DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE | Idm-E NO. _____ | DMEA NO. 4849

Application
- [ ] Denied
- [ ] Withdrawn

Contract 25 FEB 1958 1173
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified

- [ ] Cancelled
- [ ] Royalty Agreement

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits 4-11-60
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments - Bios

Folder #1 - Correspondence to 12/31/58
Folder #1-A - " from 12/31/58 to present

Right Side

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

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

- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab) folder #2
- [x] Operator's Final Report (Tab) 4-1-60 folder #2
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Folder #3 Report of Clyde H. Wilson for Opr. Report of Geophysical Survey

Left Side

Folders No. 2 : Reports MF-104's
- [ ] 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
- [ ] Operator's Monthly Reports with transmittal, narrative and maps.

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

Folders No. _____ : Settlement Sheets

✓ Folders No. 1-A : Drill Logs see envelope with correspondence 4/17/59

Folders No. _____ : Royalty material

17963

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E1173, Docket DMEA-4849 (uranium), dated February 25, 1958, with

Kanter-Levy Company
c/o J. H. Kanter, ~~787 West Kemper Road~~ 690 Northland Road, Forest Park
Cincinnati 40, Ohio 45240

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Cave Line, et al., claims located in Big Horn County, Wyoming, during the period April 7, 1960, through February 6, 1963.

In accordance with Article 8 and Amendments Nos. 1 and 2 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated April 11, 1960, indicated accepted costs under the exploration contract amounting to $19,435.46 with the Government's contribution on a 75 percent basis being $14,576.59.

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

This review found the total sales subject to the Government's royalty for the period to be $8,823.31. Royalty payable to the Government at the rate specified in the contract is $441.16.

A prior Report of Royalty Review found no sales subject to the Government's royalty through April 6, 1960. The royalty account as of April 6, 1960, was:

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

As of February 6, 1963, the royalty account of this project was found to be:

Total Royalty Payable	$441.16
Total Royalty Paid	441.16
Balance of Royalty Due	$ -0-

C. E. Fisher

C. E. Fisher, OME Auditor

June 18, 1963

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Article 3(d) of Amendment No. 2 to this contract provides that the Operator (Kanter-Levy Company), as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the property under the contract. The property consists of 120 contiguous unpatented lode mining claims located in Sections 19, 20, 21, 28, 29, 30, 32, and 33, T. 58 N., R. 94 W., 6th P.M., as more fully described in Annex I of the contract.

These claims were conveyed to J. K. Crossman and Seymour Hootkins in trust for Ryan Consolidated Venture #2, a joint venture, by Mining Deed dated October 12, 1956, signed by Vaughn A. Hodson, Charlotte Hodson, Stanley E. Preator, Vivian Preator, Arlan Preator, Dorothy Preator, Lazell Preator, Morris R. Avery, Plett Avery, Melvin H. Christler, and Frances Christler, reserving a 12½ percent royalty interest to the grantors. In an Assignment of Overriding Royalty, dated October 17, 1956, Crossman and Hootkins assigned a 2% overriding royalty to S. A. Winfrey. Under an Agreement dated August 9, 1957, as amended by an Agreement dated September 10, 1957, Ryan Consolidated Venture #2 granted the Operator the right to acquire an undivided 50% interest in the land. Four Consents to Lien and Subordination Agreements signed by the various parties in interest were attached to and made part of the contract.

By Judgement dated April 12, 1962, in Civil No. 8846 in the District Court of Big Horn County, Wyoming, Fifth Judicial District, the title to the mining claims was quieted in Vaughn A. Hodson, Stanley E. Preator, Arlan Preator, Lazell Preator, Eyre Preator, and Morris R. Avery.

Exploration work under the contract was discontinued on June 4, 1959, and the property remained inactive thereafter until the date of the Judgement, April 12, 1962. No ores were produced during the exploration period or subsequently through April 12, 1962.

After quieting of the title, shipments were made of uranium ore from Tri-Pacer #5 Claim in the name of Titan Mining Company, Burlington, Wyoming, to Susquehanna-Western, Inc., Riverton, Wyoming. Four settlements have been reported by the buyer who has withheld and remitted the Government's royalty.

Titan Mining Company is a partnership in which Stanley E. Preator, Eyre Preator, Arlan Preator, and Lanall Preator are active partners and Morris R. Avery and Vaughn A. Hodson are inactive partners. These individuals and their wives signed Lien and Subordination Agreements dated March 28, 1958, and May 24, 1958, by which the Government was granted a lien upon all of their right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as provided by the exploration contract.

This review included the recomputation and tabulation of copies of liquidation statements submitted by Susquehanna-Western, Inc., in support of royalty payments received. My tabulation, which is filed with my audit work papers, has been verified with deposits made by the Department's Fiscal Section and is summarized below:

Production

Ore - Short Wet Tons	251.505
" - Short Dry Tons	233.801
U_3O_8 - Pounds	2,190.570
" - Pounds in excess of 4#/SDT	1,255.366
" - Pounds in excess of 10#/SDT	99.670

Value

U_3O_8 - Base payments @ $3.50	$7,667.00
" - Excess 4#/SDT @ $.75	941.52
" - Excess 10#/SDT @ $.25	24.92
Development allowance @ $.50	1,095.29
Less: Excess haulage @ $3.60/SWT	(905.42)
Net value	$8,823.31
Royalty Payable	$ 441.16
Royalty Paid	441.16
Balance of Royalty Due	$ -0-

The last liquidation settlement included in this review is No. 1253 dated January 30, 1963, and covered production received at the Riverton plant of Susquehanna-Western, Inc., on January 24, 1963. Royalty in the amount of $178.14 was received and deposited by the Department's Fiscal Section on February 6, 1963.

The findings of this review are subject to revision in the event of future audit by the Government of the Operator's records or examination of the stoped areas.

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

(1) The files indicate that all production during the period covered by this review has been reported and proper royalty has been paid thereon; and

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

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-81173, Docket DMEA-4849 (uranium), dated February 25, 1958, with

Kanter-Levy Company
928 North Bend Road
Cincinnati 24, Ohio

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Cave Line, et al., claims located in Big Horn County, Wyoming, during the period February 25, 1958, through April 6, 1960.

In accordance with Article 8 and Amendments Nos. 1 and 2 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated April 11, 1960, indicated accepted costs under the exploration contract amounting to $19,435.46 with the Government's contribution on a 75 percent basis being $14,576.59.

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

This review established no sales subject to the Government's royalty for the period. Accordingly, as of April 6, 1960, the royalty account of this project was found to be:

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

E. D. Talbert, OME Auditor

June 26, 1962

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract, as amended, provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from 120 contiguous unpatented lode mining claims in secs. 19, 20, 21, 28, 29, 30, 32, and 33, T. 58 N., R. 94 W., 6th P.M. The Operator, a partnership of Joseph H. Kanter and Leon Levy, held a 50% interest in the property by virtue of an agreement dated August 9, 1957, with Ryan Consolidated Venture #2. In consideration of the contract, Consents to Lien and Subordination Agreements were executed on January 16, 1958, by the several parties to the Ryan joint venture and on March 28 and May 24, 1958, by the several holders of royalty interests in the property.

Exploration work under the contract was discontinued on June 4, 1959, and the property remained inactive thereafter through the period covered by this review. No ores were produced during the exploration period.

By letter dated December 3, 1959, one of the trustees for Ryan Consolidated Venture #2 advised that a termination of the August 9, 1957, agreement with the Operator was contemplated. In an April 6, 1960, Statement in Lieu of Annual Report of Certified Project, the Acting Field Officer stated that an engineer of the Atomic Energy Commission reported that the property had been inactive since the summer of 1959. A DMEA Form 62 inquiry sent to the Operator's New York address during May 1962, was returned by the Post Office marked "Unknown". A letter of inquiry addressed to the Ryan Consolidated Petroleum Corporation (one of the parties to Ryan Consolidated Venture #2) had not been answered as of the date of this Report of Royalty Review.

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

(1) The files disclose no production of minerals during the period covered by this review; 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.

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Mr. Johnson	4/13	
2. Mr. Selfridge		
3. ~~Mr. Griswold~~ Mr. Murphy	4/18	
4.		
5.		
FROM: E. D. Talbert	4/12	

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

INT.-DUP. SEC., WASH., D.C. M56300-59

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Kanter-Levy Company
928 North Bend Road
Cincinnati 24, Ohio

pertaining to Exploration Project Contract Idm-81173, DMEA No. 4849, including Amendments Nos. 1 and 2, for June 1958 to May 1959, inclusive, covering a uranium project on the Cave Line et al. Claims, Big Horn County, Wyoming.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, confirmation 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 in the attached schedule.

The findings of this review are stated in the following summary and the attached schedule:

Total cost billed by Operator			$26,270.77
Exceptions:			
Prior to this review	$6,841.31		
Less: Reinstatements	6.00	$6,835.31	
Herewith		-0-	6,835.31
Total acceptable cost			$19,435.46

The contract calls for a 75 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$14,576.59
Paid to date	14,072.10
Balance due Operator	$ 504.49

Please [illegible] 4/18/60 [illegible] #2 (Voucher)

E. D. Talbert, OME Auditor

April 11, 1960

Reasons for Report of Review in lieu of a final audit:

(a) a major portion ($18,124.21) of the acceptable costs covered work performed at unit rates under independent contract;
(b) a major portion ($1,291.25) of the balance of the acceptable costs was under a contract provision for contribution by the Government on the basis of fixed unit costs for work performed;
(c) the Monthly Reports were supported by documentary evidence of the acceptable actual costs under the contract; and
(d) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible further exceptions.

Exceptions prior to this review:

(a) Gravimetric stations -		
Claimed (actual) costs	$ 6,557.12	
Acceptable, 974 stations @ $4.54	4,421.96	$2,135.16
(b) Rotary drilling (26 holes) -		
Claimed (actual) costs	$18,006.48	
Acceptable, 5,058 ft. @ $2.65	13,403.70	4,602.78
(c) Rotary drilling (deepening 1 hole) -		
Claimed (actual) costs	$ 380.92	
Acceptable, 107 ft. @ $2.65	283.55	97.37
(d) Sample analyses -		
Claimed (actual) costs	$ 20.00	
4 samples @ $3.50	14.00	6.00
Total		$6,841.31

Reinstatement by this review:

Improper exception, (d) above, as Art. 6(a) of contract provides that any reasonable and necessary excess over any estimate not indicated as a maximum is allowable	$ 6.00

Acceptable costs:

Category (1), Independent Contracts -	
Gravimetric stations (974)	$ 4,421.96
Rotary drilling (26 holes, 5,058 ft.)	13,403.70
Setting up and cleaning (1 hole)	15.00
Rotary drilling (1 hole, deepened 107 ft.)	283.55

Contract Idu-81173 Kanter-Levy Company DMEA-4849

Acceptable costs:

Categories (2) to (6), inclusive	$ -0-
Category (7), Miscellaneous -	
Sample analyses (4 samples)	20.00
Fixed Unit Costs -	
Incidental allowance (5,165 feet)	1,291.25
Total	$19,435.46

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March 2, 1959

Docket No. DMEA-4849 (Uranium)
Contract No. Idm-E1173
Kanter-Levy Company
Cave Line, et al., Claim Groups
Big Horn County, Wyoming

JUSTIFICATION FOR AMENDMENT NO. 2

The subject Operator completed a geophysical survey covering the property subordinated under the subject contract. Data resulting from the survey indicate certain areas are favorable for uranium deposition. The Field Team's letters to the Operator indicate that approval to drill these areas will be granted.

In a memorandum, dated February 13, 1959, to the Operating Committee, the Executive Officer, Region III, states that because of adverse (winter) weather conditions, actual drilling on the property cannot be started until about June 1, 1959, and therefore recommended the recess period and completion dates noted in the proposed Amendment No. 2.

The writer concurs in the Field Team's recommendation.

F M Murphy

F. M. Murphy

O. M. E.
RECEIVED MAR 30 1959
DATE
3/30 C 220
" Murphy 700

Government's copy

EXPLORATION PROJECT CONTRACT
KANTER-LEVY COMPANY
DOCKET NO. DMEA-4849

AMENDMENT NO. 2

It is agreed this 13th day of March, 1959, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Kanter-Levy Company, hereinafter called the "Operator," that Exploration Project Contract No. Idm-E1173 (Docket No. DMEA-4849), dated February 25, 1958, hereinafter called the "Contract," as amended, is further amended effective December 17, 1958, as follows:

1. (a) Work under the Contract shall be suspended during the period beginning December 17, 1958, and ending not later than June 1, 1959.

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

(c) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

2. The date fixed in Amendment No. 1 to the Contract for completion of the work is further extended to October 31, 1959.

3. It is the essence of this Contract that the work be resumed before the termination of the period herein fixed for suspension, and be completed before the termination of the period herein fixed for completion; and if it is not so resumed and so completed in the manner required by the Contract, the following provisions shall thereupon become effective:

(a) The Contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated as follows:

(i) Effective December 17, 1958, if the work has not been resumed on or before June 1, 1959.

(ii) Effective October 31, 1959, if the work is resumed on or before June 1, 1959, but is not completed on or before October 31, 1959.

(b) The Government will contribute only to the allowable costs of work performed prior to the relevant effective date set forth in 3 (a) above.

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

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain its interest in the land), shall pay to the Government the royalty on production provided for in the Contract, in the same manner and amount and for the full period of time provided for in the Contract (as amended herein), as if a certification of discovery or development had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the Contract with respect to a certification of discovery or development, percentage royalty and liens to secure the payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

(e) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the Contract, except as otherwise provided in this Amendment No. 2.

This Amendment shall not be construed to increase the estimated total cost of the project or the aggregate amount which the Government may be required to contribute.

Long
Hoffman
Ass'd. Sol.
Murphy
Kanter
Chambers
Selfridge

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

KANTER-LEVY COMPANY

Joseph H. Kanter
Joseph H. Kanter (Partner)

Leon Levy
Leon Levy (Partner)

Call
Str. 3.33 44

Docket No. DMEA-4849 (Uranium)
Contract No. Idm-E1173
Kanter-Levy Company
Cave Line, et al., claim group
Big Horn County, Wyoming

JUSTIFICATION FOR AMENDMENT NO. 1

The Operator started work under the contract on June 13, 1958, beginning with the gravimetric survey under Phase 2, instead of Phase 1, which required that the major fractures, shown on an aerial photograph, be marked on the ground. Realizing that it was not conforming with the terms of the contract, the Operator stopped the work.

Memoranda, dated September 10, from E. O. Binyon and F. B. Moore to the Field Team, and one, dated September 12, from the Field Team to the Operating Committee, cover the background of negotiations with the Operator to come to some agreement on the best method to explore the project area.

The Field Team's letter contains its recommendations to amend the subject contract.

In recommending the work as outlined under the original contract, the field examiners based the work under the project on what were believed to be similar geologic conditions found at the very significant ore deposit on the Lisbon Uranium Co. property two miles to the east.

Some of these assumptions have proven to be in error, and considerable new data have become available. The assumption that the fracture pattern, prominent on aerial photographs, could be located on the ground with reasonablesurety has been proven to be false. The major fractures either cannot be located on the ground or cannot be distinguished from minor ones.

The field examiners have agreed that irregularities of terrain, or cover of soil, or Amsden formation above a certain minimum, make geophysical interpretation unreliable; hence, some of the areas planned for possible exploration cannot be explored by gravimeter. Therefore, the contract as written is not workable. However, the examiners believe that the areas that can be covered by geophysical means are representative and are as favorable. By an evaluation of these areas, a reasonable evaluation of the entire property can be made.

Amendment No. 1 corrects the errors made in outlining the work to explore the subject property. Additional funds have been added to provide a more comprehensive geophysical survey and a corresponding reduction has been made in the number of holes drilled, so that the estimated costs are within the total costs allowed under the original contract.

F. M. Murphy

F. M. Murphy

Government's copy

RECEIVED
OCT
O.M.E.

EXPLORATION PROJECT CONTRACT
KANTER-LEVY COMPANY
DOCKET NO. DMEA-4849

AMENDMENT NO. 1

It is agreed this 30th day of September, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and Kanter-Levy Company, hereinafter called the "Operator," that Exploration Project Contract No. Idm-E1173 (Docket No. DMEA-4849), dated February 25, 1958, hereinafter called the "Contract," is amended, effective June 10, 1958, as follows:

1. Work under the Contract shall be suspended during the period starting June 20, 1958, and ending not later than November 30, 1958, and the date for completion is changed from December 31, 1958, to June 30, 1959: Provided, That if the work is not resumed by November 30, 1958, the Contract will be considered automatically rescinded, effective February 25, 1958, without any obligation on the part of either party, as though the Contract had never been executed.

2. In Article 8(b) the royalty period is increased from ten (10) years to eleven (11) years.

3. Exhibit "A" of the Contract is revised to read as follows:

EXHIBIT "A"

Description of the Work

General Provisions

The object of this project is to explore for uranium ore deposits in the Mission Canyon member of the Mississippian Madison limestone formation by rotary drilling. It is estimated that drill holes averaging 200 feet in depth will be required to penetrate the inferred ore horizons.

All holes shall be rotary drilled non-core. The cuttings from each 2-foot section of drill hole shall be recovered by a Duclone or similar collecting apparatus and

tested for radioactivity. Cuttings showing significant radioactivity shall be sampled, the Operator using one-half of each sample for the purpose of chemical analysis for uranium. The other half shall be stored, for Government inspection and possible use, in a container properly identified as to drill hole number and the depth interval that the sample represents. The Operator may dispose of the stored sample sections when approved by the Government.

Cuttings recovered from the drill holes shall be logged geologically, and each hole shall be probed radiometrically as soon as possible after completion. Records of such logging and probing, together with the assay certificates of the cuttings samples, shall be submitted with the Operator's monthly progress report. The monthly report shall also include a map or sketch showing the location of all holes drilled during the reporting period.

The Government will not participate in the cost of a hole that is closer than 200 feet to an outer boundary of the land. In the absence of written approval by the Government, the Government will not participate in the cost of an incompleted hole, or a hole that cannot be probed with standard radiometric testing equipment.

The Operator shall provide a full-time supervisor and such other technical services and labor as are required to complete the project work as required.

All bulldozer work shall be performed with a Model D-7 bulldozer or an equivalent unit of any other make.

The locations, directions, inclinations, and extent of all work under this Contract are subject to Government approval.

The work is divided into two stages. The Operator shall perform all the work in Phase 1 of Stage I, and as much of Phases 2 and 3 of Stage I and as much of Stage II as is approved in advance in writing by the Government.

Stage 1

The work under Stage I is divided into three (3) phases as follows:

Phase 1. Complete a geophysical (gravimeter) survey of approximately the four areas shown as A, B, C, and D on the map entitled "Figure 1. Map Showing Approximate Areas for Gravimetric Traverses, ...", attached hereto and made part hereof. The survey shall consist of at least one traverse across each designated area and either parallel traverses not closer than 100 feet to previous traverses or offset stations not closer than 50 feet to previous stations. Not to exceed 1,000 stations shall be located as a result of the survey. The exact locations of the parallel traverses or offset stations shall be determined by the geophysical contractor within the above limitations. All stations shall be staked and the elevations thereof recorded. Copies of maps disclosing the results of the survey, including all data outlined above, shall be submitted to the Government promptly upon completion of the survey.

Phase 2. Construct access roads and drill sites, and drill not in excess of 30 holes to an approximate depth of 200 feet each on the most favorable anomalies determined by the gravimetric survey. Also, deepen, to an approximate depth of 200 feet each, the company-drilled holes Nos. 10 (Now 156 feet deep), 22 (Now 87 feet deep), and 25 (Now 79 feet deep). The locations of these holes are shown on the map entitled "Figure 2 - Plan Showing Locations of Company Drill Holes and Workings, ...", attached hereto and made part hereof. No hole drilled in Phase 2 shall be closer than 100 feet to any other hole.

Phase 3. One check hole shall be drilled as an offset to each of the 3 holes drilled in Phase 2 that have the highest radiometric probe results. The check holes shall be drilled not more than 3 feet from the hole being offset, shall be drilled to a depth approximately 5 feet above the mineralized zone (approximately 180 feet), as determined in the hole being offset, and then shall be cased and drilled through the mineralized zone (approximately 20 feet).

It is estimated that 6,998 feet of drilling, 30 hours of bulldozing, 20 hours of standby time for probing, and 40 chemical analyses of samples will be required to complete Stage I. However, if these estimates are too low, then with prior written Government approval requirements

and related costs may be transferred from Stage II, with corresponding reductions in that stage. Conversely, unused units of bulldozer time and chemical analyses may be transferred from Stage I to Stage II, with prior written Government approval.

Stage II

The work consists of constructing access roads and drill sites, and drilling not in excess of 24 holes as offsets to those holes, previously drilled, for which the results of radiometric probing or chemical analysis indicate at least 1 foot of material containing 0.2% U_3O_8. No hole drilled in this stage shall be closer than 100 feet to any other hole drilled under the Contract.

Not to exceed 7 x/ hours of bulldozing, 4800 feet of drilling, 12 hours of standby time for probing, and 30 x/ chemical analyses shall be performed under this Stage II.

Estimated Costs of the Project
(*Indicates maximum in addition to maximums fixed in Contract)

Stage I

Actual Costs

Category (1) Independent Contracts

Gravimetric and leveling survey, 1,000 stations* @ $4.54/station	$ 4,540.00
Bulldozer work, 30 hours* @ $12.50/hr.	375.00
Drilling 30 holes*, 6,120 feet* @ $2.65/ft.	16,218.00
Deepening company drill holes Nos. 10, 22, and 25: Setting up and cleaning holes @ $15/hole	45.00

x/ May be exceeded with prior written approval of the Government.

Drilling of 278 feet* in holes Nos. 10, 22, 25 @ $2.65/ft.	$ 736.70	
Drilling of 3 check holes (Phase 3)		
540 feet* @ $2.65/ft.	1,431.00	
60 feet* @ $3.50/ft.	210.00	
600 feet* casing @ $2.00/ft.	1,200.00	
Standby time 20 hours* @ $15/hr.	300.00	
		$25,055.70

Categories (2) through (6)

None

Category (7) Miscellaneous

None except:

Chemical analyses for U_3O_8 content of 40 samples @ $3.50/sample	140.00

Fixed Unit Costs

Incidental allowances 1/ for each foot of drill hole completed, 6,998 feet @ $0.25/ft.	1,749.50
Estimated Total Cost Stage I	$26,945.20

Stage II

Actual Cost

Category (1) Independent Contracts

Bulldozer work 7 hours* @ $12.50/hr.	87.50	
Drilling 24 holes* 4,800 feet* @ $2.65/ft.	12,720.00	
Standby time 12 hours* @ $15.00/hr.	180.00	

Categories (2) through (6)

None

Category (7) Miscellaneous

None except:

Chemical analyses for U_3O_8 content of 30 samples @ $3.50/sample	$ 105.00	

Fixed Unit Cost

Incidental allowance 1/ for each foot of drill hole completed, 4,800 feet @ $0.25/ft.	1,200.00	
Estimated Total Cost of Stage II		$14,292.50

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

S U M M A R Y

Estimated Cost Stage I	$26,945.20
Estimated Cost Stage II	14,292.50
Estimated Cost of Project, rounded to	$41,240.00
Government Participation @ 75 percent	$30,930.00

This amendment shall not be construed to increase the estimated total cost of the project or the aggregate amount which the Government may be required to contribute.

Executed in quintuplicate the day and year first above written.

Rubin
Sawyer
App'd. Sol. Off.
Talbert

THE UNITED STATES OF AMERICA

By _____
ACTING Director, Office of Minerals Exploration

Murphy
Kaynet
Selfridge
Johnson

KANTER-LEVY COMPANY

_____ (Partner)
Joseph H. Kanter

_____ (Partner)
Leon Levy
Power of Atty. by J. H. Kanter

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 9 1958

DATE	INITIALS	CODE
MF-200 (Revised June 1954)		

Government's copy

Docket No. DMEA 4849

Commodity Uranium

Contract No. Idm-E 1173

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

ELVIN KANTER
944 WASHINGTON BLDG.
WASHINGTON, D.C.
STERLING 3-3344

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 25 FEB 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] Kanter-Levy Company, a partnership composed of Joseph H. Kanter and Leon Levy

whose mailing address is c/o Oppenheimer & Co., 25 Broad Street New York 4, New York

hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and map 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 Big Horn, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee 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] see Annex I, [7] recorded in Book See Annex I, page I, 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: interests of lessor and holders of overriding royalty interests. (See Annex I.)

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

of the land (lessor, seller, optionor, etc.), are attached, as follows: Consents to Lien and Subordination Agreements of lessor and all holders of overriding royalty interests. See Annex I.

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium. The work to be performed is described in Exhibit "A." The Operator on or before June 15, 1958 shall commence the work, and on or before December 31, 1958 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall have completed the work ~~as shall have incurred allowable costs (see Article 6) in an amount not less than the estimated total allowable costs set forth in Exhibit "A."~~, except as otherwise provided in Exhibit "A" with respect to stages of work. 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 $41,240.00. The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $30,930.00: *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, or items thereunder the Operator is not obligated to incur more than an 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~~ 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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. O. Mistadorp
Administrator, Defense Minerals
Exploration Administration

Robert Sloanger
App'd. Sol. Off.

KANTER-LEVY COMPANY
(Operator)

By Joseph H. Kanter
JOSEPH H. KANTER (Partner)

Joseph H. Kanter as agent for Leon Levy
Power of Atty. dated May 29, 1958
LEON LEVY (Partner)

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]

Murphy
Ellis
Talbert
Selfridge
Johnson

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

35485

LEON LEVY
25 BROAD STREET
NEW YORK 4, N. Y.
DIGBY 4-4480

May 29, 1958

Know all men by these present that I, Leon Levy, of New York City, New York, have made, constituted and appointed, and do hereby, make, constitute, and appoint Joseph H. Kanter of Cincinnati, Ohio my true and lawful attorney, for me and my name and on my behalf to sign and execute Defense Minerals Exploration Administration Contract Number 4849, Kanter-Levy Co., Cave Line Et Al claims located in Big Horn County, Wyoming, with the same force and effect to all intents and purposes as though I were personally present and acting for myself, thereby ratifying and confirming whatever my attorney shall do by authority hereof.

In witness whereof if Have here unto set my hand and seal this 29th day of May, 1958.

Leon Levy

Leon Levy

Witnesses:

Herb W. Jacobs

Herman B. Gross

EXPLORATION PROJECT CONTRACT
KANTER-LEVY COMPANY
DOCKET NO. DMEA-4849

ANNEX I

The land referred to in Article 2 of the Contract consists of 120 contiguous unpatented lode mining claims located in Sections 19, 20, 21, 28, 29, 30, 32, and 33, T. 58 N., R. 94 W., 6th P. M., Big Horn County, Wyoming. The notices of location of the claims, to which reference is hereby made for a more complete description, have been recorded in the official records of Big Horn County, Wyoming, as follows:

Claims	Book	Page
Vista Nos. 0-17	153	43-77
Big Horn Nos. 1-17	152	505-537
Broken Heart Nos. 1-11	152	539-559
Broken Heart Nos. 12-15	153	1-7
Valentine Nos. 1-17	153	9-41
Tri-Pacer Nos. 1-17	152	361-393
Tri Val	152	425
Goon Nos. 1-6	152	427-437
Horse Thief Nos. 0-9	152	439-457
Cactus Nos. 1-4	152	497-503
Cave Line Nos. 1-15	152	395-423

The approximate locations of the mining claims are shown on the map entitled,"Figure 2--Map Showing Proposed Drill Holes, Ryan Consolidated Claims (Kanter-Levy). . . Big Horn County, Wyoming," attached hereto and made a part hereof.

These claims were conveyed to J. K. Crossman and Seymour Hootkins by a Mining Deed, dated October 12, 1956, signed by Vaughn A. Hodson, Charlotte Hodson,

Stanley E. Preator, Vivian Preator, Arlan Preator, Dorothy Preator, Lazell Preator, Betty Preator, Eyre Preator, Jessie Preator, Morris R. Avery, Plett Avery, Melvin H. Christler, and Frances Christler, reserving a 12½ royalty interest to the grantors.

In an Assignment of Overriding Royalty, dated October 17, 1956, J. K. Crossman and Seymour Hootkins, assigned a 2% overriding royalty to S. A. Winfrey.

J. K. Crossman and Seymour Hootkins hold title to the claims in trust for Ryan Consolidated Venture #2, a joint venture.

Under an Agreement, dated August 9, 1957, as amended by an Agreement, dated September 10, 1957, Ryan Consolidated Venture #2 granted the Applicant the right to acquire an undivided 50% interest in the land.

Copies of the Consents to Lien and Subordination Agreements of Morris R. Avery et al., S. A. Winfrey, and Ryan Consolidated Venture #2 are attached to this Contract.

EXPLORATION PROJECT CONTRACT
KANTER-LEVY COMPANY
DOCKET NO. DMEA-4849

ANNEX II

(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: 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
KANTER-LEVY COMPANY
DOCKET NO. DMEA-4849

EXHIBIT "A"

Description of the Work

General Provisions

The object of this project is to explore for uranium ore deposits in the Mission Canyon member of the Mississippian Madison limestone formation by rotary drilling. It is estimated that drill holes averaging 170 feet in depth will be required to penetrate the inferred ore horizons.

All holes shall be drilled non-core. The cuttings from each 2-foot section of drill hole shall be recovered by a Duclone or similar collecting apparatus and tested for radioactivity. Cuttings showing significant radioactivity shall be sampled, the Operator using one-half of each sample for the purpose of chemical analysis for uranium. The other half shall be stored, for Government inspection and possible use, in a container properly identified as to drill hole number and the depth interval that the sample represents. The Operator may dispose of the stored sample sections when approved by the Government.

Cuttings recovered from the drill holes shall be logged geologically, and each hole shall be probed radiometrically as soon as possible after completion. Records of such logging and probing, together with the assay certificates of the cuttings samples, shall be submitted with the Operator's monthly progress report. The monthly report shall also include a map or sketch showing the location of all holes drilled during the reporting period.

