Totals			$10,477.00			$ 4,834.03
Total Estimated Costs, Project - - -			$23,952.00			
Total Accepted Costs, Project -						$17,299.23
Government Participation at 75% -						$12,974.42

* Approximate average.

ANALYSIS OF DRILLING

The DMEA exploration drilling program on the Douglas Corporation property appears to have been successful in finding ore bodies of significant size. Company drilling in the areas of the ore bodies subsequent to the termination of the contract has supplied additional data that further substantiate this favorable evaluation of the project. Of the 110 DMEA holes drilled in the two stages, 18 were ore bearing (> 0.1 percent U_3O_8) and 7 holes cut significantly mineralized intervals. DMEA drill holes cut uranium-bearing material containing as much as 1 percent U_3O_8; one hole averaged 0.58 percent U_3O_8 in 8 feet of hole. Company holes put down in one ore body cut a material that averaged 0.25 percent U_3O_8 in 14 feet of hole.

Eleven of the DMEA holes are part of two groups of contiguous ore-bearing and mineralized holes that mark two ore bodies, outlined on figure 2, in the northern part of the drilled area. Hole logs in areas of both bodies indicate that uranium is deposited in an upper 140- to 150-foot thick, predominantly sandstone unit, in a central 50-foot interval about 60 to 110 feet below the surface. The areas of the outlined deposits appear to be mineralized at somewhat random depths in the 50-foot ore interval. This rather indefinite arrangement of ore material in an ore zone is characteristic of uranium deposits of Powder River Basin. Open pit mining at Douglas Corporation property probably will show that ore zones cross-cut sedimentary rock features of bedding and lithology, as well as change in grade in relatively short distances. However, this feature does not

negate the economic value of the deposit. All of the ore-grade material in the 50-foot interval can be mined by a careful control of the excavating process so that ore zones can be taken out at different places in the pit at different depths.

Deep drilling under Stage I showed that the Wasatch-Fort Union contact is slightly irregular (fig. 3) and ranges from 150 feet in depth at the southern edge of the claims, which are lowest in altitude, to 325 feet depth on ridges in the northern part of the claims.

ORE RESERVES

Ore reserves on the Douglas Corporation property appear to be located largely in two deposits on claims Spook 1, 2, and 3. Several separated DMEA drill holes cut ore-grade material in other places and indicate that some small ore bodies also are present.

Total estimated reserves (indicated and inferred) amount to about 75,000 tons of ore in place that contain about 0.25 percent U_3O_8. About 35,000 tons is contained in Deposit I, and about 40,000 tons in Deposit II (fig. 2). The drill holes that indicate each deposit are shown on figure 2, and the pertinent assay data for each ore hole are given in table 2. Sections A-A' and B-B' (fig. 3) show graphically this same assay data, and indicate the means used to evaluate ore reserves.

The reserves for each deposit were determined by estimating the percentage of outlined area underlain by ore, and the weight-percentage of the total ore interval containing ore-grade material. The average grade was determined by weight-averaging all ore intervals.

Table 2.--Assay and related data from certain drill holes, Spook and Skul claims, Converse County, Wyoming

Drill hole number	Mineralized interval (feet)	U_3O_8 (percent)	
	DMEA holes		
A-7A	60-62	0.42	0.36 ave.
	62-64	0.30	
A-5	100-102	0.166	
A-9	56-58	0.12	
A-13	94-96	0.21	
B-1A	90-92	0.08	0.20 ave.
	94-96	0.09	
	96-98	0.40	
	98-100	0.14	
B-4	86-88	0.14	
	92-94	0.13	
	104-106	0.09	
B-5	64-66	1.00	0.58 ave.
	66-68	1.03	
	68-70	0.15	
	70-72	0.14	
	84-86	0.37	0.27 ave.
	86-88	0.18	
B-7	100-102	0.18	
B-8	70-72	0.21	
B-9	106-108	0.19	
B-15	78-80	0.07	0.14 ave.
	80-82	0.21	
B-16	76-78	0.07	0.24 ave.
	78-80	0.41	
	102-104	0.27	0.16 ave.
	104-106	0.06	

Table 2.--Assay and related data from certain drill holes, Spook and Skul claims, Converse County, Wyoming (continued)

Drill hole number	Mineralized interval (feet)	U_3O_8 (percent)	
	DMEA holes (continued)		
B-17	108-110	0.27	0.22 ave.
	110-112	0.14	
	114-116	0.26	
B-20	112-114	0.14	
B-24	132-134	0.11	
B-26	86-88	0.12	
B-33	100-102	0.10	
B-40	68-70	0.19	
	Company holes		
C-12	92-94	0.05	0.44 ave.
	94-96	1.09	
	96-98	0.44	
	98-100	0.17	
C-13	96-98	0.62	0.41 ave.
	98-100	0.20	
C-21	92-94	0.09	0.10 ave.
	96-98	0.25	
	98-100	0.08	
C-24	84-86	0.53	0.25 ave.
	90-92	0.11	
	92-94	0.36	
	94-96	0.10	
	98-100	0.20	
	104-106	0.28	
	106-108	0.30	
C-28	70-72	0.20	
	86-88	0.16	

Table 2.--Assay and related data from certain drill holes, Spook and Skul claims, Converse County, Wyoming (continued)

Drill hole number	Mineralized interval (feet)	U_3O_8 (percent)	
	Company holes (continued)		
C-29	94-96	0.08	
	96-98	0.15	
	98-100	0.11	0.10 ave.
	100-102	0.09	
	106-108	0.13	
C-32	72-74	0.11	
	94-96	0.08	
	96-98	0.11	0.10 ave.
	100-102	0.12	
C-34	64-66	0.12	
	68-70	0.78	0.50 ave.
	70-72	1.10	
	72-74	0.50	
C-39	98-100	0.15	

CONCLUSIONS AND RECOMMENDATIONS

The Spook and Skul claims appear to overlie two moderately large uranium ore bodies. Several small deposits are also indicated. The grade of the material is about 0.25 percent U_3O_8, and the ore is generally less than 100 feet below the surface. These two bodies, in claims Spook 1, 2, and 3, are adequately explored by DMEA and company drilling for preliminary evaluation, and further drilling in the area would be considered development.

Certification of a Discovery is recommended on the basis of the significant reserves of minable uranium ore indicated by the DMEA sponsored exploration program.

DMEA Form 7
(12-56)

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2/6	GMcCarthy	800
2/6	Talbutt	800
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FEB 6 1958

Mr. Donald T. Finch
OME Auditor
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA-4820 (Uranium)
Douglas Corporation
Contract No. Idm-E1164

Dear Mr. Finch:

Your Report of Review on the above-referenced project is acceptable and normal distribution is authorized.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers
Contract Administration
and Audit Division

GMcCarthy/GMcC
February 6, 1959

cc: Docket
Director's Reading File
Mr. Chambers

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224 New Customhouse
Denver 2, Colorado
January 29, 1959

Mr. J. P. Hatfield, Jr.
P.O. Box 617
Casper, Wyoming

Re: Docket No. DMEA 4320 (Uranium)
Contract Idm-E1164
Douglas Corporation
(Spook and Skul claims)
Converse County, Wyoming

Dear Mr. Hatfield:

Supplementing our letter of January 15, 1959, that part regarding your furnishing additional data as it becomes available, will especially appreciate receiving ore reserve data as mentioned on page 8 of your final report.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

cc: Mr. Sam Day
P. O. Box 785
Fort Collins, Colorado

JWT:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Marshall, OME/DFC
Corres.file, Reg.III
Cooper
Chron

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224 New Customhouse
Denver 2, Colorado
January 27, 1959

Memorandum

TO: Donald T. Finch, OME Auditor, Region III

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4820 (Uranium) Contract ~~No. Idm-E1164~~ Douglas Corporation (Spook and Skul claims) Converse County, Wyoming

The subject contract was terminated by mutual agreement effective October 26, 1958. A copy of the Termination Agreement is enclosed for your records.

The Operator has rendered a Final Engineering and Geologic Report, and a Final Accounting Report as required by the contract; therefore, final payment of the Operator's account is in order, contingent on release to this office of a Certificate and Report of Audit or Report of Review of reported project costs, whichever the case indicates.

Acceptable units of work or service completed on a "Fixed Unit Costs" basis consisted of incidental allowance on 19,668 ft. of drilling. In addition, pre-audit conference with you indicates that the accounting reports submitted by the Operator contain an arithmetical error which will result in reinstatement of the reported costs for 10 ft. of drilling and incidental allowance.

The sum of $500.00 was withheld from reimbursement to the Operator in processing its final accounting report, which was for the month of October, 1958.

Original signed by
J. W. TOWNSEND

J. W. Townsend

JDC:ltm

cc: Chmn. Op. Comm. (2)
Harshman
Marshall, OME/DFC
Corres. file
Cooper
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
January 27, 1959

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1/30	[illegible]	800
		700

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region ~~III~~

Subject: Docket No. DMEA 4820 (Uranium) Contract No. Idm-E1164 Douglas Corporation (Spook and Skul claims) Converse County, Wyoming

Enclosed are the original and one copy of a final report submitted by the subject Operator pertaining to work completed under the contract, and the original and one copy of the Operator's transmittal letter dated January 5, 1959, which contains data pertaining to work performed by the Operator at its own expense, subsequent to the contract termination date.

The Operator's final report appears to be satisfactory; therefore we recommend that it be accepted as complying with the provisions of Article 7(c) of the contract form.

J. W. Townsend

J. W. Townsend

OPR'S FINAL REPORT

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 30 1959

DATE	INITIALS	CODE

OME
DEPARTMENT OF THE INTERIOR
JAN 14 1959
REGION III
DENVER, COLORADO

Maps Rec'd 1-26-59

P. O. Box 617
Casper, Wyoming
January 5, 1959

Mr. James W. Townsend
Executive Officer, OME
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4820 (Uranium)
Contract No. Idm-E 1164
Douglas Corporation
(Spook and Skul Claims)
Converse County, Wyoming

Dear Mr. Townsend:

Your letter, dated December 30, 1958, to Mr. Sam Day, President, Douglas Corporation, has been referred to me.

Per your request, please find enclosed five (5) copies of a Revised Final Report which includes a tabulation of holes drilled under both stages complete with assay data, and a tabular summary of the footage drilled under each stage as well as the costs thereof. A preliminary estimate of the inferred, or possible, ore reserves resulting from the contract drilling is also included.

I have not forwarded 5 copies of the drill-hole location map for Stages I and II as such copies were delivered to your office early in November upon the completion of Stage II. The only drill-hole map we have now is a progress map which has been completed beyond Stage II. However, should it be necessary, I will gladly redraft the map through Stages I and II and forward five copies to you.

Concerning the data resulting from drilling since the end of the contract, I will forward duplicates of the lithologic logs as soon as authorized by Mr. Day. However, I can include herein the chemical assays from such drilling. The following holes can be located by referring the grid numbers (ex. -6900-3700) following the hole numbers to the maps you have in your possession.

Hole No.	Grid	Depth	Assay
A-7A	7300-4448	60-62'	0.42% U_3O_8
		62-64'	0.30
B-15	(Stage II)	84-86'	0.09
B-17	(Stage II)	66-68'	0.013
C-3	(8000-3700)	88-90'	0.013
C-6	(8000-4250)	66-68'	0.02
C-8	(7900-3950)	112-114'	0.05
		114-116'	0.016
C-9	(7900-4350)	120-122'	0.018
C-10	(7800-4250)	62-64'	0.012
C-11	(7800-4050)	110-112'	0.02
C-12	(7700-4200)	92-94'	0.05
		94-96'	1.09
		96-98'	0.44
		98-100'	0.17
		116-118'	0.03
C-13	(7700-4400)	90-92'	0.06
		96-98'	0.62
		98-100'	0.20
		110-112'	0.03
C-17	(7700-3800)	44-46'	0.017
C-20	(7500-3800)	106-108'	0.03
C-21	(7500-4200)	92-94'	0.09
		96-98'	0.25
		98-100'	0.08
C-22	(7500-4400)	112-114'	0.07
C-24	(7400-4350)	84-86'	0.53
		90-92'	0.11
		92-94'	0.36
		94-96'	0.10
		98-100'	0.20
		104-106'	0.28
		106-108'	0.30
C-26	(7400-3750)	118-120'	0.08
C-28	(7300-4050)	70-72'	0.20
		84-86'	0.04
		86-88'	0.16

Hole No.	Grid	Depth	Assay
C-29	(7300-4250)	74-76'	0.05% U_3O_8
		84-86'	0.017
		90-92'	0.02
		92-94'	0.03
		94-96'	0.08
		96-98'	0.15
		98-100'	0.11
		100-102'	0.09
		106-108'	0.13
C-30	(7200-3950)	70-72'	0.04
		74-76'	0.07
		76-78'	0.018
		100-102'	0.007
C-31	(7200-3750)	72-74'	0.05
C-32	(7100-3850)	46-48'	0.012
		68-70'	0.06
		72-74'	0.11
		86-88'	0.016
		94-96'	0.08
		96-98'	0.11
		100-102'	0.12
		106-108'	0.05
C-33	(7100-3900)	80-82'	0.07
C-34	(7100-4100)	64-66'	0.12
		68-70'	.78
		70-72'	1.10
		72-74'	0.50
		92-94'	0.07
C-36	(6900-3800)	76-78'	0.02
		78-80'	0.03
		92-94'	0.03
		94-96'	0.04
C-38	(7000-3509)	56-58'	0.06
		102-104'	0.010
		104-106	0.05
C-39	(6800-4000)	98-100'	0.15

The above assays are exactly those received from Brown Laboratory. Should I be able to help in any way, do not hesitate to let me know.

Very truly yours,

J. P. Hadfield, Jr.

J. P. Hadfield, Jr.

REVISED FINAL REPORT

OME
DEPARTMENT OF THE INTERIOR
JAN 14 1959
REGION III
DENVER, COLORADO

Docket No. DMEA 4820 (Uranium)
Contract No. Idm-E 1164
Douglas Corporation
(Spook and Skul Claims)
Converse County, Wyoming

Stage I

During Stage I of the contract, sixty-two (62) holes were drilled to a total depth of 15,003 feet. In accordance with the contract terms, 14,302 feet were accepted; an average depth of 230.7 feet per hole to the base of the Wasatch formation. All holes were drilled by air in so far as possible; water was thereafter used as the drilling medium. Samples were collected at two-foot intervals.

Interbedded, lenticular, fine- to very coarse-grained, arkosic, often conglomeratic sandstones, siltstones, and mudstones exist throughout the section. In the unoxidized part, however, the very coarse-grained units appear as isolated lenses. Carbonaceous material (with or without abnormal radioactivity) and sometimes calcareous sandstone concretions are present throughout the oxidized zone. All potential ore horizons were found to occur in this oxidized part of the Wasatch formation, which is a maximum of 160 feet thick. Three holes, and possibly a fourth (A-7), encountered ore-grade material (.10%, or more, U_3O_8). No analysis of A-7 was possible because wet drilling was necessary from a depth of 30 feet to total depth, and the samples were therefore considered

Stage I (Continued)

unreliable. (However, since the completion of the contract, a hole was drilled 2 feet from A-7. This hole cut 4 feet of material averaging .36% U_3O_8.) Three other holes were mineralized (.05 - .09% U_3O_8), and 34 holes showed significant abnormal radioactivity. A higher discovery ratio could not have been expected because of the wide hole-spacing used and the small size and erratic nature of the known uranium deposits of the area.

Hole No.	Assays	Depth
A-1	None	316 Feet
A-2	None	342
A-3	None	360
A-4	None	348
A-5	76-78' - .013	350
	78-80' - .007	
	80-82' - .002	
	82-84' - .006	
	84-86' - .002	
	86-88' - .007	
	88-90' - .002	
	90-92' - .028	
	92-94' - .009	
	94-96' - .014	
	96-98' - .016	
	98-100' - .025	
	100-102' - .166	
A-6	106-108' - .005	376
	108-110' - .005	
	110-112' - .010	
	112-114' - .013	
	114-116' - .003	
A-7	None	360
A-8	None	352
A-9	42-44' - Nil	342
	44-46' - .002	
	46-48' - .003	
	48-50' - .002	
	50-52' - .011	
	52-54' - .005	

Hole No.	Assays	Depth
A-9 (con't.)	54-56' - .021	
	56-58' - .120	
	58 -60' - .027	
	60 -62' - .006	
	62 -64' - .007	
	102-104' - .003	
	104-106' - .003	
	106-108' - .002	
	108-110' - .003	
	110-112' - .003	
	112-114' - .003	
	114-116' - .003	
A-10	None	355
A-11	64-66' - .01	360
	66-68' - .01	
	68-70' - .01	
	70-72' - .01	
	72-74' - Nil	
	74-76' - .01	
	76-78' - .01	
	78-80' - .01	
	80-82' - .03	
	82-84' - .01	
	84-86' - .01	
	86-88' - Nil	
	100-102' - .01	
	102-104' - .0.	
A-12	None	360
A-13	48-50' - Nil	250
	50-52' - Nil	
	52-54' - .01	
	54-56' - .03	
	56-58' - .02	
	58-60' - .02	
	60-62' - .02	
	62-64' - .02	
	64-66' - .01	
	66-68' - .06	
	68-70' - .02	
	70-72' - .01	
	72-74' - .01	
	86-88' - .01	
	88-90' - .01	
	90-92' - .01	
	92-94' - .01	
	94-96' - .21	
	96-98' - .03	
	98-100' - .03	
	100-102' - .01	
	102-104' - .01	

Hole No.	Assays	Depth
A-14	None	316
A-15	42-44' - .01	256
	44-46' - .01	
	46-48' - .01	
	48-50' - .01	
	50-52' - .01	
	52-54' - .01	
	54-56' - .01	
	56-58' - .01	
	68-70' - .01	
	70-72' - Nil	
	72-74' - Nil	
	74-76' - .01	
	76-78' - .04	
	78-80' - .02	
	80-82' - .06	
	82-84' - .01	
	84-86' - .01	
	86-88' - .01	
	88-90' - .01	
	96-98' - .01	
	98-100' - .01	
	100-102' - .01	
	102-104' - .01	
	104-106' - .06	
	106-108' - .02	
	108-110' - .01	
A-16	None	246
A-17	None	250
A-18	82-84' - .01	256
	84-86' - .01	
	86-88' - .01	
	88-90' - .01	
	90-92' - .01	
	92-94' - .01	
	94-96' - .01	
	96-98' - .01	
	98-100' - .01	
	100-102' - .01	
	102-104' - .01	
	104-106' - .01	
A-19	None	230
A-20	60-62' - .01	218
	62-64' - .01	
	64-66' - .01	
	66-68' - .01	
	68-70' - .01	
	70-72' - .01	
	72-74' - .01	
	74-76' - .01	
	76-78' - .01	
	78-80' - .01	

Hole No.	Assays	Depth
A-21	None	214
A-22	70-72' - Nil 72-74' - .01 74-76' - .01 76-78' - Nil 78-80' - .02 80-82' - .01 82-84' - .01	214
A-23	None	218
A-24	156-158' - .02 158-160' - .01 160-162' - .01 162-164' - .01 164-166' - .01 166-168' - .01	240
A-25	None	256
A-26	None	222
A-27	60-62' - .01 62-64' - .01 64-66' - .01 66-68' - .01 68-70' - .05 70-72' - .04 72-74' - .02 74-76' - .02 76-78' - .01	256
A-28	52-54' - .01 54-56' - Nil 56-58' - .02 58-60' - .02 60-62' - .01 62-64' - .01 64-66' - .02 66-68' - .01 68-70' - .01 70-72' - .01 72-74' - .01 74-76' - .02	212
A-29	None	190
A-30	None	198
A-31	None	230
A-32	None	220
A-33	None	240

Hole No.	Assays	Depth
A-34	None	240
A-35	None	190
A-36	None	175
A-37	None	190
A-38	None	240
A-39	66-68' - .005	240
	68-70' - .004	
	70-72' - .005	
	72-74' - .007	
	74-76' - .012	
	76-78' - .005	
	78-80' - .005	
	80-82' - .002	
	82-84' - .002	
A-40	None	250
A-41	None	200
A-42	None	180
A-43	None	180
A-44	66-68' - .003	270
	68-70' - .005	
	70-72' - .004	
	72-74' - .005	
	74-76' - .05	
	76-78' - .010	
	78-80' - .006	
	80-82' - .005	
	82-84' - .003	
A-45	None	156
A-46	None	166
A-47	None	170
A-48	None	262
A-49	None	260
A-50	None	256
A-51	None	180
A-52	None	162
A-53	None	150
A-54	None	160
A-55	None	254

Hole No.	Assays	Depth
A-56	None	242
A-57	None	236
A-58	None	210
A-59	None	180
A-60	None	150
A-61	None	150
A-62	None	150

Total. . . . . 15,042 Feet

Stage I Costs

14,880 Feet @ $.70 per, or	$10,716.00
Standby- 30 hrs. @ $10.00 per,or	300.00
Probing-14,880 ft. @ $.15 per,or	2,232.00
Analyses-62 samples@$3.50 per,or	217.00
Total	$13,165.00

Stage II

Drilling under Stage II saw 42 holes completed to a total depth of 5366 feet; an average depth of 127.8 feet; sufficient to penetrate the oxidized zone. These holes were spaced at 100-foot intervals around the 11 most important holes of Stage I. Air was the only drilling medium, except for the occasional addition of a few gallons of water to preclude caving. Holes B-1 and B-30 were lost due to caving and had to be redrilled at a distance of 2 feet from the abandoned holes. Chemical analysis of the important samples showed 14 holes to contain ore-grade material (.10% U_3O_8, or more), whereas 4 other holes were mineralized (.05 - .09% U_3O_8). Twenty-one additional holes showed significant radioactivity. By such drilling, potential ore has been found in five areas within the whole drill area, and at several horizons. Hole B-5, for example, cut 6 feet averaging .73% U_3O_8 at a depth of 64 to 70 feet; another zone 4 feet thick lies at a depth of 84-88 feet. The latter averages .28% U_3O_8. A third potential zone lies at 98 feet; it assayed .06% U_3O_8. Sufficient ore may be found between the five areas to warrant mining operations in a large part of the area. However, no real estimate of "possible" ore reserves can be made until drilling on 100-foot centers has been completed. Some 5,000 feet of such drilling has been done since the termination of the contract.