The Government will not participate in the cost of a hole that is closer than 200 feet to an outer boundary of the land. In the absence of a written waiver by the Government, the Government will not participate in the cost of an incompleted hole, or a hole that cannot be probed with standard radiometric testing equipment.

The Operator shall provide a full-time supervisor and such other technical services and labor as are required to complete the project work as required.

All bulldozer work shall be done with a D-7 bulldozer or an equivalent unit of any other make.

The locations, directions and extent of all work under this Contract are subject to Government approval.

The work is divided into two stages. The Operator shall perform all the work in Phase~~s~~ 1 ~~and 2~~ of Stage I, and as much of Phases 2 ~~3~~ and 3 ~~4~~ of Stage I and as much of Stage II as is approved in advance in writing by the Government.

Stage I

The work under Stage I is divided into four (4) phases as follows:

Phase 1. Locate and mark on the ground the major fracture intersections shown on the aerial photographs mentioned under item 2e (Page 3) of the Operator's application for exploration aid, said photographs being incorporated herein by reference.

Phase 2. Complete a geophysical (gravimeter) survey of the major fracture intersections including the elevations of 600 stations. These stations shall include all the drill hole locations identified on the map, Figure 2, as "Drill hole proposed by applicant." Copies of the survey maps and relative data shall be submitted to the Government promptly upon completion of the survey.

Phase 3. Construct access roads and drill sites and drill not in excess of 40 holes to an approximate depth of 170 feet on the most favorable anomalies determined by the gravimetric survey, and extend mineralization trends indicated by holes previously drilled. No hole drilled in Phase 3 shall be closer than 200 feet to any other hole.

Phase 4. One check hole shall be drilled as an offset to each of the two holes drilled in Phase 3 that have the highest radiometric probe results. The check holes shall be drilled not more than 3 feet from the hole being offset, shall be drilled to approximately 5 feet above the mineralized zone, as determined in the hole being offset, and then shall be cased and drilled through the mineralized zone.

It is estimated that 7,140 feet of drilling, 30 hours of bulldozing, 20 hours of standby time for probing, and 40 chemical analyses of samples will be required to complete Stage I. However, if these estimates are too low, then with prior written Government approval requirements and related costs may be transferred from Stage II, with corresponding reductions in that stage. Conversely, unused units of bulldozer time and chemical analyses may be transferred from Stage I to Stage II, with prior written Government approval.

Stage II

The work consists of constructing access roads and drill sites, and drilling not in excess of 32 holes as offsets to those holes, previously drilled, for which the results of radiometric probing or chemical analysis indicate at least 1 foot of material containing 0.2% U_3O_8. No hole drilled in this stage shall be closer than 100 feet to any other hole drilled under the Contract.

Not to exceed 10 hours of bulldozing, 5,440 feet of drilling, 16 hours of standby time for probing, and 40 chemical analyses shall be performed under this Stage II.

Estimated Costs of the Project

Stage I

Actual Costs

Category (1) Independent Contracts

Gravimetric and leveling survey, 600 stations @ $4.54/station	$2,724.00	
30 hours bulldozing @ $12.50/hr.	375.00	
6,800 feet drilling @ $2.65/ft. (Phase 3)	18,020.00	
Drilling two check holes: (Phase 4)		
300 feet @ $2.65/ft. (the first 150 feet of each hole)	795.00	
40 feet @ $3.50/ft. (the last 20 feet of each hole)	140.00	
340 feet casing @ $2.00/ft.	680.00	
20 hours standby time @ $15/hr.	300.00	$23,034.00

Categories (2) through (6)

None

Category (7) Miscellaneous

None except: Chemical analyses for U_3O_8 content of 40 samples @ $3.50/sample	$140.00	$140.00

Fixed Unit Costs (See Annex II)

Incidental allowance 1/ for each foot of drill hole completed, 7,140 feet @ $0.25/ft.	$1,785.00	$1,785.00
Estimated total cost Stage I		$24,959.00

Stage II

Actual Costs

Category (1) Independent Contracts

10 hours bulldozing @ $12.50/hr.	$125.00	
5,440 feet drilling @ $2.65/ft.	14,416.00	
16 hours standby time @ $15.00/hr.	240.00	$14,781.00

Categories (2) through (6)

None

Category (7) Miscellaneous

None except:

Chemical analyses for U_3O_8 content of 40 samples @ $3.50/sample	$140.00	140.00

Fixed Unit Costs (See Annex II)

Incidental allowance 1/ for each foot of drill hole completed, 5,440 feet @ $0.25/ft.	$1,360.00	1,360.00
Estimated total cost Stage II		$16,281.00

S U M M A R Y

Estimated total cost Stage I	$24,959.00	
Estimated total cost Stage II	$16,281.00	
Estimated total cost of project		$41,240.00
Government Participation @ 75%		$30,930.00

1/ Includes all costs whatsoever that might be allowable costs of the Contract under Categories (2) through (6) of Article 6(a), except as scheduled in Exhibit "A."

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

DMEA
DEPARTMENT OF THE INTERIOR
MAY 5 1958
REGION III
DENVER, COLORADO

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Kanter-Levy Company
Docket No. DMEA- 4849
Contract No. Idm-E 1173
Contract Date Feb. 25, 1958

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Big Horn, State of Wyoming, described as 2/

As listed in the Agreement of 10 September 1957 between Ryan Consolidated Venture No. 2 and Kanter and Levy.

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

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

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

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

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

None----

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

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

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

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

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

Dated this 28th day of March, 1958.

Lazelle Preator	[Seal]	Burlington, Wyoming	[Address]
Eyre Preator	[Seal]	Burlington, Wyoming	[Address]
Stanley Preator	[Seal]	Burlington, Wyoming	[Address]
Adam Preator	[Seal]	Burlington, Wyoming	[Address]
Vaughn A. Hodson	[Seal]	Burlington, Wyoming	[Address]
Morris R. Avery	[Seal]	Greybull, Wyoming	[Address]
Melvin R. Christley	(SEAL)	Greybull, Wyoming	(Address)

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

_____

[Corporate Seal]

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

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Kanter-Levy Company
Docket No. DMEA-4849
Contract No. Idm-E
Contract Date

DMEA
DEPARTMENT OF THE INTERIOR
MAY 29 1958
REGION III
DENVER, COLORADO

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Big Horn, State of Wyoming, described as follows: 2/

in the Agreement of September 10, 1957, between Ryan Consolidate Venture #2 and Kanter and Levy

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

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

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

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

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

None

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

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

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

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

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

Dated this 24th day of May, 1958.

Charlotte Hodson [Seal] Burlington, Wyo [Address]
Charlotte Hodson

Vivian S. Preator [Seal] Burlington, Wyo. [Address]
Vivian Preator

Dorothy Preator [Seal] Burlington, Wyo [Address]
Dorothy Preator

Betty Preator [Seal] Burlington Wyo. [Address]
Betty Preator

Jessie Preator [Seal] Burlington, Wyo [Address]
Jessie Preator

Plett Avery [Seal] Greybull, Wyo [Address]
Plett Avery

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

Frances Christler /Seal/ Greybull Wyo /Address/
Frances Christler

_____
[Corporate Seal]

MF-2/5
~~(Combines and supercedes MF-201 and MF-203)~~
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 1173
Contract Date 25 FEB 1958

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Big Horn, State of Wyoming, described as follows: 2/

120 unpatented lode mining claims as described in Annex No. 1, attached hereto,

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

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

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

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

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

None

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

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

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

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

7. Added provision: See Annex No. 1 (State "None" or "See Annex No.____")

Dated this 16th day of January, 1958.

Jerome K. Crossman, Trustee	[Seal]	3421 Republic Natl Bank Bldg. Dallas 1, Texas [Address]
Seymour Woolman	[Seal]	3420 Republic Natl Bank Bldg. Dallas 1, Texas [Address]
E. E. Hoffman, Trustee	[Seal]	800 Gibraltar Life Bldg. Dallas 1, Texas [Address]
J. M. Mellon	[Seal]	30th Floor, Republic Natl Bank Bldg. Dallas 1, Texas [Address]
Allen Grego	[Seal]	3400 Republic Natl Bank Bldg. Dallas 1, Texas [Address]
Ryan Consolidated Petroleum Corp. By Jerome K. Crossman, President	[Seal]	3400 Republic Natl Bank Bldg. Dallas 1, Texas [Address]

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

Vincent L. Rohloff

[Corporate Seal]

Fallon Gas Corporation

By Samuel B. Ballen, President

208 Patterson Building, Denver, Colo.

I, M. M. Smith certify that I am the Secretary of the corporation hereinbefore named; that Samuel B. Ballen who signed this agreement was then President of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

M. M. Smith

Eldridge & Goggans, a partnership composed of Zellner Eldridge and J. Lawson Goggans, Jr.

By Zellner Eldridge, Partner — 1217 First National Bank Bldg., Dallas 2, Tex.

Vincent L. Rohloff — 3400 Republic Natl Bk Bldg., Dallas 1, Texas

) c/o Mr. Wm. James Stark
) Suite 407 Insurance Bldg.
) Wichita, Kansas

ENT.-DUP. SEC., WASH., D.C.

5172

ANNEX NO. 1

NAME OF CLAIM	CERTIFICATE OF LOCATION RECORDED IN THE OFFICE OF THE COUNTY CLERK AND EX-OFFICIO REGISTER OF DEEDS OF BIG HORN COUNTY, STATE OF WYOMING, AT		
	Date	Book	Page
Vista No. 0	4-11-56	153	43
Vista No. 1	4-11-56	153	45
Vista No. 2	4-11-56	153	47
Vista No. 3	4-11-56	153	49
Vista No. 4	4-11-56	153	51
Vista No. 5	4-11-56	153	53
Vista No. 6	4-11-56	153	55
Vista No. 7	4-11-56	153	57
Vista No. 8	4-11-56	153	59
Vista No. 9	4-11-56	153	61
Vista No. 10	4-11-56	153	63
Vista No. 11	4-11-56	153	65
Vista No. 12	4-11-56	153	67
Vista No. 13	4-11-56	153	69
Vista No. 14	4-11-56	153	71
Vista No. 15	4-11-56	153	73
Vista No. 16	4-11-56	153	75
Vista No. 17	4-11-56	153	77
Big Horn No. 1	4-11-56	152	505
Big Horn No. 2	4-11-56	152	507
Big Horn No. 3	4-11-56	152	509
Big Horn No. 4	4-11-56	152	511
Big Horn No. 5	4-11-56	152	513
Big Horn No. 6	4-11-56	152	515
Big Horn No. 7	4-11-56	152	517
Big Horn No. 8	4-11-56	152	519
Big Horn No. 9	4-11-56	152	521
Big Horn No. 10	4-11-56	152	523
Big Horn No. 11	4-11-56	152	525
Big Horn No. 12	4-11-56	152	527
Big Horn No. 13	4-11-56	152	529
Big Horn No. 14	4-11-56	152	531
Big Horn No. 15	4-11-56	152	533
Big Horn No. 16	4-11-56	152	535
Big Horn No. 17	4-11-56	152	537
Broken Heart No. 1	4-11-56	152	539
Broken Heart No. 2	4-11-56	152	541
Broken Heart No. 3	4-11-56	152	543
Broken Heart No. 4	4-11-56	152	545
Broken Heart No. 5	4-11-56	152	547
Broken Heart No. 6	4-11-56	152	549
Broken Heart No. 7	4-11-56	152	551
Broken Heart No. 8	4-11-56	152	553
Broken Heart No. 9	4-11-56	152	555
Broken Heart No. 10	4-11-56	152	557
Broken Heart No. 11	4-11-56	152	559
Broken Heart No. 12	4-11-56	153	1

NAME OF CLAIM	CERTIFICATE OF LOCATION RECORDED IN THE OFFICE OF THE COUNTY CLERK AND EX-OFFICIO REGISTER OF DEEDS OF BIG HORN COUNTY, STATE OF WYOMING, AT		
	Date	Book	Page
Broken Heart No. 13	4-11-56	153	3
Broken Heart No. 14	4-11-56	153	5
Broken Heart No. 15	4-11-56	153	7
Valentine No. 1	4-11-56	153	9
Valentine No. 2	4-11-56	153	11
Valentine No. 3	4-11-56	153	13
Valentine No. 4	4-11-56	153	15
Valentine No. 5	4-11-56	153	17
Valentine No. 6	4-11-56	153	19
Valentine No. 7	4-11-56	153	21
Valentine No. 8	4-11-56	153	23
Valentine No. 9	4-11-56	153	25
Valentine No. 10	4-11-56	153	27
Valentine No. 11	4-11-56	153	29
Valentine No. 12	4-11-56	153	31
Valentine No. 13	4-11-56	153	33
Valentine No. 14	4-11-56	153	35
Valentine No. 15	4-11-56	153	37
Valentine No. 16	4-11-56	153	39
Valentine No. 17	4-11-56	153	41
Tri Pacer No. 1	4-10-56	152	361
Tri Pacer No. 2	4-10-56	152	363
Tri Pacer No. 3	4-10-56	152	365
Tri Pacer No. 4	4-10-56	152	367
Tri Pacer No. 5	4-10-56	152	369
Tri Pacer No. 6	4-10-56	152	371
Tri Pacer No. 7	4-10-56	152	373
Tri Pacer No. 8	4-10-56	152	375
Tri Pacer No. 9	4-10-56	152	377
Tri Pacer No. 10	4-10-56	152	379
Tri Pacer No. 11	4-10-56	152	381
Tri Pacer No. 12	4-10-56	152	383
Tri Pacer No. 13	4-10-56	152	385
Tri Pacer No. 14	4-10-56	152	387
Tri Pacer No. 15	4-10-56	152	389
Tri Pacer No. 16	4-10-56	152	391
Tri Pacer No. 17	4-10-56	152	393
Tri Val	4-10-56	152	425
Goon No. 1	4-10-56	152	427
Goon No. 2	4-10-56	152	429
Goon No. 3	4-10-56	152	431
Goon No. 4	4-10-56	152	433
Goon No. 5	4-10-56	152	435
Goon No. 6	4-10-56	152	437
Horse Thief No. 0	4-10-56	152	439
Horse Thief No. 1	4-10-56	152	441
Horse Thief No. 2	4-10-56	152	443
Horse Thief No. 3	4-10-56	152	445

NAME OF CLAIM	CERTIFICATE OF LOCATION RECORDED IN THE OFFICE OF THE COUNTY CLERK AND EX-OFFICIO REGISTEROF DEEDS OF BIG HORN COUNTY, STATE OF WYOMING, AT		
	Date	Book	Page
Horse Thief No. 4	4-10-56	152	447
Horse Thief No. 5	4-10-56	152	449
Horse Thief No. 6	4-10-56	152	451
Horse Thief No. 7	4-10-56	152	453
Horse Thief No. 8	4-10-56	152	455
Horse Thief No. 9	4-10-56	152	457
Cactus No. 1	4-11-56	152	497
Cactus No. 2	4-11-56	152	499
Cactus No. 3	4-11-56	152	501
Cactus No. 4	4-11-56	152	503
Cave Line No. 1	4-10-56	152	395
Cave Line No. 2	4-10-56	152	397
Cave Line No. 3	4-10-56	152	399
Cave Line No. 4	4-10-56	152	401
Cave Line No. 5	4-10-56	152	403
Cave Line No. 6	4-10-56	152	405
Cave Line No. 7	4-10-56	152	407
Cave Line No. 8	4-10-56	152	409
Cave Line No. 9	4-10-56	152	411
Cave Line No. 10	4-10-56	152	413
Cave Line No. 11	4-10-56	152	415
Cave Line No. 12	4-10-56	152	417
Cave Line No. 13	4-10-56	152	419
Cave Line No. 14	4-10-56	152	421
Cave Line No. 15	4-10-56	152	423

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

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

RECEIVED FEB 17 1958 D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Big Horn, State of Wyoming, described as follows: 2/

120 unpatented lode mining claims as described in Annex No. 1, attached hereto,

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

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

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

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

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

None

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

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

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

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

7. Added provision: See Annex No. 1 (State "None" or "See Annex No.____")

Dated this 3d day of February, 1958.

S. A. Whitney	[Seal]	Cosby Wyo	[Address]
Helen Lois Murdaugh	[Seal]	c/o Mr. Wm. James Stark	[Address]
Jane R. Hilal	[Seal]	Suite 407 Insurance Bldg.	[Address]
Carolyn C. Stark	[Seal]	Wichita, Kansas	[Address]
	[Seal]		[Address]
	[Seal]		[Address]

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

_____

[Corporate Seal]

ANNEX NO. 1

NAME OF CLAIM	CERTIFICATE OF LOCATION RECORDED IN THE OFFICE OF THE COUNTY CLERK AND EX-OFFICIO REGISTER OF DEEDS OF BIG HORN COUNTY, STATE OF WYOMING, AT		
	Date	Book	Page
Vista No. 0	4-11-56	153	43
Vista No. 1	4-11-56	153	45
Vista No. 2	4-11-56	153	47
Vista No. 3	4-11-56	153	49
Vista No. 4	4-11-56	153	51
Vista No. 5	4-11-56	153	53
Vista No. 6	4-11-56	153	55
Vista No. 7	4-11-56	153	57
Vista No. 8	4-11-56	153	59
Vista No. 9	4-11-56	153	61
Vista No. 10	4-11-56	153	63
Vista No. 11	4-11-56	153	65
Vista No. 12	4-11-56	153	67
Vista No. 13	4-11-56	153	69
Vista No. 14	4-11-56	153	71
Vista No. 15	4-11-56	153	73
Vista No. 16	4-11-56	153	75
Vista No. 17	4-11-56	153	77
Big Horn No. 1	4-11-56	152	505
Big Horn No. 2	4-11-56	152	507
Big Horn No. 3	4-11-56	152	509
Big Horn No. 4	4-11-56	152	511
Big Horn No. 5	4-11-56	152	513
Big Horn No. 6	4-11-56	152	515
Big Horn No. 7	4-11-56	152	517
Big Horn No. 8	4-11-56	152	519
Big Horn No. 9	4-11-56	152	521
Big Horn No. 10	4-11-56	152	523
Big Horn No. 11	4-11-56	152	525
Big Horn No. 12	4-11-56	152	527
Big Horn No. 13	4-11-56	152	529
Big Horn No. 14	4-11-56	152	531
Big Horn No. 15	4-11-56	152	533
Big Horn No. 16	4-11-56	152	535
Big Horn No. 17	4-11-56	152	537
Broken Heart No. 1	4-11-56	152	539
Broken Heart No. 2	4-11-56	152	541
Broken Heart No. 3	4-11-56	152	543
Broken Heart No. 4	4-11-56	152	545
Broken Heart No. 5	4-11-56	152	547
Broken Heart No. 6	4-11-56	152	549
Broken Heart No. 7	4-11-56	152	551
Broken Heart No. 8	4-11-56	152	553
Broken Heart No. 9	4-11-56	152	555
Broken Heart No. 10	4-11-56	152	557
Broken Heart No. 11	4-11-56	152	559
Broken Heart No. 12	4-11-56	153	1

NAME OF CLAIM	CERTIFICATE OF LOCATION RECORDED IN THE OFFICE OF THE COUNTY CLERK AND EX-OFFICIO REGISTER OF DEEDS OF BIG HORN COUNTY, STATE OF WYOMING, AT		
	Date	Book	Page
Broken Heart No. 13	4-11-56	153	3
Broken Heart No. 14	4-11-56	153	5
Broken Heart No. 15	4-11-56	153	7
Valentine No. 1	4-11-56	153	9
Valentine No. 2	4-11-56	153	11
Valentine No. 3	4-11-56	153	13
Valentine No. 4	4-11-56	153	15
Valentine No. 5	4-11-56	153	17
Valentine No. 6	4-11-56	153	19
Valentine No. 7	4-11-56	153	21
Valentine No. 8	4-11-56	153	23
Valentine No. 9	4-11-56	153	25
Valentine No. 10	4-11-56	153	27
Valentine No. 11	4-11-56	153	29
Valentine No. 12	4-11-56	153	31
Valentine No. 13	4-11-56	153	33
Valentine No. 14	4-11-56	153	35
Valentine No. 15	4-11-56	153	37
Valentine No. 16	4-11-56	153	39
Valentine No. 17	4-11-56	153	41
Tri Pacer No. 1	4-10-56	152	361
Tri Pacer No. 2	4-10-56	152	363
Tri Pacer No. 3	4-10-56	152	365
Tri Pacer No. 4	4-10-56	152	367
Tri Pacer No. 5	4-10-56	152	369
Tri Pacer No. 6	4-10-56	152	371
Tri Pacer No. 7	4-10-56	152	373
Tri Pacer No. 8	4-10-56	152	375
Tri Pacer No. 9	4-10-56	152	377
Tri Pacer No. 10	4-10-56	152	379
Tri Pacer No. 11	4-10-56	152	381
Tri Pacer No. 12	4-10-56	152	383
Tri Pacer No. 13	4-10-56	152	385
Tri Pacer No. 14	4-10-56	152	387
Tri Pacer No. 15	4-10-56	152	389
Tri Pacer No. 16	4-10-56	152	391
Tri Pacer No. 17	4-10-56	152	393
Tri Val	4-10-56	152	425
Goon No. 1	4-10-56	152	427
Goon No. 2	4-10-56	152	429
Goon No. 3	4-10-56	152	431
Goon No. 4	4-10-56	152	433
Goon No. 5	4-10-56	152	435
Goon No. 6	4-10-56	152	437
Horse Thief No. 0	4-10-56	152	439
Horse Thief No. 1	4-10-56	152	441
Horse Thief No. 2	4-10-56	152	443
Horse Thief No. 3	4-10-56	152	445

NAME OF CLAIM	CERTIFICATE OF LOCATION RECORDED IN THE OFFICE OF THE COUNTY CLERK AND EX-OFFICIO REGISTEROF DEEDS OF BIG HORN COUNTY, STATE OF WYOMING, AT		
	Date	Book	Page
Horse Thief No. 4	4-10-56	152	447
Horse Thief No. 5	4-10-56	152	449
Horse Thief No. 6	4-10-56	152	451
Horse Thief No. 7	4-10-56	152	453
Horse Thief No. 8	4-10-56	152	455
Horse Thief No. 9	4-10-56	152	457
Cactus No. 1	4-11-56	152	497
Cactus No. 2	4-11-56	152	499
Cactus No. 3	4-11-56	152	501
Cactus No. 4	4-11-56	152	503
Cave Line No. 1	4-10-56	152	395
Cave Line No. 2	4-10-56	152	397
Cave Line No. 3	4-10-56	152	399
Cave Line No. 4	4-10-56	152	401
Cave Line No. 5	4-10-56	152	403
Cave Line No. 6	4-10-56	152	405
Cave Line No. 7	4-10-56	152	407
Cave Line No. 8	4-10-56	152	409
Cave Line No. 9	4-10-56	152	411
Cave Line No. 10	4-10-56	152	413
Cave Line No. 11	4-10-56	152	415
Cave Line No. 12	4-10-56	152	417
Cave Line No. 13	4-10-56	152	419
Cave Line No. 14	4-10-56	152	421
Cave Line No. 15	4-10-56	152	423

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That I, Leon Levy of 25 Broad Street, New York 4, New York, do hereby appoint Joseph H. Kanter of 928 North Bend Road, Cincinnati 24, State of Ohio, my attorney for me and in my name and stead to execute an agreement entitled "Exploration Project Contract, Kanter-Levy Company, Docket No. DMEA-4849", by and between the Office of Minerals Exploration, Department of Interior and the Kanter-Levy Company, hereby revoking all former powers of attorneys and authorizations whatever in the premises;

Giving and granting unto my said attorney full power and authority to do and perform all and every act and thing whatsoever requisite,necessary or proper to be done in and about the premises, as fully, to all intents and purposes, as I might or could do if personally present, hereby ratifying and confirming all that my said attorney or his substitute shall lawfully do, or cause to be done, by virtue thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 17th day of October, 1958.

Leon Levy (SEAL)
LEON LEVY

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

THIS CERTIFIES that on this 17th day of October, 1958, before me, the undersigned, a Notary Public in and for the State of New York, duly commissioned and sworn, personally appeared Leon Levy, to me known and known to me to be the person described in and who executed the foregoing Power of Attorney and severally acknowledged to me that he executed the same

AMRAM, HAHN & SUNDLUN
WASHINGTON BUILDING
WASHINGTON 5, D. C.

freely and voluntarily for the uses and purposes therein mentioned.

Notary Public

My Commission expires:--
JULIUS D. BROWN, Notary Public
State of New York, No. 03-0452725
Qualified in Bronx County
Certificate filed in New York County
Commission Expires March 30, 1959

AMRAM, HAHN & SUNDLUN
WASHINGTON BUILDING
WASHINGTON 5, D. C.

May 12, 1958

Ell

Re: Docket No. DMEA-4849 (Uranium)
Kanter-Levy Company
Cave Line, et al., Claim Groups
Big Horn County, Wyoming

JUSTIFICATION
for increasing the maximum allowable cost of the gravimetric survey from $1800.00 in the original proposed contract to $2,724.00 in the contract as now submitted.

The Field Examiners recommended a unit cost of $3.00 each for 600 stations in accordance with a bid submitted January 30, 1957, by Wilson Exploration Company.

With a letter, dated May 5, 1958, to Mr. Ellis, the Applicant enclosed a letter, dated May 2, 1958, from Wilson advising that the original bid contemplated a bigger project and that, since the subject survey was only for a short period, the "set-up" charge would have to be added to the original estimate of $3.00/station.

The writer discussed the proposed additional costs with Jim Basley and Willard E. Davis of the USGS Geophysical section. They stated that in their opinion the cost of about $4.54/station was quite reasonable. Mr. Davis said that USGS paid rentals of $450/month for a gravimeter and, also, that in many cases the USGS cost/station on a gravimetric survey exceeded this cost. He also mentioned that for exceedingly accurate work the cost per station might be up to $30.00.

In view of this information, I recommend that the proposed contract as rewritten be approved.

F. M. Murphy

F. M. Murphy

MINERAL DEED

KNOW ALL MEN BY THESE PRESENTS, That we, MORRIS R. AVERY, EYRE PREATOR, LAZELL PREATOR, MELVIN H. CHRISTLER, VAUGHN A. HODSON, STANLEY PREATOR and ARLAN PREATOR, all of Big Horn County, Wyoming, as Grantors, for and in consideration of One Hundred Dollars ($100.00) and other good and valuable considerations to us in hand paid by JEROME K. CROSSMAN and SEYMOUR HOOTKINS, both of Dallas, Texas, the receipt of which is, by the execution of these presents, confessed and acknowledged, have sold, granted, conveyed, released and forever quitclaimed, and by these presents do, for ourselves, our heirs, executors and administrators, sell, grant, convey, release and forever quitclaim unto the said JEROME K. CROSSMAN and SEYMOUR HOOTKINS, their heirs, successors and assigns forever, all such right, title, interest, property, possession, claim and demand as we, the said Grantors, and each of us, have or ought to have, or may in the future acquire, in and to all the following described premises, to-wit:

All the following described real estate, situate in all of the lode mining claims in Big Horn County, Wyoming, described and designated in the recorded Location Notices thereof as follows, to-wit:

NAME of Lode Mining Claim	Date of filing for record	In Records Book	Page	All Recorded at Basin, Wyo. Court House
Vista No. 0	4/11/56	153	43	
Vista No. 1	4/11/56	153	45	
Vista No. 2	4/11/56	153	47	
Vista No. 3	4/11/56	153	49	
Vista No. 4	4/11/56	153	51	
Vista No. 5	4/11/56	153	53	
Vista No. 6	4/11/56	153	55	
Vista No. 7	4/11/56	153	57	
Vista No. 8	4/11/56	153	59	
Vista No. 9	4/11/56	153	61	
Vista No. 10	4/11/56	153	63	
Vista No. 11	4/11/56	153	65	
Vista No. 12	4/11/56	153	67	
Vista No. 13	4/11/56	153	69	

19 20 20

All Recorded at Basin, Wyo. Court House

NAME of Lode Mining Claim	Date of filing for record	In Records Book	Page
Vista No. 14	4/11/56	153	71
Vista No. 15	4/11/56	153	73
Vista No. 16	4/11/56	153	75
Vista No. 17	4/11/56	153	77
Big Horn No. 1	4/11/56	152	505
Big Horn No. 2	4/11/56	152	507
Big Horn No. 3	4/11/56	152	509
Big Horn No. 4	4/11/56	152	511
Big Horn No. 5	4/11/56	152	513
Big Horn No. 6	4/11/56	152	515
Big Horn No. 7	4/11/56	152	517
Big Horn No. 8	4/11/56	152	519
Big Horn No. 9	4/11/56	152	521
Big Horn No. 10	4/11/56	152	523
Big Horn No. 11	4/11/56	152	525
Big Horn No. 12	4/11/56	152	527
Big Horn No. 13	4/11/56	152	529
Big Horn No. 14	4/11/56	152	531
Big Horn No. 15	4/11/56	152	533
Big Horn No. 16	4/11/56	152	535
Big Horn No. 17	4/11/56	152	537
Broken Heart No. 1	4/11/56	152	539
Broken Heart No. 2	4/11/56	152	541
Broken Heart No. 3	4/11/56	152	543
Broken Heart No. 4	4/11/56	152	545
Broken Heart No. 5	4/11/56	152	547
Broken Heart No. 6	4/11/56	152	549
Broken Heart No. 7	4/11/56	152	551
Broken Heart No. 8	4/11/56	152	553
Broken Heart No. 9	4/11/56	152	555
Broken Heart No. 10	4/11/56	152	557
Broken Heart No. 11	4/11/56	152	559

20

NAME of Lode Mining Claim	Date of filing for record	In Records Book	Page	All Recorded at Basin, Wyo. Court House
Broken Heart No. 12	4/11/56	153	1	
Broken Heart No. 13	4/11/56	153	3	
Broken Heart No. 14	4/11/56	153	5	
Broken Heart No. 15	4/11/56	153	7	
Valentine No. 1	4/11/56	153	9	
Valentine No. 2	4/11/56	153	11	
Valentine No. 3	4/11/56	153	13	
Valentine No. 4	4/11/56	153	15	
Valentine No. 5	4/11/56	153	17	
Valentine No. 6	4/11/56	153	19	
Valentine No. 7	4/11/56	153	21	
Valentine No. 8	4/11/56	153	23	
Valentine No. 9	4/11/56	153	25	
Valentine No. 10	4/11/56	153	27	
Valentine No. 11	4/11/56	153	29	
Valentine No. 12	4/11/56	153	31	
Valentine No. 13	4/11/56	153	33	
Valentine No. 14	4/11/56	153	35	
Valentine No. 15	4/11/56	153	37	
Valentine No. 16	4/11/56	153	39	
Valentine No. 17	4/11/56	153	41	
Tri Pacer No. 1	4/10/56	152	361	
Tri Pacer No. 2	4/10/56	152	363	
Tri Pacer No. 3	4/10/56	152	365	
Tri Pacer No. 4	4/10/56	152	367	
Tri Pacer No. 5	4/10/56	152	369	
Tri Pacer No. 6	4/10/56	152	371	
Tri Pacer No. 7	4/10/56	152	373	
Tri Pacer No. 8	4/10/56	152	375	
Tri Pacer No. 9	4/10/56	152	377	
Tri Pacer No. 10	4/10/56	152	379	
Tri Pacer No. 11	4/10/56	152	381	

NAME of Lode Mining Claim	Date of filing for record	In Records Book	Page	All Recorded at Basin, Wyo. Court House
Tri Pacer No. 12	4/10/56	152	383	
Tri Pacer No. 13	4/10/56	152	385	
Tri Pacer No. 14	4/10/56	152	387	
Tri Pacer No. 15	4/10/56	152	389	
Tri Pacer No. 16	4/10/56	152	391	
Tri Pacer No. 17	4/10/56	152	393	
Tri Val	4/10/56	152	425	
Goon No. 1	4/10/56	152	427	
Goon No. 2	4/10/56	152	429	
Goon No. 3	4/10/56	152	431	
Goon No. 4	4/10/56	152	433	
Goon No. 5	4/10/56	152	435	
Goon No. 6	4/10/56	152	437	
Horse Thief No. 0	4/10/56	152	439	
Horse Thief No. 1	4/10/56	152	441	
Horse Thief No. 2	4/10/56	152	443	
Horse Thief No. 3	4/10/56	152	445	
Horse Thief No. 4	4/10/56	152	447	
Horse Thief No. 5	4/10/56	152	449	
Horse Thief No. 6	4/10/56	152	451	
Horse Thief No. 7	4/10/56	152	453	
Horse Thief No. 8	4/10/56	152	455	
Horse Thief No. 9	4/10/56	152	457	
Cactus No. 1	4/11/56	152	497	
Cactus No. 2	4/11/56	152	499	
Cactus No. 3	4/11/56	152	501	
Cactus No. 4	4/11/56	152	503	
Cave Line No. 1	4/10/56	152	395	
Cave Line No. 2	4/10/56	152	397	
Cave Line No. 3	4/10/56	152	399	

All Recorded at Basin, Wyo. Court House.

NAME of Lode Mining Claim	Date of filing for record	In Records Book	Page
Cave Line No. 4	4/10/56	152	401
Cave Line No. 5	4/10/56	152	403
Cave Line No. 6	4/10/56	152	405
Cave Line No. 7	4/10/56	152	407
Cave Line No. 8	4/10/56	152	409
Cave Line No. 9	4/10/56	152	411
Cave Line No. 10	4/10/56	152	413
Cave Line No. 11	4/10/56	152	415
Cave Line No. 12	4/10/56	152	417
Cave Line No. 13	4/10/56	152	419
Cave Line No. 14	4/10/56	152	421
Cave Line No. 15	4/10/56	152	423 ,

Together with all and singular the lodes and veins within the lines of said claims, and the dips, spurs, mines, minerals, dumps, fixtures, improvements, rights, privileges and appurtenances thereunto in anywise belonging; EXCEPT that the Grantors herein do hereby EXPRESSLY RESERVE unto themselves, their heirs and assigns, an OVERRIDING ROYALTY of Twelve and One-half per cent. (12½%) of all uranium, thorium, other fissionable and non-fissionable materials and minerals as mined, marketed and sold from said mining claims on, under and with respect to said mining claims and the lands described herein, said 12½% overriding royalty to be computed on the gross amount of minerals (fissionable and/or non-fissionable) so mined, marketed and sold from said claims, less any and all haulage premium or premiums.

And Plett Avery, wife of Morris R. Avery, Jesse Preator, wife of Eyre Preator, Betty Preator, wife of Lazell Preator, Dorothy Preator, wife of Arlan Preator, Frances Christler, wife of Melvin H. Christler, Charlotte Hodson, wife of Vaughn A. Hodson, and Vivian Preator, wife of Stanley Preator, do hereby join in the execution of this Deed for the purpose of releasing and waiving any and all rights under and by virtue of the Homestead Exemption laws of the State of Wyoming, which they or any of them may or might have; and the Grantors herein, and each of them, do also hereby release and waive all rights under and by virtue of the Homestead Exemption laws of the State of Wyoming.

TO HAVE AND TO HOLD the lands, tenements and hereditaments hereby conveyed unto the said JEROME K. CROSSMAN and SEYMOUR HOOTKINS, the Grantees

herein, their heirs and assigns, forever; and the Grantors herein do hereby covenant that they will forever warrant and defend their right, title and interest in and to said premises, and all thereof, and the quiet and peaceable possession thereof to the Grantees herein against acts and deeds of the Grantors and all persons lawfully claiming, or to claim, under or through said Grantors, or any of them; and so to hold said premises unto the Grantees, their heirs and assigns, to their own proper use and behoof forever, so that neither the Grantors herein, nor any other person in the name or behalf of said Grantors, or any of them, shall or will hereafter claim or demand any right or title to the premises, or any part thereof, but that they and every one of them shall be, by these presents, excluded and forever barred.

IN WITNESS WHEREOF, the Grantors herein, and the wives of said Grantors, have hereunto set their hands and seals this 12th day of October, 1956

Vaughn A. Hodson (Seal)

Charlotte Hodson (Seal)

Stanley E. Preator (Seal)
(Stanley Preator)

Vivian Preator (Seal)

Adam Preator (Seal)

Dorothy Preator (Seal)

Lazelle Preator (Seal)

Betty Preator (Seal)

Eyse Preator (Seal)

Joyce Preator (Seal)

Morris R. Avery (Seal)

Ruth Avery (Seal)

Melvin H. Chriller By (Seal)
Morris R. Avery atty in Fact.

Frances Chriller (Seal)
By Morris R. Avery atty in Fact.

24-

THE STATE OF WYOMING, }
COUNTY OF BIG HORN. } ss

On this 12th day of October, 1956, before me personally appeared Morris R. Avery, Plett Avery, his wife, Eyre Preator, Jesse Preator, his wife, Lazell Preator, Betty Preator, his wife, Arlan Preator, Dorothy Preator, his wife, Stanley Preator, Vivian Preator, his wife, Vaughn A. Hodson, and Charlotte Hodson, his wife, to me known to be twelve of the persons described in and who executed the foregoing instrument, and acknowledged, each for himself and not one for the other, that they executed the same as their free act and deed, including the release and waiver of the right of homestead, the said wives having been by me fully apprised of their rights and of the effect of signing and acknowledging said instrument.

Given under my hand and notarial seal this 12th day of October, 1956.

Claudia McHale
Notary Public in and for Big Horn County, Wyoming residing at Greybull, Wyoming.

My Commission Expires March 20, 1959

* * * * * * * * * * *

THE STATE OF WYOMING, }
COUNTY OF BIG HORN. } ss

On this 12th day of October, 1956, before me personally appeared Morris R. Avery, who executed the foregoing instrument as Attorney in Fact for Melvin H. Christler and for Frances Christler, wife of said Melvin H. Christler, and acknowledged that he executed the same as the free and voluntary act and deed of Melvin H. Christler and Frances Christler, wife of Melvin H. Christler, including the waiver and release of the right of homestead, including the apprising of said Frances Christler of her right and the effect of signing said instrument and acknowledging the same.

Given under my hand and notarial seal this 12th day of October, 1956.

Claudia McHale
Notary Public in and for Big Horn County, Wyoming, residing at Greybull, Wyoming.

My Commission Expires March 20, 1959

[illegible] for record [illegible] 3:00 [illegible] P. [illegible] Nov. 30, [illegible] 56
Ellen Cowan Whipps [illegible]

By [illegible]

ASSIGNMENT OF OVERRIDING ROYALTY

KNOW ALL MEN BY THESE PRESENTS:

That we the undersigned JEROME K. CROSSMAN and SEYMOUR HOOTKINS both of Dallas, Texas, and hereinafter called the Assignors, for and in consideration of Ten ($10.00) Dollars and other good and valuable considerations to us in hand paid by S. A. WINFREY, hereinafter called the Assignee, the receipt of which is hereby acknowledged, do hereby bargain, sell and assign unto the said S. A. WINFREY an overriding royalty of two percent (2%) of all uranium, thorium, or fissionable and non-fissionable materials and minerals as mined, marketed and sold from any and/or all of those certain mining claims located, situate and lying in Big Horn County, Wyoming, as hereinafter more specifically designated, said two percent (2%) overriding royalty to be computed on the gross amount of minerals (fissionable and/or non-fissionable) mined, marketed and sold from said claims, less any and all haulage, premium or premiums; payment of said royalty to be made to the Assignee by the buying station or stations receiving said minerals.

It is expressly agreed that this assignment of royalty shall continue to be in full force and effect during such period of time as the Assignors herein, their heirs and assigns, shall continue to own and/or operate said mining claims or shall continue to maintain an interest in said mining claims during the operation thereof; provided, nevertheless, that in the event said Assignors, their heirs and assigns, do at any time terminate operations on the premises and re-convey title and possession of said claims back to the original locators, their heirs and assigns, then and in that event this Royalty Agreement shall be of no further force, virtue and effect.

The claims included in and covered by this assignment of overriding royalty are all situate in Big Horn County, Wyoming,

are lode mining claims, and are described and designated in the recorded Location Notices thereof as follows, to-wit:

NAME of Lode Mining Claim	Date of filing for record	In Records Book	Page	All Recorded at Basin, Wyo. Court House
Vista No. 0	4/11/56	153	43	
Vista No. 1	4/11/56	153	45	
Vista No. 2	4/11/56	153	47	
Vista No. 3	4/11/56	153	49	
Vista No. 4	4/11/56	153	51	
Vista No. 5	4/11/56	153	53	
Vista No. 6	4/11/56	153	55	
Vista No. 7	4/11/56	153	57	
Vista No. 8	4/11/56	153	59	
Vista No. 9	4/11/56	153	61	
Vista No. 10	4/11/56	153	63	
Vista No. 11	4/11/56	153	65	
Vista No. 12	4/11/56	153	67	
Vista No. 13	4/11/56	153	69	
Vista No. 14	4/11/56	153	71	
Vista No. 15	4/11/56	153	73	
Vista No. 16	4/11/56	153	75	
Vista No. 17	4/11/56	153	77	
Big Horn No. 1	4/11/56	152	505	
Big Horn No. 2	4/11/56	152	507	
Big Horn No. 3	4/11/56	152	509	
Big Horn No. 4	4/11/56	152	511	
Big Horn No. 5	4/11/56	152	513	
Big Horn No. 6	4/11/56	152	515	
Big Horn No. 7	4/11/56	152	517	
Big Horn No. 8	4/11/56	152	519	
Big Horn No. 9	4/11/56	152	521	
Big Horn No. 10	4/11/56	152	523	
Big Horn No. 11	4/11/56	152	525	
Big Horn No. 12	4/11/56	152	527	
Big Horn No. 13	4/11/56	152	529	
Big Horn No. 14	4/11/56	152	531	

NAME of Lode Mining Claim	Date of filing for record	In Records Book	Page	All Recorded at Basin, Wyo. Court House
Big Horn No. 15	4/11/56	152	533	
Big Horn No. 16	4/11/56	152	535	
Big Horn No. 17	4/11/56	152	537	
Broken Heart No. 1	4/11/56	152	539	
Broken Heart No. 2	4/11/56	152	541	
Broken Heart No. 3	4/11/56	152	543	
Broken Heart No. 4	4/11/56	152	545	
Broken Heart No. 5	4/11/56	152	547	
Broken Heart No. 6	4/11/56	152	549	
Broken Heart No. 7	4/11/56	152	551	
Broken Heart No. 8	4/11/56	152	553	
Broken Heart No. 9	4/11/56	152	555	
Broken Heart No. 10	4/11/56	152	557	
Broken Heart No. 11	4/11/56	152	559	
Broken Heart No. 12	4/11/56	153	1	
Broken Heart No. 13	4/11/56	153	3	
Broken Heart No. 14	4/11/56	153	5	
Broken Heart No. 15	4/11/56	153	7	
Valentine No. 1	4/11/56	153	9	
Valentine No. 2	4/11/56	153	11	
Valentine No. 3	4/11/56	153	13	
Valentine No. 4	4/11/56	153	15	
Valentine No. 5	4/11/56	153	17	
Valentine No. 6	4/11/56	153	19	
Valentine No. 7	4/11/56	153	21	
Valentine No. 8	4/11/56	153	23	
Valentine No. 9	4/11/56	153	25	
Valentine No. 10	4/11/56	153	27	
Valentine No. 11	4/11/56	153	29	
Valentine No. 12	4/11/56	153	31	
Valentine No. 13	4/11/56	153	33	
Valentine No. 14	4/11/56	153	35	

NAME of Lode Mining Claim	Date of filing for record	In Records Book	Page	All Recorded at Basin, Wyo Court House
Valentine No. 15	4/11/56	153	37	
Valentine No. 16	4/11/56	153	39	
Valentine No. 17	4/11/56	153	41	
Tri Pacer No. 1	4/10/56	152	361	
Tri Pacer No. 2	4/10/56	152	363	
Tri Pacer No. 3	4/10/56	152	365	
Tri Pacer No. 4	4/10/56	152	367	
Tri Pacer No. 5	4/10/56	152	369	
Tri Pacer No. 6	4/10/56	152	371	
Tri Pacer No. 7	4/10/56	152	373	
Tri Pacer No. 8	4/10/56	152	375	
Tri Pacer No. 9	4/10/56	152	377	
Tri Pacer No. 10	4/10/56	152	379	
Tri Pacer No. 11	4/10/56	152	381	
Tri Pacer No. 12	4/10/56	152	383	
Tri Pacer No. 13	4/10/56	152	385	
Tri Pacer No. 14	4/10/56	152	387	
Tri Pacer No. 15	4/10/56	152	389	
Tri Pacer No. 16	4/10/56	152	391	
Tri Pacer No. 17	4/10/56	152	393	
Tri Val	4/10/56	152	425	
Goon No. 1	4/10/56	152	427	
Goon No. 2	4/10/56	152	429	
Goon No. 3	4/10/56	152	431	
Goon No. 4	4/10/56	152	433	
Goon No. 5	4/10/56	152	435	
Goon No. 6	4/10/56	152	437	
Horse Thief No. 0	4/10/56	152	439	
Horse Thief No. 1	4/10/56	152	441	

NAME of Lode Mining Claim	Date of filing for record	In Records Book	Page	All Recorded at Basin, Wyo. Court House
Horse Thief No. 2	4/10/56	152	443	
Horse Thief No. 3	4/10/56	152	445	
Horse Thief No. 4	4/10/56	152	447	
Horse Thief No. 5	4/10/56	152	449	
Horse Thief No. 6	4/10/56	152	451	
Horse Thief No. 7	4/10/56	152	453	
Horse Thief No. 8	4/10/56	152	455	
Horse Thief No. 9	4/10/56	152	457	
Cactus No. 1	4/11/56	152	497	
Cactus No. 2	4/11/56	152	499	
Cactus No. 3	4/11/56	152	501	
Cactus No. 4	4/11/56	152	503	
Cave Line No. 1	4/10/56	152	395	
Cave Line No. 2	4/10/56	152	397	
Cave Line No. 3	4/10/56	152	399	
Cave Line No. 4	4/10/56	152	401	
Cave Line No. 5	4/10/56	152	403	
Cave Line No. 6	4/10/56	152	405	
Cave Line No. 7	4/10/56	152	407	
Cave Line No. 8	4/10/56	152	409	
Cave Line No. 9	4/10/56	152	411	
Cave Line No. 10	4/10/56	152	413	
Cave Line No. 11	4/10/56	152	415	
Cave Line No. 12	4/10/56	152	417	
Cave Line No. 13	4/10/56	152	419	
Cave Line No. 14	4/10/56	152	421	
Cave Line No. 15	4/10/56	152	423	

The terms hereof shall extend to and be binding upon the parties hereto, their heirs, legal representatives, successors and assigns.

This assignment executed without warranties, express or implied.

IN WITNESS WHEREOF, the Assignors have hereunto subscribed their names and set their seals this 17th day of October, 1956.

(signed) Jerome K. Crossman (Seal)
One Assignor

(signed) Seymour Hootkins (Seal)
One Assignor

THE STATE OF TEXAS)
COUNTY OF DALLAS) ss

Before me _____, a Notary Public in and for the County and State aforesaid, this day personally appeared Jerome A. Crossman and Seymour Hootkins to me personally known to be the persons whose names are subscribed to the annexed and foregoing Assignment, and acknowledged that they executed the same as and for their free act and deed for the uses and purposes therein set forth.

_____
Notary Public in and for the State of Texas, County of _____
Residing at Dallas, Texas

My Commission expires:
June 1, 1957

CONTRACT FOR SALE AND PURCHASE OF MINING PROPERTIES

THIS AGREEMENT, Made and Entered into this 29th day of September, 1956, by and between MORRIS R. AVERY, EYRE PREATOR, LAZELL PREATOR, MELVIN H. CHRISTLER, VAUGHN A. HODSON, STANLEY PREATOR and ARLAN PREATOR, individually, and as partners, Parties of the First Part, all of Big Horn County, Wyoming, and hereinafter called the SELLER, and SEYMOUR HOOTKINS and JEROME K. CROSSMAN of Dallas, Texas, Parties of the Second Part, and hereinafter called the BUYER

WITNESSETH:

That for and in consideration of the covenants, terms and conditions hereinafter set forth to be well and truly performed by the parties hereto, the Seller agrees to sell to the Buyer, and the Buyer agrees to buy from the Seller, certain mining properties locate, situate and being in Big Horn County, Wyoming, consisting of one hundred twenty (120) lode mining claims, said claims having being located primarily for uranium, thorium, other fissionable and non-fissionable materials, all of which are more particularly designated and described in that certain instrument hereunto attached, marked Exhibit A, and by such reference incorporated as a part hereof, upon the following terms and conditions:

1. Buyer agrees to pay to Seller the sum of Thirty-five Thousand Dollars ($35,000.00) as initial cash payment on purchase price, which Seller agrees to so accept, at the time that SELLER does, by good and sufficient conveyance, deliver to BUYER good possessory title in and to all of said lode mining claims, said title to be subject only to approval of J. Byron McHale, as attorney for the Buyer, it being understood that said good possessory title to be so delivered shall be free and clear of all liens and encumbrances and claims of any lienable character. Conveyance of said title shall be made by a quitclaim mineral deed, or deeds, reserving to the Seller, and excepting from the conveyance, an overriding royalty of twelve and one-half per cent. (12½%) of all uranium, thorium, other fissionable and non-fissionable materials and minerals as mined, marketed and sold from said mining claims, or any of them, said 12½% overriding royalty to be computed on the gross amount of minerals (fissionable and/or non-fissionable) mined, marketed and sold from said claims, less any and all haulage premium or premiums.

Seller covenants to make conveyance as aforesaid, also on the express condition that Buyer will, subsequent to delivery of conveyance by

good and sufficient quit claim mineral deed as aforesaid, use reasonable diligence in commencing and conducting drilling exploration operations on said premises, the same to be conducted in accordance with the best judgment and sole discretion of Buyer as to method used, provided that a minimum expenditure of Twelve Thousand Five Hundred Dollars ($12,500.00) be made in said drilling program; and in event that Buyer, Buyer's heirs, successors or assigns fail to use such reasonable diligence in carrying on said drilling program pointing toward initiation and maintenance of said mining operations and in the event that Buyer fails to pay the balance of the cash purchase money hereinafter mentioned, and in accordance with the provisions as hereinafter set forth governing same, then and in such event, the Buyer does hereby covenant to re-convey to Seller all easements, rights and property previously conveyed by Seller to Buyer, and to also deliver and impart to this Seller all knowledge, radiometric information, log and any other information which it (the Buyer) may have gained through Buyer's operation of said premises, relating to the mineral status thereof.

2. In the event, and at such time as, the Buyer shall have received a gross income of One Hundred Thousand Dollars ($100,000.00) attributable to its Eighty-seven and One-half per cent. (87½%) royalty interest, which said sum shall be evidenced by the records of the buying station which receives and purchases from Buyer uranium, thorium or any other fissionable materials, provided however that nothing herein contained shall be construed as being or imposing an obligation on the Buyer to maintain and continue mining of the premises if same shall, in the opinion of Buyer, be unprofitable or uneconomic, then and in that event and at that time, Buyer covenants and agrees to pay to Seller an additional and final cash payment of Thirty-five Thousand Dollars ($35,000.00); or in lieu thereof to execute adequate and proper instruments of conveyance and deliver same to Seller conveying back to Seller all of said lode mining claims, free of any encumbrance having been impressed thereon, or permitted to be impressed against said premises, or any part thereof, by the Buyer; it being further understood and agreed that at the time, and in the event, of payment of said final cash sum of Thirty-five Thousand Dollars ($35,000.00) by Buyer to Seller, no further cash payments are to be made, and that thereafter Buyer is obligated to Seller only to the extent of delivery to Seller of said 12½% overriding royalty as hereinbefore stipulated and defined.

3. It is mutually agreed by and between Buyer and Seller that the covanants of Buyer with reference to use of reasonable diligence in commencing and conducting the drilling program hereinbefore agreed to be commenced and conducted is subject to force majeure and is contingent upon strikes, riot, riot attending a strike, weather conditions, inability to secure labor, inevitable accident, acts of God, and restrictions imposed by any government or governmental agency, war or other delays beyond Buyer's control.

4. And the Seller, its heirs and legal representatives, shall and do warrant by these presents that Seller shall and will execute and deliver to Buyer, under the terms hereof, any instruments which may or shall be necessary to convey good possessory title to the 120 lode mining claims hereinbefore mentioned, and as described in said Exhibit A hereunto attached, and will forever defend said title so to be conveyed to the premises so to be granted and released to the Buyer,against said Seller, heirs and assigns of Seller, and against all and every person and persons lawfully to claim, or claiming the same, or any part thereof, by, from, or under the Seller, or heirs or assigns of Seller.

5. Seller further agrees with Buyer to place in escrow at The First National Bank of Greybull, Greybull, Wyoming good and sufficient instruments of conveyance of good possessory title to said lode mining claims before mentioned herein, executed by Seller as Grantor and running to Buyer as Grantee, designating an officer of said bank, or an official thereof, as Escrow Agent; and Buyer covanants likewise to deposit in escrow in said Bank, with said Escrow Agent as designated, a proper Cashier's Check payable to the order of Seller in the amount of Thirty-five Thousand Dollars ($35,000.00), with joint instructions to the escrow agent to make delivery to Buyer of said instruments of conveyance concurrent with delivery to Seller of said Cashier's Check for $35,000.00, such concurrent deliveries to be made in accordance with escrow instructions in writing which will be executed by both Buyer and Seller, and which, in substance and context , will authorize said deliveries upon receipt by escrow agent of statement of approval of titles to said lode mining claims delivered in writing by J. Byron McHale, after his examination and approval of said titles; it being agreed by Seller that said McHale shall be granted necessary reasonable time in which to complete said title examination, which time shall not exceed a period of more than 15 day from and after the 2nd day of October, 1956, unless further extended by mutual agreement

of Buyer and Seller, if required by reason of unforseen difficulty or justifiable delay for other reasons.

6. For the considerations hereinbefore expressed, and in consideration of the premises, the Buyer is hereby declared to be granted time until the close of banking hours on the 3rd day of October, 1956 in which to deposit said check for $35,000.00, hereinbefore mentioned, in escrow as aforesaid, and Seller hereby covenants and agrees to hold said premises, subject to the terms hereof, to the exclusive order of the Buyer, until the expiration of time hereinabove stated for deposit of said check payable to order of Sellers in escrow as aforesaid.

7. It is further agreed that this Contract is binding upon the parties hereto and shall likewise be, and is hereby declared to be, binding upon their respective heirs, administrators, successors and assigns, and shall likewise inure to their respective beneffts.

Dated this 29th day of September, 1956, and Witness the hands and seals of all parties Seller and Buyer.

Eyre Preston (Seal)
One Party-Seller

In The Presence of:

Stanley Preston (Seal)
One Party-Seller

As to all Parties-Seller

Naughne A. Hodson (Seal)
One Party-Seller

Allan Preston (Seal)
One Party-Seller

Lois Preston (Seal)
One Party-Seller

Morris R Overy (Seal)
One Party-Seller

Melvin A. Chandler By Morris R. Overy Atty in Fact (Seal)
One Party-Seller

Seymour Hoffman (Seal)
One Party-Buyer

In The Presence of:
J. Byron McDole
As to ~~all Parties-Buyer~~ Seymour Hoffman

(Seal)
One Party-Buyer

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

January 7, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 9 1958

DATE	INITIALS	CODE
1/9	gb	220
		700

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 4849 (Uranium) Kanter-Levy Company (Cave Line, et al., claim groups) Big Horn County, Wyoming

Enclosed are two copies of contractors bids for drilling and drifting which have been submitted by the Applicant.

Will you please place a copy of these bids with your copy of the brochure.

W H King
W. H. King
Executive Officer

1642 Detroit Street
Denver, Colorado

January 3, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 9 1958
DATE | INITIALS | CODE

Mr. William H. King, Executive Officer
Defense Minerals Exploration Administration
224 New U. S. Customs House
Denver 2, Colorado

DMEA-4849

Re: Leon Levy & J. H. Kanter
application - Little Mountain
Project

Gentlemen:

Attached please find bids from contractors for drilling and drifting work to be performed on our exploration project in the Little Mountain District, Big Horn County, Wyoming:

Drilling Bids
A. R. Ormsbee, Boulder, Colorado
Boyles Bros. Drilling Company, Salt Lake City, Utah
Moab Drilling Co., Moab, Utah

Drifting Bids
Boyles Bros. Drilling Company, Salt Lake City, Utah
Hammond-Everly Engineering Co., Butte, Montana

We trust that the above information will enable your office to complete the subject application at an early date.

Very truly yours,

Leon Levy
By Sarah Campbell
Leon Levy

LL/sc
encls.

Box 255, Boulder, Colorado
Dec. 31, 1957

Messers Joseph H. Kanter [illegible] Levy,
1642 Detroit St.
Denver, Colorado.

Dear Sirs:

Mr. Sam Constantine has asked for a bid on [illegible]000' of drilling to begin by March 1st, 1958 in the Missi[illegible] Canyon member of the Madison limestone in a portion of the Bighorn Basin of Wyoming, with holes varying from an estimated 20' to 200' deep.

I herewith submit a bid of $2.50 per foot and agree to furnish everything, with the following reservations;

1. If diamond bits are required, you will pay the cost.
2. If lost circulation occurs, I will furnish up to $25.00 in lost circulation material per hole, but if more is required it will be for you to pay the cost of any used in excess of $25. per hole.

Not having seen the prospect and not being fully acquainted with the conditions that may be encountered, I reserve the right to alter this bid upward if it is not possible to perform the contract at the above price.

Very truly yours,
A. R. Ornsbee
By Donald Hillis
A. R. Ornsbee
Hillside 2-0062, Boulder.

OFFICIAL FILE COPY
DWEA
RECEIVED JAN 9 1958

DATE	INITIALS	CODE

Diamond Core Drilling
Mining
Quarries
Shaft Sinking
Tunnel Driving

OFFICIAL FILE COPY DMEA RECEIVED JAN 9 1958		
DATE	INITIALS	CODE

Bevins Bros.
DRILLING COMPANY

CONTRACTORS · ENGINEERS · GEOLOGISTS
General Offices
[illegible] South State Street Phone [illegible]
SALT LAKE CITY 11, UTAH

December 31, 1957

Reply to:
2960 West 7th Avenue
Denver 4, Colorado

Mr. J. E. Kasber and Mr. Leon Levy;
[illegible] Street
Denver 3, Colorado

Dear Sirs;

We propose the following schedule for Drilling the Little Mountain District, in Big Horn County, Wyoming, according to your DMEA application.

For Drilling from 0 ft to 300 ft per foot $3.00

The foregoing price is based on the following estimated costs, Drilling $1.90 per ft. Bits and Mud $1.10 per ft.

Should you be successful in obtaining apprval of your program, we would appreciate as much advance notice to proceed as is possible to enable us to schedule men and equipment for the work.

Thank you for calling on our Company.

Yours very truly
R F Durfee
R. F. Durfee
District Manager

RFD/e

Diamond Core Drilling
Mining
Quarries
Shaft Sinking
Tunnel Driving

Davies Bros. DRILLING COMPANY

CONTRACTORS ENGINEERS-GEOLOGISTS
General Offices
1071 South Main Street Phone Hinckley 4-6621
SALT LAKE CITY-11, UTAH

[redacted]

December 31, 1957

Mailing
2500 West 7th Avenue
Denver 6, Colorado

Mr. J. H. Lamber and Mr. Leon Levys
1042 Detroit Street
Denver 6, Colorado

Dear Sirs:

We propose the following schedule for driving Tunnels at the Little Mountain District, In Big Horn County, Wyoming, agreeable to your SBEA application.

1- For Drifting in non timbered sections per foot $[illegible]

2- For Drifting in timbered sections per foot $[illegible]

The foregoing is based on our furnishing all mining equipment required to perform this work.

Again we request as much advance notice to ground as is possible.

Thank you for calling on our Company

Yours very truly

R. F. Durfee
District Manager

RFD/s

PHONE 2-1738

HAMMOND-EVERLY ENGINEERING CO.