Although six additional holes were allowed by the contract, Douglas Corporation has not requested that the contract by extended to include such drilling. If desired, reserve estimates based on 100-foot spacing will be forwarded when sufficient data have been obtained.

Stage II (Continued)

Hole No.	Stage I Hole No.	Assays	Depth
B-1A	A-5	80-82' - .015 82-84' - .04 90-92' - .08 94-96' - .09 96-98' - .40 98-100' - .14	130
B-2		None	129
B-3		76-78' - .07	129
B-4		86-88' - .14 92-94' - .13 104-106' - .09	130
B-5	A-6	62-64' - .03 64-66' - 1.00 66-68' - 1.03 68-70' - .15 70-72' - .14 84-86' - .37 86-88' - .18 98-100' - .06	130
B-6		None	130
B-7		100-102' - .18	130
B-8	A-9	58-60' - .03 60-62' - .05 70-72' - .21 100-102' - .05	140
B-9		106-108' - .19 110-112' - .05	140
B-10		54-56' - .018 56-58' - .013	140
B-11		None	140
B-12	A-7	78-80' - .018	150
B-13		None	150
B-14		None	150
B-15		78-80' - .07 80-82' - .21	149

Hole No.	Stage I Hole No.	Assays	Depth
B-16	A-11	76-78' - .07 78-80' - .41 102-104' - .27 104-106' - .06	150
B-17		88-90' - .08 108-110' - .27 110-112' - .14 114-116' - .26 116-118' - .07	150
B-18		70-72' - .03	150
B-19		84-86' - .08	150
B-20	A-13	112-114' - .14	120
B-21		102-104' - .03	120
B-22		None	120
B-23		102-104' - .02	120
B-24	A-15	132-134' - .11	150
B-25		None	150
B-26		86-88' - .12	150
B-27		84-86' - .01	150
B-28	A-18	68-70' - .02	130
B-29		64-66' - .014	129
B-30A		None	130
B-31		None	130
B-32	A-20	None	110
B-33		100-102' - .10	110
B-34		None	110
B-35		None	110

Hole No.	Stage I Hole No.	Assays	Depth
B-36	A-27	74-76' - .017	90
B-37		68-70' - .03	90
B-38		None	90
B-39		None	90
B-40	A-22	68-70' - .19	100
		70-72' - .06	100
B-41		None	100
B-42		28-30' - .05	100

Total . . . .5,366 Feet

Stage II Costs

5366 Feet @ $.70 per, or	$3,756.00
Standby - 11 hrs. @ $10.00 per, or	110.00
Probing - 5366 ft. @ $.15 per, or	804.90
Sampling Lot #1 $171.50) Less	220.50
Lot #2 $49.00) Discount	
Total . . .	$4,891.40

Preliminary Estimate of Inferred, or Possible,
Ore Reserves

42,142 tons averaging .26% U_3O_8

J. P. Hadfield, Jr.

J. P. Hadfield, Jr.
Geologist

OFFICIAL FILE COPY
OME
RECEIVED JAN 19 1959

DATE		CODE
1-19	C	220
1-19		800
1-19		700

[illegible] Federal Courthouse
Denver 2, Colorado
January 15, 1959

Mr. J. P. Hadfield, Jr.
P.O. Box 617
Casper, Wyoming

Re: Docket No. DMRA 4280 (Uranium)
Contract Ian-K1154
Douglas Corporation
(Spook and Shal claims)
Converse County, Wyoming

Dear Mr. Hadfield:

Receipt is acknowledged of your letter of January 5, 1959, whereby you transmitted five copies of a revised final report pertaining to the work completed under the captioned contract. We appreciate the additional drilling data contained in your letter, and will also appreciate further data as it becomes available.

We do not wish to put you to the trouble and expense of re-drafting the map covering the project work. The progress map which you mentioned in your letter should be satisfactory for use in the final report; therefore, please forward five prints of that progress map to this office.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer,
OME Field Team, Region III

cc: Sam Ray
P. O. Box 785
Fort Collins, Colorado

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Marshall, OME/DFC
Corres. file, Reg. III
Cooper
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
January 13, 1959

OFFICIAL FILE COPY O. M. E. RECEIVED JAN 16 1959		
DATE	INITIALS	CODE
1-16	C	220
		200

Memorandum

To: Chairman, Operating Committee, OME

From: Acting Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4820 (Uranium) Contract Idm-E1164, Douglas Corporation, (Spook and Skul claims) Converse County, Wyoming

Enclosed are the Government's and Audit copies of the Termination Agreement which were forwarded by your letter of December 22, 1958, for signature by the Operator.

Copies of the Termination Agreement have been distributed to the Operator, the Finance Office and others concerned in Region III.

E. N. Harshman

E. N. Harshman

Enclosures

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/19/58	Ching	700
12/19	Kraus	700
12-19	Chamber	800
12/19	BLS	130
"	Johnson	120
		~~110~~
		~~100~~
		~~300~~
12/22	C	220
		700

DEC 22 1958

Mr. J. W. Townsend
Executive Officer
OME Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-4820 (Uranium)
Contract No. Idm-E1164
Douglas Corporation
Spook and Skul Claims
Converse County, Wyoming

Dear Mr. Townsend:

In accordance with your memorandum of December 8, 1958, we are enclosing the original and four copies of a proposed Termination Agreement between the Government and Douglas Corporation, signed by the Acting Director. Also enclosed are two extra copies of the agreement for the use of the Field Team.

If you and the Operator find the proposed agreement in order, please have the Operator execute it as indicated and make the usual distribution thereafter.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (SHB)

Enclosures

APPROVED:

G. T. BAROCH (SHB)

Member, Bureau of Mines

N. E. Nelson (SHB)

Member, Geological Survey

MChing/gla
12-19-58
cc to: Director's Reading File
Operating Committee
THKiilsgaard, Rm. 5224
Mr. Ching

8623

Draft
12/12/58
MChing/gla

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 195_, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Douglas Corporation, hereinafter called the "Operator," parties to that certain Exploration Project Contract, No. Idm-E1164, Docket No. DMEA-4820, dated January 16, 1958, as amended, hereinafter called the "Contract," that:

1. Effective October 26, 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 not contribute to the cost of any work performed after October 26, 1958, except that incurred in the analyses of samples taken on or prior to said date.

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

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

5. The Operator 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 Minerals Exploration

DOUGLAS CORPORATION

By _____

Title _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~DEFENSE MINERALS EXPLORATION ADMINISTRATION~~
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
December 8, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 11 1958

DATE	INITIALS	CODE
12/11	C	220
		130
		700

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4820 (Uranium), Contract Idm-E1164 Douglas Corporation (Spook and Skull claims), Converse County, Wyoming

Enclosed are the original and two copies of a Joint Memorandum from W. N. Sharp, Geologist, Geological Survey, and M. H. Marshall, Mining Engineer, Bureau of Mines, relative to termination of the subject contract in its present status. Two copies of the Operator's letter dated November 17, 1958, requesting termination were forwarded with copies of our memorandum of November 19, 1958, to the field examiners.

The field examiners recommend that the contract be terminated in its present status in which this office concurs. Our records indicate that the last work under the contract was completed October 25, 1958; therefore the Termination Agreement should be made effective October 26, 1958. Assay Certificates submitted with the final voucher indicate that samples from Stage II drill holes were analyzed subsequent to October 25, 1958; therefore the Termination Agreement should provide for Government contribution to the costs of services and supplies incident to the project work, even though the incident costs were incurred subsequent to October 25, 1958.

The field examiners indicate that Certification of the project as a Discovery or Development will be recommended on the basis of approimately 30,000 tons of material containing about 0.2 per cent U_3O_8.

J. W. Townsend

Enclosures

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Office of Minerals Exploration
Denver Federal Center
Denver, Colorado

OME
DEPARTMENT OF THE INTERIOR
DEC 8 - 1958
REGION III
DENVER, COLORADO
O. M. E.
RECEIVED DEC 11 1958

DATE	INITIALS	CODE

December 2, 1958

Memorandum

To: Executive Officer, OME Field Team, Region III
Through: E. N. Harshman

From: W. N. Sharp
M. H. Marshall

Subject: Docket DMEA 4820 (Uranium), Contract Idm-E 1164, Douglas Corporation (Spook and Skull claims), Converse County, Wyoming

The operator requested on November 17, 1958, termination of contract Idm-E 1164. Under the contract 62 non-core exploratory holes had been drilled in Stage I, and 42 holes, offsetting Stage I holes, had been authorized and drilled in Stage II. Under terms of the contract only 6 allowable holes remained in Stage II of the program. The operator requested that the program be considered completed without recontracting a driller for only 6 possible holes.

It is concluded that sufficient exploration has been done to evaluate the area in terms of probable ore-bodies and to initiate development work. The examining team therefore concurs with the operator's request to terminate the contract without completion of the 6 remaining Stage II holes.

Of the 62 Stage I holes drilled on a 300 x 600 diamond grid, 11 holes contained material of 0.1 percent U_3O_8 or better. Fourteen

of the 42 offset holes to these 11 Stage I holes also contained uranium-bearing material with grades above the 0.1 percent cut off. One hole cut 4 feet of material containing 1 percent U_3O_8.

From the grouping of the ore-bearing holes, it appears that at least two potential ore bodies are present under the claims. Reserves in these bodies are estimated roughly to be about 30,000 tons of material containing about 0.2 percent U_3O_8. Certification of a Discovery will be recommended.

W. N. Sharp
Geologist

M. H. Marshall
Mining Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
December 4, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 9 1958

DATE	INITIALS	CODE
12/9	C	220
12/9	MC	700

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4820 (Uranium) Contract Idm-E1164, Douglas Corporation, (Spook and Skul claims) Converse County, Wyoming

In folder #2

Enclosed are two copies each of lithologic logs for all holes drilled under the subject contract during October, 1958. The logs were submitted by the Operator in conjunction with Form MF-104, Operator's Monthly Report and Voucher, for October 1958, but due to oversight, were not attached to the report when final distribution was made to your office, December 2,1958.

Please attach the logs to your copies of the October monthly accounting report and voucher.

J. W. Townsend

J. W. Townsend

Enclosures

FFICIAL FILE COPY
O. M. E.
EIVED DEC 5 1958

ATE		CODE
12-5	Q	220
	mcq	700

224 New Customhouse
Denver 2, Colorado

December 2, 1958

Memorandum

To: MF-104 File, Region III

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMSA-4820 (Uranium) Contract No. Idm-E1164, Douglas Corporation (Spook and Skul claims) Converse County, Wyoming

Enclosed is a copy of an assay certificate dated November 20, 1958 from the Brown Laboratory, which gives analytical results for fourteen samples from holes drilled under the subject contract.

The analytical work was performed at the sole expense of the Operator, and the results furnished as a courtesy to the Government.

J. W. Townsend

JDC/ad

J. W. Townsend

Enclosure

cc: Chm. Op. Comm (2))
Harshman) w/copy assay
Marshall, OME/DFC) certificate
Corres. File, Region III
Cooper
Chron.

THE BROWN LABORATORY

2263 Broadway

GRAND JUNCTION, COLORADO

ANALYTICAL DEPARTMENT

CHapel 2-48

OME
DEPARTMENT OF THE INTERIOR
DEC 1 - 1958
REGION III
DENVER COLORADO

CERTIFICATE OF ANALYSIS

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 5 1958

DATE	INITIALS	CODE

TO

- Douglas Corporation
- 224 U.S. National Bank Building
- Denver, Colorado

Date 11-20-58

Order No. 11603-3

Material: Ore Samples 14

Received: 11-19-58

For: Analysis

Lab. No.	Your No.		Description	Radiometric %eU3O8	Chemical %U3O8	%V2O5	%C
11603-1	B-1A	80-82			0.015		
11603-2	B-1A	94-96			0.09		
11603-3	B-1A	98-100			0.14		
11603-4	B-5	62-64			0.03		
11603-5	B-5	70-72			0.14		
11603-6	B-10	56-58			0.013		
11603-7	B-19	82-84			0.017		
11603-8	B-21	104-106			0.03		
11603-9	B-23	100-102			0.03		
11603-10	B-24	130-132			0.010		
11603-11	B-26	84-86			0.04		
11603-12	B-27	86-88			0.03		
11603-13	B-28	66-68			0.05		
11603-14	B-36	76-78			0.03		

H.B. Brown

Analyst

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 1 1958

DATE	INITIALS	
12/1	C	220
12/1	[illegible]	800
	[illegible]	700

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
November 26, 1958

Mr. Sam Day, President
Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Re: Docket No. RMEA 4820 (Uranium)
Contract Idm-M1164
Douglas Corporation
(Spook and Skul claims)
Converse County, Wyoming

Dear Mr. Day:

Form MF-104, Operator's Monthly Report and Voucher, for October 1958, has been received in this office and is being processed for payment. The following deductions and reinstatement have been made:

A cost of $171.50 is reported on Form MF-104 for sampling and analysis. The statement on The Brown Laboratory, dated November 4, 1958, shows that a discount of 5 percent will be allowed for payment within 30 days from November 4, 1958. We presume that payment has been, or will be made to The Brown Laboratory within the 30 day period, thereby reducing the actual cost by 5 percent of $171.50. The excess reported cost is disallowed.

The amount of $500.00 which was withheld from reimbursement to Douglas Corporation in processing the May 1958 voucher is reinstated, and a like amount is withheld from the current voucher pending resolution of matters prerequisite to closing the account, which include the following:

1. Execution by the parties to the contract of a suitable agreement to terminate the project in its present status without requiring performance of the balance of work provided for.

2. Rendering to the Government a final report as required under Article 7(c) of the contract form.

3. Release to this office of an Audit Certificate and Audit Report, or Report of Review of the reported project costs by the Contract Administration and Audit Division, OME.

You will be further advised of the above reductions and reinstatement by means of an Administrative Audit Difference Statement, which will be forwarded to you by the Finance Office, Region III.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Marshall, OME/DFC
Cooper
Corres. file, Reg. III
Chron

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 21 1958

DATE	INITIALS	CODE
11/21	C	220
11/24	[illegible]	500
"	[illegible]	700

OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
November 19, 1958

Memorandum

To: E. N. Harshman - w/enclosure
M. H. Marshall - " "

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. 4820 (Uranium) Contract Ida-E1164, Douglas Corporation, (Spook and Skull claims) Converse County, Wyoming

Enclosed is a copy of a letter dated November 17, 1958, from the subject Operator, requesting Government approval to terminate the contract in its present status, without requiring performance of the balance of work originally provided for.

Please submit to this office a joint memorandum containing your recommendations relative to termination of the contract and also relative to certification as a discovery or development. The date on which the last work under the contract was performed is also required.

Original signed by
J. W. TOWNSEND
J. W. Townsend

JWC:hmh

cc: Exam. Op. Comm. (2)) w/copy Operator's
Corres.file, Reg.III) letter of 11/17/58
Cooper
Chron

DOUGLAS CORPORATION

Suite 224
U. S. Nat'l Bank Bldg.
Denver, Colorado
Telephone: KEystone 4-0129
KEystone 4-0120

P. O. Box 785
Fort Collins, Colorado
Telephone: HUnter 2-4710

P. O. Box 617
Casper, Wyoming
Telephone: 21173

November 17, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 21 1958

DATE	INITIALS	CODE

OME
DEPARTMENT OF THE INTERIOR
NOV 18 1958
REGION III
DENVER COLORADO

Mr. James W. Townsend
Alternating Acting Executive Officer
DMEA Field Team, Range 3
224 New Custom House
Denver, Colorado

Re: Docket No. DMEA 4820 (uranium)
Contract Idm-E1164
Douglas Corporation
Spook and Skull Claims
Converse County, Wyoming

Dear Mr. Townsend:

Because only six (6) holes remain to be drilled under the provisions of Stage II of our contract, we herein request that the contract be considered completed in its present status.

With sincere thanks to you and your staff for your cooperation and the hope that future drilling will prove substantial ore reserves, I remain,

Very truly yours,

DOUGLAS CORPORATION

Sam Day, President

SD:df

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

DATE	INITIALS	
11/10	C	220
11/10	400	800
11/13	[illegible]	700

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
OFFICE OF MINERALS EXPLORATION
234 New Customhouse
Denver 2, Colorado

November 6, 1958

CERTIFIED MAIL

Mr. Sam Day, President
Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Re: Docket No. DMEA-4820 (Uranium)
Contract No. Idm-X1164
Douglas Corporation (Spook and
Shul claims) Converse County, Wyo.

Dear Mr. Day:

Reference is made to your letter of October 13, 1958, wherein you request extension of the completion date of the contract to December 1, 1958.

Only 6 holes remain to be drilled under the provisions of Stage II of the contract; therefore, the amount of time extension that will be necessary depends entirely on the extent of additional drilling, if any, that is approved by the Government. Before action can be taken by this office in the matter, it is necessary that we receive six copies of your request for approval of such additional drilling as you consider warranted. The additional drilling requested must be fully justified; in conjunction with which please submit in detail the results of the last 42 holes drilled under Stage II, including drill logs, probe results and maps of location of holes drilled and those proposed to be drilled, etc.

The contract cannot be maintained in an indefinite status; therefore, we will appreciate your prompt attention to the matter of your either submitting a request for such additional drilling as you consider warranted, or a request that the contract be considered completed in its present status without drilling the remaining 6 possible holes.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JWT:bh
cc: Chmn. Op. Comm. (2)
Harshman
Marshall, OME/DFC
Corres. File
Cooper
Chron.

Chairman, Operating Comm
OME.

OFFICIAL FILE COPY
O.M.E.
RECEIVED OCT 28 1958

DATE	INITIALS	CODE
10/28	C	220
		130
		700

DN 235 BUR MINES 10-27-58 4-10

CHAIRMAN, OPERATING COMMITTTEE, OME

REURTTS 10-27-58 REGARDING EXTENSION OF COMPLETION DATES IN GENERAL AND SPECIFICALLY FOR CONTRACT IDM-E1164, DOCKET 4820, DOUGLAS CORP. SINCE EXTENSION, IF NECESSARS, WILL BE UNDER SIXTY DAYS, AMENDMENT WILL BE EXECUTED UNDER OUR DELEGATION OF AUTHORITY.

E N HARSHMAN

No action required
MC.