CONSULTING MINING AND
GEOLOGICAL ENGINEERS

27 WEST GRANITE ST • BUTTE MONTANA • P. O. BOX 201

December 23, 1957

MINE MANAGEMENT
EXAMINATIONS
REPORTS
PLANT DESIGN
SURVEYS

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 9 1958

DATE	INITIALS	CODE

Hilary Minerals Corporation
1642 Detroit Street
Denver, Colorado

Gentlemen:

We herewith estimate the cost of driving the 430 linear feet of drifts in the Little Mountain Uranium Area to be $44 per linear foot.

Very truly yours,

HAMMOND EVERLY ENGINEERING CO.

BY R. M. Hammond
R. M. HAMMOND

RMH:h

Form MF-103
Revised Feb. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

APPLICATION FOR AID IN AN EXPLORATION PROJECT

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

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

Kanter-Levy Co.
c/o Oppenheimer & Co.
25 Broad St.
New York 4, N.Y.
c/o Elvin Kantes - SF-3-3344
Tel Franklin 3-5765 - Miami Florida

APPLICANT NOT TO USE THIS BLOCK

Docket Number: DMEA-4849
Date Received: 10/14/57
Government Participation %:
Region: III
Division Code: 700

BUSINESS ORGANIZATION (Check one)

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

State in which firm is organized:

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
Leon Levy	25 Broad St. NYC	Partner
Joseph H. Kanter	4766 No. Bay Rd. Miami Beach, Fla.	Partner

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

Estimated Cost of Project: $ 111,612.50

LOCATION OF PROPERTY

Name	County	State
Ryan Consolidated Claims	Big Horn	Wyoming (see geologist report)

GENERAL INSTRUCTIONS

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

CERTIFICATION

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

October 8, 1957
Dated

Leon Levy
BY (Signature)

Partner
Title

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

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

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

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

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

2. *Physical Description:*

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

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

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

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

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

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

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

3. *Accessibility of Project:*

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

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

4. *The Exploration Project:*

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

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

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

5. *Experience:*

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

6. *Estimate of Costs:*

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

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

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

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

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

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

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

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

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

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

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

* * * * *

INT. DUP. SEC., WASH., D.C. 15539

2280 East Drive
Butte, Mont.

October 7, 1957

Please accept the completed DMEA Application form, together with the attached narrative and maps, as application for DMEA Exploration Loan Contract on the part of MR. Leon Levy and Mr. J. H. Kanter regarding the Super Cub Group of mining claims located in the Little Mountain district near Lovell, Wyoming.

The application pertains to United States Government participation in exploration for uranium bearing ores.

Very Truly Yours

Leonard D. Jarrard

Leonard D. Jarrard
Mineral Consultant

REGISTERED PROFESSIONAL ENGINEER
692
STATE OF IDAHO
L. D. JARRARD

DMEA Application for Exploration Loan Leon Levy and J. H. Kanter

1. Applicants Property Rights:

a. The land considered under this proposed Government participation exploration contract, commonly called DMEA contract all lies within the confines of Big Horn County, Wyoming. It is further and more accurately located in Sections 19, 20, 21, 27, 28, 29, 30 and 32 of Township 58 North, Range 94 West, 6th Principal Meridian, Wyoming. The property includes 120 unpatented mining claims in an area approximately 9,600 feet long by 9,300 feet wide. The claims are bounded on the north by the Montana State line and on the West by the Big Horn river. All claims are duly recorded in the Court House at Basin, Wyoming, the County Seat of Big Horn County, Wyoming and are so entered in Book 152, pages 361 to 457 inclusive and on pages 497 to 559 inclusive and in Book 153 on pages 1 to 77 inclusive. All entries are dated either April 10th or 11th, 1956.

b. The following names known in the district all apply to the same above described property:

1. Ryans 2. Praeters 3. Averys 4. Super Cub

c. The applicants control the property by reason of the agreements set forth in the attached Exhibits.

d. To the best of the applicants knowledge, there are no leins, mortgages or other encumbrances on the property other than the certain obligations pertaining to the operation of the property as those obligations are set forth in the attached Exhibits.

2. Physical Description:

a. Mining and/or exploration workings now existing on the property consist of the following:

1. One inclined shaft 120 feet in length sunk on an incline of approximately 20 degrees. The shaft was sunk to intersect a known cavernous area in which evidence of uranium mineralization had been discovered by means of drill holes put down from the surface. The shaft entered the cavern area at a depth of 120 feet, approximately 40 feet vertically below the surface. This mine opening is now standing and is in good condition for any examination that may be desired.

2. From the bottom of the incline shaft, a total of approximately 213 feet of drifting operations were completed. The drifts were driven along slightly to moderately mineralized fractures and/or zones in an attempt to develop a minable orebody. These drifts and the accompanying shaft are shown on the attached map labeled Map No. 4., Area No. 2.

3. Vertical shaft No. 12 was sunk on drill hole No. 12 and was put down to a depth of about 49 feet. The shaft penetrated a small cavern at a depth of 37 feet which yielded several tons of good uranium ore. No additional work was done from this shaft which is now standing and in good condition. The shaft is shown on the attached geological map titled "South Shaft".

4. A vertical shaft known as shaft 24 or "South Shaft" was recently completed by Ryan Consolidated to a depth of 48 feet. This shaft yielded approximately 30 tons of ore during the sinking work. No map has been made of this shaft which was sunk on drill hole No. 24.

MOAB DRILLING COMPANY

DIAMOND CORE DRILLING CONTRACTORS

MOAB, UTAH

CHARLES A. STEEN
PRESIDENT

RAY MEDLOCK
MANAGER

December 30, 1957

Hilary Minerals Co., Inc.
1642 Detroit Street
Denver, Colorado

PROPOSAL

Moab Drilling Company presents the following bid for your consideration:

Little Mountain District located in the vicinity of the Wyoming-Montana Line north Lovell, Wyoming.

First stage DMEA drilling program of 15,000 feet. Moab Drilling Company will furnish heavy duty Maytag Combination Drill with 2 7/8" x 20' drill pipe and drill collars, all rock bits, labor, fuel and personnel at a total cost of $3.65 per foot.

Where chert is encountered and rock bits can not be used economically Moab Drilling Company will furnish the following additional equipment:

1 600 CFM Truck mounted, diesel driven air compressor.

1 Gardner-Denver Mole drill, all mole drill bits, all mole drill parts and repairs and all mole drill accessories including grinder and gages at a total cost of $16.00 per foot.

Standby time at $18.00 per hour.

Hilary Minerals Co., Inc. agrees to furnish the following:

Engineer or geologist, all roads and drill sites, probes and sample sacks.

Respectfully submitted December 30, 1957.

Ray Medlock

Ray Medlock
Manager

5. An assortment of large and small hand or dozer excavated pits are found scattered throughout the area of the 120 claims. All such pits are open for inspection.

All thus far completed mine openings, both underground and surface, are open and may be inspected. All production facilities, with the exception of the mechanical equipment are installed and ready for operation. Such facilities include an excellent assortment of new camp buildings, shop and associated conveniences, fuel and powder storage buildings, and headframes over the two above described vertical shafts. With the necessary mining equipment the property could be put into operation in a few days time.

b. The applicants had no interest in any of the operations described in item 2 (a) above at the time those operations were conducted. However, at this time the applicants have interest in those operations as the future operators of the property.

c. Past and current production from the property consists of the following listed shipments of uranium ore:

Super Cub Mining Company				
4/25/56	11.84 tons	.46%	Lot 167	$ 482.09
6/15/56	19.43 tons	.35%	Lot 276	587.77
8/15/56	11.06 tons	.59%	Lot 535	591.60
10/17/56	14.24 tons	1.24%	Lot 820	1,687.56
11/26/56	18.02 tons	.99%	Lot 926	1,684.68
Ryan Consolidated Venture No. 2				
3/27/57	43.66 tons	.37%	Lot 1120	1,403.57
5/7/57	36.18 tons	.45%	Lot 1151	1,438.19
8/29/57	29.95 tons	.40%	Lot 1206	1,234.40

The record of the ore shipped by the Super Cub Mining Company is that of Mr. Walter Burleson, former supervisor for Ryan Consolidated Venture No. 2. The records of the ore shipped by Ryan Consolidated are available from settlement sheets of the Lucius Pitkin Co., one copy of which is submitted with this application. All ores above mentioned were shipped to the United States Atomic Energy Commission buying station at Riverton, Wyoming.

d. Due to the infancy of the district and to the erratic occurence of the ore deposits associated with the caverns in the Mission Canyon member of the Madison Limestone, very little progress has been made by any of the companies operation in the area regarding the calculation of ore reserves discovered or blocked out either by drilling or underground exploration. Therefore any calculation of ore reserves on this property, or on others, would be highly sceptical and would be more apt to confuse or mislead than to assist in evaluation. However, in order to support the possibility of ore reserves on the property, the maps of the three lines of drill holes, A-A', B-B', and C-C' are attached to this application.

e. Again the infancy of the district in question precludes any possibility of there having been extensive geological studies made of the several known ore deposits. The geological theories of the possible ore deposits and of possible ore controls presented herein are strictly those of the author of this request

and as such may or may not be subject to verification by others. Theories and postulations concerning the possibility of ore bodies existing on the property in question are almost wholly those drawn from observation of the two major operators in the area, Lisbon Uranium Corporation and Modern Mines Development Company. Both operations are located about two miles to the east of the Super Cub claims and as such may have slightly different controls and types of ore deposits. However it is thought that essentially the same geological conditions and controls will govern the entire little Mountain district, the area in which the principal and known deposits occur.

The major structural feature of the area is the Porcupine Creek anticline, the axis of which passes approximately midway between the Lisbon-Modern Mines area and the Super Cub claims. The axis of the anticline strikes approximately northwest and the structure as a whole pitches about five degrees to the northwest. The west limb dips in general slightly steeper than does the east limb, that is about five degrees and three degrees respectively. Small local warps and wrinkles may be mapped on both limbs, though it is presently doubtful that these will be found to exert much geological control of the ore deposits. Detailed studies of aerial photos indicate that the flexure that constituted the uplifting of the Porcupine Creek anticline typically resulted in the formation of several joint systems. The principal or major system on both sides of the axis is nearly parallel to the anticline axis. In this system the joints are more clearly developed and at much closer spacing than in the other two systems present. The minor joints in some instances exert a major control on the drainage pattern but generally the major streams follow the northwest-southeast directions. The two remaining systems of jointing lie in a pattern, that if extended would intersect the axis of the anticline at an angle of approximately 45 degrees from both the north and the east on the east limb and from the south and the west on the west limb. Although geological studies of flat lying sediments in which limestone caverns and especially those with accompanying ore deposits, are not numerous, it is the generally accepted theory that the caverns have developed principally along the major joint system or systems.

Since exploration and/or development of known ore deposits in the Little Mountain district are few, there is little opportunity to develop a known pattern of orebodies or to decipher geological factors that may constitute ore controls. The several deposits known and opened seem to follow no particular pattern except that they are always associated with caverns or cavernous portions of the Mission Canyon member of the Madison limestone. No deposits are known to occur in other than the Mission Canyon, Rotary drilling operations conducted by Modern Mines Development Company about two miles to the east of the Super Cub claims, which program the writer conceived and supervised, disclosed that on the average approximately 75 percent of the drill holes located by structure mapped from aerial photos may be expected to encounter open caverns or beds of partially dissolved limestone. The ore holes drilled by Modern Mines intersected ore horizons not in the open caverns, yet definately associated with them and in general at depth considerably below them.

Since the completion of the first phase of the drilling operations by Modern Mines, it is the writer's opinion that the original conception that the ore bodies lie within 75 feet of the surface is in error.

No drill hole should be stopped short of 170 feet below the top of the Madison and few holes need be drilled deeper than about 200 feet below the top of the Madison limestone.

In addition to the required cavernous condition, thought to be so necessary for ore deposition, it is felt that the slope of the cavern with respect to the present drainage is an important factor. In order for ore deposition to take place there must first be a zone for comparatively easy movement of the pregnant mineral bearing solution and, secondly the avenue of passage must not be sufficiently open to permit rapid movement of those solutions. Two conditions can conceivably fullfill this requirement, that is the permeability of the zone can be restricted by reason of only partial pre-dissolving of the limestone host rock or the direction of the permeable zone slope can be such as to provide a trap and subsequent slowing of the ore bearing solutions. In the deposits so far observed at Lisbon and in that drilled out at Modern Mines the slope of the orebody appears to be from three to ten degrees to the west, opposite to the regional dip of the enclosing limestone. If the same truths hold on the western limb of the Porcupine Creek anticline, the dominent ore bearing zones should be found to slope moderately to the east, that is toward the azis of the anticline.

Ore minerals thus far observed consist of the uranium mineral tyuyamunite in a gangue of brecciated limestone, silty cavern fill material, probably derived from the Amsden formation overlying the Madison, and white to yellow calcite. Calcite crystals formed between periods of uranium minerals deposition indicates at least two periods during which the uranium was deposited. The deposits are considered to be of the bedded type even though they do not follow any consistent bed in the Madison limestone.

The attached maps illustrate the conditions mapped in the underground work thus far performed on the Super Cub claims and also show the surface geology of the area as mapped from aerial photos.

f. Certain of the Super Cub claims show more surface evidence of uranium mineralization than do any other claims on Little Mountain. Limited exploration of some of these surface showings have definately shown that uranium bearing solutions have passed through the area but the exploration thus far conducted has encountered zones too porous to readily offer the conditions thought necessary for deposition of commercial quantities and grades of uranium ores. Small production has been attained from these workings in areas where the movement of the ore solutions was sufficiently restricted to permit partial deposition but over all the zones are composed of loosely jumbled blocks of limestone intermingled with silty cavern fill material. The writer feels that had exploration been carried to greater depths in these areas the chances of ore discovery would have been materially increased. Since nearly all of the geologists who have observed the area feel that ore deposition has derived from recent ground waters, it is logical to conclude that the best chances for ore deposition would take place at or shortly above the ground water table or above some comparatively impervious zone in the limestone. Although very little is known concerning the water table, only three of the holes at Modern Mines encountered water, the Lodgepole member of the Madison directly underlying the Mission Canyon, does satisfy the possible requirement of a relatively impervious zone. The Mission Canyon - Lodgepole contact lies approximately 175 to 200 feet below the top of the Madison.

No samples of the area proposed for exploration have been taken. That is, no samples of material other than minor mineralization that may be observed at the surface. Many areas of Little Mountain show an abnormally high radioactive anomoly but it is felt that such radioactivity has practically no bearing on the possibility of finding an ore deposit. The radioactivity observed at the surface is usually coming directly from the surface debris which consists mainly of Amsden stained wash material.

It is felt that the many showings of near commercial grade material on the surface of the Super Cub claims coupled with the well defined joint systems indicate that the possibility of finding new and probably more deeply buried ore deposits than heretofore suspected, is better than was the same possibility on the east limb of the anticline.

g. The attached geologic reports titled "Final Report of Economic Geology of Properties of Ryan Consolidated, Venture No. 2, Big Horn County, Wyoming" and dated April 12, 1957 are the only technical reports available. So far as is known they are the only reports written on any of the Little Mountain properties. No fault is found with these reports, however they were written prior to any extensive, such as it is, exploration and do not incorporate the later findings.

3. Accessibility of Project

a. Mr. Walter Burleson of Salida, Colorado will accompany representatives of the DMEA Field Team for the purpose of examining the properties involved. In the event that Mr. Burleson could not be present, the DMEA representatives should contact Mr. L. D. Jarrard at the Modern Mines Development Company Camp on Little Mountain.

From Lovell, Wyoming proceed ten miles east on the Lovell-Kane black top highway. Just after crossing the Big Horn river bridge turn left on the dirt and gravel road recently constructed by Lisbon Uranium Corp. About one mile before coming to Lisbon camp take the left hand fork and continue due west approximately three miles to the camp on the Super Cub claims. During inclement weather it will be advisable to use four wheel drive vehicles though during dry weather passenger cars regularly move between Lovell and the Little Mountain areas. Carbide or electric lamps should be carried by those conducting the examination.

b. Shipping and supply points serving the area and the mines are located at Billings, Montana, about 100 miles north of Lovell, at Casper, Wyoming, about 200 miles southeast of Lovell, and the smaller towns of Powell, Greybull and Lovell. Day to day supplies may be obtained in the smaller towns but larger and more expensive items of equipment must usually be obtained in Billings or Casper. A complete and up-to-date camp has been built on the property concerned and there is no reason for employees to reside away from the area.

4. The Exploration Project:

a. The proposed exploration project has been set up in two stages or phases. Each stage consists of separate types of work, neither of the types in the first stage dependent on the success of the other, but the work proposed in the second stage is dependent on the success achieved during the process of the first stage. Work proposed for the second stage of exploration will be completely delineated and requested separately before undertaking that work.

The first stage of exploration consists of work designed primarily to determine the probability of orebodies occuring over a large portion of the Super Cub claims. The drilling proposed for this phase of the work is on wide spacing and individual drill holes are located according to geological structure as mapped from aerial photos and observation in the field. In general the drill holes are not closer than 300 feet from each other but no attempt has been made to set-up the program on a grid pattern. Underground exploration proposed for the first phase is designed to explore ground lying between the incline shaft and the three lines of drill holes, A'-A, B-B' and C -C' and to extend the extension of the ore face in the west drift off the bottom of Ryans inclined shaft. The underground work proposed for the first stage is definate and of certain amount as opposed to the same type of work asked during the second phase. In addition to the drifting requested off the incline shaft, the first stage of exploration also includes the driving of two inclined drifts from the surface. The first of these two is designated "C" drift and is intended to explore the so-called Prospect No. 1 located on the common side line between Broken Heart claims numbers 8 and 9. The drift is proposed to be 100 feet in length and to follow the mineralization exposed in the pit regardless of direction taken. This drift will probably be run in a general eastern direction and will be driven with the aid of a front-end loader and will be approximately 9'x9' in cross section. The drift designated "D" drift is intended to explore the mineralized material exposed in Prospect No. 4, located in the north one quarter of Vista claim No. 7. This drift is also requested to be 100 feet in length and will also follow the most clearly mineralized portions. It also will be driven by means of the front-end loader and will be approximately 9'x9' in cross section. Drifts "A" and "B" driven from the bottom of the incline shaft will be conventional 5'x7' in cross section and are requested to be 50 feet and 200 feet in length respectively.

The drill holes requested during the first stage number 89 and total 15,000 feet in aggregate depth for an average of 168 feet.

In addition to the above work a total of 50 hours of standby time and 75 hours of bulldozing for access roads and drill setups is also requested during the first stage of exploration.

In total the first stage of work then requested consists of 15,000 feet of rotary drilling of holes from 4 inch to 5 inch in diameter, 450 lineal feet of drifting, 50 hours of standby time and 75 hours of bulldozing work, the last two items to be used only as required.

All work proposed during the first stage is shown on the following maps attached to and made a part of this report:

1. Ryan Con. Venture #2., Map No. 4, Area No. 2.
2. Ryan Con. Venture #2., Fence Diag. of Drill Holes, Line A-A'
3. Claim Map, Super Cub Mining Co. Map S - 22

Work proposed for completion during stage two of the project consists of additional drilling to determine possible extent of orebodies encountered in stage one and also provides for additional underground drifting to determine ore potentials with or without additional drilling in the same area. None of the work planned for the second stage is illustrated on attached maps since the location of the proposed work is unknown at this time.

Second stage proposals consist of 8,000 lineal feet of rotary drilling, 800 lineal feet of drifting, 25 hours of standby time and 20 hours of bulldozing operations. As stated above this work will be requested separately after completion of stage number one and only if warranted.

4. b. Although numerous access roads are now present on the property it will be necessary to prepare roads leading to the drill sites, these only in certain cases, and to prepare setups for the drill. Although it is thought that most of the holes may be drilled without site preparation it may in a few instances be necessary to drill at a position other than that shown in order to avoid setting up on a precipitous rock outcrop. The distance necessary to move any of the drill holes will probably not be more than 30 or 40 feet at most and will be done only to facilitate setting up the equipment and will not effect the amount of access road required or the possible success of the drill hole.

c. In the event that an exploration contract is approved, the operator will begin underground operations within two weeks after notice has been given that the project has been approved. Drilling operations will be started as soon as weather conditions will permit. It is anticipated that drilling operations can be started on or shortly after April 1, 1958. In the underground operations, it is thought that a daily advance of eight feet can be maintained and that the proposed work can be completed in approximately three months time. Drilling operations can be expected to average about 120 feet per day per drill and the requested 15,000 feet of first stage drilling can be completed in about seven months. The entire first stage of work should be completed by November 30, 1958. The completion dates of the second stage will depend a great deal on the amount of work permitted after evaluation of the first stage work, but the rate of progress should be about the same as for the first stage. The entire program should be completed not later than September 1, 1959.

5. Experience:

The operators, through Mr. J. H. Kanter, are well experienced in general construction work, having completed some 40 or 50 million dollars of work during the past six or seven years. Through Mr. Walter Burleson, who will supervise the proposed work, they will have a man well experienced in mining in general and in this area in particular. Mr. Burleson is a Registered Engr. of long experience in Colorado and supervised the previous work performed by Ryan Consolidated. From time to time the operators may employ Mr. Leonard Jarrard, of the Modern Mines Development Company for assistance on particular problems.

6. Estimate of Costs:

a. Independent Contracts: It is proposed that all the work be performed by independent contractors hired by the operator to perform that type and amount of work for which he is particularly suited or capable. In line with this proposal, estimates on the cost of the proposed work have been requested from the following firms and will be submitted to the DMEA office as soon as received:

Mining Contractors requested to submit estimates:

Hammond and Everly Engineering Co., Butte, Montana
Universal Mining Consultants, Grand Junction, Colorado
Moab Drilling Company, Moab, Utah
Mountain States Mining Company, Spokane, Washington
Sprague and Henwood, Grand Junction, Colorado

Although estimates for the proposed work have not as yet been received, the writer's knowledge concerning drilling on Little Mountain makes it possible to conclude that the drilling can be expected to be performed for about $2.75 per foot for rotary drilling of holes from four inch to five inch diameter. In addition to this cost per foot, the contractors presently operating on Little Mountain require a so-called escape clause that requires the operator to furnish all drill bits that fail to drill at least 18 inches of hole. If blasting of holes where chert beds or nodules are encountered is done then the excessive bit cost can be held to a bare minimum and the additional cost should not be more than about ten cents per foot. Cementing of holes where caving or extremely rough ground is found has proven advisable and by this means it is often possible to penetrate otherwise undrillable ground. With all of the factors in mind regarding the type of ground that undoubtedly will be encountered, a reputable and efficient drilling contractor should be able to hold his price down to about $2.85 per lineal foot in return for a firm contract for 15,000 feet of hole. Drilling of footage in excess of that amount, the second stage, may not be expected to be done for less.

Bulldozing work for access roads required and for drill set-ups can be obtained from local tractor owners at the rate of $12.50 per hour for a D-7 tractor or equivelent.

Standby time for drill rigs when not in operation can be held to a minimum but it is expected that occasionally circumstances may arise when such payments can not be avoided. The presently operating drill contractors in the area request a universal rate of $15.00 per hour for lost time.

It is common practice in the area to do practically all drifting and cross-cutting operations, especially adits, by employing the front-end loader for mucking operations. From past experience this method gives lower proportionate costs for the size of openings required, and in fact the larger sections required are driven at costs comparable to the smaller standard 5' x 7' sections. Part of the work proposed is to be of the larger size and part of the smaller size, yet it is assumed that both sizes of openings can be made for about the same cost per lineal foot, that is $35.00

With the above quoted costs in mind, the total cost of the independent contracts to be awarded amounts to the following:

Stage I

Rotary Drilling	
15,000 lineal feet at $2.85 per foot.....	$42,750.00
Standby time	
50 hours at $15.00 per hour.....	750.00
Bulldozing operations	
75 hours at $12.50 per hour.....	937.50
Drifting operations	
450 lineal feet at $35.00 per foot.....	15,750.00
TOTAL STAGE I COSTS.....	$60,187.50

STAGE II

Rotary drilling
8,000 lineal feet @ $2.85 per foot.....$22,800.00
Standby time
25 hours @ $15.00 per hour..... 375.00
Bulldozing operations
20 hours @ $12.50 per hour..... 250.00
Drifting operations
800 lineal feet @ $35.00 per foot..... 28,000.00

TOTAL STAGE II COSTS.....$51,425.00
TOTAL PROJECT COSTS, STAGES I and II.....$111,612.50

b. Personal Services:
Inasmuch as it is contemplated to contract all of the thus far enumerated exploration activities, the only personal services required will be those of supervision, engineering and geology. Mr. Walter Burleson will be present at the property at all times at a monthly salary of $700.00. It may be necessary to request additional technical services in extenuating circumstances. It is requested that an allowance for this category be made by the Government and that such allowance amount to eight percent of the above total costs for Stages I and II.

Personal Services, Stage I.
Eight percent of Total Stage I.....$4,815.00
Personal Services, Stage II
Eight percent of Total Stage II.....4,114.00
TOTAL PERSONAL SERVICES COST.....$8,929.00

c. Operating Materials and Supplies
None required

d. Operating Equipment
None additional required

e. Initial Rehabilitation and Repairs
None required

g. Miscellaneous: Certain small miscellaneous costs are anticipated as the work progresses. These include analytical work, radiometric probing of drill holes, accounting, employees liability and payroll (supervisory personnel) taxes.

Analytical work
100 determinations.....$350.00
Probing of holes
23,000 feet @ $0.04 per foot.....920.00
Accounting, Taxes etc.
2% of total item 6 (b).....178.58
TOTAL MISCELLANEOUS COSTS $ 1,448.58

7. a. The applicants are prepared to furnish their share of the total cost of the proposed project, that is 25 percent of the total estimated cost.

b. The applicants propose to furnish their share of the cost in the form of money, and in no other form.

RECAPITULATION OF COST OF PROPOSED EXPLORATION PROJECT

Stage I	
Rotary Drilling	
15,000 lineal feet @ $2.85 per foot	$42,750.00
Standby Time	
50 hours @ $15.00 per hour	750.00
Bulldozing operations	
75 hours @ $12.50 per hour	937.50
Drifting operations	
450 lineal feet @ $35.00 per foot	15,750.00
TOTAL STAGE I COSTS	$60,187.50
Stage II	
Rotary Drilling	
8,000 lineal feet @ $2.85 per foot	$22,800.00
Standby Time	
25 hours @ $15.00 per hour	375.00
Bulldozing Operations	
20 hours @ $12.50 per hour	250.00
Drifting Operations	
800 lineal feet @ $35.00 per foot	$28,000.00
TOTAL STAGE II COSTS	$51,425.00
Personal Services Costs	
Eight percent of Stages I and II	8,929.00
Miscellaneous Costs	
Analytical work, probing, accounting, etc.	1,448.58
TOTAL COST OF PROPOSED PROJECT	$121,990.08
Applicants share of total cost	$ 30,497.52
Government's participation	$91,492.56

AGREEMENT

THIS AGREEMENT made and entered into this 0 day of September, 1957, by and between RYAN CONSOLIDATED VENTURE #2, a Joint Venture consisting of Ryan Consolidated Petroleum Corporation, a Delaware corporation, acting by and through its President, Jerome K. Crossman; Jerome K. Crossman; Seymour Hootkins; E. M. Hoffman, Trustee; Jerome K. Crossman, Trustee; Eldridge & Goggans, a partnership composed of Zellner Eldridge and J. Lawson Goggans, Jr.; H. N. Mallon; Walter Ziegler; and Vincent L. Rohloff, hereinafter sometimes designated "Ryan", and J. H. KANTER, a resident of Miami, Florida, and LEON LEVY, a resident of New York City, New York, hereinafter sometimes designated "Kanter & Levy".

The agreements herein contained amend that certain Agreement heretofore entered into between the parties hereto, dated August 9, 1957. Unless specifically stated, the amendments herein contained shall not supersede any of the provisions of said Agreement dated August 9, 1957.

I.

It is agreed that Kanter & Levy shall have until February 1, 1958 within which to attempt to procure loan under the Defense Minerals Exploration Act, commonly referred to as a D.M.E.A. loan. Kanter & Levy agree that they will actively attempt to procure such loan for the exploration, development, and mining operations upon the 120 unpatented lode mining claims referred to in said Agreement dated August 9, 1957. In such connection, however, it is understood that Kanter & Levy shall make no representation of any kind or character which shall operate or have the effect of rendering Ryan personally liable for the repayment of such loan, as it is the understanding of all parties that any such loan, if procured, is repayable, both as

to principal and interest, entirely out of production and does not constitute a personal obligation of any party hereto. Nothing herein contained shall be construed to create any authority on behalf of Kanter & Levy to procure any such loan if same shall cast any personal liability upon Ryan. If such loan be procured by Kanter & Levy, they agree that they will perform all obligations and covenants required to be performed by them under the terms of any such loan so procured and will save, indemnify, and hold harmless Ryan from the performance thereof; provided, that Kanter and Levy shall have the right in their sole discretion and judgment to expend only such portion of the loan for exploration and/or development as they may elect and to return the unexpended portion thereof to the D. M. E. A.

II.

If Kanter & Levy shall, by February 1, 1958, be unable to procure such D. M. E. A. loan, then and in such event, Kanter & Levy shall have the option of:

(a) Terminating said Agreement of August 9, 1957, or

(b) Upon notice to Ryan, causing said Agreement of August 9, 1957 to continue in force and effect.

If Kanter & Levy shall elect to continue to keep said Agreement of August 9, 1957 in force and effect, then the first paragraph of ARTICLE III thereof shall be amended to provide that prior to June 1, 1958, Kanter & Levy will expend not less than Twelve Thousand Dollars ($12,000.00) in exploration, development, and mining operations upon the 120 mining claims, said expenditure to be at the rate of not less than Three Thousand Dollars ($3,000.00) per month for the months of February, March, April, and May 1958 only. Kanter & Levy shall have the right, however, to surrender and release the properties at the end of each and every one of said four months, and upon such

surrender or release, Kanter & Levy shall have no further obligation to expend any sums for exploration, development or mining operations. The remaining portion of ARTICLE III, beginning with the words "and that during each fiscal year * * *" throughout the end of said ARTICLE III shall remain in force and effect.

III.