Denver, Colo

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

OCT 28 7 49 AM '58

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/27/58	Ching	700
10/27	Lunde	700
10/27	[illegible]	130
10/27	Johnson	110
		~~100~~
10/27	C	220
		700

OCT 27 1958

Department of the Interior

OME

1490108, Salaries and Expenses, Office of Minerals Exploration, Interior, 1959

T E L E T Y P E

E. W. HARSHMAN
ACTING EXECUTIVE OFFICER
OME FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER, COLORADO

REURMEN OCTOBER ~~21~~ 23, DOUGLAS CORPORATION, DOCKET 4820. CONTRACT ALLOWS NOT MORE THAN 48 HOLES IN STAGE 2. SINCE 42 APPROVED HOLES WILL BE COMPLETED BY OCTOBER 31, WILL TIME EXTENSION BE REQUIRED TO APPROVE AND DRILL THE REMAINING 6 HOLES.

George C. Selfridge

ACTING CHAIRMAN, OPERATING COMMITTEE (GCS)

MChing/gla
10-27-58
cc to: Director's Reading File
Operating Committee
THKiilsgaard, 5224
Mr. Ching
Confirmation to Region III

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

224 New Customhouse
Denver 2, Colorado

October 23, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 24 1958

DATE	INITIALS	CODE
10/24	C	220
		130
"	Ching	700

VIA AIR MAIL

Memorandum

To: Chairman, Operating Committee, OME

From: Acting Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4820 (Uranium), Contract Idm-E1164
Douglas Corporation (Spook and Skul claims)
Converse County, Wyoming

Enclosed are the original and two copies of a joint memorandum dated October 21, 1958, from Wm. N. Sharp, Geologist, Geological Survey, and M. H. Marshall, Mining Engineer, Bureau of Mines, pertaining to extension of the completion date December 1, 1958.

Two copies of the Operator's request for the extension were forwarded by memorandum from this office, dated October 16, 1958, to the Field Examiners requesting their recommendations.

The Field Examiners recommend that the extension be granted, in which this office concurs. Please teletype advice when you have reached a decision so that we will be in position to take appropriate action on any additional drilling that is warranted.

E. N. Harshman

E. N. Harshman

Encls.

IN REPLY REFER TO:

OME

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
Denver Federal Center
Denver, Colorado

DEPARTMENT OF THE INTERIOR
OCT 21 1958
REGION III
DENVER COLORADO

October 21, 1958

Memorandum

To: Acting Executive Officer, OME Field Team, Region III
Through: E. N. Harshman

From: Wm. N. Sharp
M. H. Marshall

Subject: Docket DMEA 4820 (Uranium), Contract Idm-E 1164, Douglas Corp. (Spook and Skul claims), Converse County, Wyoming

The operator requested on October 13 that the completion date for Contract Idm-E 1164 be extended from October 31, 1958 to December 1, 1958. The additional time is requested in order that anticipated additional Stage II drilling not yet requested or approved can be completed. Some Stage II work (42 holes), approved August 29, 1958, was started on October 6, 1958, after many delays attributed to the driller and his equipment.

It would appear that the Stage II work already approved and started can be completed before the present contract completion date; but, if any additional holes are warranted by the new hole data, more time will be required for their completion.

Material in some of the Stage I holes that have been approved for offset drilling runs as much as 0.29% eU_3O_8, and it appears very likely that some of the Stage II offset holes will warrant additional offset drilling. Even so, the requested extension should be adequate to complete the contract work.

The examining team recommends that the requested extension of the contract completion time be granted in order that sufficient work can be completed to supply data for proper evaluation of the property. It appears from hole data already collected that a certification of discovery on the property will be warranted.

It should be noted that the operator apparently has not been overly diligent in pursuing work granted, or in submitting data of work completed.

Wm. N. Sharp, Geologist

M. H. Marshall, Mining Engineer

OFFICE OF MINERAL EXPLORATION
[illegible] Bar Building
Denver 2, Colorado
October 16, 1958

Memorandum

To: E. N. Harshman - v/enclosure
E. E. Marshall, DMA/WRS -

From: Acting Executive Officer, Off Shelf Ops, Region XII

Subject: Docket No. [illegible] (Renewal), Contract No. [illegible], Douglas Corporation (Spark and Shell claims), Sweetwater County, Wyoming

Enclosed is a copy of a letter from the subject Operator, dated October 13, 1958, requesting extension of the contract completion date from October 31, 1958 to December 1, 1958, to provide time for completion of the work presently approved and for possible additional work dependent on results of the drilling now in progress.

Please review the Operator's request and submit to this office a joint memorandum containing your recommendations in the matter.

Original signed by
E. N. HARSHMAN
E. N. Harshman

JEG:gfl

cc: Chem. Op. Br.-2) w/copy of Operator's
Contrac. File) letter.
Geogr
Chem.

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 20 1958
DATE | INITIALS | CODE
10/20 C 220
10/20 800
700

DOUGLAS CORPORATION

Suite 224
U. S. Nat'l Bank Bldg.
Denver, Colorado
Telephone: KEystone 4-0129
KEystone 4-0120

P. O. Box 785
Fort Collins, Colorado
Telephone: HUnter 2-4710

P. O. Box 617
Casper, Wyoming
Telephone: 21173

October 13, 1958

Mr. James W. Townsend,
Alternating Acting Executive Officer
DMEA Field Team, Range 3
224 New Custom House
Denver, Colorado

OME
DEPARTMENT OF THE INTERIOR
OCT 14 1958
REGION III
DENVER, COLORADO

Re: Docket No. DMEA 4820 (uranium)
Contract Idm-E1164
Douglas Corporation
Spook and Skull Claims
Converse County, Wyoming

Dear Mr. Townsend:

Douglas Corporation hereby requests approval of an extension of the completion date of our contract until December 1, 1958.

We still hope to meet the present completion date. This, however is undertain. We do believe that results of the initial 5370 feet of Stage II will necessitate further drilling, possibly as much as the original maximum allowable of 11,520 feet. Because of these facts, and so that we may continue drilling for the maximum life of the contract, with view of the problem of intermittent drilling, we request the contract extension at this time.

Initially, other commitments precluded our immediate start on Stage II. However, since the first week in September, 1958, approximately a week after receipt of Stage II, we have been ready and awaiting our contractor. At that time, his equipment was tied up on other contracts. Sometime during the week of the 15th, we were told he would

be ready the next week; then, delayed by compressor problems, he assured us he would be there on October 1, 1958. Further compressor troubles however, delayed arrival of the rig and crew until October 6, 1958. Since then, equipment failures and repairs have prevented completion of even one hole.

This last weekend saw the replacement of the equipment. A seven day work week is to be put into effect immediately. Therefore, we should have no further delays.

Your prompt attention in this matter would be very greatly appreciated.

Very truly yours,

DOUGLAS CORPORATION

Sam Day

Sam Day, President

SD:df

224 New Customhouse
Denver 2, Colorado
September 23, 1958

DATE	INITIALS	CODE
9-25	C	220
9/24	[illegible]	800
	[illegible]	700

Mr. Sam Day, President
Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Re: Docket No. DMRA 4820 (Uranium)
Contract No. Dma-E1164
Douglas Corporation
(Spook and Skul claims)
Converse County, Wyoming

Dear Mr. Day:

Information available in this office indicates that drilling of the forty-one Stage II holes approved by this office by letter of August 29, 1958, had not been initiated as of September 15, 1958.

The contract completion date is October 31, 1958. Therefore, if the work is not in progress, it should be started in the immediate future to assure completion by October 31, 1958.

Please inform this office as to whether the Stage II drilling has been initiated. If not, please inform this office of your plans for performance of the approved Stage II work. Your immediate attention in this matter is suggested.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman

JBC:prl

cc: OME/Washington (2)
Harshman
Runyon OME/DFC
Corres. file
Cooper
Chron.

9-8	C	220
9/8	unit 1	800
9/9	clearing	700

224 New Customhouse
Denver 2, Colorado
September 5, 1958

Mr. Sam Day, President
Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Re: Docket No. [illegible] (Uranium)
Contract I&M-M164
Douglas Corporation
(Spook and Shul claims)
Converse County, Wyoming

Dear Mr. Day:

Form MF-104, Operator's Monthly Report and Voucher, for the month of May 1958, is being processed for payment.

Costs including Incidental Allowance for excess non-core drilling is disallowed, as follows:

Hole No.	Depth from Lithologic logs - ft.	Depth to Fort Union feet	Allowable Depth ft.	Overdrilled feet
A-3	360	300	315	45
A-4	348	310	325	23
A-5	342	280	295	47
A-6	376	220	235	141
A-7	360	325	340	20
A-8	354	235	250	104
A-9	350	235	250	100
A-10	370	325	340	30
A-11	360	295	310	50
A-12	360	235	250	110
A-13	330	220	235	95
A-16	246	220	235	11
A-44	270	290	265	5
A-50	256	235	250	6
			Total footage overdrilled	787

Total footage drilled (from lithologic logs)	15,089 ft.
Total footage overdrilled	787 ft.
Total acceptable footage	14,302 ft.

Reported footage on May 1958, Form MP-104	14,880 ft.
Total acceptable footage	14,302 ft.
Non-core drilling footage disallowed	578 ft.

The reported cost for 62 analyses is suspended pending receipt from you of further documentation. The contract provides that samples indicating significant mineralization shall be analyzed chemically. Of the reported 62 samples none are definitely shown as having been chemically analyzed and invoiced as such.

An amount of $500.00 is being withheld pending resumption of work provided for under the contract.

You will be further advised of the above disallowance, suspension and withholding by means of an Administrative Audit Difference Statement, which will be forwarded to you by the Finance Office, Region III.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

MHM:hmh

cc: Chmn. Op. Comm. (2)
Binyon, DMEA/DFC
Harshman
Cooper
Corres. file, Reg. III
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
September 2, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 5 1958

DATE	INITIALS	CODE
9/5	C	220
"	~~Chairman~~	700

Memorandum

To: Chairman, Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4820 (Uranium) Contract No. Idm-E1164 Douglas Corporation (Spook and Skul Claims) Converse County, Wyoming

Enclosed are the Government's and Audit copies of Amendment No. 1 to the subject contract, which was forwarded by your letter of August 25, 1958, for signature by the Operator.

Copies of the amendment have been distributed to the Operator, the Finance Office, and others concerned in Region III.

J. W. Townsend

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
September 2, 1958

OFFICE OF THE SECRETARY
DMEA
RECEIVED SEP 5 1958

DATE	INITIALS	CODE
9/5	G	220
"	[illegible]	700

Memorandum

To: Chairman, Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA ~~Field Team,~~ Region III

Subject: Docket No. DMEA 4820 (Uranium) Contract No. Idm-E1164 Douglas Corporation (Spook and Skul Claims) Converse County, Wyoming

Enclosed are three copies of a letter from this office to the subject Operator whereby Government approval is given for the drilling of 42 holes, and the Operator's request for the drilling of 43 additional holes is denied.

Also enclosed are two copies of the Operator's undated recommendations for Stage II drilling and three copies of a joint memorandum dated August 29, 1958, from W. N. Sharp, Geologist, U. S. Geological Survey and E. O. Binyon, Mining Engineer, U. S. Bureau of Mines, pertaining to the matter.

Copies of the work approval have been distributed to the Operator, the Finance Office, and others concerned in Region III.

J. W. Townsend

J. W. Townsend

224 New Customhouse
Denver 2, Colorado

AUG 29 1958

RECEIVED SEP 5 1958
DATE

Mr. Sam Ray, President
Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Re: Docket No. DMEA 4820 (Uranium)
Contract No. 14m-10164
Douglas Corporation
(Speck and Steal claims)
Converse County, Wyoming

Dear Mr. Ray:

In reference to your revised Stage II recommendations, with attached map, which were received in this office July 18, 1958, this constitutes the Government's approval for the drilling of forty-two (42) holes under the provisions of Stage II of the Contract as follows:

Stage I Hole to be Offset	Number of Offset Holes	Depth per Hole (Feet)
A5	4	130
A6	5	130
A7	4	130
A9	4	140
A11	4	150
A13	4	120
A15	4	150
A18	4	130
A20	4	110
A26	3	100
A27	4	90
Totals	42 holes	5,370 feet.

The locations of the forty-two holes approved for drilling under Stage II are indicated by the symbol + on the map entitled, "Figure 1 - Map of Douglas Corporation Properties, Converse County, Wyoming, Showing Location, Geology, and Recommended Exploration," which is attached hereto and made a part of this work approval.

A number of the holes for which you requested Government approval would offset privately drilled holes which did not completely penetrate through the Wasatch formation, and therefore cannot be drilled under the provisions of Stage II of the contract. In addition, several of the Stage I holes which you wish to offset do not contain sufficient mineralization to warrant offset drilling at this time. Therefore, your request for Government approval for the drilling of forty-three (43) of the proposed holes is denied.

It is possible that some of the Stage I holes which do not presently warrant offset drilling may appear more favorable as Stage II drilling determines certain trends of mineralization, in which case you may wish to resubmit your request for approval for certain Stage II holes at a later date.

Nothing in this work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Very truly yours,

RMPA Field Team, Region III

By J. W. Tormond
J. W. Tormond

By Robert U. King
Robert U. King
For R. H. Burnham

Enclosure (map)

JDC:pal

cc: Chem. Op. Comm. ✓(3)
Finance Office, Region III
Amendment file, Region III
Burnham
Mayon RMPA RFC
Corres. file
Cooper
Chron.

IN REPLY REFER TO:

DMEA
DEPARTMENT OF THE INTERIOR

AUG 1 - 1958
REGION III
DENVER, COLORADO

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 5 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

DATE	INITIALS	

July 30, 1958

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: E. W. Harshman

From: W. N. Shary
Z. O. Blayney

Subject: Docket DMEA 4320 (Uranium), Contract Idm-E 1164, Douglas Corp. (Spook and Skul claims), Converse County, Wyoming

On July 14, 1958, Jack Hadfield, acting for the Douglas Corp., submitted in person a request for approval of Stage II drilling on the Spook and Skul claims as provided for in Contract Idm-E 1164. The Stage I exploratory drilling on 300 x 600 diamond grid on the property had been completed. The company in reviewing the results of this drilling considered 19 holes as warranting offset drilling for a total of 85 holes, or 9,655 feet of drilling. The justification for offset drilling around holes of Stage I appears to be moderate to high radioactivity, and moderate values at best for U_3O_8 assay from samples in some holes.

A number of the Stage II holes that are requested are located in areas not explored by Stage I drilling but are in areas previously drilled by the company.

The examining team concludes that only 11 Stage I holes warrant offsetting in a first phase of Stage II.

The 11 holes selected for offsetting are listed in Table 1 with the depths of the 42 recommended holes. The locations of the recommended

Stage II holes are shown on Figure 1. The basis for the hole selection has been the detailed data from gamma-ray and resistivity logs submitted by the operator. All the holes listed for Stage II offset drilling show intervals in a sandstone bed that scale about 0.1 percent eU_3O_8 or better. Some holes run as high as 0.254 percent eU_3O_8 and some as low as 0.05 percent eU_3O_8. In general these significantly radioactive zones represent intervals of 1 to 2 feet. Regardless of the small thickness of the significantly radioactive material, the holes warrant offset drilling in part because the radioactive peaks in many holes correspond to a common sandstone bed in the Morrison formation.

With regards to possible additional Stage II offset drilling, it should be noted that some Stage I holes that do not strongly warrant offset drilling with the present hole data may be offset drilled during later phases of Stage II when certain trends of mineralization may become evident.

W. F. Shary, Geologist

E. O. Bergon, Mining Engineer

WFShary:ark

Table 1.--Stage I holes recommended for added drilling and data for drilling added holes

Stage I hole	Mineralized interval (feet)	eU_3O_8 * (percent)	Number of added holes	Depth of Stage II holes (feet)
A 3	85-95	.095	4	130
A 6	107-109	.09	3	130
A 7	64-65	.086	4	130
A 8	53-56 108-109	.087	4	140
A 11	80-82	.176	4	150
A 13	67-70 89-96	.096	4	180
A 15	73-85 102-106	.108	4	150
A 16	100-105	.103	4	130
A 20	65-75	.233	4	110
A 26	80-81	.159	3	160
A 27	69-76	.162	4	98
		Total	48	
		Total footage		5,370 feet

Note: For location of Stage II holes see Figure 2.

* Calculated from maximum probe reading.

STAGE 11
RECOMMENDATIONS

DMEA Docket No. 4820
Contract No. Idm-E 1164
Uranium

Existing Hole	Surrounding Holes, with Depths, Directions	Total Depth	Basis
No. 65-37	2 - S and SE - 120 ft.	240	.28% U_3O_8
No. 69-3895	2 - N and E - 125 ft.	250	.12
A-5	4 - N, E, S and W - 130 ft.	520	.17
A-7	4 - N, E, S and W - 170 ft.	680	840 cps: By probe - should approximate ore grade.
A-9	4 - N, E, S and W - 135 ft.	540	.12
A-13	4 - N, E, S and W - 125 ft.	500	.21
No. 67-38	4 - N, E, S and W - 125 ft.	500	.04
No. 69-37	2 - N and E - 125 ft.	250	.04
A-15	4 - N, E, S and W - 150 ft.	600	.06
A-27	4 - N, E, S and W - 100 ft.	400	.05
No. 88-39	1 - N	75	.05
A-44	4 - N, E, S and W - 90 ft.	360	.05; Due to at least partial leaching, high radioactivity may indicate ore in close proximity, despite low chemical assays:
A-8	4 - N, E, S and W - 125 ft.	500	85' - 180 cps 88' - 205 cps
A-11	4 - N, E, S and W - 140 ft.	560	75' - 100 cps 81' - 675 cps 106' - 125 cps 120' - 125 cps
A-18	4 - N, E, S and W - 120 ft.	480	104' - 395 cps

DMEA
DEPARTMENT OF THE INTERIOR
JUL 18 1958
REGION III
DENVER, COLORADO

A-6	2 - S and W - 130 ft.	260	108' - 360 cps
A-20	4 - N, E, S and W - 100 ft.	400	69' - 310 cps 74' - 790 cps
A-22	4 - N, E, S and W - 100 ft.	400	79' - 550 cps
A-24	3 - N, E and S - 120 ft.	360	28' - 175 cps
A-28	4 - N, E, S and W - 85 ft.	340	61' - 190 cps 68' - 260 cps
A-30	4 - N, E, S and W - 80 ft.	320	67' - 225 cps
A-39	4 - N, E S and W - 100 ft.	400	34' - 120 cps 78' - 255 cps
A-34	4 - N, E, S and W - 85 ft.	340	58' - 175 cps 60' - 145 cps
A-37	2 - N and E - 90 ft.	180	75' - 180 cps
A-40	3 - N, E andS - 100 ft.	300	24' - 100 cps 73' - 145 cps 79' - 95 cps

TOTALS	NO. HOLES	AV. DEPTH	TOTAL DEPTH
	85	113.6	9655

224 New Customhouse
Denver 2, Colorado
August 27, 1958

9/2 C 220
9/3 8.00
700

Mr. Gene E. Fischer, Secretary
Douglas Corporation
P. O. Box 765
Fort Collins, Colorado

Re: Docket No. DMRA 4820 (Uranium)
Contract IAm-K1164
Douglas Corporation
(Spook and Skull claims)
Converse County, Wyoming

Dear Mr. Fischer:

Enclosed are the Government's, Audit, Finance Office, and Field Team copies of proposed Amendment No. 1, which has been prepared in reference to your letter of July 28, 1958, to extend the contract completion date from July 31, 1958, to October 31, 1958.

If the Amendment is satisfactory, all copies are to be signed by an official of Douglas Corporation, authorized to sign such an instrument, the signer's title inserted, the corporate seal affixed, and all copies promptly returned to this office; upon receipt of which the "Operator's Copy" will be forwarded to you.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMRA Field Team, Region III

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Binyon, DMRA/DFC
Corres.file, Reg. III
Cooper
Chron

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/21/58	Ching	700
8-22	Chambers	800
8/22	Selfridge	130
8/22	Johnson	110
"	Rutledge	100
8/26	C	220
		700

AUG 25 1958

Mr. J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-4820 (Uranium)
Contract No. Idm-E1164
Douglas Corporation
Spook and Skul Claims
Converse County, Wyoming

Dear Mr. Townsend:

In accordance with our teletype of August 12, 1958, we are enclosing the original and four copies of a proposed Amendment No. 1 to the subject contract, signed by the Administrator. Also enclosed are two extra copies of the amendment for the use of the Field Team.

If you and the Operator find the proposed amendment in order, please have the Operator execute it as indicated and make the usual distribution thereafter.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

MChing/gla
8-21-58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
Mr. Ching

APPROVED:

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

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

8623

OFFICIAL FILE COPY

Date	Surname	Code
8/13	Ching	700
8/13	Knouse	200
		140

C

INTERIOR DEPT.
AUG 13 1958
SOLICITOR

August 13, 1958

Memorandum

To: Associate Solicitor
Division of Mineral Resources

From: F. L. Knouse, Acting Director
Division of Rare and Miscellaneous Metals

Subject: Proposed Amendment No. 1

Docket No. DMEA-4820 (Uranium)
Contract No. Idm-E1164
Douglas Corporation
Spook and Skul Claims
Converse County, Wyoming

Please prepare an amendment to the subject contract extending the completion date from July 31, 1958 to October 31, 1958. Since the extension is for three months only, the royalty payment period need not be increased.

F. L. Knouse

MChing/izm 8-13-58
cc: Mr. Ching
~~Admn. Is Reading File~~

RECEIVED
AUG 14 1958
MINERAL RESOURCES

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/12	Ching	700
8/12	Kuronk	700
8-12	Chamberlin	800
8/12	[illegible]	130
"	[illegible]	110
"	[illegible]	100
		242
8/13	N. G.	220
		700

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8/12 [illegible] (130

AUG 12 1958

Dept. of the Interior

DMEA
14X4401(01(Revolving Fund
Defense Production Act,
Interior (Transfer to Office of the
Secretary)

T E L E T Y P E

J. W TOWNSEND
ALTERNATE ACTING EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION 3
224 NEW CUSTOMHOUSE BUILDING
DENVER, COLORADO

REURMEM AUGUST 6 DOUGLAS CORPORATION DOCKET 4820. WE WILL PREPARE AMENDMENT EXTENDING COMPLETION DATE AS RECOMMENDED.

George C. Selfridge
CHAIRMAN, OPERATING COMMITTEE (242)

MChing/izm 8-12-58
cc: Mr. Ching
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
Confirmation Copy

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
August 6, 1958

DMEA
RECEIVED AUG 8 1958

DATE	INITIALS	CODE
8/8	C	220
		130
8/11	MC	700

AIRMAIL

Memorandum

To: Chairman, Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4820 (Uranium) Contract Idm-E1164, Douglas Corporation, (Spook and Skul claims) Converse County, Wyoming

Enclosed are the original and one copy of a letter from the subject Operator, dated July 28, 1958, requesting that the date presently fixed for completion of the work be extended from August 1, 1958, (July 31, 1958) to November 1, 1958.

This office recommends that an amendment be prepared to extend the completion date to November 1, 1958, because the results of Stage I indicate that additional work is warranted. The Operator has submitted a request for Stage II work and the field examiners recommend approval for 42 Stage II holes at present, with possible approval of additional work contingent on results obtained from the 42 holes.

Please teletype advice regarding extension of the completion date.

J. W. Townsend

J. W. Townsend

Enclosures

P. O. Box 785
Ft. Collins, Colo.
July 28, 1958

Mr. James W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III
Denver, Colorado

Re: Docket No. DMEA 4820 (Uranium)
Contract Idm-E1164
Douglas Corporation
(Spook and Skul claims)
Converse County, Wyoming

Dear Mr. Townsend:

In accordance with your letter of July 23, 1958, Douglas Corporation hereby requests approval of an extension of the completion date of our contract (above) until November 1, 1958. Our inability to complete the work by August 1, 1958, as originally provided, is explained by the following four (4) reasons:

(1) Although the actual field work of Stage I was completed on May 25th, no samples were submitted for analyses until after that date, due to a backlog of samples at Western Nuclear's assaying office. Of necessity, the greater percentage of samples was then shipped to Charles C. Parker & Co., Denver, for analysis. Written confirmation of the results was not received from Parker until several days after June 11th. Even then, an insufficient number of copies was received.

(2) From June 13th until approximately the end of the month, our geologist was engaged in the completion of the annual assessment work for the claim groups of which the Spook and Skul claims are a part.

(3) With the understanding that the completion date of August 1, 1958 referred to Stage I of our contract, and not the entire contract, the remaining time until July 1, 1958, was used in the evaluation of the data and results of Stage I to provide a sound basis for the recommendations of Stage II.

(4) On July 9th, such recommendations were submitted to our office for approval, and on July 14th were taken to Mr. W. N. Sharp, in Denver.

Sincerely yours,

Gene E. Fischer

Douglas Corporation, by
Gene E. Fischer, Secretary

JPH:kh

Copies:
File, Ft. C.
File, Csbr.

824 New Customhouse
Denver 2, Colorado
August 5, 1958

4/8 8/8 6/11 220 800 700

Mr. Sam Ray, President
Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Re: Docket No. DMEA 4080 (Uranium)
Contract IAA-E1164
Douglas Corporation
(Spook and Shal claims)
Converse County, Wyoming

Dear Mr. Ray:

Reference is made to our letter to you dated July 23, 1958, whereby we informed you of the action which is necessary on your part if the contract completion date is to be extended beyond July 31, 1958, to allow for possible performance of work which has been requested under Stage II of the contract. To date, you have not favored this office with a reply.

You are presently in default under the terms of the contract, for not having completed the contract work within the time originally provided; therefore, as the contract cannot be maintained in its present indefinite status and as we presume that you are still interested in performing work under Stage II, you should immediately submit to this office for consideration by the Government, the original and five copies of a request for an amendment to provide for extension of the completion date for such specific additional time as you anticipate will be required. Your request must be strongly supported as to the reasons why the work could not be completed within the time originally provided.

Your attention is directed to a minor error contained in the first paragraph of our letter of July 23, 1958, wherein the completion date is indicated to be August 1, 1958. The correct date, as stipulated under Article 3 of the contract form, is July 31, 1958.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

JDC:hmh

cc: Chan. Op. Comm. (2)
Harshman
DMEA/DFC, (Binyon)
Corres.file, Reg.III
Cooper
Chron

224 New Customhouse
Denver 2, Colorado
July 25, 1958

DATE		
7/28	N.J.	225
7/28		800
"		700

Mr. Sam Day, President
Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Re: Docket No. DMEA 4820 (Uranium)
Contract Idm-E1164
Douglas Corporation
(Spook and Skul claims)
Converse County, Wyoming

Dear Mr. Day:

A review of your monthly progress report for May 1958, reveals that the contact between the Wasatch formation and the Fort Union formation is not indicated on the lithologic logs. The location of this contact is necessary as it is the major control for determining the allowable drilling depths.

Please have the project geologist prepare and submit to this office five copies of a tabulation of all holes drilled during May 1958, showing the depth from the collar of each hole to the Wasatch-Fort Union contact.

For any future drilling, the Wasatch-Fort Union contact is to be clearly marked on all lithologic logs submitted.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC
Corres.file, Reg. III
Cooper
Chron

224 New Customhouse
Denver 2, Colorado
July 23, 1958

Mr. Sam Day, President
Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Re: Docket No. DMEA 4320 (Uranium)
Contract 16m-E1164
Douglas Corporation
(Spook and Shul claims)
Converse County, Wyoming

Dear Mr. Day:

The date presently fixed in the captioned contract on or before which the work is to be completed is August 1, 1958.

As you have requested Government approval for additional work under the contract, it is apparent that an extension of the completion date will be required if the additional work is to be performed. You should, therefore, immediately submit to this office for consideration by the Government, the original and five copies of a request for extension of the completion date for such specific time as you anticipate will be required. In order to obtain favorable consideration by the Government, the request must be strongly and convincingly supported as to the reasons why the work could not be completed within the time originally provided.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

JDC:hmh

cc: Chem. Op. Comm. (2)
Harshman
DMEA/DTC (Binyon)
Cooper
Corres.file, Reg. III
Chron

824 New Customhouse
Denver 2, Colorado
July 22, 1958

7-28 C 220
7/28 400 800
7/29 ~~400~~ 700

Mr. Sam Day, President
Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Re: Docket No. DMEA 4820 (Uranium)
Contract Ida-M164
Douglas Corporation
(Spook and Skul claims)
Converse County, Wyoming

Dear Mr. Day:

We are returning herewith all copies of Form MF-104, Operator's Monthly Report and Voucher and Form MF-104A, Operator's Unit Cost and Progress Report, for May 1958, which have not been properly prepared. Also enclosed is a "Sample Copy" of each form which we have prepared to illustrate the proper method of reporting units and costs, and seven (7) blank copies of each form for your use in preparing revised reports.

Your report is also deficient in certain required data as indicated below, which must be submitted with corrected Forms MF-104 and MF-104A.

1. Four additional copies of Lithologic logs for all holes completed during May, 1958.

2. Four additional copies of Radiometric probing data for all holes completed during May, 1958.

3. Six additional copies of the map showing locations of all holes drilled during May, 1958. (Five copies are required for the monthly report and voucher for May 1958, and one additional copy is required in conjunction with your recommendations (request) for Stage II work).

4. Cost documentation for the 62 chemical analyses reported for May, 1958. One copy each of the invoices from Charles G. Parker and Western Nuclear Corporation will be sufficient.

Please prepare corrected Forms MF-104 and MF-104A, using the "Sample Copies" as a guide, and forward the signed original and four signed copies of each form to this office, together with the above listed items to this office as soon as possible, so that we may continue to process the voucher.

You are referred to our certified letter of March 4, 1958, whereby we forwarded the "Operator's Copy" of the contract and furnished specific instructions regarding the preparation of monthly accounting reports and vouchers, and also regarding requests for work approval, changes in the contract, and other correspondence pertaining to operations under the contract. All persons in your organization who are connected with the DMHA project should familiarize themselves with the contents of that letter, as well as with the contract.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMHA Field Team, Region III

Enclosures

JDC:hmk

cc: Chmn. Op. Comm. (2)
Marshman
DMHA/BFC (Binyon)
Corres.file, Reg. III
Cooper
Chron

224 New Customhouse
Denver 2, Colorado
July 10, 1958

7/14 C
7/14 uw
7/15 ~~[illegible]~~ C
220
800
700

Mr. Sam Day, President
Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Re: Docket No. DMA 4820 (Uranium)
Contract No. Idu-21164
Douglas Corporation
(Spook and Skul claims)
Converse County, Wyoming

Dear Mr. Day:

Information received in this office indicates that all work under Stage I of the referenced contract was completed on May 26, 1958. We have received no monthly report from you covering the Stage I work, nor have we received any indication as to your plans regarding the work provided for under Stage II of the contract.

Reference is made to our certified letter to your office dated March 4, 1958, which contains instructions for reporting to the Government on a monthly basis on the forms which were provided for that purpose, and instructions as to the procedure for submitting requests for work approval, changes in the contract, and other communications regarding the project operations.

The contract cannot be maintained in its present indefinite status, therefore please submit to this office as soon as possible the following:

1. The original and five copies of a request, either for Government approval for such work as you may consider warranted under Stage II of the contract, or for Government approval to terminate the contract in its present status, if additional work is not deemed to be warranted.

2. The original and four copies of voucher and accounting Forms MF-104 and MF-104A, Operator's Narrative Report, and all necessary supporting data.

The authority under which this agency has been operating expired June 30, 1958. This does not effect contracts which are presently in force; however, due to a reduction of administrative funds it is imperative that all completed or terminated contracts be closed as soon as possible, therefore your immediate attention in the above matters will be appreciated.

Very truly yours,

Original signed by
J. W. TOWNSEND.

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

JDC:dp

cc: Chmn. Op. Comm. 2
Harshman
DMEA/DFC - Bingron
Corres File, Reg. III
Cooper
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado
March 4, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 6 1958

DATE		CODE
3/6	C	220
3/11	B	215
3/12	Chang	700

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4820 (Uranium), Contract No. Idm-E1164, Douglas Corporation (Spook and Skul claims) Converse County, Wyoming

Enclosed are the following pertaining to the subject docket:

1. The Government's and Audit copies of executed Contract No. Idm-E1164, which was forwarded by your letter of January 16, 1958 for insertion of a suitable starting date under Article 3 and signature by the Operator.

2. Two copies of a letter from the Operator by which the executed copies of the contract were returned to this office and wherein they advise as to the date on or before which work would be commenced.

3. Two copies of a letter from this office, dated March 4, 1958, whereby we forwarded the "Operator's Copy" of the contract, blank report forms, and wherein we provided instructions relative to reporting on work performed and the procedure in corresponding with this office on matters in conjunction with the contract.

The contract, dated January 16, 1958, provides for a drilling program estimated to cost $23,952.00, toward which the Government will contribute 75 percent, or not in excess of $17,964.00.

Copies of the contract have been distributed to the Finance Office, Region III, and to others concerned.

W H King

W. H. King

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 6 1958
DATE | INITIALS | CODE

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

MAR 4 - 1958

Douglas Corporation
P. O. Box 785
Fort Collins
Colorado

Re: Docket No. DMEA 4820 (Uranium)
Contract No. Idm-E1164
Douglas Corporation
(Spook and Skul claims)
Converse County, Wyoming

Gentlemen:

Enclosed is the "Operator's Copy" of Exploration Project Contract No. Idm-E1164, Docket No. DMEA 4820.

Also enclosed are six copies of Form MF-104, "Operator's Monthly Report and Voucher," and six copies of Form MF-104A, "Operator's Unit Cost and Progress Report." At the end of the first calendar month after work is commenced, and monthly thereafter, you are required to submit the original and four copies of each form to the

Executive Officer
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado.

The extra copy is for your records.

Forms MF-104 and MF-104A are to be combined into five sets of one of each form. Each set of the combined forms is to be accompanied by a map or sketch showing the location and extent of work performed and a signed narrative report which describes the work performed, conditions encountered, and results of the work. The monthly accounting report will not be processed for reimbursement unless it is accompanied by a signed narrative report and other required or pertinent data. Additional copies of Forms MF-104 and MF-104A will be forwarded to you each month on receipt of your report for the prior month.

For your information, and in reply to many questions that have been asked, after Forms MF-104 and MF-104A are received, an engineer will check progress on the project and review your accounts, after which

the report forms will be forwarded to this office for administrative examination and vouchering. If the report is in order, a check will be issued by the Treasury Department for the Government's portion of the approved costs. If you have any difficulty in completing these forms and the reports, please call on this office for assistance.

In the matter of your claim for reimbursement of drilling costs under the terms of the contract, reimbursement to you will be on the basis of a hole or holes completed to the objective, which has, or have been, drilled in compliance with the conditions under the "General Provisions" section of Exhibit "A" of the contract and the special conditions pertaining to the drilling under each stage. Therefore, your monthly report should include only such holes which are completed to that extent and the required records made a part of your claim for reimbursement.

The contract is prepared on form MF-200, and under its provisions and as outlined in Exhibit "A" of the contract, the allowable costs are a combination of Actual Costs with a maximum average unit cost established for work under Categories (1) and (7), and Fixed Unit Costs for performing the remaining items of work or service. Under the provisions of the contract, the work outlined in Exhibit "A" under Category (1) is to be performed by an independent contractor. The unit cost established for each item of work, for both stages, is a maximum average unit cost toward which the Government will contribute its appropriate share as provided for in the contract. The actual costs of the work completed under Category (1) are to be recorded under item (1) on Form MF-104, and must be supported and documented by a signed or certified true copy of the billing from the subcontractor. The costs of sample analysis under Category (7) are to be recorded under item (7) on Form MF-104, and must be supported by a copy of the assay return and a signed or certified true copy of the billing from the assayer. Amounts reported on the basis of Fixed Unit Costs require no documentation, as they are otherwise verified. However, costs on a Fixed Unit Cost basis are to be recorded on Form MF-104 under item (1).

In reference to ANNEX II (f) of the contract, pertaining to the average unit cost of the drilling, if excess costs are suspended by reason of exceeding the maximum unit cost for the drilling described under Category (1), the excess costs will be held in suspense and be reinstated by this office, to the extent suspended funds are available, in the event the unit costs for any month should cause the average unit cost to fall below the maximum average unit cost established in the contract for the drilling.

In the event you desire to perform the work under Category (1) on company account instead of subcontracting it, as provided in the contract, it will be necessary that you request and obtain an appropriate amendment to the contract before reimbursement can be made to you for the Government's portion of the allowable incurred costs.

Your requests to this office for work approval, changes in the contract, or any other communication pertaining to operations under the contract, must be in writing, of which please supply the original and five copies, each copy complete with maps or other pertinent data. Each request for action by this office must pertain to one matter only. Such requests are not to be incorporated in your narrative report accompanying monthly progress report Forms MF-104 and MF-104A.

The locations of holes to be drilled under Stage I are indicated on the map, "Figure 2," attached to the contract. Should conditions encountered necessitate or make desirable a change in the location of any of the holes, approval of this office for the change must be obtained prior to performance of the drilling. Otherwise, the drilling may not be acceptable for reimbursement to you under the terms of the contract.

Your attention is directed to the provision that Stage II work is contingent on results obtained from Stage I, and performance of the work under Stage II is subject to the prior written approval of the Government.

When work under Stage I has been completed, or sufficiently so to permit evaluation of the results of the work, you must request approval from this office for the work you propose to perform under the next stage. Your request for the work approval must be in sextuplicate, each copy complete with a map showing the location and extent of the work completed and the location of the additional work proposed. Also, your request must include an evaluation of the work completed and include assay returns and any other pertinent data which will be of value to the Government in appraising results of the work.

If the work under Stage I is completed in its entirety before requesting approval for work under Stage II, you should anticipate a suspension of operations between stages of work, to enable the Government geologist and engineer to evaluate the results of the work performed and to make their recommendations to this office relative to the additional work you propose.

To eliminate as much delay to operations as possible, if that is of serious consideration, you should expedite forwarding of the results of the work completed and your request for the Government's approval of the additional work you propose.

No oral statement of any person shall be construed to modify or change the terms of the contract. Field representatives of the Government are not authorized to approve any changes in the work program or contract provisions. Such approval can only be given by the Washington Office, DMEA, or by the DMEA Field Team, Region III.

It is a regulation that reimbursement will not be allowed for the cost of work accomplished prior to the date of the contract. It is a requirement and imperative that you notify this office in writing the date work actually commences under the contract.

Very truly yours,

Original signed by
W. H. KING

Executive Officer
DMEA Field Team, Region III

Enclosures

JWT:prl

cc: Chmn. Op. Comm. (2)
Finance Office, Region III
Amendment file, Region III
Harshman
DMEA/DFC (Binyon)
Corres. file
Townsend
Chron.

DOUGLAS CORPORATION

Suite 224
U. S. Nat'l Bank Bldg.
Denver, Colorado
Telephone: KEystone 4-0129
KEystone 4-0120

P. O. Box 785
Fort Collins, Colorado
Telephone: HUnter 2-4710

P. O. Box 617
Casper, Wyoming
Telephone: 21173

February 25, 1958

DMEA
DEPARTMENT OF THE INTERIOR
MAR 3 - 1958
REGION III
DENVER, COLORADO

U. S. Department of the Interior
224 New Customhouse
Denver 2, Colorado

Attention: Mr. W. H. King, Executive Officer, DMEA
Field Team, Region III

Gentlemen:

In re: Docket No. DMEA 4820 (Uranium)
Douglas Corporation (Spook and Skul Claims), Converse County, Wyoming; Proposed Exploration Project Contract Idm-E1164

Enclosed please find four executed copies of Contract Idm-E1164. The date to be inserted in Article 3 for the commencement of work is May 1, 1958.

If these are satisfactory, will you please forward to us our "Operator's Copy" of the Contract, together with our blank report forms and your instructions to us relative to reporting on work performed by us under the Contract.

I also understand that you have instructions available as to the procedure to be followed by us in corresponding with your office in matters concerning operations under this Contract.

Yours very truly,

Gene E. Fischer

Gene E. Fischer, Secretary

GEF:blf

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DMEA
RECEIVED JAN 23 1958

DATE	INITIALS	CODE
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"	[illegible]	700

224 New Customhouse
Denver 2, Colorado
January 20, 1958

CERTIFIED MAIL

Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Re: Docket No. DMEA 4820 (Uranium)
Douglas Corporation
(Spook and Skul claims)
Converse County, Wyoming
Proposed Exploration Project
Contract Idm-E1164

Gentlemen:

Enclosed are the Government's, Audit, Finance Office, and Field Team copies of Proposed Exploration Project Contract No Idm-E1164, which has been prepared pursuant to your application for Government assistance in exploration work under the Defense Minerals Exploration Administration program.