In the event D.M.E.A. loan shall be procured by Kanter & Levy, the loan proceeds shall not, for the purpose of ARTICLE XI, be deemed to be an investment of Kanter & Levy, but shall be expressly excluded. It is further understood that the repayment of such loan, both as to principal and interest, shall be deemed an expense before determination of profits.

IV.

In ARTICLE XI of the Agreement of August 9, 1957, reference to the date, March 1, 1958, in the second paragraph of subsection (b) shall be changed to June 1, 1958.

Except as herein modified, the terms and provisions of said Agreement of August 9, 1957 shall remain unchanged.

WITNESS our hands this 10th day of September, 1957.

RYAN CONSOLIDATED VENTURE #2:

ATTEST:

RYAN CONSOLIDATED PETROLEUM CORP.

Secretary

By _____
President

ELDRIDGE AND GOGGANS

By _____

Walter Ziegler

"Ryan"

J. H. KANTER

LEON LEVY

"Kanter & Levy"

STATE OF TEXAS)
) ss.
COUNTY OF DALLAS)

I, the undersigned notary public in and for said County and State, do hereby certify that JEROME K. CROSSMAN and VINCENT L. ROHLOFF, to me personally known and known to me to be the President and Secretary, respectively, of RYAN CONSOLIDATED PETROLEUM CORPORATION, a party to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed, and delivered said instrument as their free and voluntary act and deed, and as the free act and deed of the said Ryan Consolidated Petroleum Corporation, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and affix my official seal this the 18th day of September, 1957.

NOTARY PUBLIC
In and for Dallas County, Texas

STATE OF TEXAS)
) ss.
COUNTY OF DALLAS)

I, the undersigned notary public in and for said County and State, do hereby certify that SEYMOUR HOOTKINS, WALTER ZIEGLER, and VINCENT L. ROHLOFF, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed, and delivered said instrument as their free and voluntary acts, for the uses and purposes therein set forth.

Given under my hand and seal this 18th day of September, 1957.

NOTARY PUBLIC
In and for Dallas County, Texas

STATE OF TEXAS)
) ss.
COUNTY OF DALLAS)

I, the undersigned notary public in and for said County and State, do hereby certify that ZELLNER ELDRIDGE, JEROME K. CROSSMAN, and E. J. HOFFMAN, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed, and delivered said instrument as their free and voluntary acts, for the uses and purposes therein set forth, both individually and in the capacities therein stated.

Given under my hand and seal this 18th day of September, 1957.

NOTARY PUBLIC
In and For Dallas County, Texas

STATE OF TEXAS)
) ss.
COUNTY OF DALLAS)

I, the undersigned notary public in and for said County and State, do hereby certify that H. N. MALLON, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and seal this 18th day of September, 1957.

NOTARY PUBLIC
In and for Dallas County, Texas

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

I, the undersigned notary public in and for said County and State, do hereby certify that LEON LEVY, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and seal this 17 day of September, 1957.

NOTARY PUBLIC
In and for New York County, New York

[illegible] BROWN, Notary Public
New York, No. 03-0452125
Filed in Bronx County
Filed in New York County
Expires March 30, 1959

STATE OF _____)
COUNTY OF _____) ss.
)

I, the undersigned notary public in and for said County and State, do hereby certify that J. H. KANTER, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and seal this 11th day of September, 1957.

_____
NOTARY PUBLIC
In and For _____ County,
_____

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[illegible]

[illegible] 9th [illegible]

August [illegible] Ryan Consolidated Petroleum Corporation, a Delaware corporation, acting by and through its President, Jerome K. Crossman; Jerome K. Crossman; Seymour Hootkins; ~~Eric Hammond Coffman~~; E. M. Hoffman, Trustee; Jerome K. Crossman, Trustee; Eldridge & Goggans, a partnership composed of Zellner Eldridge and J. Lawson Goggans, Jr.; H. N. Mallon; Walter Ziegler; ~~Crossman, Ballen & Hoffman, a partnership composed of Jerome K. Crossman, Samuel B. Ballen, and E. M. Hoffman~~; and Vincent L. Rohloff

[illegible]

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DATE	INITIALS	CODE

(fissionable and/or non-fissionable) in place, [illegible] from said claims, less any and all [illegible] in excess of the [illegible] for [illegible] the payment of Thirty-five Thousand Dollars ($[illegible]) [illegible] Thousand Dollars ($[illegible]) [illegible] Mining Claims, as provided [illegible] certain Mineral Deed dated October 18, [illegible] by and between [illegible] Myers, [illegible] Becton, [illegible] Melvin J. [illegible] [illegible] and [illegible] [illegible] recorded in the office of the County [illegible] of Deeds of [illegible] County, [illegible] in Book 164, Page 374 of the [illegible] [illegible] reference.

[illegible] non-[illegible] [illegible] [illegible] [illegible]

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DATE	INITIALS	CODE

WHEREAS, [illegible] has agreed, that upon acceptance of title [illegible] provided it will execute and deliver to Kanter & Levy, a Mineral Deed covering said 120 Mining Claims, in the form of Mineral Deed attached hereto as Exhibit "A" and by this reference made a part hereof, and it is the desire of the parties hereto to enter into certain agreements with regard to the future management and operation of said 120 Mining Claims by Kanter & Levy.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions herein contained and other good and valuable consideration, receipt and sufficiency whereof is hereby acknowledged, it is mutually agreed by and between the parties hereto as follows:

I.

DEFINITIONS

1. The terms "mining claims" or "mining property", when used herein, shall mean and refer to all lands covered by the 120 Mining Claims hereinabove described and fractions, if any, which may be discovered to exist within the exterior limits of said 120 Mining Claims.

2. The terms "exploration" or "exploration operations", when used herein, shall mean and refer to all work of prospecting for and searching for ores and/or minerals upon or within said 120 Mining Claims, including but not restricted to geological and geophysical studies, core drilling operations, various types of earth moving activities, e.g., bulldozing and bulldozing, and all other activities of an exploratory nature conducted by Kanter & Levy.

3. The terms "development" or "development operations", when used herein, shall mean and refer to the accomplishment of core drilling operations and the work of driving or excavating openings in and to the main deposit of ore or minerals located within or upon said 120 Mining Claims so as to gain access thereto

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DATE	INITIALS	CODE

for the purposes of mining and handling the same and such other action as Kanter & Levy shall deem advisable in order to develop a mineral deposit or ore body when found and to gain knowledge of the size, shape, position, characteristics and value of such deposit.

4. The terms "mining" or "mining operations", when used herein, shall mean and refer to the work of mining, extracting, transporting, handling, processing and selling ores and minerals discovered upon or within said 120 Mining Claims and all other work incident thereto, and as may be reasonably required in connection therewith.

5. The term "marketing operations" shall mean and refer to the processes of selling for a price or prices the ores and/or minerals resulting from exploration, development and mining activities as above defined.

6. The term "gross proceeds" shall mean and refer to all sums, including all governmental bonuses, production bonuses or premiums, development allowances, and amounts received from any source for transportation allowances received by Kanter & Levy in payment for the sale of ores, minerals, or concentrates therefrom, as the case may be, mined, shipped, and sold from the 120 Mining Claims, or any of them, after deducting therefrom all royalties.

7. The term "expenses" shall mean and refer to the sum total of all expenditures incurred by Kanter & Levy in connection with exploration, development and mining operations upon or in connection with the 120 Mining Claims, calculated on a quarterly basis in accordance with generally accepted accounting principles consistently applied. Expenses shall include but not be restricted to all costs of labor and personnel; costs of all materials, supplies, tools, machinery and equipment purchased and rental charges for machinery and equipment leased or rented; costs of maintenance and repair of all buildings, fixtures,

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DATE	INITIALS	CODE

improvements, installations (surface and sub-surface) machinery and equipment; costs of utilities, water, fuel, power, electricity and all other utilities; costs of sampling, assaying, core drilling, testing, service charges in connection with the foregoing, engineering services, mapping, platting and similar services; costs of all annual assessment work, surveying, patent application costs, completion of patent work, legal and accounting fees and all technical fees required to protect or defend title to the 120 Mining Claims, or any of them; premiums paid on any insurance required to be carried pursuant hereto; general and special tax assessments, taxes of every kind and nature (except corporate franchise taxes) now or hereafter provided by law, including but not restricted to mine occupation taxes, any and all severance taxes, county property taxes, personal property taxes, taxes levied upon Mining Operations hereunder, and all other taxes levied or assessed against the 120 Mining Claims, or the operations hereunder; administrative overhead, legal and accounting expense; costs of loading, unloading, hauling and transportation of ores, minerals and/or concentrates; costs of up-grading, milling, treating, processing or refining of ores and minerals; plus all other costs incurred by Xanter & Levy in connection with exploration, development or mining operations hereunder. No expenses or costs shall be incurred which are not reasonably necessary and not consistent with accepted practices in the industry and which are not reasonable in amount for the services rendered or materials or equipment purchased. No salaries or compensation shall be paid to Xanter & Levy for their services under this agreement. In connection with the $35,000.00 payment referred to in paragraph (b) on page 2 hereof, if same shall become payable it shall be paid by Xanter & Levy and charged as an expense of operation.

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DATE	INITIALS	CODE

II.

RIGHTS AND DUTIES OF KANTER & LEVY

Subject to other provisions of this Agreement, Kanter & Levy shall have and retain the right, duty and responsibility to conduct or cause to be conducted the exploration, development, producing, marketing, mining and all other operations of said 120 Mining Claims and ores and minerals therefrom, together with the right to conduct such geological investigations, exploration, development and mining operations and other work, as Kanter & Levy shall in their sole discretion elect, all of which shall be performed so as to mine and market the maximum values of minerals and ores from said 120 mining Claims with the least possible expenses, and so as to realize maximum profits for the parties hereto. Kanter & Levy covenant and agree to conduct said operations hereunder and those duties described throughout this Agreement in a good and minerlike manner. Kanter & Levy agree that they will install and maintain all workings in a safe condition, keep them properly drained and clear of loose rocks, rubbish and obstructions. Kanter & Levy agree that they will timely perform all annual assessment work on said mining claims, as required by law, and will furnish proof to Ryan that the same has been accomplished.

III.

PROGRAM OF EXPLORATION

Kanter & Levy agree that prior to March 1, 1958, they will expend not less than Twelve Thousand Dollars ($12,000.00) in exploration, development and mining operations upon the 120 Mining Claims, said expenditure to be at the rate of not less than Two Thousand Dollars ($2,000.00) per month, and that during each fiscal year, beginning with the fiscal year July 1, 1958 to June 30, 1959, during which they are in possession of the 120 Mining Claims, they will expend not less than Twelve Thousand Dollars ($12,000.00) in exploration, development and mining operations

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RECEIVED OCT 24 1957

DATE	INITIALS	CODE

thereon, said expenditures to be made at the rate of not less than One Thousand Five Hundred Dollars ($1,500.00) per month during the months of July through February of each such fiscal year. For the purpose of this Agreement, a fiscal year shall be deemed to be that period of time between July 1 of any particular year and June 30 of the following year. All amounts so expended by Kanter & Levy shall be considered expenses, to be deducted from gross proceeds pursuant to this Agreement. It is further understood and agreed that should Kanter & Levy at any time elect to terminate this Agreement, pursuant to paragraph XI hereof, the obligation to make such expenditures shall cease as of the effective date of such termination.

It is further understood and agreed that any amounts expended by Kanter & Levy for exploration, development and mining upon said 120 Mining Claims shall be cumulative such that if during any particular month Kanter & Levy expend in excess of the required minimum expenditure for that month any amounts in excess of said required minimum expenditure so expended may be carried forward and credited to expenditures required for future months. Should Kanter & Levy elect not to make any expenditure hereinabove provided during any particular month during which such expenditure is required, they shall deposit in an escrow account to be established with the Republic National Bank in Dallas, Texas, an amount equal to the difference between the expenditure required for that particular month and the actual amount expended during said month. Said escrow account shall be established under an escrow agreement which shall provide that Kanter & Levy may at any time thereafter withdraw the funds so deposited for use in connection with operations hereunder, and providing further that in the event Kanter & Levy elect to cancel and terminate this Agreement pursuant to the terms hereof, the balance contained in said escrow account as of the effective date of such termination shall be paid to Ryan.

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RECEIVED OCT 24 1957

DATE	INITIALS	CODE

IV.

DISTRIBUTION OF GROSS PROCEEDS AND APPORTIONMENT OF COSTS AND EXPENSES

Except as herein otherwise specifically provided, each of the parties hereto shall own and be entitled to fifty per cent (50%) of the gross proceeds resulting from the production, sale or marketing of ores and/or minerals of any and all types produced from said 120 Mining Claims after deduction therefrom of all outstanding royalties and all expenses incurred in connection therewith. In other words, it is agreed and understood that the parties hereto shall share equally in the net proceeds resulting from the marketing, sale or other dispositions of ores and/or minerals from said 120 Mining Claims. For purposes hereof Ryan shall be considered one party and Kanter & Levy shall be considered one party.

Except as herein otherwise expressly provided, all expenses, costs and liabilities accruing or resulting from exploration, development, producing, mining and marketing operations in, on or for the benefit of the 120 Mining Claims pursuant to this Agreement, shall be paid by Kanter & Levy and shall be recovered by Kanter & Levy only out of the parties' share in gross proceeds, such recovery to be in the same proportions as the parties share in gross proceeds or other consideration, i.e., fifty per cent (50%) by each party. Kanter & Levy shall pay and discharge all of the expenses, costs and liabilities and shall charge to Ryan's share of gross proceeds Ryan's fifty per cent (50%) share of said expenses, costs and liabilities, and Kanter & Levy shall be charged with the remaining fifty per cent (50%) of the expenses, costs and liabilities. Within forty-five (45) days after the end of March, June, September and December of each calendar year, Kanter & Levy shall furnish to Ryan complete statements of expenses, costs and liabilities and gross proceeds (including copies of all

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RECEIVED OCT 24 1957

DATE	INITIALS	CODE

shipment or settlement sheets) relating to all operations for the three months ending with such named month. Concurrently with the submission of said quarterly report, Kanter & Levy shall pay to Ryan its share, amounting to fifty per cent (50%) of the gross proceeds actually received by Kanter & Levy within such quarter, and any other consideration as above described, less Ryan's fifty per cent (50%) share of the expenses, costs and liabilities as above described. If, during any quarter the expenses shall exceed the gross proceeds, the excess of the expenses over the gross proceeds shall be carried forward and charged against the gross proceeds of any subsequent quarter or quarters until the full amount of said expense has been offset. Kanter & Levy covenant that they will at all times keep the said 120 Mining Claims and the capital investments acquired in connection therewith, free and clear of laborer's, mechanic's and other liens and encumbrances. Kanter & Levy agree to keep accurate and complete accounting records concerning all operations hereunder and Ryan shall at all times have the privilege of inspecting and copying such accounting records, reports or books covering the operations conducted hereunder. Such inspection shall be conducted at reasonable hours by authorized representatives of Ryan.

V.

RIGHTS AND PRIVILEGES OF RYAN

Ryan shall have the following specific rights and privileges:

1. Access, at its sole risk, to any of the 120 Mining Claims at any reasonable time, to inspect work of exploration, development, mining and all other operations thereon.

2. The right to inspect geological and assay data prepared or caused to be prepared by Kanter & Levy as to said 120 Mining Claims and to inspect samples of mineralization, drill cores and the cuttings resulting from drilling and mining operations on said claims.

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RECEIVED OCT 24 1957

DATE	INITIALS	CODE

5. The right at all reasonable times to inspect, copy and audit the books, records and invoices pertaining to any matter of accounting arising hereunder.

VI.

EMPLOYEES

In the exercise of its rights hereunder, Kanter & Levy shall be allowed in their sole discretion to determine the number and type of employees to be hired and the hours of labor and compensation for services to be paid them (such number of employees and such compensation, however, to be reasonable), and shall have the sole authority and discretion to hire and fire all such persons. All such persons shall be the employees of Kanter & Levy.

VII.

MARKETING OPERATIONS

Kanter & Levy shall have the right to sell all ores, minerals and/or concentrates therefrom, mined and removed from the 120 Mining Claims in the name of Kanter & Levy or their nominee. Further, notwithstanding anything in this Agreement to the contrary, it is understood and agreed that at all times throughout the term of this Agreement Ryan and Kanter & Levy shall each have the right upon payment of its share of outstanding royalties and expenses applicable to take its share of gross production of minerals or ores from the said 120 Mining Claims in kind, and the further right, after taking the same in kind, to market such share for its own account.

VII.

TAXES

Kanter & Levy shall pay, as the same become due and payable, all taxes levied or assessed against the 120 Mining Claims and the production therefrom and against all personal property acquired in the operations hereunder, including but not limited

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RECEIVED OCT 24 1957

DATE	INITIALS	CODE

to ad valorem, occupation, production, severance, sales, use and the like taxes, except those taxes which are paid or payable by the purchaser of production from the said mining claims and mining property, charging to each party its proportionate part, fifty per cent (50%) of the total taxes so paid, but each party reserves the right to protest any tax payment which it feels is unlawful and to seek redress therefrom according to law.

IX.

INSURANCE

Kanter & Levy shall at all times while conducting operations hereunder, purchase or provide for the insurance protection of the parties, comparable to that afforded under standard policies of insurance, for not less than the following:

1. Workmen's Compensation Insurance sufficient to comply with the Workmen's Compensation laws of the State of [illegible].

2. Manufacturers and Contractors Public Liability Insurance -- Premises Operation and Independent Contractors hazards only -- with limits of $100,000.00 per person and [illegible] per accident.

3. Automobile Liability Insurance -- with limits of [illegible] per person and [illegible] per accident.

4. Automobile Property Damage Insurance -- with a limit of [illegible].

Kanter & Levy shall charge as an expense hereunder an amount equal to the premiums applicable to the protection provided. Kanter & Levy shall not be required to purchase fire, extended coverage or other physical damage insurance, it being understood that as to these types of losses the parties hereto shall be self-insurers, each to the extent of its interest as it may appear at the time of any loss.

X.

ACCEPTABILITY OF TITLE

Kanter and Levy shall have until October 15, [illegible] within which to make such investigations as they shall deem

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DATE	INITIALS	CODE

as to the title to the 120 Mining Claims. On or before October 10, 1957, Kanter & Levy shall give written notice to Ryan designating whether they accept or reject the title to the 120 Mining Claims, with the understanding that if title is accepted by Kanter & Levy it must be accepted as to all claims, whether more or less than 120 claims, and may not be accepted as to a portion of said claims and rejected as to a portion of said claims. If Kanter & Levy shall, on or before October 10, 1957, elect to accept title to said claims, Ryan shall promptly execute and deliver to Kanter & Levy a Mineral Deed to said 120 Mining Claims in the form shown in Exhibit "A" hereto. If Kanter & Levy shall, on or before October 10, 1957, elect to reject title to said 120 Mining Claims, the parties hereto shall be under no further obligations hereunder.

The determination of acceptability of title shall be within the sole and unrestricted judgment of and discretion of Kanter & Levy and should Kanter & Levy elect to reject said title they shall not be required to designate or assign any reason or cause for such rejection.

XI.

OWNERSHIP OF MINING CLAIMS AND PERSONAL PROPERTY

(a) Anything in the Mineral Deed to be executed by Ryan to Kanter & Levy on the form in Exhibit "A" to the contrary notwithstanding, all machinery, equipment, materials, supplies and all other personal property acquired or used on or in connection with operations pursuant hereto shall be deemed to be owned by the respective parties hereto in the proportions in which the purchase price therefor has been paid by said party, either from the rights of said party in gross proceeds, or otherwise.

(b) Anything in the Mineral Deed to be executed by Ryan to Kanter & Levy on the form in Exhibit "A" to the contrary notwithstanding, the right of ownership of the parties in and to

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RECEIVED OCT 24 1957

DATE	INITIALS	CODE

the 120 Mining Claims shall be in proportion to the amounts the respective parties have invested in said mining claims, but at no time shall Ryan's interest be less than fifty per cent (50%). For purposes of this Agreement, the investment of Ryan in said 120 Mining Claims shall be deemed to be $[illegible],000.00, and the investment of Hunter & Levy in said 120 Mining Claims shall be the sum total of all amounts expended by Hunter & Levy in exploration, development or mining operations hereunder whether or not the same have been recovered or are subject to recovery from gross proceeds, but the interest of Hunter & Levy shall never exceed 50%. In other words, it is intended that the interest of Ryan in said the Mining Claims for any particular time shall be that proportion which $[illegible],000.00 bears to the total of all expenses incurred by Hunter & Levy hereunder, plus $[illegible],000.00, and the interest of Hunter & Levy in said 120 Mining Claims shall be that proportion which the total of all expenses incurred by Hunter & Levy hereunder to that date bears to the total of such expenses plus $120,000.00; all subject, however, to the limitations that the ownership of Ryan in the 120 Mining Claims shall never be less than 50%, and the ownership of Hunter & Levy therein shall never be more than 50%.

It is specifically understood and agreed however that, anything in the Mineral Deed to be executed by Ryan to Hunter & Levy on the form in Exhibit "A" to the contrary notwithstanding, unless and until Hunter & Levy shall have expended the sum of $[illegible] in exploration, development and mining operations upon said 120 Mining Claims prior to March 1, 1950, as provided by Paragraph III hereof, they shall acquire no interest in said 120 Mining Claims.

In the event a sale shall be made of the said 120 Mining Claims, or any portion thereof, or any interest therein, upon the consent and agreement of both of the parties hereto in writing,

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RECEIVED OCT 24 1957

DATE	INITIALS	CODE

the proceeds of any such sale shall be applied first against any expenses incurred hereunder which remain unpaid and the balance of the proceeds after making such payment of expenses shall thereafter be divided between the parties in proportion to their respective interests in said 120 Mining Claims as of the date of said sale.

In the event that Ryan should elect to sell its interest in the 120 Mining Claims, Kanter & Levy shall have the first right and refusal to purchase the interest of Ryan therein upon the same terms and conditions as the best bona fide offer Ryan has received for said interests. Said right of first refusal may be exercised by Kanter & Levy within 30 days of receipt by them from Ryan of written notice of the election to make such sale, which written notice shall set forth the terms and conditions of the best bona fide offer Ryan has received for the purchase of said properties. In the event that Kanter & Levy should elect to sell their interest in the 120 Mining Claims, Ryan shall have the first right and refusal to purchase the interest of Kanter & Levy therein upon the same terms and conditions as the best bona fide offer Kanter & Levy has received for said interests. Said right of first refusal may be exercised by Ryan within 30 days of receipt by them from Kanter & Levy of written notice of the election to make such sale, which written notice shall set forth the terms and conditions of the best bona fide offer Kanter & Levy has received for the purchase of said properties.

XII.

RIGHT OF KANTER & LEVY TO TERMINATE

Kanter & Levy shall have the right, as of the last day of any calendar month, at their sole election, to cancel and terminate this agreement upon ten (10) days' written notice to Ryan. Concurrently with such notice Kanter & Levy shall deliver to Ryan

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DATE	INITIALS	CODE

(a) Payment of amounts due Ryan from production to and including the date of such termination less applicable expenses.

(b) Written authorization directing the escrow agent to pay to Ryan all amounts contained in the escrow account provided by paragraph III hereof.

(c) A Mineral Deed conveying to Ryan the interest of Kanter & Levy in the 120 Mining Claims in the same form as in Exhibit "A" hereto.

Upon completion of the foregoing action this Agreement shall be deemed canceled and terminated and Kanter & Levy shall have no further obligation hereunder.

XIII.

ASSIGNMENT

Subject to the obligation to first offer to Ryan under Section XI hereof, Kanter & Levy shall have the right at any time, with the written consent of Ryan, to assign their rights and interests arising hereunder and convey their rights under the Mineral Deed, a copy of which is attached hereto as Exhibit "A" to a responsible assignee with the understanding that if such assignee agrees to assume the obligations of Kanter & Levy hereunder, Kanter & Levy shall thereupon be relieved of all duty, obligation, responsibility or liability hereunder. Ryan's consent to an assignment to a responsible assignee shall not be unreasonably withheld.

XIV.

DECLARATION OF LEGAL STATUS OF PARTIES

It is not the intention of the parties to create, nor shall this instrument be construed as creating, a mining or other partnership or association, or to render the parties liable as partners. Kanter & Levy shall have no authority to obligate Ryan or make Ryan liable for payment of any costs or expenses of any kind. Kanter & Levy, having agreed to pay all costs and

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RECEIVED OCT 24 1957

DATE	INITIALS	CODE

expenses and looking only to production for reimbursement, shall indemnify and save harmless Ryan from any and all claims in connection with costs or expenses arising out of exploration, development, producing, mining, marketing or other operations hereunder. Kanter & Levy further agree to indemnify and save harmless Ryan from any and all claims, demands, or causes of action which may be asserted against Ryan for injuries or death to persons or damage to property arising out of or incident to all acts of Kanter & Levy, their employees, agents, and contractees.

Each of the parties hereto elects, under the authority of Section 761 (a) of the Internal Revenue Code of 1954, to be excluded from the application of all the provisions of Subchapter K of Chapter 1 of Subtitle A of the Internal Revenue Code of 1954. If the income tax laws of the State of Wyoming contain or may hereafter contain provisions similar to those contained in the Subchapter of the Internal Revenue Code of 1954 above referred to under which a similar election is permitted, each of the parties agrees that such election shall be exercised. Each party authorizes and directs the Operator to execute such an election or elections on his behalf and to file the election with the proper governmental office or agency. If requested by Kanter & Levy so to do, each party agrees to execute and join in such an election.

XV.

LAWS, REGULATIONS AND FORCE MAJEURE

This Agreement shall be subject to the laws of the State of Wyoming and to the applicable rules and regulations of the regulatory bodies of said state having jurisdiction thereof, and to all other applicable state and federal laws, rules and regulations. All obligations of the parties shall be suspended while, but only so long as, the parties are prevented from complying with such obligations, in whole or in part, by strikes, lockouts, acts of God, unavoidable accidents, uncontrollable delays by transportation, inability to obtain necessary materials or for disposition of production, any state or federal laws, regulations or orders or other matters beyond the reasonable

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DATE	INITIALS	CODE

control of the parties, whether similar to the matters herein specifically enumerated or not; provided, however, that performance shall be resumed within a reasonable time after such cause has been removed; and provided, further, that the parties shall not be required, against their will, to adjust any labor dispute, or to question the validity of or to refrain from judicially testing the validity of any state or federal order, regulation or law. The terms hereof shall be considered as covenants running with the ownership of the interests in said mining claims and mining property subject hereto and shall be binding upon the respective parties and their assigns and successors in interest.

XVI.

NOTICES AND PAYMENTS

All notices, payments, accounting statements and other instruments or communications required or authorized to be given hereunder shall be given or transmitted by United States Certified Mail or Western Union telegram, postage or charges prepaid, addressed to the party entitled to such notice, payment, accounting statement or other instrument or communication as follows:

Ryan: 6400 Republic National Bank Building,
Dallas, Texas

Joseph H. Kanter: 924 North Bend Road
Cincinnati 24, Ohio

and

Leon Levy: c/o Oppenheimer & Co.
25 Broad Street
New York City, New York

Any notice required to be given hereunder shall be deemed given if given by mail when deposited in any United States post office, postage prepaid and properly addressed and if given by telegraph, when delivered to the telegraph company for transmission, and any period herein specified shall run from the giving of such notice. A party hereto shall be bound by a change of address of the other party hereto, or its successor in interest,

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RECEIVED OCT 24 1957

DATE	INITIALS	CODE

after receipt of written notice of such change of address from the other party.

Any payment herein provided to be made to Ryan shall be sufficient if made to Jerome K. Crossman as operator of Ryan, or to such other party as Ryan may hereafter designate to Kanter & Levy. Ryan hereby appoints Jerome K. Crossman as its agent for the purpose of receiving all payments and notices herein provided to be made to Ryan. Said Jerome K. Crossman shall remain such agent until Ryan shall give Kanter & Levy notice of the appointment of another agent.

XVII.

DEFAULT

In the event either party hereto shall fail to perform any term or condition on its part to be performed hereunder, the other party shall give notice in writing specifying such failure, and the party receiving such notice shall have thirty (30) days thereafter to remedy such default. Upon failure or refusal to correct or remedy such default within such thirty (30) day period, all of the rights of the party so in default hereunder may be terminated by the other.

IN WITNESS WHEREOF, the parties have hereunto set their hands and affixed their seals this 9th day of August, 195.

RYAN CONSOLIDATED VENTURE #2

Attest:

Secretary

By ~~RYAN CONSOLIDATED PETROLEUM CORP.~~

By Jerome K. Crossman

President

Jerome K. Crossman

Seymour Hoffman

Edward M. Hoffman, Trustee

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RECEIVED OCT 24 1957

DATE	INITIALS	CODE

(Trustee)

Trustee

By Laura Berg

H M Waller

Carl Berger

Vincent C. Dowling

RYAN

J. H. Panter

J. H. PANTER

Leon Levy

LEON LEVY

PANTER & LEVY

STATE OF NEW YORK
BOROUGH OF MANHATTAN } ss.

On this ____ day of _____, 1951, appeared before me LEON LEVY, who acknowledged that he executed the above and foregoing Agreement.

_____
NOTARY PUBLIC
Residing at:

My commission expires:
_____.

STATE OF FLORIDA
COUNTY OF } ss.

On this ____ day of _____, 1951, personally appeared before me J. H. PANTER, who acknowledged that he executed the above and foregoing Agreement.

_____
NOTARY PUBLIC
Residing at:

My commission expires:
_____.

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RECEIVED OCT 24 1957

DATE	INITIALS	CODE

STATE OF TEXAS)
)
COUNTY OF DALLAS)

I, the undersigned notary public in and for said County and State, do hereby certify that Jerome K. Crossman and Vincent L. Rohloff, to me personally known and known to me to be the President and Secretary, respectively, of Ryan Consolidated Petroleum Corporation, a party to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed, and delivered said instrument as their free and voluntary act and deed, and as the free act and deed of the said Ryan Consolidated Petroleum Corporation, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and affixed my official seal this the 9th day of August 1957.

Polly Ray POLLY RAY
Notary Public, Dallas County, Tex.