1. If the Contract is satisfactory, all copies are to be signed by an official of the Douglas Corporation authorized to sign such an instrument,

   (a) the signer's title inserted,
   (b) the signature attested to by the Secretary of the corporation,
   (c) the corporate seal affixed,

and all copies promptly returned to this office.

In the event the Contract is not satisfactory, all copies are to be returned promptly to this office, together with your comments on or objections to the Contract.

Your attention is especially directed to three provisions in the Contract:

1. The Government will not contribute to the costs of any of the work that is provided for in the Contract which is performed prior to the date of the Contract.

2. The Contract requires completion of the exploration work by the date fixed therefor 'Approval must be obtained from this office for any suspension of work which may result in failure to complete the work by the date specified.

3. Royalty is due the Government on all production from the land described in the Contract, beginning on the date of the Contract.

If the Contract is satisfactory, and upon return of all copies properly signed, the "Operator's Copy" of the Contract will be forwarded to you, together with blank report forms and instructions relative to reporting on work performed under the Contract. Also, instructions will be given as to the procedure to be followed in corresponding with this office in matters concerning operations under the Contract.

When the signed copies of the Contract are returned, please advise the date on or before which work will be commenced, for our insertion in Article 3 of the Contract form.

Very truly yours,

Original signed by
W. H. KING

W. H. King
Executive Officer, DMEA
Field Team, Region III

Enclosures

JWT:hmh

cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC (Binyon)
Townsend
Docket
Chron

DMEA Form 7
(12-56)

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Date	Surname	Code
1/14/58	Ching	700
1/15	[illegible]	700
1-15	Chambers	800
1/15	[illegible]	130
"	Johnson	110
"	Rutledge	100
1/16	C	220
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JAN 16 1958

Mr. W. H. King
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-4820 (Uranium)
Douglas Corporation
Spook and Skul Claims
Converse County, Wyoming

Dear Mr. King:

Enclosed are the original and four copies of a proposed long-form contract between the Government and Douglas Corporation, signed by the Administrator. The contract consists of Form MF-200, Annexes I and II, Exhibit "A" (4 pages), and Figure 2 (maps). Also enclosed are two extra copies each of Annexes I and II, Exhibit "A," and Figure 2 for the use of the Field Team.

If you and the Applicant find the proposed contract satisfactory, it is ready for the signature of the Applicant, provided that a suitable final starting date is inserted under Article 3.

The costs suggested by the examiners have been used with two exceptions:

1. Since the $0.65 price for drilling was based on depths ranging from 100 to 150 feet, a price of $0.70 was considered more equitable for depths ranging from 150 to 325 feet.

2. The allowance of 48 chemical analyses for Stage II was increased to 70 because Stage II holes will be offsetting mineralized holes and may require an average of more than one analysis per hole.

MChing/gla 1-14-58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
MChing

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (THK)

Enclosures

APPROVED:

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

Thor H. Kiilsgaard (THK)
Member, Geological Survey

8623

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

January 7, 1958

Memorandum

To: The Files

From: Michael Ching, Mining Engineer
Division of Rare and Miscellaneous Metals

Subject: Proposed Contract Costs
Docket No. DMEA-4820 (Uranium)
Douglas Corporation
Spook and Skul Claims
Converse County, Wyoming

The costs suggested in the Report of Examination, dated December 13, 1957, have been used in the contract as drafted, with the following exceptions:

1. The suggested price of $0.65 per foot for non-core drilling was increased to $0.70 per foot. The Applicant evidently requested bids from drilling contractors on the basis of drilling depths ranging from 100 to 150 feet. Bids from four contractors ranged from $.65 to $.95 per foot; therefore, the examiners selected the $.65 price for the proposed contract. However, the examiners have determined that drilling depths will range from 150 to 325 feet and average approximately 240 feet. Because of the increased depth of drilling a more equitable price would be $.70 per foot. This price, together with an Incidental Allowance of $.15 per foot and modest allowances for drill crew standby time, bulldozing, and chemical analyses, constitute all the costs of the contract.

2. An allowance of 48 chemical analyses for Stage II was increased to 70 because offset drilling under Stage II is more likely to encounter significant mineralization than Stage I drilling and will require more analyses per hole on average.

Michael Ching
Michael Ching

IN REPLY REFER TO:

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

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DMEA
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January 7, 1958
Re: DMEA 4820
Douglas Corporation
Spook and Skul claims
Converse County, Wyoming
Applicant's Estimate $96,582.50
Recommended Estimate $22,555.00 - Uranium

Memorandum

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

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

Subject: Review of Field Team Report

The applicant requested assistance in exploring by deep drilling (80-120 feet) areas underlain by Wasatch formation, already explored by 42 shallow (10-72 feet) holes. A small shipment was made from a shallow pit.

Experience shows that the uranium deposits of the Wasatch formation are in sandstone units in a red sandstone zone. The Douglas property lies astride part of the western boundary of the red sandstone zone, and between two substantial producers.

In the opinion of the examiners and the Field Team, the area covering the color change zone merits drilling, and they recommend a 2-stage drilling program which differs from that proposed in the application.

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

N. E. Nelson

N. E. Nelson

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

Date January 7, 1958

DMEA Docket No. 4802 4820
DMEA Contract No.
Commodity Uranium
Name of applicant Douglas Corporation
Name of property Spook and Skul claims
Location of property Converse County, Wyoming
Estimated cost of project $92,622.50

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 original document: 12/19/57 2. Date received by reviewer: 1/6/58

3. Prior operations 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]
      i. Consult with Mr. _____ at _____ AEC office.
   e. Disagree with Field Team [ ]
   f. Suggest alternate plan [ ]
   g. Request another examination [ ]
   h. Approval [x]

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

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1-7	Ching	700
		140

INTERIOR DEPT.
JAN 7 - 1958
SOLICITOR

January 7, 1958

Memorandum

To: Associate Solicitor, Division of Mineral Resources

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

Subject: Proposed Contract
Docket No. DMEA-4820 (Uranium)
Douglas Corporation
Spook and Skul Claims
Converse County, Wyoming

Will you kindly prepare a long-form contract between the Government and Douglas Corporation in accordance with the attached draft. Eight dopies of Figure 2, which contains three separate maps, are attached for use with the contract.

Ernest Wm. Ellis

Ernest Wm. Ellis

Attachments

MChing/izm 1-7-58
cc: Mr. Ching

RECEIVED
JAN 8 1958
ASSIST. SOLICITOR
MINERAL RESOURCES

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DRAFT
MChing/izm
1-7-57

MF-200
(Revised June 1954)

Docket No. DMEA 4820

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] Douglas Corporation, a Colorado corporation, whose mailing address is P. O. Box 785 Fort Collins, Colorado, 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~~ Annex II, and maps (Figure 2)

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 Wyoming, County of Converse, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] owner of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] Mining Deed, [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: None

(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: None

(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 July 31, 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." See Annex II

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 $ 23,952.00 The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $ 17,964.00 : *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. **See Annex II**

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

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

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. **See Annex II**

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.*—

See Annex II

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

ANNEX I

The land referred to in Article 2 of the contract consists of 17 unpatented lode mining claims situated in sections 27, 28, and 33, T. 38 N., R. 73 W., 6th P.M.&b., Converse County, Wyoming, as hereinafter listed. The land is shown in the small scale map entitled "Geology of Claims Area and Vicinity" which is a part of Figure 2, attached hereto and made a part hereof.

The notices of location of the claims are recorded at the Office of the County Clerk and Recorder of Converse County, Wyoming, as follows:

Claim No.	Book	Page
Spook 1	306	187
" 2	306	186
" 3	306	192
" 4	291	599
" 5	293	10
" 6	293	11
" 7	306	185
" 8	293	13
" 9	293	14
" 10	301	543
" 11	301	544
" 12	306	189
Skul 1	291	425
" 2	291	424
" 3	291	423
" 4	291	422
" 5	291	421

The Operator is the owner of the above mining claims by virtue of a Mining Deed, dated August 13, 1957, executed by J. P. Hadfield, Jr., and Kathleen A. Hadfield.

(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) Categories (2) through (6) 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.

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

(f) Notwithstanding any other provision of the Contract, the allowable unit cost per foot of a drilling item is the average unit cost per foot computed on the basis of all the actual unit costs of said drilling item incurred by the Operator: <u>Provided</u>, 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.

ANNEX II

EXHIBIT "A"

Description of the Work

General Provisions

The work consists of exploration by non-core drilling to test the Wasatch formation of Eocene age.

Drilling depths are expected to range from 150 to 325 feet and to average 240 feet. All holes shall be drilled through the Wasatch formation and at least 2 feet, but not more than 15 feet, into the underlying Fort Union formation

Cuttings shall be collected with a Duclone sample collector or equivalent unit of other make. Where wet drilling is necessary, provisions shall be made for taking satisfactory sludge samples. Cuttings from all drill holes shall be collected, sampled at each two-foot interval, and checked for radioactivity. Samples indicating significant mineralization shall be split and one portion shall be analyzed chemically for uranium and one portion shall be properly labeled and stored for the use of the Government. The non-mineralized cuttings also shall be labeled and stored for inspection by the Government. Any stored samples may be disposed of by the Operator upon approval by the Government.

All cuttings from the drill holes shall be logged geologically and the holesprobed radiometrically, and the record of such logging and probing, together with certified copies of all assay certificates, shall be submitted with the Operator's monthly progress reports.

No hole shall be drilled closer than 100 feet to the outer boundaries of the land described in Annex I.

No payment shall be made by the Government forincompleted drill holes.

Access roads and drill sites shall be prepared with a D-7 bulldozer, or an equivalent unit of another make.

The project shall be supervised at all times by a geologist or mining engineer, who shall devote full time to theproject work.

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

The work shall be divided into two stages as hereinafter described. The Operater shall complete Stage I, and shall perform as much of Stage II as the Government approves in writing in advance.

Stage I

Prepare access roads and drill sites by bulldozer and drill approximately 62 holes, aggregating an estimated 14,880 feet, at the locations indicated on the map entitled "Map of Recommended Exploration" which is a part of Figure 2, referred to in Annex I. The holes shall be drilled in 12 east-west rows 300 feet apart, with theholes in each row also 300 feet apart, and staggered with respect to holes in adjacent rows. As indicated, some holes in this pattern shall be omitted where previously drilled holes are present, but, in the event the Government determines that the existing holes are too shallow to adequately test any of these areas the Operator may complete the regular pattern of drilling in such areas. If 62 holes, more or less, require more than 14,880 feet of drilling to reach the desired horizon, the additional footage and funds required may, upon the written approval of the Government, be transferred and deducted from Stage II.

Stage II

Prepare access roads and drill sites and drill not more than 48 holes aggregating not more than 11,520 feet as offsets to previously drilled

holes showing favorable mineralization. Offset holes shall be drilled not closer than 100 feet to any previously drilled hole that completely penetrated the Wasatch formation.

Estimated Cost of the Project

Stage I

Actual Costs

Category (1) Independent Contracts		
14,880 ft. non-core drilling @ $0.70/ft.	$10,416.00	
31 hrs. drill crew standby @ $10/hr.	310.00	
30 hrs. bulldozing @ $10/hr.	300.00	
Categories (2) through (6) None		
Category (7) Miscellaneous		
62 chemical analyses @ $3.50/each	217.00	$11,243.00

Fixed Unit Costs (See Annex II)

Incidental allowance[1] for each foot of hole drilled, 14,880 ft. @ $0.15/ft.	$2,232.00
Estimated Total Cost of Stage I	$13,475.00

Stage II

Actual Costs

Category (1) Independent Contracts		
11,520 ft. non-core drilling @ $0.70/ft.	$8,064.00	
24 hrs. drill crew standby @ $10/hr.	240.00	
20 hrs. bulldozing @ $10/hr.	200.00	
Categories (2) through (6) None		
Category (7) Miscellaneous		
70 chemical analyses @ $3.50/each	245.00	$8,749.00

Fixed Unit Costs (See Annex II)

Incidental allowance[1] for each foot of hole drilled, 11,520 ft. @ $0.15/ft.	$1,728.00
Estimated Total Cost of Stage II	$10,477.00

Summary of Costs

Estimated Total Cost of Stage I	$13,475.00
Estimated Total Cost of Stage II	10,477.00
Estimated Total Cost of the Project	$23,952.00
Government Participation @ 75%	$17,964.00

1/ Includes all costs that might be allowable costs of the project under Categories (1) through (7) of Article 6(a) except as otherwise scheduled in Exhibit "A."

Mr. George C. Selfridge
DMEA

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DN 235 BUR MINES 1-3-58 2-12

GEORGE C SELFRIDGE
CHAIRMAN OPERATING COMMITTEE, DMEA

REURTT DOUGLAS CORPORATION, DOCKET DMEA-4820. APPLICANT INTNEDS TO EMPLOY INDEPENDENT CONTRACTOR FOR DRILLING.

W H KING

Denver, Colorado

JAN 6 8 44 AM '58

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

DMEA Form 7
(12-56)

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"	Ellis	700
1/3	GCS	130
"	Hutchison	100
1/3	gb	220
		700

JAN 3 1958

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

W. H. KING, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

RE PROPOSED CONTRACT DOUGLAS CORPORATION DOCKET 4820 EXAMINERS SET UP DRILLING UNDER INDEPENDENT CONTRACTS BUT APPLICANT HAS EQUIPMENT AND EVIDENTLY INTENDED DO WORK ITSELF. PLEASE DETERMINE IF THIS IS SO AND WHETHER APPLICANT IS PREPARED TO DRILL TO DEPTHS OF 325 FEET.

George C. Selfridge

CHAIRMAN, OPERATING COMMITTEE (GCS)

MChing/gla
1/3/58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
Mr. Ching
Confirmation to Region III

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

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December 19, 1957

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 4820 (Uranium) Douglas Corporation (Spook and Skul claims) Converse County, Wyoming - Joint Report of Examination

Enclosed are the original and two copies of the Joint Report of Examination on the subject property by Carl Belser, USBM, and W. N. Sharp, USGS.

The examiners conclude that the property is favorably located with respect to the known ore guides in the Powder River Basin and they recommend a program of exploration by non-core drilling. We concur in this recommendation.

The Applicant has been requested to submit a certified copy or photostat of a signed copy of the conveyance of title on the Spook and Skul claims from J. P. Hadfield, Jr., to the Douglas Corporation.

Enclosed are eight extra copies of Figure 2 for possible use in the preparation of the contract.

ON-SITE EXAM

W H King
W. H. King
Executive Officer

Reviewed by
DMEA OPERATING COMMITTEE
12-30-57
(date)

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IN REPLY REFER TO:
DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

DEPARTMENT OF THE INTERIOR
DEC 18 1957
REGION III
DENVER, COLORADO

December 17, 1957

TRANSMITTED
DEC 19 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 4820 (Uranium), Douglas Corporation (Spook and Skul claims), Converse County, Wyoming

Enclosed are the original and nine copies of a joint report by W. N. Sharp, U. S. Geological Survey, and Carl Belser, U. S. Bureau of Mines, covering their examination of the subject property.

The examiners conclude that the property is favorably located with respect to the known ore guides in the Powder River Basin and they recommend a program of exploration by non-core drilling. The proposed program appears justified.

The examiners could find no record of a transfer of the Spook and Skul claims from Hadfield to the Douglas Corporation (the applicant) nor has the applicant furnished copies of documents indicating such transfer.

Clarification of the applicant's property rights is necessary before preparation of a contract.

Original signed by
E. N. HARSHMAN

E. N. Harshman
Member, Field Team

Reviewed by
DMEA OPERATING COMMITTEE
12-30-57
(date)

ENHarshman:mp

FOR UNITED STATES GOVERNMENT USE ONLY

TRANSMITTED

DEC 19 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

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DMEA 4820

Douglas Corporation

Spook and Skul claims

Converse County, Wyoming

Uranium

Joint Engineering and Geologic Report

by

W. N. Sharp, Geologist
Geological Survey

Carl Belser, Mining Engineer
Bureau of Mines

December 13, 1957

Reviewed by
DMEA OPERATING COMMITTEE
12-30-57
(date)

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ILLUSTRATIONS

Figure — Follows page

1. Location map, Spook and Skul claims, Douglas Corporation, Converse County, Wyoming. DMEA 4820..... 2

2. Map of the Douglas Corporation property, Converse County, Wyoming, showing location, geology, and recommended exploration..... 21

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DMEA 4820

DOUGLAS CORPORATION
SPOOK AND SKUL CLAIMS
CONVERSE COUNTY, WYOMING

INTRODUCTION AND SUMMARY

Douglas Corporation, Sam Day, president, P. O. Box 785, Fort Collins, Colorado, on August 22, 1957, submitted an application to Defense Minerals Exploration Administration for aid in a uranium exploration project on 17 unpatented claims in secs. 27, 28, and 33, T. 38 N., R. 73 W., 6th P.M., Converse County, Wyoming. The application called for 100,830 feet of drilling (1,078 holes) at a total estimated cost of $92,622.50.

A field examination was made on October 31, 1957, by the DMEA examining team accompanied by the Douglas Corporation's geologist, J. P. Hadfield, Jr.

The applicant's program was reviewed in the field and a modified program was discussed and approved by the applicant.

The Douglas Corporation property is in the Dry Fork area of the southern Powder River Basin and is underlain entirely by rocks of the Wasatch formation of Eocene age. The uranium deposits are confined to sandstone units in a red sandstone zone and without exception the larger ore bodies are found at and near the boundary of the red sandstone zone.

The Douglas Corporation property appears to overlie a part of the western boundary of the red color zone in the southern basin and is situated on this color boundary just south of one of the largest mines in the basin.

Exploration in this geologically favorable area appears to be warranted. A two-stage drilling program is recommended that consists of 110 holes, containing 26,400 feet of non-core drilling at an estimated cost of $22,555.00. Government participation is 75 percent or $16,916.25.

ACKNOWLEDGMENTS

The Atomic Energy Commission was consulted regarding the area before the examination was made.

Memorandums of James Paone and N. E. Nelson were noted.

John P. Hadfield, Jr., the applicant's geologist, accompanied the examining team during the inspection.

LOCATION AND ACCESS

The Spook and Skul group of 17 unpatented claims are located in secs. 27, 28, and 33, T. 38 N., R. 73 W., 6th P.M., Converse County, Wyoming (fig. 1).