STATE OF TEXAS)
)
COUNTY OF DALLAS)

I, the undersigned notary public in and for said County and State, do hereby certify that Seymour Hootkins, Walter Ziegler, Vincent L. Rohloff, and ~~Eric Hammond Goffman~~, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed, and delivered said instrument as their free and voluntary acts, for the uses and purposes therein set forth.

Given under my hand and seal this 9th day of August 1957.

Polly Ray POLLY RAY
Notary Public, Dallas County, Tex.

STATE OF TEXAS)
)
COUNTY OF DALLAS)

I, the undersigned notary public in and for said County and State, do hereby certify that Zellner Eldridge, Jerome K. Crossman, and E. M. Hoffman, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed, and delivered said instrument as their free and voluntary acts, for the uses and purposes therein set forth, both individually and in the capacities therein stated.

Given under my hand and seal this 9th day of August 1957.

Polly Ray
Notary Public, Dallas County, Tex.

STATE OF TEXAS)
)
COUNTY OF DALLAS)

I, the undersigned notary public in and for said County and State, do hereby certify that H. N. Mallon, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and seal this 9th day of August 1957.

Jeanette Walker

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RECEIVED OCT 24 1957

DATE	INITIALS	CODE

EXHIBIT "A"

MINERAL DEED

THIS INDENTURE made and entered into this _____ day of _____, 1957, by and between RYAN CONSOLIDATED VENTURE #2, a Joint Venture, consisting of Ryan Consolidated Petroleum Corporation, a Delaware corporation, acting by and through its President, Jerome K. Crossman; Jerome K. Crossman; Seymour Hoffkins; ~~Earl Hammond Goffman; B. M. Hoffman, Trustee; Jerome K. Crossman, Trustee; Eldridge & Goggans, a~~ Partnership composed of Zellner Eldridge and J. Lawson Goggans, Jr.; H. N. Mallon; Walter Ziegler; Crossman, Ballen & Hoffman, a partnership composed of ~~Jerome K. Crossman, Samuel B. Ballen and E. M. Hoffman; and Vincent L.~~ Rohloff; hereinafter designated "Grantor", and J. H. KANTER, a resident of Miami, Florida, and LEON LEVY, a resident of New York City, New York, hereinafter designated the "Grantees ;

WITNESSETH:

That for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration paid to Grantor by Grantees, receipt whereof is hereby acknowledged, Grantor hereby grants, bargains, sells, conveys, transfers, delivers and confirms unto Grantees an undivided one-half interest in the 120 following described unpatented lode mining claims and all of the right, title and interest of Grantor therein, which mining claims are situated in Big Horn County, State of Wyoming, to-wit:

NAME OF CLAIM	CERTIFICATE OF LOCATION RECORDED IN THE OFFICE OF THE COUNTY CLERK AND EX-OFFICIO REGISTER OF DEEDS OF BIG HORN COUNTY, STATE OF WYOMING, AT		
	Date	Book	Page
Vista No. 0	4/11/56	153	43
Vista No. 1	4/11/56	153	45
Vista No. 2	4/11/56	153	47

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D M & A
RECEIVED OCT 24 1957

DATE	INITIALS	CODE

NAME OF CLAIM (continued)	CERTIFICATE OF LOCATION RECORDED IN THE OFFICE OF THE COUNTY CLERK AND EX-OFFICIO REGISTER OF DEEDS OF BIG HORN COUNTY, STATE OF WYOMING, AT		
	Date	Book	Page
Vista No. 3	4/11/56	153	49
Vista No. 4	4/11/56	153	51
Vista No. 5	4/11/56	153	53
Vista No. 6	4/11/56	153	55
Vista No. 7	4/11/56	153	57
Vista No. 8	4/11/56	153	59
Vista No. 9	4/11/56	153	61
Vista No. 10	4/11/56	153	63
Vista No. 11	4/11/56	153	65
Vista No. 12	4/11/56	153	67
Vista No. 13	4/11/56	153	69
Vista No. 14	4/11/56	153	71
Vista No. 15	4/11/56	153	73
Vista No. 16	4/11/56	153	75
Vista No. 17	4/11/56	153	77
Big Horn No. 1	4/11/56	152	505
Big Horn No. 2	4/11/56	152	507
Big Horn No. 3	4/11/56	152	509
Big Horn No. 4	4/11/56	152	511
Big Horn No. 5	4/11/56	152	513
Big Horn No. 6	4/11/56	152	515
Big Horn No. 7	4/11/56	152	517
Big Horn No. 8	4/11/56	152	519
Big Horn No. 9	4/11/56	152	521

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D M E A
RECEIVED OCT 24 1957

DATE	INITIALS	CODE

NAME OF CLAIM (continued)	CERTIFICATE OF LOCATION RECORDED IN THE OFFICE OF THE COUNTY CLERK AND EX-OFFICIO REGISTER OF DEEDS OF BIG HORN COUNTY, STATE OF WYOMING, AT		
	Date	Book	Page
Big Horn No. 10	4/11/56	152	523
Big Horn No. 11	4/11/56	152	525
Big Horn No. 12	4/11/56	152	527
Big Horn No. 13	4/11/56	152	529
Big Horn No. 14	4/11/56	152	531
Big Horn No. 15	4/11/56	152	533
Big Horn No. 16	4/11/56	152	535
Big Horn No. 17	4/11/56	152	537
Broken Heart No. 1	4/11/56	152	539
Broken Heart No. 2	4/11/56	152	541
Broken Heart No. 3	4/11/56	152	543
Broken Heart No. 4	4/11/56	152	545
Broken Heart No. 5	4/11/56	152	547
Broken Heart No. 6	4/11/56	152	549
Broken Heart No. 7	4/11/56	152	551
Broken Heart No. 8	4/11/56	152	553
Broken Heart No. 9	4/11/56	152	555
Broken Heart No. 10	4/11/56	152	557
Broken Heart No. 11	4/11/56	152	559
Broken Heart No. 12	4/11/56	153	1
Broken Heart No. 13	4/11/56	153	3
Broken Heart No. 14	4/11/56	153	5
Broken Heart No. 15	4/11/56	153	7

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D M E A
RECEIVED OCT 24 1957

DATE	INITIALS	CODE

NAME OF CLAIM (continued)	CERTIFICATE OF LOCATION RECORDED IN THE OFFICE OF THE COUNTY CLERK AND EX-OFFICIO REGISTER OF DEEDS OF BIG HORN COUNTY, STATE OF WYOMING AT		
	Date	Book	Page
Valentine No. 1	4/11/56	153	9
Valentine No. 2	4/11/56	153	11
Valentine No. 3	4/11/56	153	13
Valentine No. 4	4/11/56	153	15
Valentine No. 5	4/11/56	153	17
Valentine No. 6	4/11/56	153	19
Valentine No. 7	4/11/56	153	21
Valentine No. 8	4/11/56	153	23
Valentine No. 9	4/11/56	153	25
Valentine No. 10	4/11/56	153	27
Valentine No. 11	4/11/56	153	29
Valentine No. 12	4/11/56	153	31
Valentine No. 13	4/11/56	153	33
Valentine No. 14	4/11/56	153	35
Valentine No. 15	4/11/56	153	37
Valentine No. 16	4/11/56	153	39
Valentine No. 17	4/11/56	153	41
Tri Pacer No. 1	4/10/56	152	361
Tri Pacer No. 2	4/10/56	152	363
Tri Pacer No. 3	4/10/56	152	365
Tri Pacer No. 4	4/10/56	152	367
Tri Pacer No. 5	4/10/56	152	369
Tri Pacer No. 6	4/10/56	152	371

OFFICIAL FILE COPY
D M E A
RECEIVED OCT 24 1957

DATE	INITIALS	CODE

NAME OF CLAIM	CERTIFICATE OF LOCATION RECORDED IN THE OFFICE OF THE COUNTY CLERK AND EX-OFFICIO REGISTER OF DEEDS OF BIG HORN COUNTY, STATE OF WYOMING, AT		
(continued)	Date	Book	Page
Tri Pacer No. 7	4/10/56	152	373
Tri Pacer No. 8	4/10/56	152	375
Tri Pacer No. 9	4/10/56	152	377
Tri Pacer No. 10	4/10/56	152	379
Tri Pacer No. 11	4/10/56	152	381
Tri Pacer No. 12	4/10/56	152	383
Tri Pacer No. 13	4/10/56	152	385
Tri Pacer No. 14	4/10/56	152	387
Tri Pacer No. 15	4/10/56	152	389
Tri Pacer No. 16	4/10/56	152	391
Tri Pacer No. 17	4/10/56	152	393
Tri Val	4/10/56	152	425
Goon No. 1	4/10/56	152	427
Goon No. 2	4/10/56	152	429
Goon No. 3	4/10/56	152	431
Goon No. 4	4/10/56	152	433
Goon No. 5	4/10/56	152	435
Goon No. 6	4/10/56	152	437
Horse Thief No. 0	4/10/56	152	439
Horse Thief No. 1	4/10/56	152	441
Horse Thief No. 2	4/10/56	152	443
Horse Thief No. 3	4/10/56	152	445

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D M & A
RECEIVED OCT 24 1957

DATE	INITIALS	CODE

NAME OF CLAIM	CERTIFICATE OF LOCATION RECORDED IN THE OFFICE OF THE COUNTY CLERK AND EX-OFFICIO REGISTER OF DEEDS OF BIG HORN COUNTY, STATE OF WYOMING, AT		
(continued)	Date	Book	Page
Horse Thief No. 4	4/10/56	152	447
Horse Thief No. 5	4/10/56	152	449
Horse Thief No. 6	4/10/56	152	451
Horse Thief No. 7	4/10/56	152	453
Horse Thief No. 8	4/10/56	152	455
Horse Thief No. 9	4/10/56	152	457
Cactus No. 1	4/11/56	152	497
Cactus No. 2	4/11/56	152	499
Cactus No. 3	4/11/56	152	501
Cactus No. 4	4/11/56	152	503
Cave Line No. 1	4/10/56	152	395
Cave Line No. 2	4/10/56	152	397
Cave Line No. 3	4/10/56	152	399
Cave Line No. 4	4/10/56	152	401
Cave Line No. 5	4/10/56	152	403
Cave Line No. 6	4/10/56	152	405
Cave Line No. 7	4/10/56	152	407
Cave Line No. 8	4/10/56	152	409
Cave Line No. 9	4/10/56	152	411
Cave Line No. 10	4/10/56	152	413
Cave Line No. 11	4/10/56	152	415
Cave Line No. 12	4/10/56	152	417
Cave Line No. 13	4/10/56	152	419

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RECEIVED OCT 24 1

DATE	INITIALS	

NAME OF CLAIM (Continued)	CERTIFICATE OF LOCATION RECORDED IN THE OFFICE OF THE COUNTY CLERK AND EX-OFFICIO REGISTER OF DEEDS OF BIG HORN COUNTY, STATE OF WYOMING, AT		
	Date	Book	Page
Cave Line No. 14	4/10/56	152	421
Cave Line No. 15	4/10/56	152	423

together with an undivided one-half interest in all and singular the minerals, lodes and veins within the lines of said 120 mining claims and all dips, spurs, and all rights, privileges and appurtenances thereunto in anywise belonging.

TO HAVE AND TO HOLD UNTO SAID Grantees, their successors and assigns forever, subject, however, to the following described royalty interests and payment obligations:

(a) An overriding royalty of twelve and one-half per cent (12-1/2%) of all uranium, thorium, other fissionable and non-fissionable materials as mined, marketed and sold from said 120 Mining Claims, said twelve and one-half per cent (12-1/2%) overriding royalty to be computed on the gross amount of minerals (fissionable and/or non-fissionable) so mined, marketed and sold from said claims, less any and all haulage expense or expenses in excess of the government allowance for haulage, and an obligation to make payment of Thirty-Five Thousand Dollars ($35,000.00) at the time One Hundred Thousand Dollars ($100,000.00) has been received as gross income from the 120 mining claims, as provided by that certain Mineral Deed dated October 12, 1956, by and between Morris R. Avery, Eyre Preator, Lazell Preator, Melvin H. Christler, Vaughn A. Hodson, Stanley Preator, and Arlan Preator, as Grantors, and Jerome K. Crossman and Seymour Hootkins, which Mineral Deed was recorded in the office of the County Clerk and Ex-Officio Register of Deeds of Big Horn County, State of Wyoming, on November 30, 1956, as Entry No. 387170, in Book 164, Page 374

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DATE	INITIALS	CODE

of the records of that office and as further provided by that certain "Contract of Sale and Purchase of Mining Properties" by and between the same parties, dated September 29, 1956, consisting of four (4) typewritten pages, including signature pages.

(b) An overriding royalty of two per cent (2%) of all uranium, thorium, or fissionable and non-fissionable materials and minerals as mined, marketed and sold from any or all of said 120 Mining Claims, said two per cent (2%) overriding royalty to be computed on the gross amount of minerals (fissionable and/or non-fissionable) mined, marketed and sold from said claims, less any and all haulage expense or expenses in excess of the government allowance for haulage, as provided by that certain "Assignment of Overriding Royalty" dated October _____, 1956, by and between Jerome K. Crossman and Seymour Hootkins, as Assignors, and S. A. Winfrey, as Assignee.

(c) The rights and obligations of the parties hereto arising under that certain Agreement dated August 9, 1957, by and between Grantor, as Ryan, and Grantees, as Kanter and Levy.

Grantor herein does hereby covenant that it will forever warrant and defend the title to said premises by, through or under Grantor.

IN WITNESS WHEREOF, Grantor has hereunto set its hand and seal this ____ day of _____, 1957.

RYAN CONSOLIDATED VENTURE #2

By _____

_____

_____

_____

_____

_____

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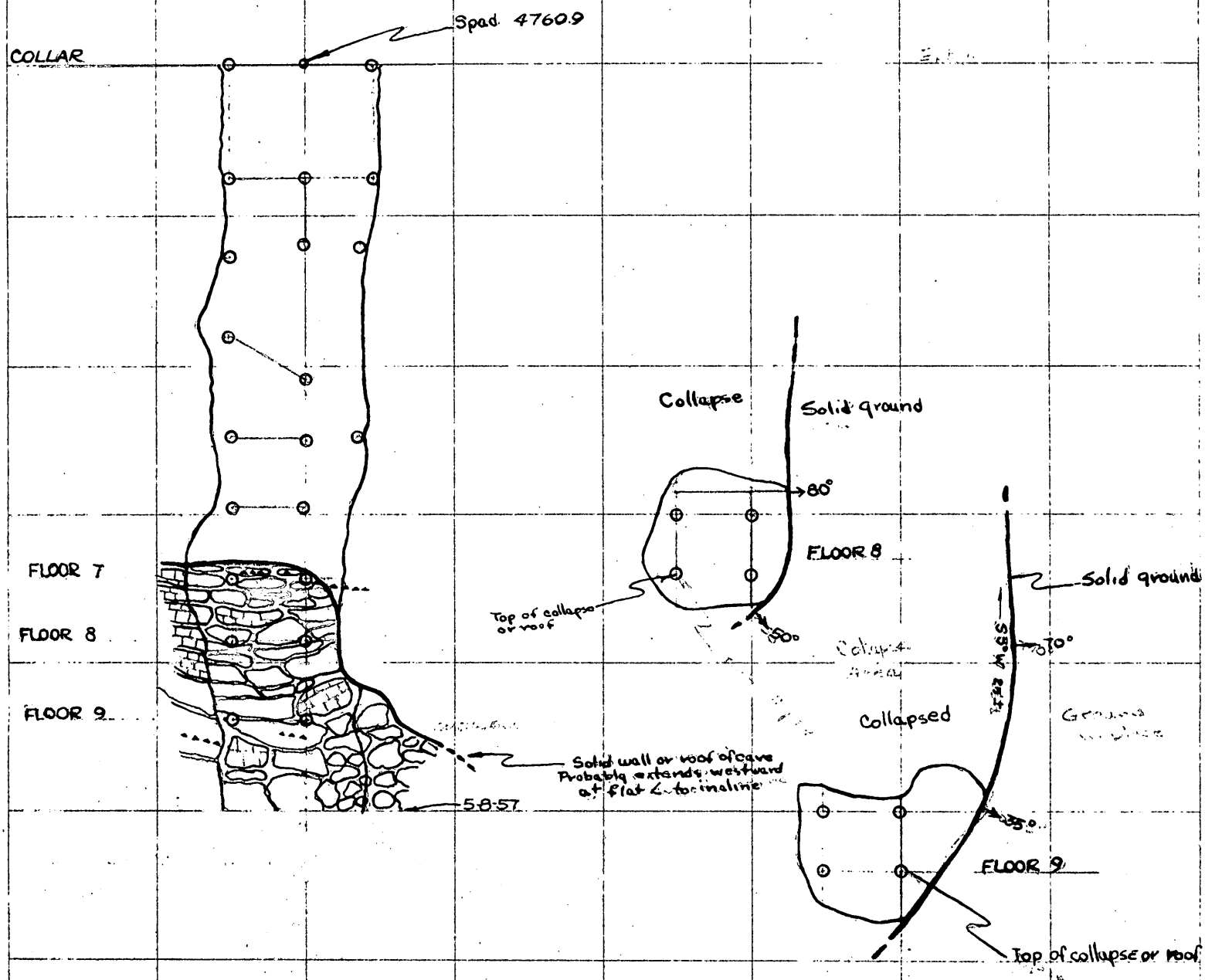
DATE	INITIALS	CODE

I. S. & R. FORM 16-G


Spad 4760.9
COLLAR
FLOOR 7
FLOOR 8
FLOOR 9
Solid wall or roof of cave
Probably extends westward
at flat ∠ to inaline
5-8-57
Collapse
Solid ground
80°
FLOOR 8
Top of collapse
or roof
50°
Solid ground
70°
Collapsed
FLOOR 9
35°
Top of collapse or roof

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57
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DATE

I. S. & R. FORM 16-G

Ryan Consolidated
Venture #2

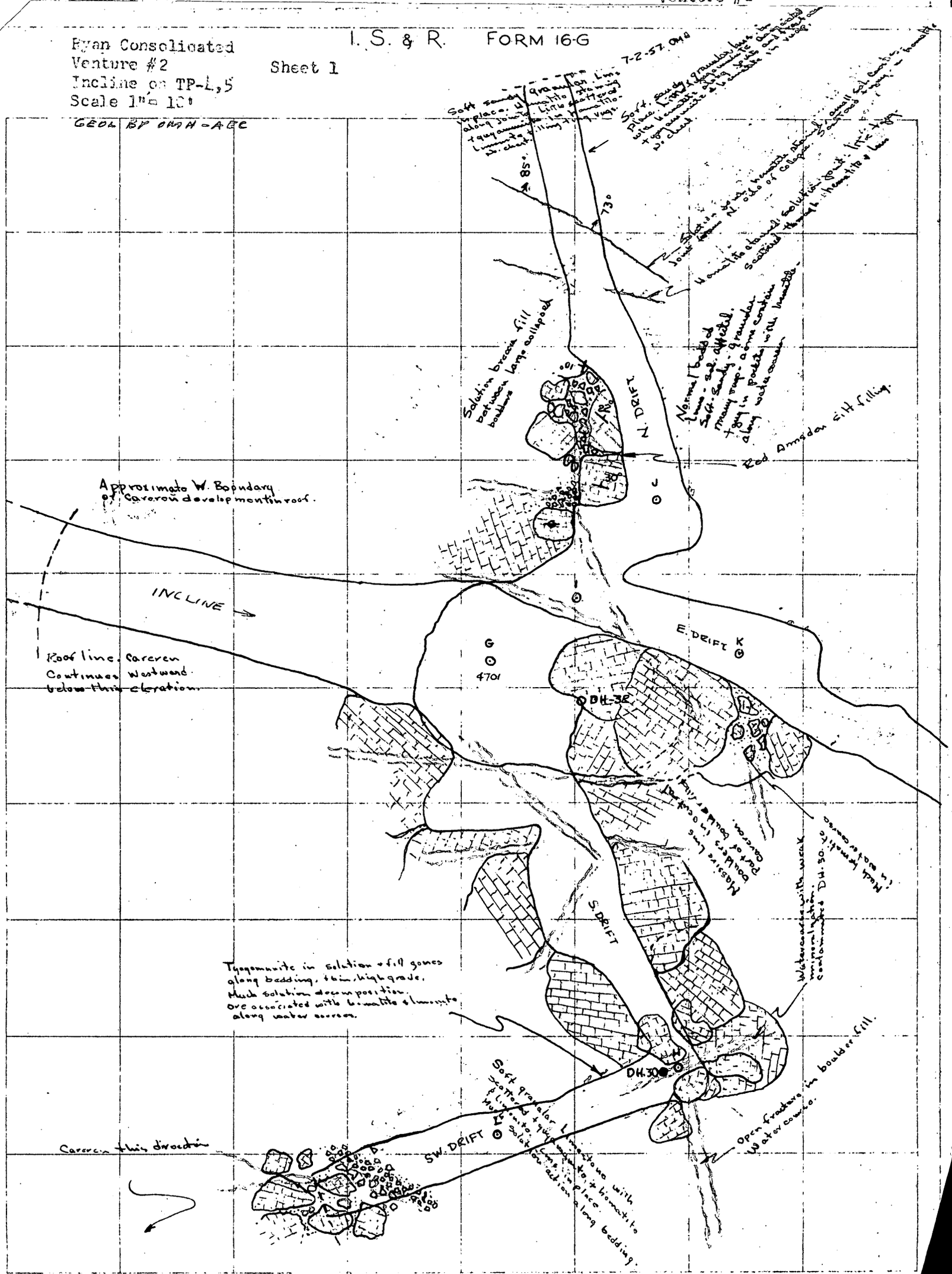
Sheet 2

I. S. & R. FORM 16-G

Ryan Consolidated
Venture #2
Incline on TP-L,5
Scale 1" = 10'

Sheet 1

GEOL BY OMH - AEC



Docket copy

PROJECT SUMMARY REPORT

By: F. M. Murphy April 21, 1960

1. Docket No. DMEA-4849 (Uranium)
Contract No. Idm-E1173

Operator: Kanter-Levy Company, a partnership comprised of - Joseph H. Kanter and Leon Levy

Joseph H. Kanter
928 North Bend Road
Cincinnati 24, Ohio

Leon Levy
c/o Oppenheimer & Company
25 Broad Street
New York 4, New York

Operator's Property Rights:

Sub-lessee of 120 claims in secs. 19, 20, 21, 28, 29, 30, 32, and 33, T. 58 N., R. 94 W. 6th P.M. Big Horn County, Wyoming, as follows: Valentine Nos. 1-17; Tri-pacer Nos. 1-17 Vista Nos. 0-17, Big Horn Nos. 1-17, Broken Heart Nos. 1-15, Tri Val, Goon Nos. 1-6, Horse Thief Nos. 0-9, Cactus Nos. 1-4, Cave Line Nos. 1-15. Consents to lien signed by interested parties.

2. Contract dated February 25, 1958.

Amendments:

No. 1, dated Septamber 30, 1958, is a complete re-write of the original contract and provides a gravimetric survey of the property before drilling. The total cost remained the same as in the original contract.

No. 2, date March 13, 1959, allows recess period from December 17, 1958 ending June 1, 1959, extends completion date to October 31, 1959; and contains a pseudo-certification if the work is not started and/or finished[1] on the above dates.

1/ The Operator did not complete all the work authorized by the Field Team (see letter April 17, 1959) under Stage I, Phase II, of the contract.

This contract will be carried as a pseudo-certified project. However, an semiannual field report on the property will not be required.

Work under the contract started June 13, 1959, and the last work was done on June 4, 1959. It was confined to Stage I work which comprised a gravity survey and the testing of anomalous areas by the non-core rotary drilling and the radiometric probing of 27 holes aggregating 5,165 feet.

Summary of Costs (Actual Costs)

Stage I Item	Authorized Units	Authorized Cost	Completed Units	Completed Cost
Gravity survey @ $4.54/station	1,000	$4,540.00	974	$4,421.96
Bulldozing @ $12.50/hr.	30	375.00	---	---
Drilling @ $2.65/ft.	6,120	16,218.00	5,058	13,403.70
Set-up for deepening holes @ $15.00/hr.	3	45.00	1	15.00
Deepening drilling @ $2.65/ft.	278	736.70	107	283.55
Check hole drilling @ $2.65/ft.	540	1,431.00	---	---
Check hole drilling @ $3.50/ft.	60	210.00	---	---
Casing holes @ $2.00/ft.	600	1,200.00	---	---
Standby time @ $15.00/hr.	20	300.00	---	---
Chemical analyses @ $3.50/sample	40	140.00	4	20.00
Incidental allowance @ $0.25 for each foot of hole drilled	6,998	1,749.50	5,165	1,291.25
Total Stage I		$26,945.20		$19,435.46
Stage II				
Bulldozing @ $12.50/hr.	7	$87.50		
Drilling @ $2.65/ft.	4,800	12,720.00	(No Stage II work was done)	
Standby @ $15.00/hr.	12	180.00		
Chemical analyses @ $3.50/sample	30	105.00		
Incidental allowance @ $0.25/ft.	4,800	1,200.00		
Total Stage II		$14,292.50		

Total estimated cost project (rounded)	$41,240.00
Government participation @ 75 percent	$30,930.00
Total accepted cost	$19,435.46
Government participation @ 75 percent	$14,576.59

3. Audit report of review, dated April 11, 1960

Total cost billed by Operator		$26,270.77
Exceptions:		
Prior to review	$6,841.31	
Less reinstatements	6.00	6,835.31
Total accepted cost		$19,435.46
Government participation @ 75 percent		

4. Certification is not recommended by Field Team, Commodity Members, or Division of Minerals. Also, this Division recommends that the pseudo-certification in Amendment No. 3 should not be considered effective, because the drilling completed indicated that the area is unfavorable for significant bodies of uranium ore.

5. Final reports received:

Operator's[1] April 11, 1960.
Engineering and Geologic by Field Team, December 21, 1959.
Field Team final summary, April 18, 1960.

The Operator's final report meets the requirements of Article 7(c) of the contract.

Excerpts from Joint Final Engineering and Geologic Report, received December 21, 1959, by R. V. King, USGS, and M. H. Marshall, USBM.

The claims are near the north end of Little Mountain at altitudes ranging from 3,700 feet to about 4,800 feet, the altitude of the Big Horn River on the western boundary of the claims.

The property is underlain chiefly by limestone of the Madison formation of Mississippian age, but in places, remnants of the Amsden shale overlie the limestone.

Ore deposits, consisting of uranium-bearing solution-cavity fillings and mineralized limestone immediately below caverns, had been found and exploited on the Lisbon Company's property at the Modern Mines property (DMEA-4564-Idm-E1095, certified August 8, 1958) adjacent to the subject claims. Two such structures which had been exposed on the subject claims provided the basis of the exploration project.

The first work completed was the gravity survey, which resulted in the location of 16 gravity anomalies which were interpreted to be caused by the most prominent of the caverns. Subsequent exploration by drilling 14 of the 16 anomalies resulted in no ore finds, from which it was concluded that the caverns were entirely open. Secondary anomalies were then drilled on the suspicion that the smaller anomalies might represent the partly filled cave types, considered most favorable for ore deposits on the adjacent properties. The results of this drilling were likewise negative. Finally, one company hole was deepened to test results of earlier shafting which had indicated that some drill holes had failed to reach the mineralized cavern fill.

Radiometric probing of the 27 holes indicated that only three holes, T-1-1, T-4-12, and Co. 22, contained appreciable amounts of uranium. However, the uranium content in the drill cutting samples from the indicated favorable zone of hole T-1-1 showed only 0.05% U_3O_8 from the 30 to 36 foot interval, and in hole T-4-12, 0.04% U_3O_8 from the 90 to 92-foot interval. No samples from the probe indicated favorable zone of hole Co. 22 were available for chemical analyses, however, based on the results from holes T-1-1 and T-4-12, it is a reasonable assumption that the uranium content in hole Co. 22 is insignificant.

The Field examiners state that — "certification of a discovery and further exploration of the property is not recommended."

Comments

The project work was performed by independent contractors in an efficient manner. However, the Operator had no previous mining experience and at times it was very difficult to arrive at a firm commitment on the work with its representative in Washington. The Field Team also had the same problem.

The Division of Minerals agrees with the Field examiners that the project should not be certified. Also, it recommends that similar projects to explore limestone caverns for uranium deposits should be denied. Our experience on this and other projects indicate that only small deposits of uranium ore are likely to occur in such cave fills.

F. M. Murphy

Fred M. Murphy

FMMurphy:kb - April 29, 1960
Copy to: Mr. Johnson
Director's reading file
Mr. Murphy
Docket
Chron.

MME Form 17
Mar. 59

OFFICE OF MINERALS EXPLORATION

WORK COMPLETED ANALYSIS

X Pseudo-Certified

After final audit or review report is received, prepare in duplicate. File original in official docket. Send copy to Code 210.

Operator: Kanter-Levy Co.

Actual Cost: X

State: WYOMING - Big Horn County

Agreed Unit Cost:

Final Report of Audit:

Commodity: Uranium

Docket No.: DMEA-4849

Final Report of Review: 4/11/60

Contract No.: Idm-E 1173

Type of Work (Use these categories only)	Authorized by Contract and Amendments		Completed and Paid for		Net cost after sale of Gov't. Property
	Units	Cost[1]	Units	Cost[1]	
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) Rotary-plug	11,798	35,992	5165'	14,994	14,993.46
Surface Excavation					
Underground Excavation					
Roads and Trails - Bulldozing		463		—	
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
Gravity Survey ~~New Building, Improvements, etc.~~		4,540		4,422	4422.00
Other (Specify) U3O8 analysis		245		20	20.00
Totals		$41,240		$19,436	$19,435.46

Round off to dollars.
Net cost total must agree with final report of audit or review.