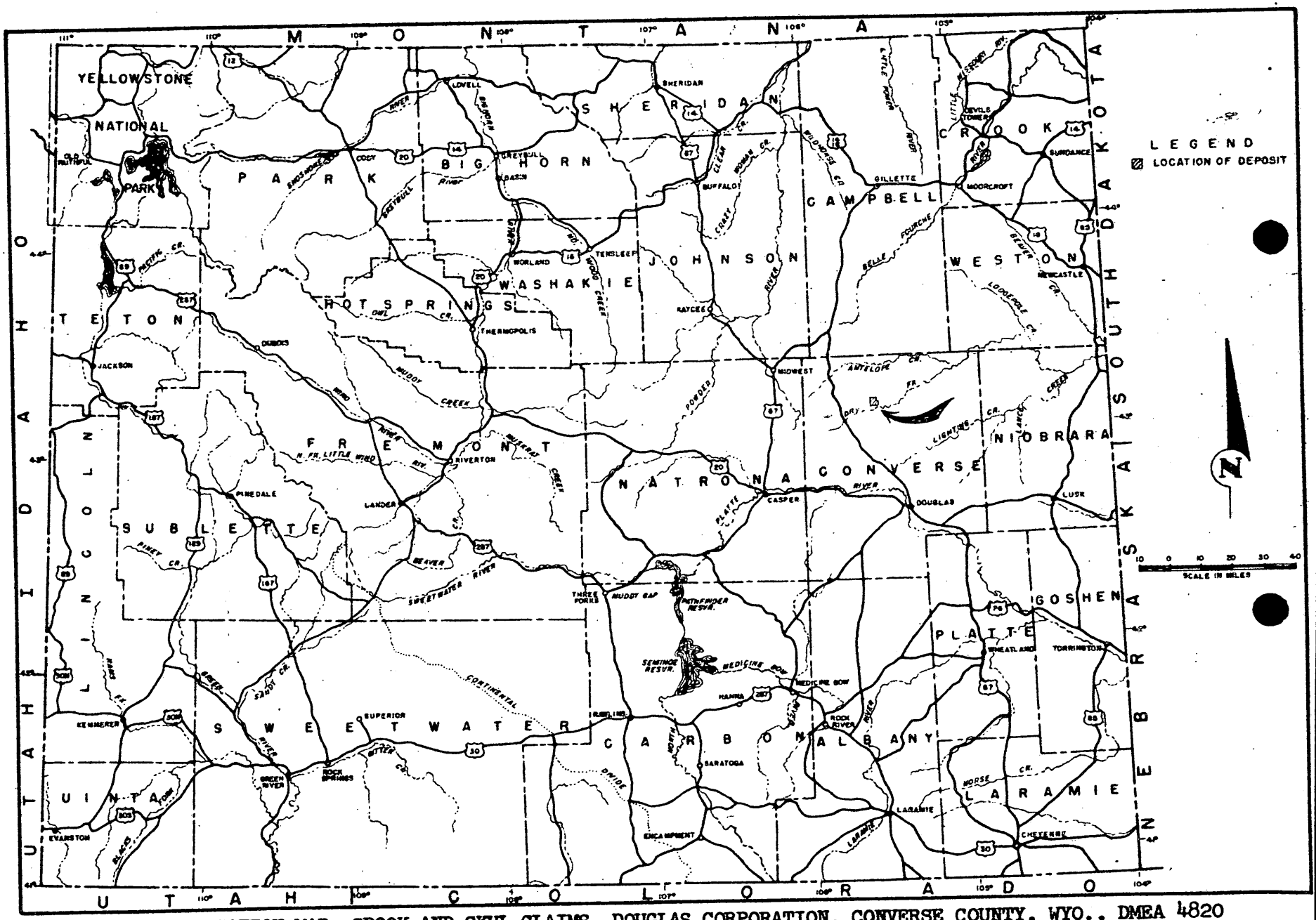

FIGURE 1 - LOCATION MAP, SPOOK AND SKUL CLAIMS, DOUGLAS CORPORATION, CONVERSE COUNTY, WYO., DMEA 4820

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The property is 45 miles northwest of Douglas, Wyoming, by the Ross road for the first 30 miles, and the Hornbuckle Ranch road for the last 15 miles. Neither road is surfaced. Orpha, a small station on the Chicago, Burlington, and Quincy railroad, is on the Ross road between Douglas and the property. Formerly the miners in the region shipped by rail from Orpha to Edgemont. Rail rates were raised and all ore is now trucked the 160 miles to Edgemont. Water can be obtained from creeks and wells. Men and supplies can be obtained in Douglas.

PHYSIOGRAPHY AND CLIMATE

The Douglas Corporation property in the southern part of the Powder River Basin is in a region of rolling terrain dissected by east-trending drainage valleys. Altitudes range from 4,800 to 6,000 feet above sea level. The principal drainage in the vicinity of the property is the Dry Fork of the Cheyenne River which drains eastward, close by the south boundary of the property. Erosion along the Dry Fork and the shallow subsidiary gulleys that head-up in the property produces a local relief on the property of about 175 feet.

Climate of the Powder River Basin is typical of the northern plains. The region is dry and windy in summer; cold and at times under blizzard conditions in the winter. The vegetation of the region is predominantly sage brush and range grasses.

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OWNERSHIP AND EXTENT

The applicant holds leases on 17 unpatented mining claims which are recorded in the offices of the County Clerk and Recorder of Converse County as follows:

Claim	Book	Page	Date Located	Locator
Spook 1	306	187	8/20/55	H.M. Saunders & D.T. Hornbuckle, Jr.
Spook 2	306	186	"	" " " " " "
Spook 3	306	192	"	" " " " " "
Spook 4	291	599	"	" " " " " "
Spook 5	293	10	"	" " " " " "
Spook 6	293	11	"	" " " " " "
Spook 7	306	185	"	" " " " " "
Spook 8	293	13	"	" " " " " "
Spook 9	293	14	"	" " " " " "
Spook 10	301	543	"	" " " " " "
Spook 11	301	544	8/21/55	" " " " " "
Spook 12	306	189	4/10/56	" " " " " "
Skul 1	291	425	10/6/55	Dick T. Hornbuckle, Jr.
Skul 2	291	424	10/6/55	" " " "
Skul 3	291	423	10/6/55	" " " "
Skul 4	291	422	10/6/55	" " " "
Skul 5	291	421	10/7/55	" " " "

A transfer of the above claims was made by H. M. Saunders, Patricia Saunders, D. T. Hornbuckle, Jr., and Rose Hornbuckle, the original locators, to J. P. Hadfield, Jr., and is recorded in Book 308, pages 302-309.

The land was patented without minerals rights as follows:

Section	Patentee	Book	Page	Date
SW 1/4 27	Bessie C. Hornbuckle	131	351	5/24/30
W 1/2 E 1/2 28	Bessie L. Hardy	144	459	4/12/32
SE 1/4 NE 1/4 28	Bessie C. Hornbuckle	131	351	5/24/30
NE 1/4 NE 1/4 33	" " "	"	"	"

An agreement for a right of way to the claims is recorded in Book 308, page 235.

The transfer of the Hadfield rights on the Skul and Spook claims to the Douglas Corporation, the applicant, was not found in the courthouse and has not been provided by the applicant.

HISTORY AND PRODUCTION

Uranium minerals in the Wasatch formation of the Powder River Basin were first found in the Pumpkin Buttes area in 1951. Shortly thereafter other occurrences were discovered throughout the central part of the basin and as far south as the Dry Fork of the Cheyenne River. During 1952 and 1953 the central part of the basin was surveyed with airborne radiometric equipment and many sites were drilled as a result. In 1953 ore-grade material was produced from the area around the Dry Fork. Total tonnages amounted to less than 2,000 tons.

In 1954 larger and deeper deposits, such as the Pat and the Hardy deposits, were opened in the Dry Fork area and are still producing substantial quantities of ore. Total production from these major mines

amounts to about 35,000 tons of ore-grade material. More recently opened parts of the deposits should double the output of the area.

During 1953 the northeastern part of the subject property was investigated by Kerr-McGee Oil Industries, Inc. A small area was shallow-drilled and 15 tons of material was mined from a shallow pit.

Since this time in 1953, the Spook and Skul claims were located by H. M. Saunders and Dick T. Hornbuckle, Jr., and a total of 45 holes - mostly shallow holes - were drilled. These holes are for the most part in three closely spaced groups that explore small areas of anomalous surface radioactivity. Mineralized sandstone has been encountered in holes in the northernmost claim, Spook 1, closest to the present Hardy pit of Loma Uranium Corporation. The other holes showed significant radioactivity above normal.

No ore has been mined from the subject property since the small pit operation of 1953.

GEOLOGY

General statement

The Powder River Basin in northeastern Wyoming is a physiographic as well as a structural basin, bounded by the Big Horn Mountains and the Laramie Range on the west and south, and by the Black Hills and Hartville uplift on the east. The basin is underlain predominantly by the Wasatch formation of Eocene age. The Fort Union formation of

Paleocene age underlies the Wasatch formation and crops out around the periphery of the basin.

The Wasatch formation is a sequence, about 500 to 1,000 feet thick in the southern basin, of flat-lying claystone and siltstone beds which are interbedded with randomly spaced sandstone lenses. Coal and carbonaceous shale beds are also numerous.

The amount of sandstone in the formation is much greater in the center of the basin than at the margins. This change in predominant lithology, from the center to the margin, enables the Wasatch to be divided into two facies. Around the margin of the basin the Wasatch formation is characterized by gray claystone and siltstone and numerous coal and carbonaceous shale beds, a lithology very similar to the underlying Fort Union formation. Sandstone lenses are few and are generally inconspicuous.

In the central part of the basin the formation is characterized by much sandstone in the form of broad lenses and narrow channel-fillings. Sandstone in this facies constitutes as much as one-third of the formation.

The sandstone of the Wasatch formation in the Powder River Basin is generally drab, yellowish-gray to yellowish-brown, but sandstone units in a zone along the axis of the basin are commonly reddish, pink, and grayish-red (fig. 2). Not all the sandstones within this zone are red; many lenses are red only in part and some are entirely drab. Where

it is found in a lens, the red tint affects a large continuous mass of the rock; it does not occur as isolated splotches of color. The contact of red color within any partly red sandstone body is generally very sharp but irregular in plan and cross section. The contacts are generally convex into the drab sandstone. Lobes and long arms of red color extending into drab sandstone are common contact features.

The restrictive occurrence of reddish sandstone in a definite portion of the Wasatch outcrop has suggested outlining a "red sandstone zone," that is, the smallest continuous area which will contain all known outcrops of red sandstone. The boundary is developed by circumscribing the mapped positions of all red sandstone occurrences as closely as possible with a single smooth line.

The "red sandstone zone" thus delineated is about 70 miles long and 5 to 20 miles wide. The long axis of the zone closely parallels the axis of the basin. It extends from near Douglas, at the southern edge of the basin, to several miles north of the Pumpkin Buttes in the central part of the basin.

The uranium deposits of the Wasatch formation are in sandstone units in the "red sandstone zone." They are mostly in units that are only partly red because the bulk of the uranium minerals in the deposits are concentrated in the drab sandstone at, and close to, red color contacts and appear to form larger concentrations where the color contact is highly irregular. Without exception, the major uranium deposits

that have been mined in the basin are not only at a color change within a sandstone unit, but also very near the boundary of the "red sandstone zone" in the basin (fig. 2).

The red coloration in sandstone of the Wasatch formation, which is considered to be epigenetic, appears to be one manifestation, other than the uranium deposits themselves, of localized physical-chemical conditions that brought about, among other things, the concentration of uranium into particular places in the sandstone units.

The deposits consist largely of yellow uranium minerals, tyuyamunite, carnotite, uranophane, and locally liebigite that are disseminated in the sandstone. At places they contain small masses of uraninite and pyrite-cemented sandstone, usually rimmed by thick halos of yellow oxidized minerals. The pyrite and uraninite appear to have been localized by coalified wood fragments.

Black, sub-metallic nodules and irregular masses of manganese oxides occur near and at the surface in many deposits. Some of these masses also contain yellow uranium minerals. A few small occurrences consist almost entirely of such uraniferous manganese-oxide concretions.

Douglas Corporation property

The Douglas Corporation property lies astride part of the western boundary of the red sandstone zone in an area that has yielded some of

the largest uranium deposits yet found in the basin. Northwest of the Douglas property on contiguous ground is the large Hardy pit that has produced about 20,000 tons of ore-grade material. Southward across the Dry Fork drainage, also on the "red sandstone zone" is the Pat mine which has produced 7,000 to 10,000 tons of ore-grade material. Several other active mines lie farther south along the same trend.

The Wasatch formation that underlies the Douglas claims appears typical of the Wasatch all along the central basin. Several thick (20 to 50 feet) sandstone lenses appear to be interbedded with the fine-grained clastic part of the formation in the remaining interval that underlies the area. This remaining Wasatch in the area is determinable by projecting into the area the plane of the Wasatch-Fort Union contact, marked by a coal bed, that is exposed 2 to 3 miles east of the property (fig. 2). A stratigraphic drill hole put in on Monument Hill, 1 mile south of the property, cut the coal bed that marks the contact at 4,873 feet elevation. Figuring a slight northward dip to the contact and the coal bed that marks it, the Wasatch-Fort Union contact, below the Douglas property, should be at 4,825 to 4,850 feet elevation. With this information it appears that remaining Wasatch under the Douglas property ranges in thickness from 325 feet on the ridges to 150 feet at the southern edge closest to the Dry Fork flood plain.

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SAMPLING AND RADIOACTIVITY

The areas within the property that were anomalously radioactive were generally surveyed with a radiation meter during the examination. Hole cuttings on surface were checked also for radioactivity as well as possible visible uranium minerals. Two holes recently drilled in the northern part of the area showed yellow uranium minerals in cuttings from 72 and 82 feet (fig. 2). Several holes in the southern and central part of the property showed moderate to good assays. Both areas were anomalously radioactive up to 5 to 10 times background at the surface and several places contained uranium minerals.

No samples were taken for additional assay.

MINING AND MILLING EQUIPMENT AND OTHER FACILITIES

The applicant has a 600 c.f.m. two stage I-R 600 Gyro-flo compressor valued at $11,000.00 and a Winter-Weiss Porta drill mounted on a Ford 1956 Model F 800 truck and valued at $29,000.00.

APPLICANT'S PROPOSED PROGRAM AND ESTIMATED COST

The applicant selected for exploration six small areas within the claims that had indications of mineralization. Each of the areas was to be drilled in three stages. Stage I was to consist of drilling on 200-foot by 400-foot centers; Stage II on 100-foot centers, and Stage III

50-foot centers. Stage I consisted of 80 holes comprising 7,670 feet of non-core drilling, Stage II consisted of 224 holes comprising 20,855 feet of non-core drilling, and Stage III consisted of 774 holes comprising 72,305 feet of non-core drilling. This drilling amounted to a total of 1,078 holes comprising 100,830 feet of non-core drilling. The applicant's estimate of cost follows:

Independent contracts		
100,830 feet non-core drilling at $0.75/ft.		$ 75,622.50
Labor and supervision		
Geologist 12 months at $500.00/mo.		6,000.00
Operating materials and supplies		
Rock bits and miscellaneous equipment		1,000.00
Operating equipment		
Ingersol-Rand model 600 Gyro-Flo compressor	$ 11,000.00	
Winter-Weiss Porta drill complete	29,000.00	
1957 Ford one-half ton pickup	2,000.00	
Mt. Sopris probe	3,960.00	
Total operating equipment		$ 45,960.00
Rehabilitation and repairs		
Cost of maintaining equipment		$ 5,000.00
Buildings, improvements, installations		
Trailer house for office		$ 5,000.00

Miscellaneous

Workman's compensation and payroll taxes	$ 1,000.00
Total cost of drilling 100,830 feet	$139,582.50
Estimated cost per foot $1.38	
1,000 Radiometric samples at $1.50 each	$ 1,500.00
1,000 Chemical analyses at $3.50 each	3,500.00
Total estimated cost of project	$144,582.50

Some mistakes were noted.

DISCUSSION OF APPLICANT'S PROGRAM

The applicant's program to explore the potential of the outlined property has two significant weaknesses. First, the conception that surface anomalies necessarily reflect the presence and extent of buried ore bodies; the second, that the remaining Wasatch interval underlying the property is only 100 to 120 feet thick.

The first apparent conclusion led to a drilling program that involved six small separated areas some of which were already drilled to the approximate depth suggested in the applicant's program. Although the presence of surface anomalies contribute to the justification for the exploration of the property as do the active mines close by, more important is the proximity of regional geology features, such as the color boundary, that mark a good target zone throughout the basin.

The applicant's depth to Wasatch-Fort Union contact was established by misinterpreting a thick clay-siltstone zone encountered in drill holes. Rock of this type crops out between sandstones in cut banks in the Dry Fork drainage south of the property. However, additional thick sandstones that could be productive are still lower in the section and are evidenced by sandstone exposures along the Dry Fork eastward to the coal bed that marks the lithologic change that is the Wasatch-Fort Union contact.

RECOMMENDED EXPLORATION

A program somewhat different from that proposed by the applicant is recommended for exploring the Douglas Corporation property. The basic recommendations are that the greater part of the claim area, including the six small separated areas, be drilled as a single unit; and, that the entire Wasatch interval be drilled instead of only the upper part.

The drilling program recommended is to be in the customary two stages. Stage I is drilling, non-core rotary, utilizing a 300- x 600-foot diamond offset grid.

Stage II will consist of holes offset around holes of Stage I that showed mineralization or significant indications of mineralization. The depth of hole will be determined by the depth to the Wasatch-Fort Union contact, 150 feet to 325 feet in this area. The holes should be

drilled at least 2 feet into but not more than 15 feet into the underlying Fort Union formation.

The area outlined (fig. 2) as offering the best probability of ore finds is a rectangular block of ground approximately 2,200 feet by 4,000 feet oriented northward and minus the northeast corner.

The area selected, which is not the entire area of the claims, is arranged to explore an area covering the color change zone that crosses the Douglas property. While surface radioactivity anomalies and occurrences of uranium minerals are an impetus to do exploratory work, a feature such as the zone of color change in the sandstone units is the fundamental guide that outlines the target area.

The 300 x 600 grid was chosen as adequate for the first stage drilling. This grid has been recommended by the DMEA Field Team to be used to explore other properties in the South Powder River Basin. The orientation is north so as to parallel the northward trend of the color boundary.

Previous drilling within the property boundary amounts to 42 holes, more or less grouped into three localities. Several hole sites of the Stage I drilling have been dropped where they fall within 100 feet of previous holes, regardless of depth.

It is readily apparent that the depth of drilling will change from place to place within the property because of the topographic relief of

about 175 feet. The average depth to the Wasatch-Fort Union contact should be about 240 feet but the range in collar elevation of the holes will require that diligence be used in bottoming each hole.

Unfortunately the Wasatch and Fort Union formations, through short intervals may be of very similar lithology; however, the contact of the two formations, 2 to 3 miles east of the property, is marked by a persistent 10- to 20-foot coal-carbonaceous shale unit. This coal bed is believed to be present under the Douglas property area at an elevation of 4,850 in southern part and 4,825 in the northern part, and should provide a marker on which to bottom holes.

Stage I drilling amounts to 62 holes drilled to an average depth of 240 feet; total estimated maximum footage, using these values, is 14,880 feet.

Stage II drilling, which consists of four 100-foot offset holes around each mineralized hole of Stage I drilling, is calculated using the assumption that 20 percent of Stage I holes will show significant mineralization. Stage II drilling in this sense will amount to a total of 48 holes of 240 feet average depth; maximum total footage is about 11,520 feet. Stage II drilling should require prior Government approval.

The holes are to be logged from a study of cuttings to determine lithologic character, color features, radioactivity, and significant

mineralogy. Gamma-ray logs of each hole should be made and submitted with the operator's MF-104 reports.

ESTIMATED COST OF RECOMMENDED PROGRAM

A modified program consisting of 14,880 feet of Stage I non-core drilling and 11,582 feet of non-core Stage II drilling is recommended. The locations of the holes are shown in figure 2. Estimated costs follow:

Stage I (62 holes)
time required 2 mos.

Independent contracts		
14,880 feet of non-core drilling at $0.65/ft.	$ 9,672.00	
30 hours bulldozing at $10.00/hr. (D-7 or equivalent)	300.00	
Standby time for probing at 1/2 hr. per hole at $10.00/hr.	310.00	
Total independent contracts		$10,282.00
Labor and supervision		
Geologist-engineer-supervisor 2 months at $500.00/mo.	$ 1,000.00	
Surveyor's helper 10 days at $14.00/day	140.00	
Total labor and supervision		$ 1,140.00

Operating materials and supplies		
1,000 sample sacks at $10.00/M	$ 10.00	
Office supplies 2 months at $25.00/mo.	50.00	
Total operating materials and supplies		$ 60.00
Operating equipment		
1 - vehicle for transportation 3,500 miles at $0.10/mile	$ 350.00	
1 - Mt. Sopris type probe at $165.00/mo.	330.00	
Trailer house rental (value $5,000) 2 months at $85.00/mo.	170.00	
Total operating equipment		$ 850.00
Rehabilitation and repairs		
None		
Buildings, improvements, installations		
None		
Miscellaneous		
Bookkeeping 2 months at $50.00/mo.	$ 100.00	
Workmen's compensation and liability insurance and payroll taxes (7 percent of $1,240.00)	86.80	
Total miscellaneous		$ 186.80
Estimated cost for 14,880 feet of non-core drilling		$12,518.80
Estimated cost per foot	$0.84	
62 chemical analyses for U_3O_8 at $3.50 each		217.00
Total cost of Stage I drilling		$12,735.80

Stage II (48 holes)

Independent contracts		
11,520 feet of non-core drilling at $0.65/foot	$ 7,488.00	
20 hours bulldozing at $10.00/hr. (D-7 or equivalent)	200.00	
Standby time for probing 1/2 hr. per hole at $10.00/hr.	240.00	
Total independent contracts		$ 7,928.00
Labor and supervision		
Geologist-engineer-supervisor 2 months at $500.00/mo.		$ 1,000.00
Operating materials and supplies		
700 sample sacks at 1¢ each	$ 7.00	
Office supplies 2 months at $25.00/mo.	50.00	
Total operating materials and supplies		$ 57.00
Operating equipment		
1 - vehicle for transportation 2,700 miles at $0.10/mile	$ 270.00	
1 - Mt. Sopris type probe 2 months at $165.00/mo.	330.00	
Trailer house rental 2 months at $85.00/mo.	170.00	
Total operating equipment		$ 770.00

Rehabilitation and repairs

None

Buildings, improvements, installations

None

Miscellaneous

Bookkeeping 2 months at $50.00	$ 100.00	
Workmen's compensation and liability insurance and payroll taxes 7 percent of $1,100.00	77.00	
Total miscellaneous		$ 177.00
Estimated cost for 11,520 feet of non-core drilling		$ 9,932.00
Estimated cost per foot	$0.86	
48 chemical analyses for U_3O_8 at $3.50 each		168.00
Total estimated cost for Stage II		$10,100.00
Total cost of program		$22,835.80

Recapitulation

Stage I

14,880 feet of non-core drilling at $0.65/ft.	$ 9,672.00
30 hours bulldozing at $10.00/hr.	300.00
31 hours standby time at $10.00/hr.	310.00
14,880 feet incidental expense at $0.15/ft.	2,232.00
62 chemical analyses for U_3O_8 at $3.50 each	217.00
	$12,731.00

Stage II

11,520 feet of non-core drilling at $0.65/ft.	$ 7,488.00
20 hours bulldozing at $10.00/hr.	200.00

24 hours standby time at $10.00/hr.	$ 240.00
11,520 feet incidental expense at $0.15/ft.	1,728.00
48 chemical analyses for U_3O_8 at $3.50 each	168.00
	$ 9,824.00
Total for Stage I and Stage II	$22,555.00
Government participation 75 percent or	$16,916.25
Time for completion - 4 months	

CONCLUSIONS AND RECOMMENDATIONS

The Douglas property is favorably located with respect to geologic features of the Wasatch formation that can be used as guides to areas of possible uranium deposits. The property lies astride part of the western boundary of the "red sandstone zone" in a district containing two of the largest uranium mines in the basin.