Prepared by F M Murphy Date 4/29/60

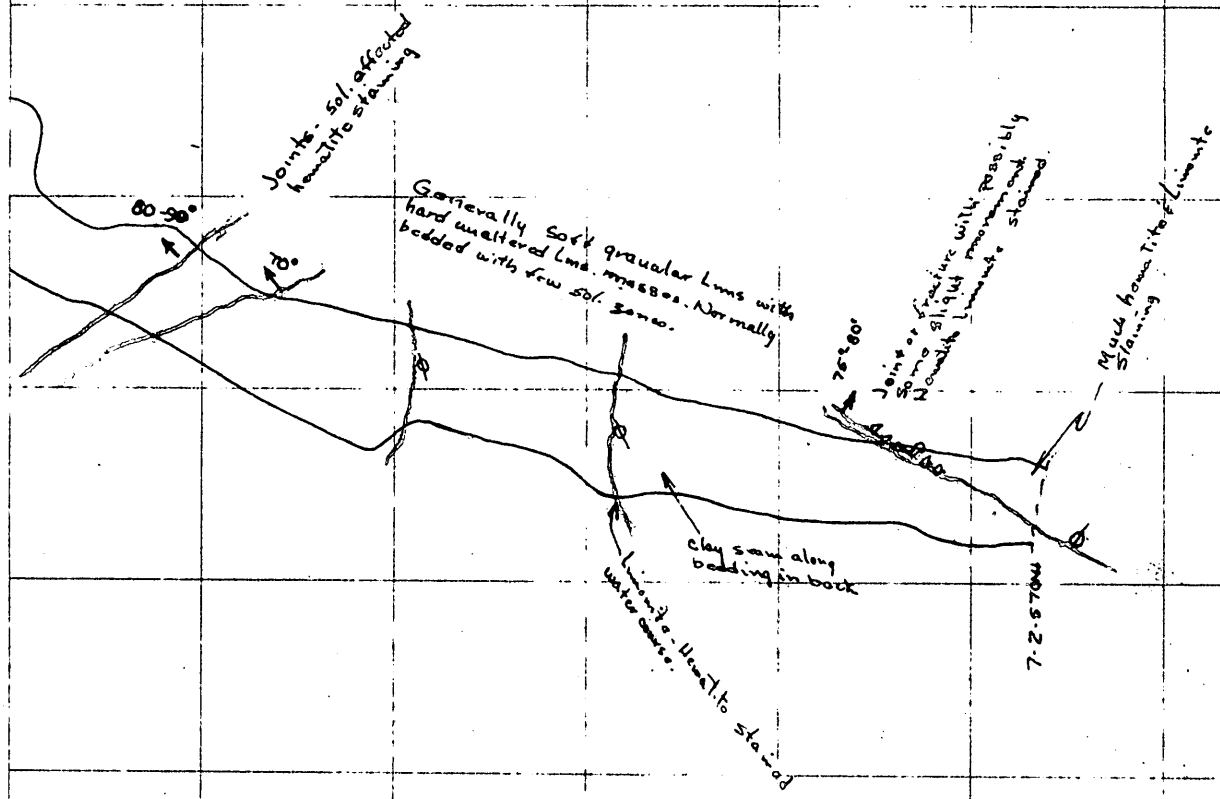
52616

I. S. & R. FORM 16-G

Sheet 2

Ryan Consolidated
Venture #2
Incline on TP-4,5
Scale 1" = 10'

GEOL. BY OMMAGE



See Folder No. 2 for Correspondence

from January 1, 1959, to present

OFFICIAL FILE COPY O. M. E. RECEIVED DEC 31 1958		
DATE	INITIALS	CODE
12/31	C	224
12/31	LLB	880
	Blue Ck	1700

25th New Customhouse
Denver 2, Colorado
December 29, 1958

Memorandum

To: E. N. Harshman) with en-
M. H. Marshall) closure

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMA-4649 (Uranium), Contract No. Idm-K1173
Kasher-Levy Company (Cave Lime et al. claims)
Big Horn County, Wyoming

Folder #2

Enclosed is a copy of a Report of Geophysical Survey submitted by Clyde H. Wilson for the Operator, pertaining to the work completed under Stage I, Phase 1, of the contract, as amended by Amendment No. 1. The enclosed report supplements the preliminary report by Mr. Wilson, dated June 25, 1958, copies of which were forwarded to you by my memorandum of June 30, 1958.

Mr. Wilson recommends 30 locations for test drilling. However, the Operator in forwarding the report makes no specific request for Government approval of drilling at those locations. Under the circumstances, a specific request for Government approval for the drilling is waived. Therefore, please submit a joint report containing your recommendations for drilling under Stage I, Phases 2 and 3, as provided for in Amendment No. 1.

Original signed by
J. W. TOWNSEND

J. W. Townsend

JWT:bh
cc: Chmn. Op. Comm.(2) w/copy of Geo-
Correspondence File) physical Report
Cooper
Chron.

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

DATE	INITIALS	CODE
11-28	C	220
11/28	[illegible]	800
12/2	[illegible]	700

November 26, 1958

Mr. E. N. Marshman,
Acting Executive Officer,
OME Field Team, Region III,
U. S. Department of the Interior,
234 New Customhouse,
Denver 2, Colorado.

Re: Docket No. DMEA 4849 (Uranium)
Contract No. 14m-X1173
Kanter-Levy Company
(Cave Line et al. claims)
Big Horn County, Wyoming.

Dear Mr. Marshman:

In accordance with provision under Item 1 of Amendment No. 1 to the subject contract, this is our letter of notification that the work has been resumed as of November 15, 1958.

Very truly yours,

MILARY MINERALS CO., INC.

Joseph H. Kanter
President

Kir

cc:

OME
DEPARTMENT OF THE INTERIOR
NOV 24 1958
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR

~~DEFENSE MINERALS EXPLORATION ADMINISTRATION~~
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
October 31, 1958

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4849 (Uranium) Contract Idm-E1173, Kanter-Levy Company, (Cave Line et al. claim groups) Big Horn County, Wyoming

original with executed Am. #1

Enclosed for your disposition are all copies of a proposed Amendment No. 1, which was forwarded to this office by your letter of July 9, 1958.

The proposed amendment was superseded by revised Amendment No. 1, which was forwarded by your letter of September 30, 1958, for signature by the Operator.

J. W. Townsend

Enclosures

OFFICIAL FILE COPY
RECEIVED NOV 3
11/4 C 220 700

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~BUREAU OF MINES EXPLORATION ADMINISTRATION~~
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado

FILE COPY
O. M. E.
OCT 31 1958

DATE	INITIALS	CODE
11/3	C	220
	~~Murphy~~	~~700~~

Memorandum

To: Chairman, Operating Committee, OME

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

Subject: Docket No. DMEA 4849 (Uranium), Contract No. Idm-E1173
Kanter-Levy Company (Cave Line et al. claims)
Big Horn County, Wyoming

Enclosed are the Government's and Audit copies of Amendment No. 1 to Contract Idm-E1173, which was forwarded by your letter of September 30, 1958, for signature by the Operator.

The executed copies of the amendment were returned to this office by the Operator by letter of October 27, 1958.

A footnote has been added to the amendment in compliance with instructions from you by teletype of October 8, 1958.

with amendment

Also enclosed are the original and one copy of a Power of Attorney executed by Leon Levy, naming Joseph H. Kanter as his Attorney in Fact.

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

E. N. Harshman

E. N. Harshman

Encls.

COPY

OCT 13 1958

10/13 C 220
10/13 CEB 800
10/14 Murphy 700

224 New Customhouse
Denver 2, Colorado
October 8, 1958

AIR MAIL - CERTIFIED

Mr. Joseph L. Hunter, President
Hunter-Levy Company
926 North Bend Road
Cincinnati 24, Ohio

Re: Docket No. NMA 4849 (Unnamed)
Contract No. Nbs-XI173
Hunter-Levy Company
(Dave Lime et al. claims)
Big Horn County, Wyoming

Dear Mr. Hunter:

Enclosed are the Government's, Audit, Finance Office, and Field Team copies of proposed Amendment No. 1 to Contract No. Nbs-XI173, which has been prepared in reference to your letters of August 19, 1958 and August 25, 1958.

The Amendment provides for a recess of operations to end not later than November 30, 1958; change of the completion date from December 31, 1958 to June 30, 1959; increase of the royalty repayment period from ten (10) years to eleven (11) years from the date of the contract; and revision of the provisions under Exhibit 'A' to the contract. The Amendment also provides that the contract is automatically rescinded if work is not resumed on or before November 30, 1958.

If the Amendment is satisfactory, all copies are to be signed by both partners as indicated and all copies promptly returned to this office; upon receipt of which, the "Operator's Copy" will be forwarded to you.

If the Amendment is not satisfactory, all copies are to be returned unsigned to this office, together with your objections thereto.

JKG:prl
cc: Chem. Op. Chem. (2)
Hershman
Marshall CME DPC
Corres. file
Cooper
Chron.

Very truly yours,

(Original signed by)
K. H. HERSHMAN

K. H. Hershman
Acting Executive Officer

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/7/58	Murphy	700
10/7	Kadish	700
	Rubin	140
10-8	Chamberlin	900
		~~800~~
10/8	GCS	130
10/8	Stamm	110
10/9	Stillendy	100
		220
		700

OCT 8 1958

Department of the Interior

OMR

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

T E L E T Y P E

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

REURTT OCTOBER 2, DOCKET DMEA-4849, KANTER-LEVY COMPANY. NOTWITHSTANDING ASTERISKED MAXIMUMS FOR STAGE I, THE ESTIMATED WORK ITEMS MAY BE EXCEEDED BY PRIOR WRITTEN APPROVAL OF THE GOVERNMENT AS SPECIFIED IN LAST PARAGRAPH ON PAGE 3.

HOWEVER, UNDER STAGE II INDICATE A FOOTNOTE "Y/" AFTER BULLDOZING AND CHEMICAL ANALYSES, THE FOOTNOTE TO READ: "MAY BE EXCEEDED WITH PRIOR WRITTEN APPROVAL OF THE GOVERNMENT."

YOU ARE AUTHORIZED TO MAKE THESE INSERTIONS.

FMMurphy/HRubin/gla
10/6/58, rewritten 10/7/58
to: Director's Reading File
Operating Committee
THKiilsgaard, Rm. 5224
FMMurphy Confirmation,Reg.III

George C. Selfridge
ACTING CHAIRMAN, OPERATING COMMITTEE

8623

ORIGINAL FILE COPY
O. M. E.
RECEIVED OCT 3 1958

Chairman, Operating Comm.

DATE	INITIALS	CODE
10/3	C	220
		130
		700

DN 235 UR MINES 10-2-58 4-28

CHAIRMAN, OPERATING COMMITTEE, DME

RE DOCKET DMEA 4849, CONTRACT DXXX IDM-E1173, KANTER-LEVY COMPANY, PROPOSED AMENDMENT NO. 1 FORWARDED BY YOUR LETTER OF SEPT. 30. PROVISION FOR TRANSFER OF UNITS AND COSTS BETWEEN STAGES 1 AND 11, FIRST PARAGRAPH, PAGE 4, INCONSISTENT WITH STAGE 11 MAXIMUMS STATED IN THIRD PARAGRAPH, PAGE 4, AND ASTERISKED ITEMS BOTH STAGES UNDER CATEGORY /1/.

RECOMMEND YOU DELETE LAST PARAGRAPH, PAGE 3, BEGINNING WITH WORD "HOWEVER" AND BALANCE OF PARAGRAPH ON PAGE 4, AND FORWARD REVISED PAGES TO US. WE ARE HOLDING PROPOSED AMENDMENT PENDING RECEIPT OF TELETYPE ADVICE.

E N HARSHMAN, ACT. EXECUTIVE OFFICER

END WT 4-30

Denver, Colorado.

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D.C.

OCT 3 9 32 AM '58

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/29/58	Murphy	700
9/29	Kiesewetter	700
9/29	Talbert	800
9/30	SCS	130
9/30	Johnson	110
	Wattenberg	100
10/1	C	220

700

Mr. E. N. Harshman
Acting Executive Officer
OMK Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-4849 (Uranium)
Contract No. Idm-E1173
Kanter-Levy Company
Cave Line, et al., Claim Groups
Big Horn County, Wyoming

Dear Mr. Harshman:

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

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

This agreement has been prepared in accordance with the Field Team's recommendations submitted September 12, 1958.

Sincerely yours,

George C. Selfridge

ACTING Chairman, Operating Committee (HB)

Enclosures

APPROVED:

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

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

FMMurphy/gla 9-29-58
cc to: Director's Reading File
Operating Committee
THKiilsgaard, 5224
Mr. Murphy

7/19/58
FMMurphy/gla

EXPLORATION PROJECT CONTRACT
KANTER-LEVY COMPANY
DOCKET NO. DMEA-4849
CONTRACT NO. IDM-E1173

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1958, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, successor to the Defense Minerals Exploration Administration, hereinafter called the "Government," and Kanter-Levy Company, hereinafter called the "Operator," that Exploration Project Contract No. Idm-E1173 (Docket No. DMEA-4849), dated February 25, 1958, hereinafter called the "Contract," is amended, effective ~~September 16~~ February 25, 1958, as follows:

1. Work under the Contract is recessed starting June 20, 1958. The work shall be resumed on or before November 30, 1958; otherwise the Contract will be considered terminated effective February 25, 1958.

2. In Article 8(b), the royalty period is increased from ten (10) years to eleven (11) years.

3. Exhibit "A" of the Contract is deleted and replaced as follows:

EXHIBIT "A"

Description of the Work

General Provisions

The object of this project is to explore for uranium ore deposits in the Mission Canyon member of the Mississippian Madison limestone formation by rotary drilling. It is estimated

that drill holes averaging 200 feet in depth will be required to penetrate the inferred ore horizons.

All holes shall be drilled non-core. The cuttings from each 2-foot section of drill hole shall be recovered by a Duclone or similar collecting apparatus and tested for radioactivity. Cuttings showing significant radioactivity shall be sampled, the Operator using one-half of each sample for the purpose of chemical analysis for uranium. The other half shall be stored, for Government inspection and possible use, in a container properly identified as to drill hole number and the depth interval thatthe sample represents. The Operator may dispose of the stored sample sections when approved by the Government.

Cuttings recovered from the drill holes shall be logged geologically, and each hole shall be probed radiometrically as soon as possible after completion. Records of such logging and probing, together with the assay certificates of the cuttings samples, shall be submitted with the Operator's monthly progress report. The monthly report shall also include a map or sketch showing the location of all holes drilled during the reporting period.

The Government will not participate in the cost of a hole that is closer than 200 feet to an outer boundary of the land. In the absence of a written waiver by the Government, the Government will not participate in the cost of an incompleted

hole, or a hole that cannot be probed with standard radiometric testing equipment.

The Operator shall provide a full-time supervisor and such other technical services and labor as are required to complete the project work as required.

All bulldozer work shall be done with a model D-7 bulldozer or an equivalent unit of any other make.

The locations, directions and extent of all work under this Contract are subject to Government approval.

~~SECTIX~~ The work is divided into two stages. The Operator shall perform all the work in Phase 1 of Stage I, and as much of Phases 2 and 3 of Stage I and as much of Stage II as is approved in advance in writing by the Government.

Stage I

The work under Stage I is divided into three (3) phases as follows:

Phase 1. ~~Locate and mark on the ground the major fracture intersections shown on the arial photographs mentioned under item 2e (Page 3) of the Operator's application for exploration aid, said photographs being incorporated herein by reference.~~ omit

Complete a geophysical (gravimeter) survey of the areas shown approximately on the map entitled "Figure 1. Map Showing Approximate Areas for Gravimetric Traverses, ...", attached hereto and made part hereof. The survey shall consist

of a maximum of 1,000 stations and at least one traverse across each designated area; plus parallel traverses not closer than 100 feet to previous traverses or offset stations no closer than 50 feet to previous stations. The exact locations of the parallel traverses and offset stations shall be determined by the geophysical contractor within the above limitations. All stations shall be staked and elevations taken and reported. Copies of the survey maps with relative data shall be submitted to the Government promptly upon completion of the survey.

Phase 2. Subject to prior Government approval, construct access roads and drill sites and drill not in excess of 30 holes to an approximate depth of 204 feet on the most favorable anomalies determined by the gravimetric survey. Also, deepen, to approximately a depth of 200 feet each, the company-drilled holes Nos. 10, 22, and 25. The locations of these holes are shown on the map entitled "Figure 2 - Plan Showing Locations of Company Drill Holes and Workings, ...", attached hereto and made part hereof. No hole drilled in Phase 2 shall be closer than 100 feet to any other hole.

Phase 3. One check hole shall be drilled as an offset to each of the 3 holes drilled in Phase 2 that have the highest radiometric probe results. The check holes shall be drilled not more than 3 feet from the hole being offset, shall be drilled to approximately 5 feet above the mineralized zone, as determined in the hole being offset, and then shall be cased and drilled through the mineralized zone.

It is estimated that 6,998 feet of drilling, 30 hours of bulldozing, 20 hours of standby time for probing, and 40 chemical analyses of samples will be required to complete Stage I. However, if these estimates are too low, then with prior written Government approval requirements and related costs may be transferred from Stage II, with corresponding reductions in that stage. Conversely, unused units of bulldozer time and chemical analyses may be transferred from Stage I to Stage II, with prior written Government approval.

Stage II

The work consists of constructing access roads and drill sites, and drilling not in excess of 24 holes as offsets to those holes, previously drilled, for which the results of radiometric probing or chemical analysis indicate at least 1 foot of material containing 0.2% U_3O_8. No hole drilled in this stage shall be closer than 100 feet to any other hole drilled under the Contract.

Not to exceed 7 hours of bulldozing, 4800 feet of drilling, 12 hours of standby time for probing, and 30 chemical analyses shall be performed under this Stage II.

Estimated Costs of the Project

Stage I

Actual costs

Category (1) Independent Contracts

* Gravimetric and leveling survey
  1,000 stations 2/ @ $4.54/station $ 4,540.00
* Bulldozer work 30 hours @ $12.50/hr. 375.00
* Rotary non-core drilling 30 holes - depth 204 ft. or 6,120 feet @ $2.65/ft. 16,218.00

  Deepening of 3 company drill holes Nos. 10, 22, and 25. Allowance of $15.00/hole for setting up and cleaning all holes 45.00
* Rotary non-core drilling of 278 feet in holes Nos. 10,. 22, 25 (now 156, 87 and 79 feet re-- respectively in depth) @ $2.65/ft. 736.70
* Rotary non-core drilling of 3 check holes (Phase 2) 540 feet @ $2.65/ft. (Approximately 180 feet in each hole to mineralized or ore interval) 1,431.00
* 60 feet @ $3.50/ft. (Approximately 20 feet in each hole) 210.00

* 600 feet casing @ $2.00/ft.	$ 1,200.00	
* Standby time 20 hours @ $15.00 /hr.	300.00	
Total Independent Contracts		$25,055.70

Categories (2) through (6)

None

Category (7) Miscellaneous

None except:

Chemical analyses for U_3O_8 content of 40 samples @ $3.50/sample	140.00

Fixed Unit Costs

Incidental allowances 1/ for each foot of drill hole completed, 6,998 feet @ $0.25/ft.	1,749.50
Estimated Total Cost Stage I	$26,945.20

Stage II

Actual Cost

Category (1) Independent Contracts

* Bulldozer work 7 hrs. @ ~~$12.50~~ $12.50/hr.	87.50	
* Rotary non-core drilling, 24 holes, depth 200 feet, or 4,800 feet @ $2.65/ft.	12,720.00	
* Standby time 12 hours @ $15.00/hr.	180.00	

Categories (2) through (6)

None

Category (7) Miscellaneous

None except:

Chemical analyses for U_3O_8 content

of 30 samples @ $3.50/sample 105.00

Fixed Unit Cost

Incidental allowance 1/ for

each foot of drill hole

completed, 4,800 feet @

$0.25/ft. 1,200.00

Total Estimated Cost of Stage II $14,292.50

* Designates that units and dollars for

these items are the maximum allowable.

1/ Includes all cost whatever that might be allowable costs of the contract under Categories (2) through (6) of Article 6(a) except as scheduled in Exhibit A.

2/ Includes those stations surveyed during the period June 13 to about June 20 that are approved by the Government as confirming with the work outlined under "Description of the Work, Stage 1, Phase 1, of this amendment.

S U M M A R Y

Estimated Cost Stage I	$26,945.20	
Estimated Cost Stage II	14,292.50	
Estimated Cost of Project rounded to	~~$41,237.70~~	41,240.00
Government Participation @ 75 percent	$30,928.27	30,930.00

This amendment shall not be construed to increase the estimated total cost of the project or the aggregate amount which the Government may be required to contribute.

THE UNITED STATES OF AMERICA

By_____
Director, Office of
Minerals Exploration

KANTER-LEVY COMPANY

_____
Joseph H. Kanter (Partner)

_____
Leon Levy (Partner)

ORIGINAL FILE COPY
DMEA
RECEIVED SEP 18 1958

	INITIALS	
9/18	C	224
9/18	[illegible]	800
"	Murphy	700

224 New Customhouse
Denver 2, Colorado
September 12, 1958

Mr. Joseph E. Exeter, President
Exeter-Levy Company
988 North Bend Road
Cincinnati 24, Ohio

Re: Docket No. DMEA 4049 (Uranium)
Contract No. Exe-EX173
Exeter-Levy Company
(Gene Lime et al. claims)
Big Horn County, Wyoming

Dear Mr. Exeter:

Your letter of September 8, 1958, concerning your requested amendment to the referenced contract, has been received in this office.

Our field report containing recommendations in the matter has been forwarded to the Washington Office, DMEA, for their action. As the requested changes are quite extensive, you should anticipate some additional delay in the matter.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

cc: Mr. Joseph E. Exeter
25 Broad Street
New York 4, N. Y.

JBC:prl

cc: Chem.Op.Comm.-2 } w/copy of
Harshman } Operator's
Bizyon, DMEA/DFC } letter.
Corres. file }
Cooper
Chrom.

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 18 1958
DATE | INITIALS | CODE

DMEA
DEPARTMENT OF THE INTERIOR
SEP 10 1958
REGION III
DENVER, COLORADO

September 8, 1958

Mr. J. W. Townsend,
Alternate Acting Executive Officer,
DMEA Field Team, Region III,
U. S. Department of the Interior,
224 New Customhouse,
Denver 2, Colorado.

Re: Docket No. DMEA 4849 (Uranium)
Contract No. Idm-E1173
Kanter-Levy Company
(Cave Line et al. claims)
Big Horn County, Wyoming

Dear Mr. Townsend:

We have not yet received an amendment to the above contract as per our request in August. We want to take advantage of present good weather conditions if at all possible.

We would appreciate it if you could expedite the requested amendment.

Very truly yours,

HILARY MINERALS CO., INC.

Joseph H. Kanter
President

Kir

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado
September 12, 1958

FILE COPY
DMEA
RECEIVED SEP 15 1958

DATE	INITIALS	CODE
9/15	C	220
		130
9/16	Murphy	700

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4849 (Uranium), Contract No. Idm-E1173, Kanter-Levy Company (Cave Line et al. claim group), Big Horn County, Wyoming

Enclosed are the original and two copies of a memorandum by Frank B. Moore, Geological Survey, and E. O. Binyon, Bureau of Mines, in which certain major changes in the subject contract are recommended. Also enclosed are eight copies each of two maps, Figures 1 and 2, for possible use in an amendment to the contract.

At the time of the original examination and report, we considered that this project would be difficult to administer, the results hard to interpret, and, at best, the rewards would be modest. We did, however, recommend the project, a recommendation based principally on the very significant ore deposit found on the Lisbon Uranium Co. property two miles to the east, where geologic conditions are believed to be similar to those on the subject property .

Subsequent to the consummation of contract No. Idm-E1173, exploration on the Jet claims of Modern Mines Development Co. (contract Idm-E1095), one mile to the east of the subject property, has proven the difficulty of exploration for uranium deposits in partly filled caverns in the Madison limestone. Based on data available at this time, I seriously doubt that similar projects would now be approved.

We do, however, have a valid contract with the Operator, and to date insufficient work has been completed to either confirm or disprove the presence of significant uranium ore deposits on the property. Some of the assumptions upon which our recommendations were based have proven to be in error and considerable new data has become available subsequent to our recommendations. In view of our present knowledge of the area, it appears necessary to amend contract No. Idm-E1173, as recommended in the attached memorandum, in order to continue efficient exploration of the subject property.

If you approve the recommended changes in the contract, a very thorough review of Stage I, Phase 2, work (gravity meter survey) should be made before approval is given for continued exploration under subsequent Phase 3 and Stage II.

E. N. Harshman

E. N. Harshman

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

IN REPLY REFER TO:

DMEA
RECEIVED SEP 15 1958
DATE | INITIALS | CODE

DEPARTMENT OF THE INTERIOR
SEP 11 1958
REGION III
DENVER, COLORADO

September 10, 1958

Memorandum

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

From: E. O. Binyon
F. B. Moore

Subject: Docket No. DMEA 4849 (Uranium), Contract No. Idm-E 1173, Kanter-Levy Company (Cave Line et al. claim group), Big Horn County, Wyoming

Following several telephone conferences and correspondence with the Field Team, the operator in a letter dated August 19, 1958, requested that Phase 1 of Stage I of the contract be deleted and that the contract be further modified; (1) to allow 221 additional gravimeter stations, (2) to increase the depth of drill holes from 170 to 200 feet and, (3) to deepen 10 company drill holes to a depth of 200 feet. A second letter dated August 23, 1958, requested that costs of $1.50 a foot be allowed for cleaning out company drill holes prior to deepening.

Previously, work on Phase 2, Stage I of the above contract was started on June 13, 1958, without accomplishing any work under Phase 1. On about June 20, 1958, Phase 2 work was stopped by the operator before completion, apparently upon his realization that provisions of the contract were not being fulfilled. A field conference

was held on the property on July 8, 1958, between R. L. Christie, representing the operator, and E. O. Binyon, Bureau of Mines, and F. B. Moore, Geological Survey, DMEA field examiners. C. H. Wilson of Salt Lake City, who is doing the Phase 2 geophysical work under contract to the operator, was present also. An attempt was made to work out a revised program of exploration, acceptable to both the operator and the Government.

The contract as drawn is based on the assumption that the fracture pattern, prominent on aerial photographs, can be located on the ground with reasonable surety. L. D. Jarrard, geologist for Modern Mines on a nearby property and as consultant on the Ryan Consolidated claims, the person who made the geologic interpretations of the application, assured the field examiners at the time of the original examination that the fracture pattern could be located on the ground. Jarrard is not working in the area at this time and apparently no longer represents the operator. Christie, the operator's current representative, contends, and we concur that the major fractures either cannot be located on the ground or cannot be distinguished from minor ones. Therefore, the contract as drawn is not workable.

The gravimeter method in a survey of this type imposes certain limitations. Wilson states that irregularities of terrain or a cover of soil or Amsden formation above a certain minimum make geophysical interpretation unreliable. Therefore, some of the areas planned for

possible exploration cannot be explored by gravimeter. However, the examiners believe that the areas which can be covered by geophysical means (fig. 1) are representative and are as favorable, in light of current knowledge, as the rest of the property. By an evaluation of these areas, a reasonable evaluation of the entire property can be made.

Before the original examination was made, members of the Geophysical Branch were consulted. It was their opinion that for most gravimeter surveys a random pattern could be used. Because the fracture pattern has proved to be extremely difficult if not impossible to use, a random pattern can no longer be applied. Traverses such as Wilson proposes must be a certain minimum length (1,000 feet) in order to establish a gradient. The spacing of gravimeter stations along a traverse is optional but, of course, should depend on the size of the targets. Wilson prefers a spacing of 50 feet; as some of the productive ore bodies of the nearby Lisbon Exploration Co. were small and shallow, the request for 50-foot stations appears to be reasonable and is recommended although it will reduce the amount of coverage.

The operator wishes to deepen 10 holes previously drilled by the company in the prospect 2 area (fig. 2). Exploration by shafts and incline as well as data from nearby properties show that the ore horizons exist at depths greater than expected when the original application was made. Because mineralized caverns, only the upper parts of which have been explored by workings, are known to exist in the prospect 2

area, deepening of the holes might discover ore in the more favorable lower parts. However, because of the close spacing of the company drill holes plus lack of data on some, only 3 holes are recommended for deepening (fig. 2).

The operator also requests a modification allowing all holes to be drilled to a depth of 200 feet versus the 170 foot average allowed. Exploration work by Lisbon Uranium and Modern Mines on nearby properties since the time of the original examination shows that a favorable horizon does exist at about 170-180 feet or about 30 feet below the deepest favorable horizon known previously. Therefore, this request is reasonable.

Because recent underground exploration at the nearby Modern Mines property has shown that the thickness and grade of the ore is considerably less than probe results indicated, it is recommended that the number of check holes be increased from 2 to 3.

Because of new data and changed conditions given above, the field examiners believe that by modifying the contract a more satisfactory exploration program can be conducted. No increase in total cost of the contract results from the recommended modifications although the number of holes drilled under both stages will be reduced. The remaining holes are believed adequate to properly evaluate the property.

The recommended changes of the original contract are incorporated in the following revised Exhibit "A".

EXPLORATION PROJECT CONTRACT
KANTER-LEVY COMPANY
DOCKET NO. DMEA 4849

EXHIBIT "A"

Description of the Work

General Provisions

Paragraph 1. Unchanged except that "200 feet" shall be substituted for "170 feet" in line 5 of Paragraph 1 of the original Exhibit "A".

Paragraphs 2 through 7. No change from the original Exhibit "A".

Paragraph 8. Substitute for Paragraph 8 of the original Exhibit "A" "The work is divided into two stages. The operator shall perform the work in Phase 2 of Stage I, and as much of Phases 3 and 4 of Stage I and as much of Stage II as is approved in advance in writing by the Government."

Stage I

Paragraph 1. Substitute "three (3) phases" for "four (4) phases".

Paragraph 2. Phase 1. Delete in its entirety.

Paragraph 3. Phase 2. Substitute for Paragraph 3, Phase 2 of the original Exhibit "A".

"Complete a geophysical (gravimeter) survey of areas shown approximately on Figure 1. The survey shall consist of a maximum of 1,000 stations and at least one traverse across each designated area, plus parallel

traverses not closer than 100 feet to previous traverses or offset stations no closer than 50 feet to previous stations. The locations of the parallel traverses and offset stations to be left to the discretion of the geophysical contractor. The maximum number of stations is increased to 1,000. All stations shall be staked and elevations taken and reported. Copies of the survey maps with relative data shall be submitted to the Government promptly upon completion of the survey."