Although a number of shallow and medium depth holes have been drilled in parts of the area, they do not represent adequate exploration of the Wasatch either laterally or vertically. Further exploration appears warranted.

It is recommended that the modified program for uranium exploration of the Douglas Corporation, as set forth in this report, be approved for DMEA participation.

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DMEA
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224 New Customhouse
Denver 2, Colorado

December 18, 1957

Mr. Sam Day, President
Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Re: Docket No. DMEA 4820 (Uranium)
Spook and Skul Claims
Converse County, Wyoming

Dear Mr. Day:

Will you please forward this office a certified copy or photostat of a signed copy of the document which conveys title on Spook Claims 1-12, inclusive, and Skul Claims, 1-5, inclusive, from J. P. Hadfield, Jr., to the Douglas Corporation.

Upon receipt of this conveyance, we will continue to process your application.

Very truly yours,

W. H. King

W. H. King
Executive Officer, DMEA
Field Team, Region III

HMC:eh

cc: Sec. Op. Comm. (2)
Harshman
DMEA/DFC
Docket
Chron.

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DMEA
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"	[illegible]	900

224 New Customhouse
Denver 2, Colorado

October 8, 1957

Memorandum

To: DMEA/DFC) W/cy of Items 1-5
E. N. Marshman) " " " "

From: DMEA Field Team, Region III

Subject: Docket DMEA 4820 (Uranium) Douglas Corporation (Spook and Skal Claims) Converse County, Wyoming

Enclosed is the following material relating to the subject docket:

1. Copy of application for Government assistance in exploration work under the DMEA program.
2. Memorandum of Review by James Paone, USBM.
3. Memorandum of Review by N. E. Nelson, USGS.
4. Letter of transmittal of the foregoing to this office, dated September 30, 1957, from the Chairman, Operating Committee, DMEA.
5. Routing Control Sheet.

A field examination of the property and a joint report of findings and recommendations pertaining to the Applicant's work proposal are requested.

Eleven extra copies of each map used in the joint report which show the land to be subordinated and the location and extent of recommended work, relative to property boundaries, should be submitted if Government participation is recommended.

The Bureau of Mines' copy of the application should not be returned to this office, but is to be kept for the Examining Engineer's file. The Routing Control Sheet, however, is to be completed, detached from the application, and forwarded to the Executive Officer with the Joint Examination Report. The Survey's copy of the application is to be returned to Mr. Marshman's office.

Enclosures
MBM:eh
cc: Sec. Op. Comm. (2)
DMEA/DFC
Docket
Chron.

Original Signed By
E. N. MARSHMAN

E. N. Marshman
Acting Executive Officer

DMEA Form 7
(12-56)

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Date	Surname	Code
9/25	Ching	700
9/26	Ellis	700
9/30	Selfridge	130
9/27	[illegible]	110
30	Mittendorf	100
		220
		700

SEP 30 1957

Mr. Sam Day, President
Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Re: Docket No. DMEA-4820 (Uranium)
Spook and Skul Claims
Converse County, Wyoming

Lamb
Williams

Dear Mr. Day:

Your letter of September 17, 1957, submitting supplemental material requested in our letter of September 3, has been received. Your application is now being referred to Mr. William H. King, Executive Officer, DMEA Field Team, Region III, 224 New Customhouse Building, Denver 2, Colorado, for further consideration and possibly a field examination.

The Regional Office will contact you at an early date if an examination is to be made. Any assistance you may give the members of the Field Team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

MChing/gla
9-24-57
cc to: Admr.'s reading file
Mr. Ching
DMEA Field Team, Region III (2)

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/25	Ching	700
9/26	Ellis	700
9/30	GCS	130
9/22	[illegible]	110
30	Yesterday	100
9/30	C	220
		700

SEP 30 1957

Mr. William H. King
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-4820 (Uranium)
Douglas Corporation
Spook and Skul Claims
Converse County, Wyoming

Dear Mr. King:

The subject application is being referred to you for investigation, a field examination if warranted, and recommendations.

Enclosed for your information are memoranda, dated September 23 and 24, 1957, by James Paone, USBM, and N. E. Nelson, USGS, respectively, relating to the application. Also enclosed are two copies of the application as originally received and three sets of supplemental material, recently received, for the use of the Field Team. The supplemental material is listed on the attached copies of a letter, dated September 17, 1957, from the Applicant to Mr. Ellis.

Sincerely yours,

George C. Selfridge
(By [illegible])
Chairman, Operating Committee

Enclosures

MChing/gla 9-25-57
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, Rm. 5224
Mr. Ching

APPROVED:
Frank D. Lamb
(By [illegible])
Member, Bureau of Mines

W. P. Williams
(By [illegible])
Member, Geological Survey

8623

IN REPLY REFER TO:

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

September 24, 1957
Re: DMEA 4820
Douglas Corporation
Spook and Skul Group
Converse County, Wyoming
$96,582.50 - 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 'deep' drilling (80-120 feet) several areas already explored by 33 'shallow' (largely 10 to 72 feet) drill holes.

Probing of the shallow drill holes indicates low to high radioactivity, but of 13 samples assayed, only 2 show better than 0.10% U_3O_8 as:- 2 ft. of 0.12% and 2 feet of 0.28% U_3O_8. The application says 7 potential ore horizons were cut in one set (F) of holes. Of the 4 holes deeper than 72 feet, only one, E, gave a high count at a depth of around 100 feet. It is not too apparent why so much deep drilling, which would, in part at least, duplicate the shallow drilling, is proposed. Comparison with results obtained in nearby areas should be informative.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

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11	[illegible]	700

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

Date September 23, 1957

DMEA Docket No. 4820
DMEA Contract No.
Commodity Uranium
Name of applicant Douglas Corporation
Name of property Spook and Skul Claims
Location of property Converse County, Wyoming
Estimated cost of project $92,622.50

Memorandum

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee

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

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

1. Date of subject document: 8/26/57. 2. Date received by reviewer: 9/20/57

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 ☐
      i. Consult with Mr. _____ at _____ AEC office.
   e. Disagree with Field Team ☐
   f. Suggest alternate plan ☐
   g. Request another examination ☐
   h. Approval ☐

10. Remarks: (Use back of page if necessary) The holes could have revealed more information than just readings above background. Perhaps the field examiners would have additional information on the area.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/30	Ching	700
9/3	Mattendorf	100
9/3	P	220
		700

SEP 3 1957

Mr. Sam Day, President
Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Re: Docket No. DMEA-4820 (Uranium)
Spook and Skul Claims
Converse County, Wyoming

Dear Mr. Day:

In reviewing the subject application we find that the information submitted is too incomplete for further processing. It is requested that you present the following additional information in quadruplicate:

1. A map or sketch, drawn to scale, showing all the boundaries of the claims, the location and extent of work previously done, the location and pattern of the proposed drilling, known favorable target areas, and places where samples were taken;

2. A description of the proposed drilling program, including number of stages, spacing of holes, and estimated depths;

3. Copies of all available assay certificates together with a description of the samples which they represent; i.e., depth below surface, thickness represented, etc.; and

4. Bids from three independent drilling contractors for the proposed drilling, to aid in the establishment of reasonable costs.

Upon receipt of the above-listed information, we shall continue to process your application.

Sincerely yours,

SIGNED

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

MChing/izm 8-30-57
cc to: Mr. Ching
Admr.'s Reading File
THKiilsgaard, 5224
DMEA FT Reg. 3(2)

8623

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

August 29, 1957

Douglas Corporation
P. O. Box 785
Fort Collins, Colorado

Subject: DMEA 4820

Gentlemen:

Your application for exploration assistance, dated August 22, 1957 submitted to our office at Denver, Colorado has been assigned Docket Number 4820 and referred to the Division of Rare & Miscellaneous Metalsin the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to:
REGION III

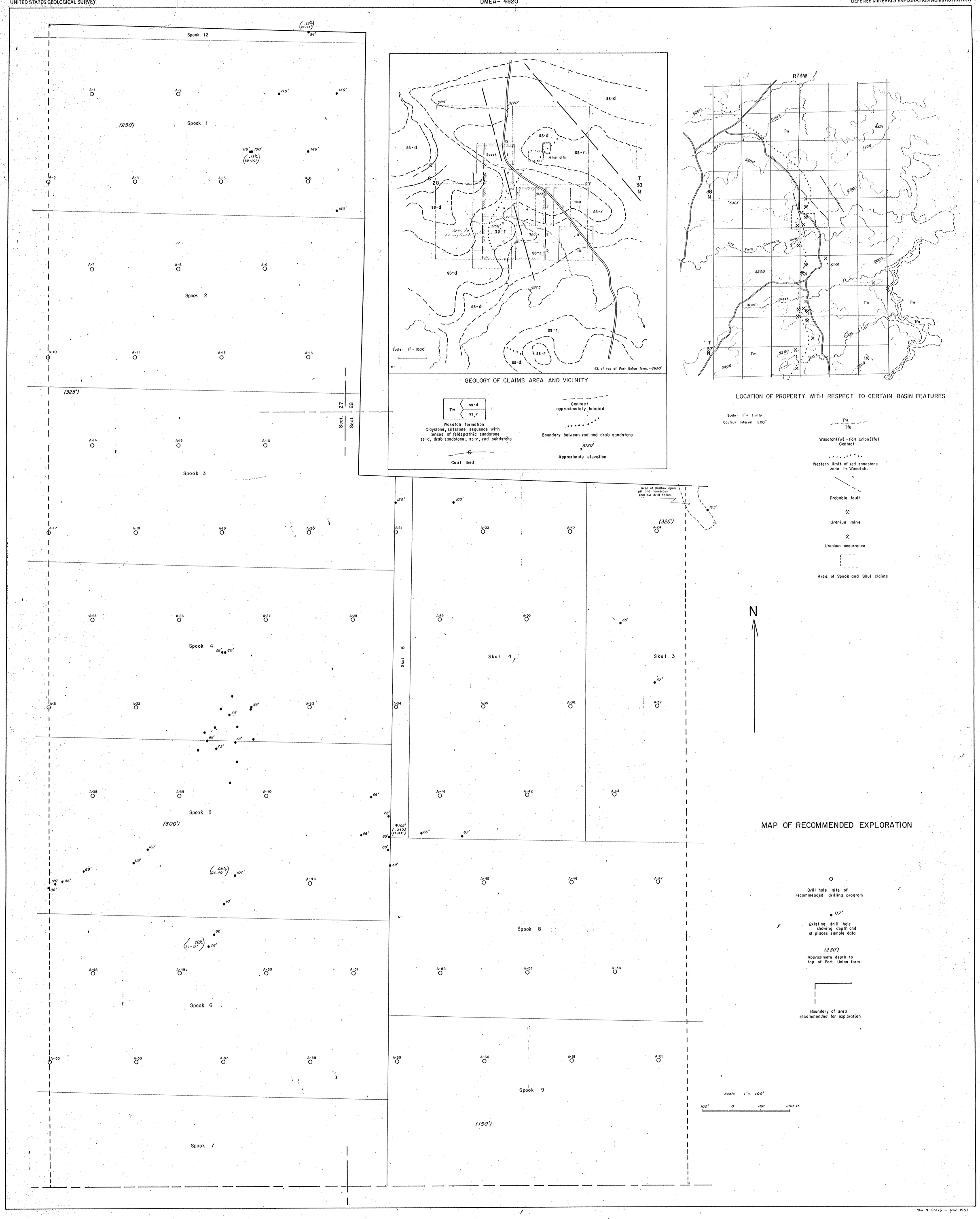
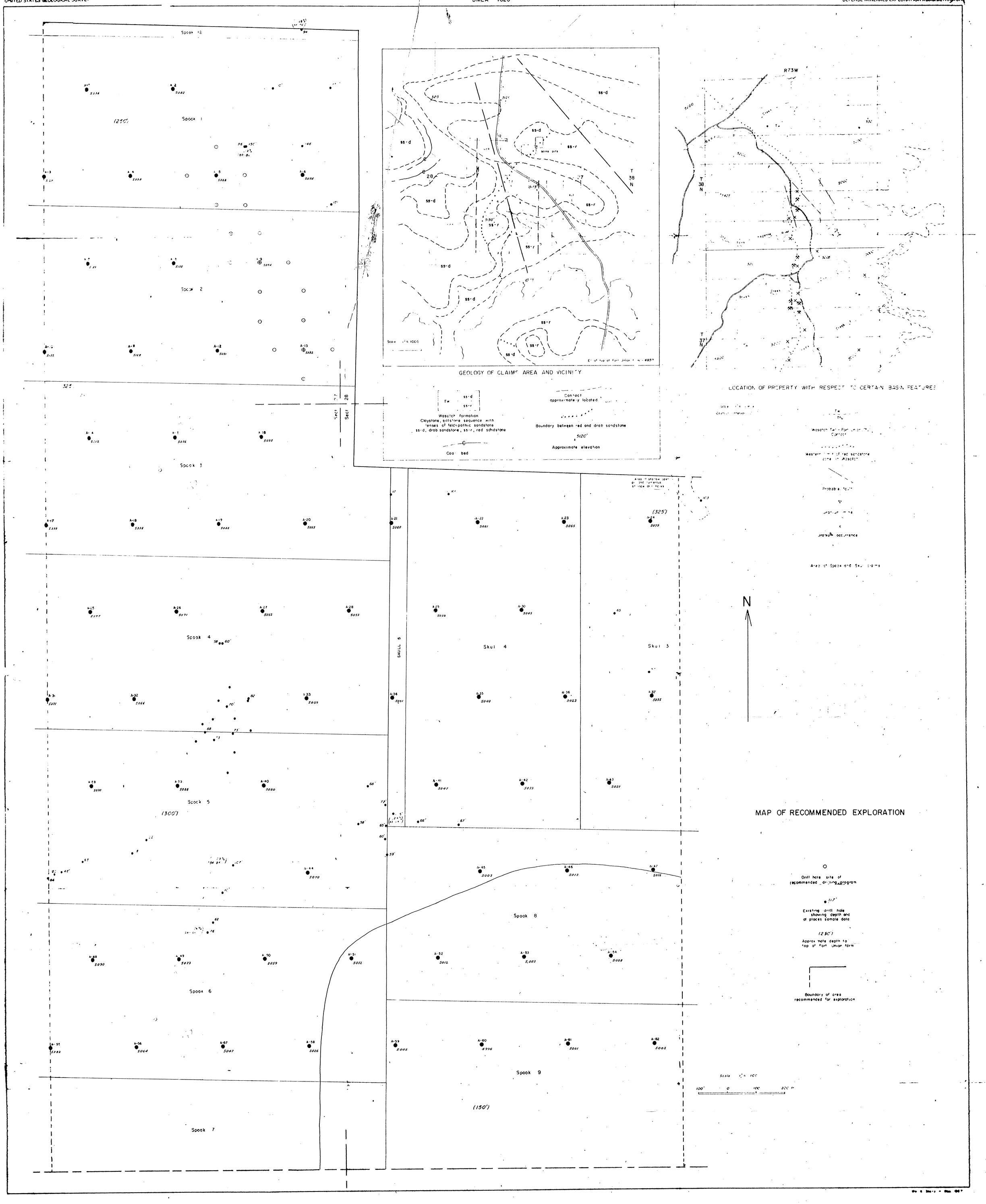


Figure 2- **MAPS OF THE DOUGLAS CORPORATION PROPERTY CONVERSE CO., WYOMING**
SHOWING LOCATION, GEOLOGY, AND RECOMMENDED EXPLORATION



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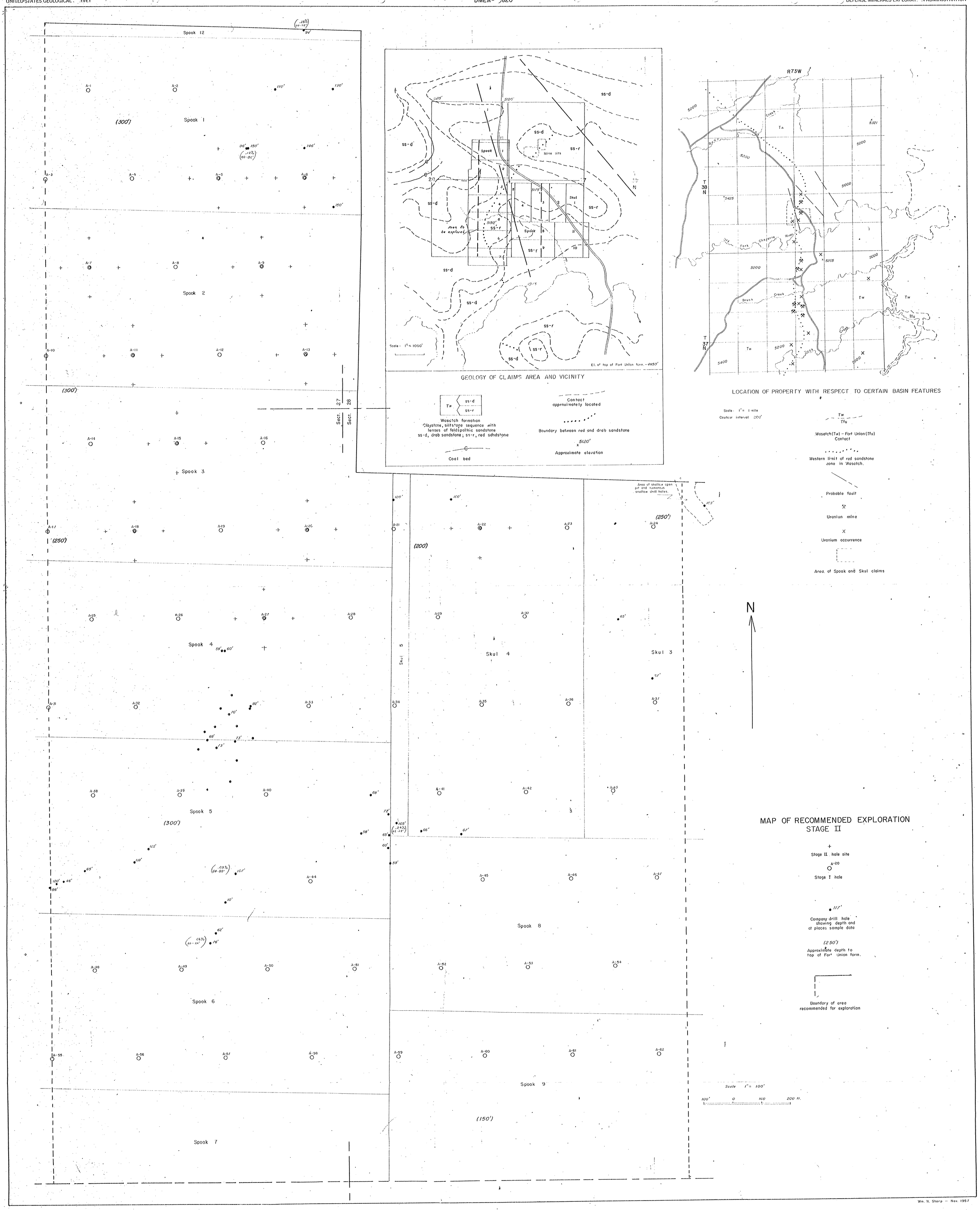
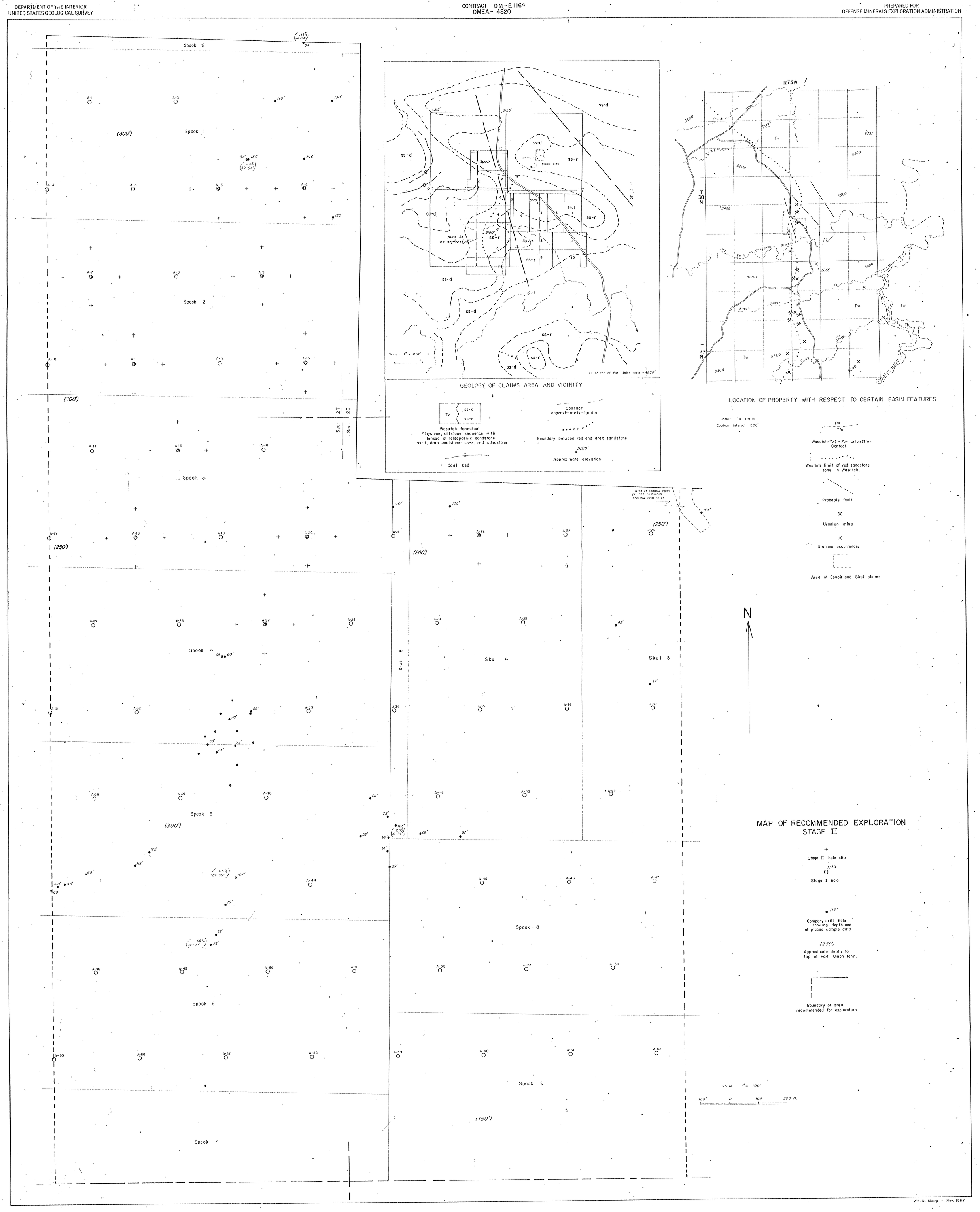


Figure 1 - MAPS OF THE DOUGLAS CORPORATION PROPERTY CONVERSE CO., WYOMING
SHOWING LOCATION, GEOLOGY, AND RECOMMENDED EXPLORATION



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SHOWING LOCATION, GEOLOGY, AND RECOMMENDED EXPLORATION

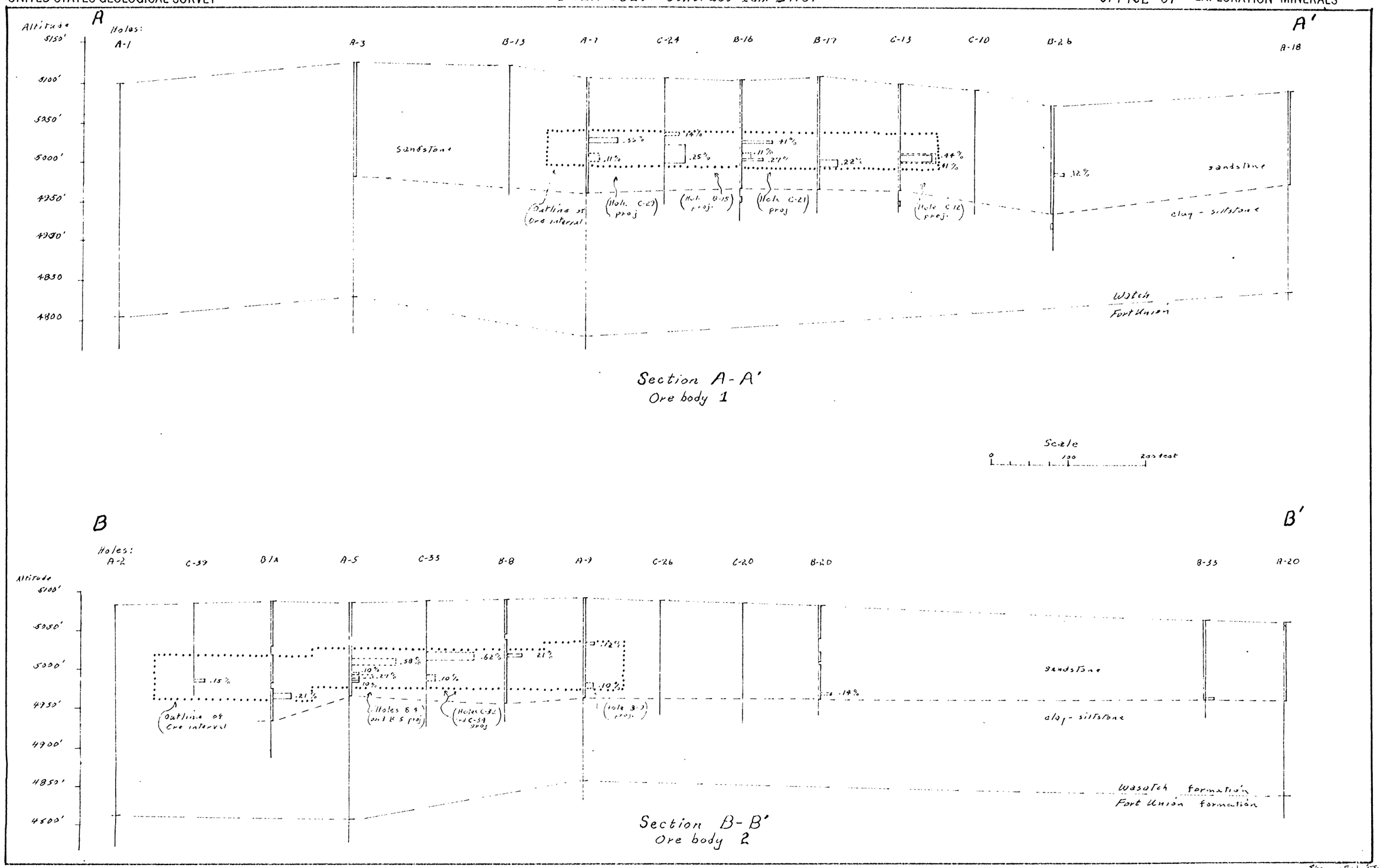


Fig. 3 - Geologic Cross Section Through Certain Drill Holes, Douglas Corp. Property
Spook and Skul Claims, Converse Co., Wyoming

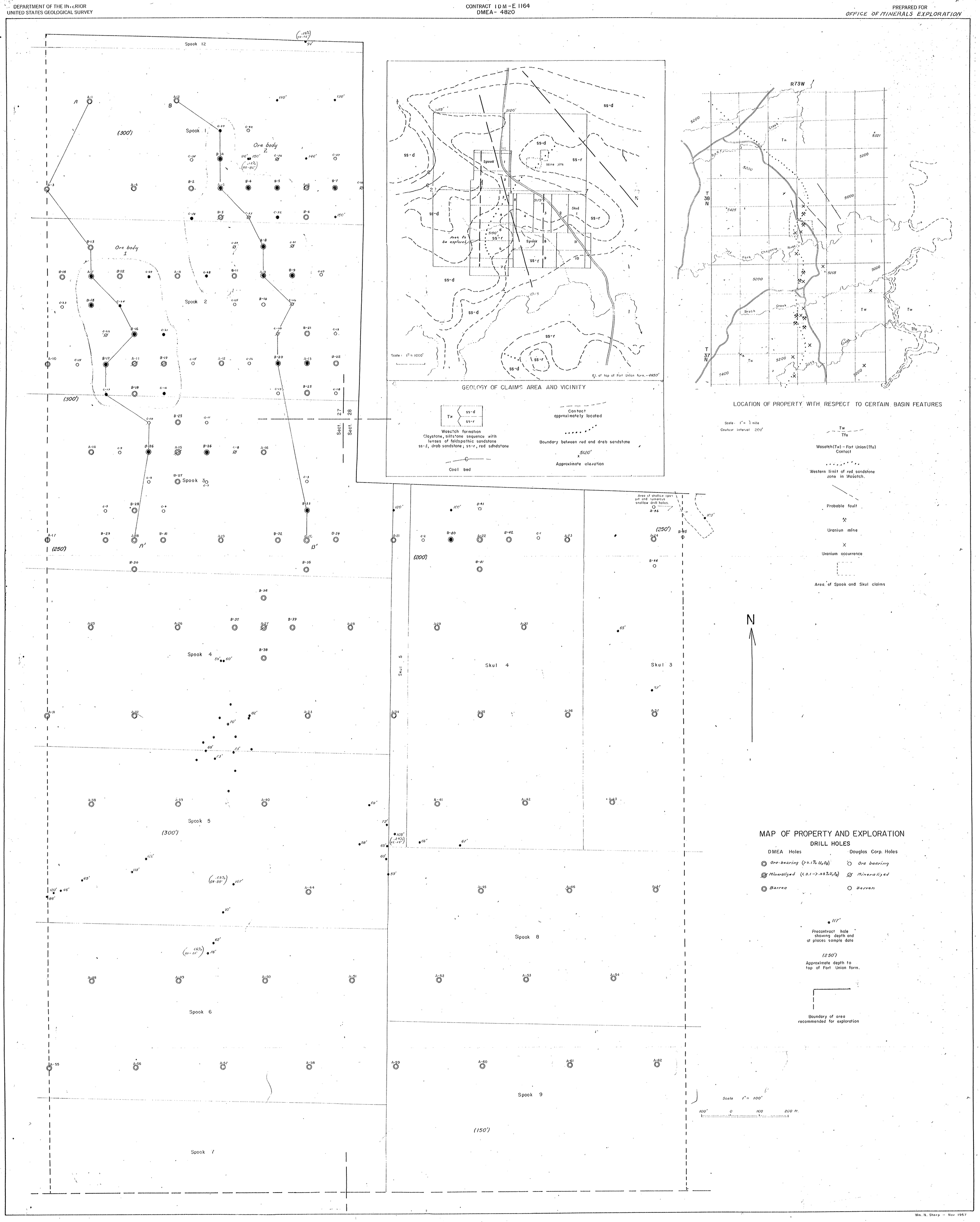
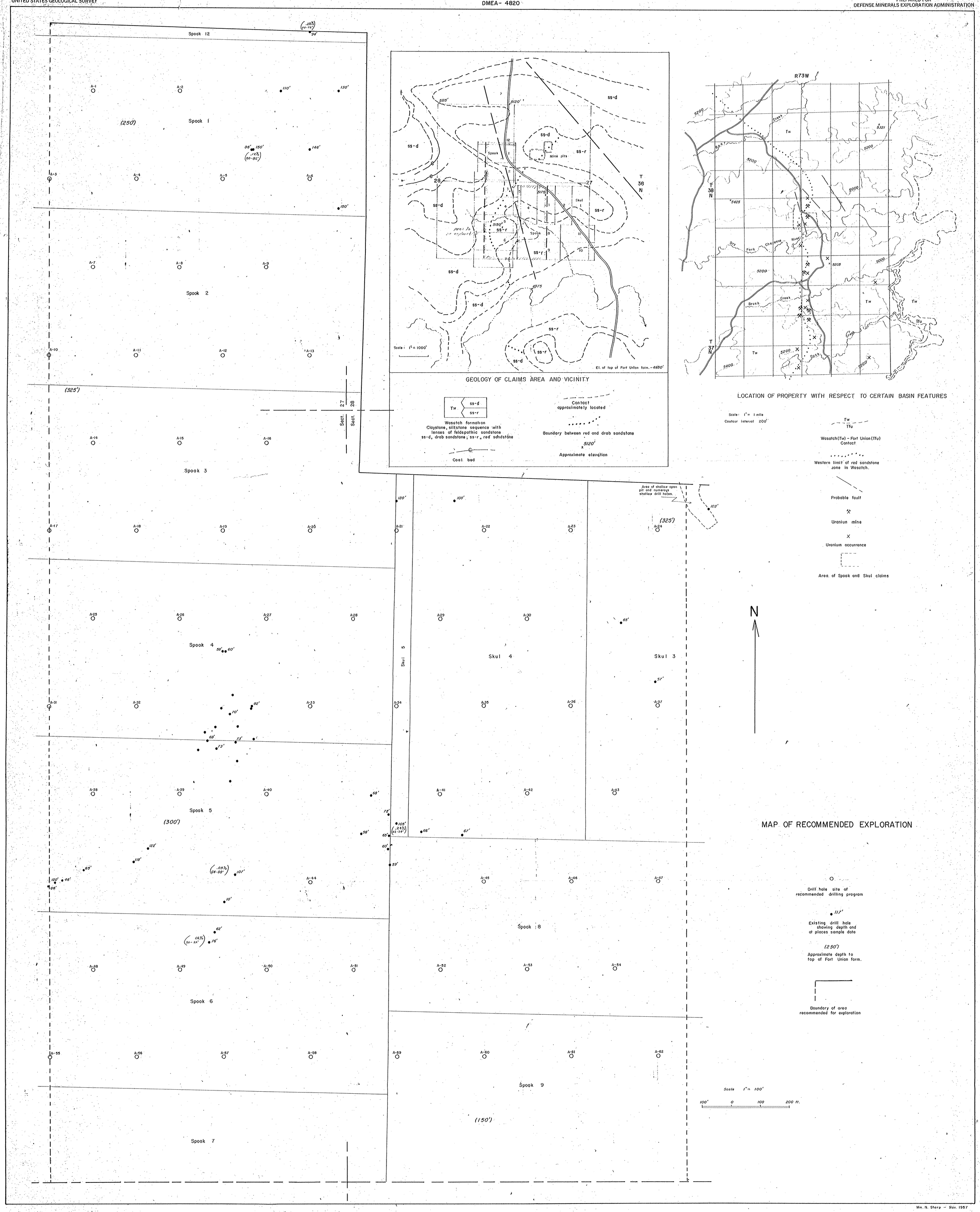


Figure 2 - MAPS OF THE DOUGLAS CORPORATION PROPERTY CONVERSE CO., WYOMING
SHOWING LOCATION, GEOLOGY, AND EXPLORATORY DRILLING



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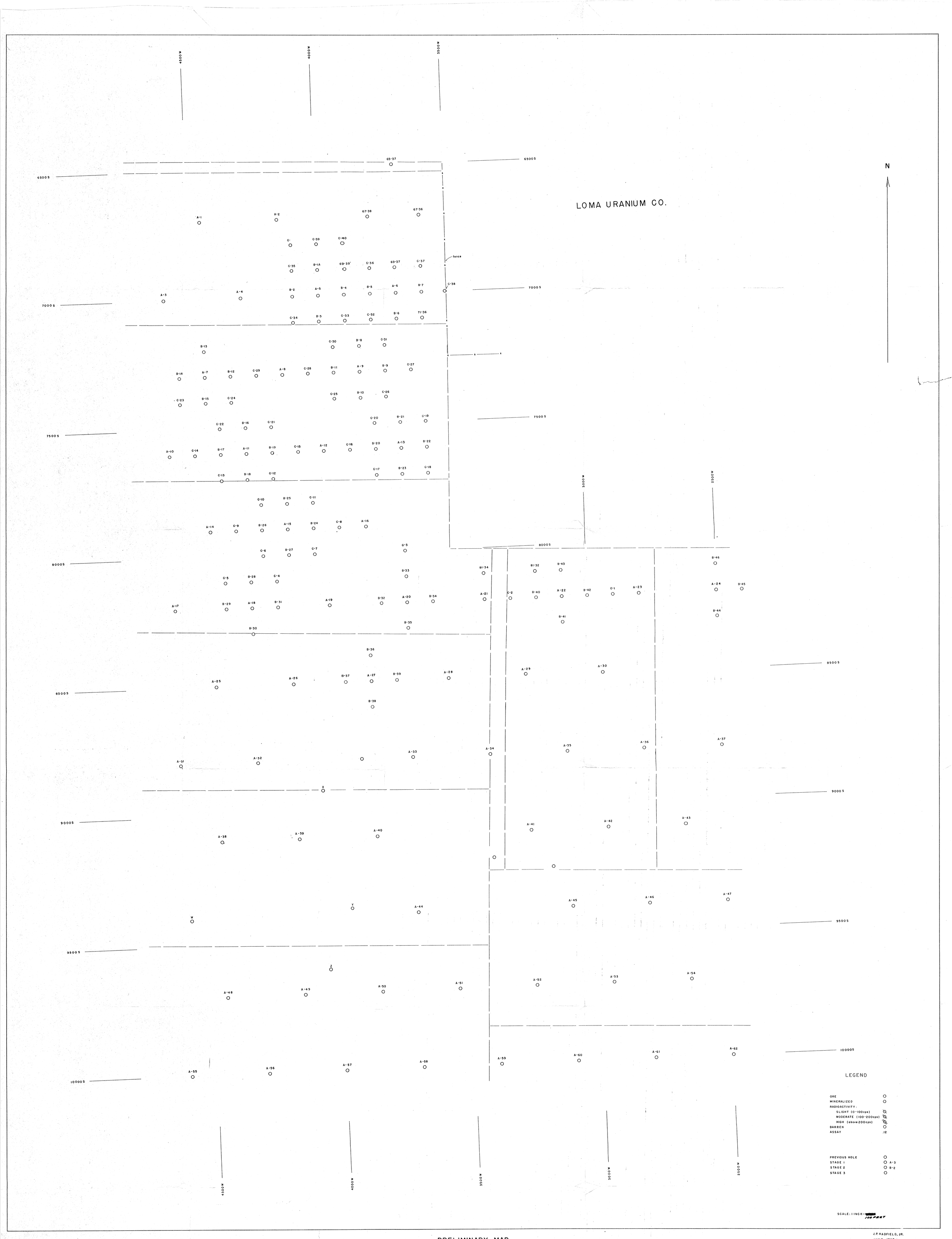
SHOWING LOCATION, GEOLOGY, AND RECOMMENDED EXPLORATION



PRELIMINARY MAP

SPOOK AND SKUL DRILL AREA

CONVERSE COUNTY, WYOMING

J.P. HADFIELD, JR.
JUNE, 1958