Paragraph 4. Phase 3. Substitute for Paragraph 4, Phase 3 of the original Exhibit "A".

"Subject to prior Government approval construct access roads and drill sites and drill not in excess of 30 holes to an approximate depth of 204 feet on the most favorable anomalies determined by the gravimeter survey. No hole drilled in Phase 3 shall be closer than 100 feet to any other hole."

Paragraph 5. Phase 4. Substitute "three holes" for "two holes" on line 2.

Paragraph 6. Phase 4. Substitute "6,998 feet" for "7,140 feet" on line 1.

Stage II

Paragraph 1. Substitute "24 holes" for "32 holes" on line 2.

Paragraph 2. Substitute for Paragraph 2 under Stage II of the original Exhibit "A".

"Not to exceed 7 hours of bulldozing, 4,800 feet of drilling, 12 hours of standby time for probing, and 30 chemical analyses shall be performed under this stage."

Estimated costs of the project (revised - this report)

Stage I

Actual costs

Category (1) Independent Contracts

* Gravimetric and leveling survey 1,000 stations at $4.54/station	$ 4,540.00
* Bulldozer work 30 hours at $12.50/hr.	375.00
* Rotary non-core drilling 30 holes - depth 204 ft. or 6,120 feet at $2.65	16,218.00
Deepening of 3 company drill holes nos. 10, 22, and 25. Allowance of $15.00/hole for setting up and cleaning all holes	45.00
* Rotary non-core drilling of 278 feet in holes nos. 10, 22, 25 (now 156, 87 and 79 feet respectively in depth) at $2.65/ft.	736.70
* Rotary non-core drilling of 3 check holes (Phase 4) 540 feet at $2.65 (Approximately 180 feet in each hole to mineralized or ore interval)	1,431.00

* 60 feet at $3.50/ft. (Approximately 20 feet in each hole)	$ 210.00	
* 600 feet casing at $2.00/ft.	1,200.00	
* Standby time 20 hours at $15.00/hr	300.00	
Total Independent Contracts		$25,055.70

Categories (2) through (6)

None

Category (7) Miscellaneous

None except:

Chemical analyses for U_3O_8 content of 40 samples at $3.50/sample		$ 140.00

Fixed unit costs

Incidental allowances 1/ for each foot of drill hole completed 6,998 feet at $0.25/ft.		$ 1,749.50
Estimated total cost Stage I (revised)		$26,945.20

Stage II

Category (1) Independent Contracts

* Bulldozer work 7 hrs. at $12.50/hr.	$ 87.50	
* Rotary non-core drilling 24 holes depth 200 feet or 4,800 feet at $2.65	12,720.00	
* Standby time 12 hours at $15.00	180.00	

Categories (2) through (6)

None

Category (7) Miscellaneous

None except:

Chemical analyses for U_3O_8 content of 30 samples at $3.50/sample	$ 105.00	
Fixed unit cost		
Incidental allowance 1/ for each foot of drill hole completed 4,800 feet at $0.25/ft.	1,200.00	
Total estimated cost of Stage II revised		$14,292.50

* Designates that units and dollars for these items are the maximum allowable.

1/ Includes all cost whatsoever that might be allowable costs of the contract under categories (2) through (6) of Article 6 (a) except as scheduled in Exhibit A.

Summary

Estimated cost Stage I (revised)	$26,945.20	
Estimated cost Stage II (revised)	14,292.50	
Estimated cost of project		$41,237.70
Government participation at 75 percent		$30,928.27

E. O. Binyon

E. O. Binyon, Mining Engineer

F. B. Moore

F. B. Moore, Geologist

224 New Customhouse
Denver 2, Colorado
August 25, 1958

Memorandum

To: E. N. Barshman - } w/ enclosure
E. O. Binyon - }

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

Subject: Docket No. DMEA 4849 (Uranium) Contract Ida-E1173
Kanter-Levy Company, (Cave Line et al. claims)
Big Horn County, Wyoming

Enclosed is a letter from the subject Operator, dated August 23, 1958, supplementing its letter of August 19, 1958, copy of which was forwarded to you by our memorandum of August 22, 1958.

The supplemental letter requests an allowance of $1.50 per foot for cleaning out the 10 previously drilled holes proposed for deepening.

Please review the Operator's supplemental request and include your recommendations concerning the matter in your joint memorandum to this office.

Original signed by
J. W. TOWNSEND

J. W. Townsend

JDC:hmh

cc: Chmn. Op. Comm. (2) } w/copy of Operator's
Corres.file,Reg.III } letter of 8/23/58
Cooper
Chron

8/29 C 220
800
700
(Murphy)

DMEA
DEPARTMENT OF THE INTERIOR
AUG 25 1958
REGION III
DENVER, COLORADO

August 23, 1958

Mr. J. W. Townsend,
Alternate Acting Executive Officer,
DMEA Field Team, Region III,
U. S. Department of the Interior,
224 New Customhouse,
Denver 2, Colorado.

Re: Docket No. DMEA 4849 (Uranium)
Contract No. Idm-E1173
Kanter-Levy Company
(Cave Line et al. claims)
Big Horn County, Wyoming.

Dear Mr. Townsend:

In reference to our letter dated August 18th and in accordance with our telephone conversation of August 22nd, please accept this letter as an amendment to our request to allow $1.50 per foot for cleaning out the 10 previously drilled holes which we are proposing to deepen. These holes were drilled some time ago and the contract does not allow a unit price for doing this work.

Very truly yours,

HILARY MINERALS CO., INC.

Joseph H. Kanter
President

K:r

OFFICE COPY
DMEA
RECEIVED 29 58
DATE

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 25 1958

DATE	INITIALS	CODE
8/25	C	D20
8/27	C.E.F.	800
"	Chris	700
	(Murphy)	

224 New Customhouse
Denver 2, Colorado
August 22, 1958

Memorandum

To: E. N. Harshman - w/enclosure
E. O. Binyon, DMEA/DFC - w/enclosure

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

Subject: Docket No. DMEA 4849 (Uranium) Contract Idm-K1173, Kanter-Levy Company, (Cave Line et al. claims) Big Horn County, Wyoming

Enclosed is a copy of a letter dated August 19, 1958, from the subject Operator with attached drilling data and map, whereby the Operator requests amendment of the contract to provide the following:

1. Deletion of Stage I, Phase 1 work.

2. Provide for additional gravity meter stations under Stage I, Phase 2, and provide funds for same by reduction of drilling footage and funds under Stage II.

3. Increase the estimated depth of holes to be drilled under Stage I, Phase 3, from 170 feet to 200 feet.

4. Deepen 10 previously drilled private holes to a depth of 200 feet.

The Operator proposes that funds for the additional gravity meter stations be deducted from the funds provided for Stage II drilling; however, if approval of the Operator's request is recommended, it appears that funds for all the additional work under items 2, 3 and 4 above should be obtained by reduction of drilling funds provided for Stage III, with consequent reduction of drilling footage.

In reference to a previous request by the Operator dated June 27, 1958, an amendment has been prepared to revise the requirements for the gravity meter survey under Stage I, Phase 2. The

Amendment is being held in deferment pending resolution of the above additional changes requested by the Operator.

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

Original signed by
W. TOWNSEND

J. W. Townsend

JBC:hmh

cc: Chmn. Op. Comm. (2)) w/copy of Oper. letter and attached
Corres. File, Reg. XIX) map and data
Cooper
Charon

Hilary Minerals Co., Inc.

25 BROAD STREET
NEW YORK 4, NEW YORK

928 NORTH BEND ROAD
CINCINNATI 24, OHIO

DMEA
DEPARTMENT OF THE INTERIOR
AUG 20 1958
REGION III
DENVER, COLORADO

August 19, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 25 1958

DATE	INITIALS	CODE

The Department of Interior
Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

Att: Mr. J. W. Townsend, Alternate
Acting Executive Officer
D.M.E.A. Field Team, Region III

Re: Docket No. DMEA4849 (Uranium)
Contract No. Idm-E1173
Kanter-Levy Company
(Cave Line, et al. claims)
Big Horn County, Wyoming

Gentlemen:

Reference is made to your letter of July 30, 1958.

This letter is being written in order to request certain changes in the above-referenced contract and to submit certain data for the purpose of permitting a more practical approach to the exploration problems connected with it.

We request that there be a deletion of the requirements outlined under Stage I, Phase 1 of the above-referenced contract. This request is being made because the functions of Phase 1, insofar as they aid the exploration project, are encompassed in the expanded activities under Stage I, Phase 2. It is believed that the Government will benefit by this change because the funds which would be spent by the Kanter-Levy Company for this activity, either out of those allocated for the gravity meter survey or out of those allocated to incidental expenses under Stage I, Phase 3, can be diverted to uses more productive in discovering ore.

It is hereby requested that Stage II of the above-referenced contract be changed in the following manner:

(a) We request that the footage of drilling be reduced from 5,440 feet to 5,094 feet, a total of 346 feet.

(b) The number of holes in Stage II would be decreased thereby from 32 to 30.

(c) The amount of money allocated to Stage II would be reduced from $14,416.00 for drilling to $13,499.10 for drilling. Incidental expenses would be reduced from $1,360.00 to $1,273.50.

(d) Said changes and reductions would free $1,003.40.

It is requested that the $1,003.40, freed from Stage II, be allocated to Stage I, Phase 2. These funds would allow an increase of approximately 221 gravity meter stations at $4.54 a station, amounting to $1,003.34. These extra stations would allow for "offset traverses" as may be needed to fully utilize the geophysical information obtained to date. If such funds are not totally expended for such extra gravity meter stations, we shall request that they be re-allocated to the uses from which they were taken.

It is hereby requested that the above-referenced contract be amended so as to allow an increase in the depth of holes to be drilled under Stage I, Phase 3, from the estimated 170 feet presently provided for in the contract to a maximum of 200 feet. The justification for this increase is based upon newly discovered information, outlined to E. O. Binyon, Mining Engineer, Bureau of Mines, and Frank B. Moore, Geologist, Geological Survey, when they met with our representatives at the project site on July 11, 1958. This new

information, arising from adjacent mining operations and the gravity meter survey so far completed, indicates that the ore bodies, if any, located on the property covered by the above-referenced project will lie at a depth lower then 170 feet.

We hereby request that the above-referenced contract be amended by allowing ten previously drilled company holes to be deepened as per our letter of July 12, 1958. We should like to deepen these holes to a depth of at least 200 feet. Messrs. Andrews and Christie have recommended that we deepen holes No. 30, 29, 31, 22, 21, 26A, 25, 16, 38 and 10. A fence diagram of these holes which will be deepened to 200 feet is being forwarded under separate cover.

The reason for deepening these holes is to penetrate the so-called deep zone of the district disclosed to be from 155 to 185 feet below the Madison contact. There is an overburden of from 15 to 20 feet in this area. At the time Ryan drilled these holes all ore discoveries found had occurred in a zone less than 100 feet in the Madison. It has been their experience that where mineralization is present in the shallow zone but no commercial ore occurred there, it is a strong possibility the solution penetrated to the deep zone and deposited ore bodies there. The conditions here are similar in the shallow zone to those found at Modern Mine in the same zone.

Regarding the holes to be eliminated on the revised program, if and as Mr. Wilson's gravity survey crosses drill sites and shows no porosity zone, such areas could be eliminated. We will not know however, which areas to eliminate until Mr. Wilson's survey has been completed. For this reason, we cannot tell how much money to allocate to the deepening program. We intend to accomplish this work in Stage I. We therefore request that Stage I of the contract be amended so that we may use a maximum of 600 feet of drilling to deepen old holes, with the proviso that whatever footage is not used for deepening may be used for a drill program as determined by the gravity survey according to the present wording of the contract.

In order to facilitate changes requested herein, and to make available to you additional information as you may require, it is suggested that any further requests concerning this particular matter be forwarded through Mr. Murphy in your Washington office to our representative, Mr. Elvin Kanter, 944 Washington Building, Washington 5, D. C., telephone, STerling 3-3344, who will forward such requests to the proper parties.

Very truly yours,

HILARY MINERALS CO., INC.

Joseph H. Kanter

ORIGINAL FILE COPY
DMEA
RECEIVED AUG 25 1958
DATE INITIALS

August 18, 1958

DMEA
DEPARTMENT OF THE INTERIOR
AUG 21 1958
REGION III
DENVER, COLORADO

Mr. J. W. Townsend,
Alternate Acting Executive Officer,
DMEA Field Team, Region III,
U. S. Department of the Interior,
224 New Customhouse,
Denver 2, Colorado.

Re: Docket No. DMEA 4849 (Uranium)
Contract No. Idm-E1173
Kanter-Levy Company
(Cave Line et al. claims)
Big Horn County, Wyoming.

Dear Mr. Townsend:

My brother, Elvin Kanter, is addressing a letter to you in answer to your correspondence on revision of DMEA Contract No. Idm-E1173, Docket No. DMEA 4849.

I am forwarding to you fence diagram showing the location of the holes we intend to deepen.

I am also enclosing additional logs showing the holes which have been drilled.

Very truly yours,

HILARY MINERALS CO., INC.

Joseph H. Kanter
President

K:r

Encls.
4 Drawings (6 cc's each)

AUG 4 1958

8/4	H. G.	225
8/4	4607	800
8/5	~~7449~~	900

Denver Federal Center
Denver 2, Colorado
July 30, 1958

AIR MAIL

Joseph H. Kunter
North Bend Road
Cincinnati, 24, Ohio

Re: Docket No. IDGA 4849 (Uranium)
Contract No. IDm-K1173
Kunter-Levy Company
(Cave Lime et al. claims)
Big Horn County, Wyoming

Dear Mr. Kunter:

Reference is made to your letter of July 12, 1958 and prior communications, regarding the Gravity Meter Survey and other operations under Contract No. IDm-K1173.

On July 11, 1958, R. O. Kinyon, Mining Engineer, Bureau of Mines, and Frank B. Moore, Geologist, Geological Survey, both representing DMEA, met on the property with your representatives, R. B. Christy and Clyde Wilson. As a result of the inspection of work performed to date and discussions at the meeting, it was agreed between the parties that before the Government would act further on your previous requests for changes in the contract, you or your representatives would submit the following data or requests for changes in the contract to permit a more practical approach to the exploration problem:

1. Request deletion of the requirements outlined under Stage I, Phase 1.

2. Request a decrease in the number of holes and footage of drilling under Stage III to provide funds in order to increase the gravity meter survey stations under Stage I, Phase 2. The request to be in detail, indicating extent of decreases and increases by units and applicable funds.

3. Request an increase in the depth of holes to be drilled under Stage I, Phase 3, to a maximum of 300 feet instead of the estimated 170 feet presently provided for in the contract and include justification for the increase.

4. Submit a map showing the locations of the ten (10) previously drilled company holes that you wish to deepen under the contract, as per your letter of July 12,

1958. You should resubmit your request and indicate the extent of deepening desired in each of the holes and include geologic and radiometric logs, if available, of the holes to the depths previously drilled.

In your letter of July 18, 1958, you requested that the contract be amended, in general, to fit your contract with Mr. Clyde Wilson. Amending the contract in that fashion would appear to be for your sole benefit and would not provide the required benefits flowing to the Government. Therefore, before the matter can be considered by the Government, it will be necessary for you to request such specific changes as you desire, in direct reference to contract provisions as presently written. You should provide appropriate details and justification for the changes desired.

In conformance with a prior request by you, and as discussed between Mr. Murphy, of the Washington Office, DMEA, and Mr. Elvin Shuster, Amendment No. 1 to the contract was prepared to change Stage I, Phase 2, of the contract, to read as follows:

> "Complete a geophysical (gravimeter) survey of the major fracture intersections, including the elevations of 600 stations. These stations shall include all the areas covered by the drill hole locations identified on the map, Figure 2, as 'Drill hole proposed by Applicant.' Copies of the survey maps and relative data shall be submitted to the Government promptly upon completion of the survey."

The Amendment was not submitted to you for execution because, in the interim, it had become apparent that a general revision of Exhibit "A" was to be considered. Therefore, the Amendment was held in deferment for possible inclusion as a part of the general revision.

Your letter of July 18, 1958 also contains a request, outlined in item 1 above. However, please resubmit the request along with other matters, of which please provide six complete copies.

As considerable time has elapsed since the conference in the field and we have heard nothing further from you or your representatives, we take this means of reviving the matter.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JWT:pel

cc: Chem. Op. Comm. (2) w/copy of
Hershman) Binyon's
DMEA/HFC (Binyon)) memoran-
Corres. file) dum of
Cooper) July 28.
Chrem.

DMEA
DEPARTMENT OF THE INTERIOR

JUL 29 1958
REGION III
DENVER, COLORADO

RECEIVED AUG 4 1958
DATE INITIALS

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
July 25, 1958

Memorandum

To: Acting Alternate Executive Officer, DMEA Field Team, Reg. III

From: E. O. Binyon

Subject: Docket DMEA 4849 (Uranium) Contract Idm-K1173,
Kantor-Levy (Ryan Consolidated claims) Big Horn County, Wyoming

This is in reply to your request for a memorandum concerning amendments to the subject contract as discussed with R. B. Christie, the operator's representative, on July 11, 1958.

It was suggested to Mr. Christie that he or Kantor and Levy submit a request for the specific changes in the contract as discussed at the property on July 8, 1958. These were

1) Deletion of Phase 1, Stage I.

2) An increase in the number of gravity survey stations to cover the areas as decided upon.

3) A decrease in the number of holes under Phase III, Stage I to permit the additional gravity stations and a transfer of the funds for drilling to the gravity survey.

4) Increase the drilling depth of the holes remaining to be drilled under Stage I, Phase 3.

5) Designate on a map the number and location of the company drilled holes that the operator wished to deepen.

Mr. Christie advised me that he was not certain of his status as a representative of the company and that he would get in touch with Kantor or Levy immediately.

E. O. Binyon
Mining Engineer

EOB/mr
cc: 9

DATE	INITIALS	DOCKET
7/17	J.J.	225
7/17	[illegible]	800
41	~~[illegible]~~	700

224 New Customhouse
Denver 2, Colorado
July 14, 1958

Memorandum

To: E. N. Harshman - w/enclosures
DMEA/RFC (Binyon) - w/enclosures

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

Subject: Docket No. DMEA 4349 (Uranium) Contract Idm-E1173, Hunter-Levy Company, (Cave Line et al. claim groups) Big Horn County, Wyoming

Supplementing the material forwarded to you by our memoranda dated June 30, 1958, and July 8, 1958, enclosed is a copy of a letter from the subject Operator, dated July 12, 1958. The Operator requests deletion of the work under Stage I, Phase I, and modification of the balance of the work provided for.

As discussed with you on this date, by telephone, the changes requested by the Operator, if approved by the Government, will involve a complete revision of Exhibit "A" to the contract, both as to work description and estimate of costs.

Please submit a joint memorandum containing your recommendations in the matter.

Original signed by
J. W. TOWNSEND

J. W. Townsend

JBC:hmh

cc: Chmn. Op. Comm. (2)
Corres.file, Reg.III } w/copy enclosure
Cooper
Chrem

Air Mail

928 North Bend Road
Cincinnati 24, Ohio
July 12, 1958

DMEA
DEPARTMENT OF THE INTERIOR
JUL 14 1958
REGION III
DENVER, COLORADO

DMEA
RECEIVED JUL 17 1958

DATE	INITIALS	CODE

Mr. J. W. Townsend,
Alternate Acting Executive Officer,
DMEA Field Team, Region III,
U. S. Department of the Interior,
224 New Customhouse,
Denver 2, Colorado.

Re: Docket No. DMEA 4849 (Uranium)
Contract No. Idm-E 1173
Kanter-Levy Company
(Cave Line et al. claim group)
Big Horn County, Wyoming.

Dear Mr. Townsend:

Please accept this letter as our official request for permission to amend the above contract.

As a result of our recent correspondence, telephone conversations, and Field Team inspections, it is the recommendation of Mr. Clyde Wilson, who has performed our gravity meter survey, and Mr. Russ Christie, who is our local representative on the job, as well as ourselves, that the following changes be made:

1. Stage I, Phase 1, be deleted.

2. The work performed by Clyde Wilson under contract dated June 3, 1958, and the work already performed offers the best possible utilization of a gravity meter survey as required by Phase 2. We would like, however, to reserve the right, at the discretion of Clyde Wilson and Russ Christie, to increase the number of stations in the vicinity of good anomalies which have been explored by drill holes that look good. We would be willing, naturally, to eliminate a couple of drill holes to offset the additional cost of the gravity work.

3. It has also been recommended that we deepen, to a depth of 200 feet, four holes which have been previously drilled by the Ryan Consolidated Petroleum Co. We will select the four holes which have the best showings in the vicinity of the stripping and drift operations which has already been accomplished near the camp site.

It is believed that it would be advantageous, prior to the commencement of the rest of the gravity survey, that we deepen the four holes which have been requested above, as well as drill the six holes requested in our letter of July 2, 1958.

Since time is of the essence, we would appreciate it if you would call us collect in the event this drilling would be approved.

Very truly yours,

Joseph H. Kanter

K:r

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7/17	800	800
	~~7 14 [illegible] 200~~	

224 New Customhouse
Denver 2, Colorado
July 14, 1958

Mr. Joseph H. Kanter
Kanter-Levy Company
824 North Bend Road
Cincinnati 24, Ohio

Re: Docket No. DMEA 4849 (Uranium)
Contract 16m-XA173
Kanter-Levy Company
(Cave Line et al. claim groups)
Big Horn County, Wyoming

Dear Mr. Kanter:

Receipt is acknowledged of your letter dated July 12, 1958, requesting revision of the provisions of Exhibit "A" to the contract, and approval for deepening of four previously drilled holes.

The changes requested by you, and such as may be approved by the Government will involve complete revision of Exhibit "A", affecting both Stages I and II of the contract. When resolved in the field the matter must be forwarded to the Washington Office, DMEA, for consideration and appropriate action. It appears that some delay to project operations will be involved.

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 (Binyon)
Corres.file, Reg. III
Cooper
Chron

Mr. George Selfridge

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 15 1958

DATE	INITIALS	CODE
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DN 236//// DN 235 BUR MINES 7-14-58 11-17

CHAIRMAN OPERATING COMM. DMEA

RE DOCKET DMEA 4849, CONTRACT IDM-E1173, KANTER-LEVY COMPANY, PROPOSED AMENDMENT NO 1 FORWARDED BY YOUR LETTER OF JULY 9, 1958. A REVIEW OF PROJECT WORK TO DATE IN CONJUNCTION WITH RECENT REQUESTS BY THE OPERATOR INDICATES THAT A COMPLETE REVISION OF TEXX THE WORK OUTLINED IS DESIRABLE, WHICH WILL INVLXXX INVOLVE CHANGES IN THE ESTIMATES COSTS IN EXHIBIT "A". MATEXXX MATTER UNDER CONSIDERATION IN TEXX THE FIELD. THEREFORE, PROPOSED AMENDMENT NO 1 WILL BE HELD IN DEFERMENT PENDING RESOLUTION OF THE ENTIRE AXX MATTER. FIELD RPXX REPORT S AND OUR RECOMMEDXX RECOMMENDATIONS WILL BE FORWARDED SOON.

J W TWXXXXXX J W TOWNSEND

Denver Colo. No answer required FMM

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7-8	Murphy	700
7-8	[illegible]	700
7/14	Chambers	800
7/9	Selfridge	130
7/10	[illegible]	110
"	[illegible]	100
		2[illegible]
7/10	H.G.	220
		700

JUL 9 1958

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

Re: Docket No. DMA-4849 (Uranium)
Contract No. Ldm-E1173
Kanter-Levy Company
Cave Line, et al., Claim Groups
Big Horn County, Wyoming

Dear Mr. Townsend:

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

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

This amendment has been prepared in accordance with your teletype of July 1, 1958.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (24B)

Enclosures

APPROVED:

Frank D. Lamb (24B)
Member, Bureau of Mines

Thor H. Kiilsgaard (24B)
Member, Geological Survey

FMMurphy/izm 7-8-58
cc: Mr. Murphy
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224

8623

OFFICIAL FILE COPY
DMEA
RECEIVED

DATE		CC
7/11	C	220
7/14		800

224 New Customhouse
Denver 2, Colorado

July 8, 1958

Memorandum

To: E. N. Harshman - with enclosures
DMEA/DFC (Minyon)

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

Subject: Docket No. DMEA 4849 (Uranium), Contract No. Idm-E1173
Hunter-Levy Company (Cave Line et al. claim groups)
Big Horn County, Wyoming

Enclosed are the following pertaining to operations under the subject contract:

1. Letter dated July 2, 1958, from Joseph H. Hunter

2. Letter dated June 27, 1958, from Clyde H. Wilson

3. Copy of "EXHIBIT I AGREEMENT" between Clyde H. Wilson and Hunter and Levy pertaining to conduction of gravity meter surveys on the Hunter-Levy property, which is in conjunction with the DMEA contract Idm-E1173.

The Operator requests modification of the provisions under Stage I, Phases 1 and 2, of the contract pertaining to the gravity meter survey.

Please submit a joint memorandum report containing your recommendations in the matter.

Original signed by
J. W. TOWNSEND

J. W. Townsend

JWT:bh
cc: Chmn. Op. Comm.(2) } with copy
Correspondence File } of encls.
Cooper
Chron.

(One copy of the enclosures to Minyon in person 7/7/58.)

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 11 1958

DATE	INITIAL	CODE

Air Mail
Special Delivery

928 North Bend Road
Cincinnati 24, Ohio
July 2, 1958

DMEA
DEPARTMENT OF THE INTERIOR
JUL 7 - 1958
REGION III
DENVER, COLORADO

Mr. J. W. Townsend,
Alternate Acting Executive Officer,
DMEA Field Team, Region III,
U. S. Dept. of the Interior,
224 New Customhouse,
Denver 2, Colorado.

Re: Docket No. DMEA 4849 (Uranium)
Contract No. Idm-E 1173
Kanter-Levy Company
(Cave Lime et al. claim groups)
Big Horn County, Wyoming.

Dear Mr. Townsend:

This is a request for the resolution by the Field Team of a minor technical problem regarding the gravimetric survey required in Phases 1 and 2 of Stage I of the above DMEA project.

In order to accomplish the location of drill sites in the most advantageous spots, Mr. Clyde Wilson of Salt Lake City was requested to establish a program conforming to his best professional judgment and experience. His recommendations are included in his letters both before and after the award of the above contract (we presume these letters are in your files), and were used as the basis of Kanter-Levy's request for a gravimetric survey, and, presumably, as a basis for the DMEA's inclusion of such a gravimetric program in this project.

Upon approval of an increase for gravimetric work, based on Wilson's letter of May 2, 1958 to Elvin Kanter in Washington, Kanter-Levy entered a contract with Wilson, a copy of which is enclosed and labeled "Exhibit 1", to accomplish such work. This contract, although couched in legal terms, is an almost verbatim repetition of Wilson's letter, which, as indicated, was used to increase our bids.

Close examination of the requirements of Phase 2 on the DMEA contract reveals that the gravimetric survey shall "include all drill hole locations identified on the map, Figure 2....." Wilson informs us that, while the survey will reasonably cover all surveyable ground, he cannot guarantee that a station will fall on each drill location. To do so, in his opinion, would be both prohibitively expensive and professionally unsound.

We believe that a gravimetric survey, as contemplated in our contract with Wilson, will "include" all drill hole locations for two reasons:

1. It will cover all the surveyable ground; and

2. The "drill hole locations" referred to in the contract are necessarily tentative since the whole purpose of Phases 1 and 2 is to find the best locations.

We would appreciate, therefore, your writing us with your concurrence in this interpretation. It is suggested that you may wish to communicate with Mr. Murphy in the Washington office, since he indicated to Mr. Elvin Kanter that such an interpretation would be acceptable to him.

On the other hand, if you do not agree or concur with our interpretation, please accept this letter as a formal request for a revision of the terms of Phases 1 and 2 in the contract to conform with the enclosed contract that we presently have with Mr. Wilson. Enclosed is 5 copies of a letter which Mr. Wilson addressed to you on June 27, 1958, explaining his work.

Summarizing the situation as we see it, we have asked the DMEA to allow us certain costs necessary for the making of a gravimetric survey of the above property. From the very inception, we have worked with Clyde Wilson and the proposal we submitted to the DMEA was Wilson's proposal. At the present time, we have been assured by Mr. Wilson that the method which he is employing on this property represents the best practical utilization of our exploration money.

We shall sincerely appreciate receiving either your concurrence that the present DMEA contract, Phases 1 and 2, may be interpreted to allow us to complete our gravimetric work as indicated in our

enclosed contract with Wilson, or your revising DMEA contract for Phases 1 and 2 in order to conform with our contract with Wilson.

Very truly yours,

Joseph H. Kanter

K:r

Encls.

(COPY)

CLYDE H. WILSON
MINING ENGINEER AND GEOLOGIST
366 SO. FIFTH EAST
Salt Lake City 2, Utah

DMEA
DEPARTMENT OF THE INTERIOR
JUL 7 - 1958
REGION III
DENVER, COLORADO

June 27, 1958

Mr. J. W. Townsend
DMEA
224 New Custonhouse
Denver 2, Colorado

Dear Mr. Townsend:

I am writing this letter at the request of Mr. Joseph H. Kanter, in connection with DMEA Loan, Docket No. DMEA 4849, Contract No. Idm-51173.

As you know, we have completed some preliminary gravity measurements on the Kanter-Levy claims on Little Mountain, Wyoming, the purpose of which was to locate sites of probable porous and/or cavernous zones at relatively shallow depths in the Madison limestone. This work was conducted under the terms of a contract between "Kanter-Levy" and Clyde H. Wilson, a copy of which is enclosed herewith. The gravity field work was suspended when Mr. Kanter informed me that he might have difficulty getting government approval of remaining gravity work as part of his DMEA commitment, unless the procedure employed by us followed to the letter the wording of the DMEA contract.

With reference to the Gravity Survey, the DMEA contract specifies as follows:

"Phase 2. Complete a geophysical (gravimeter) survey of the major fracture intersections including the elevations of 600 stations. These stations shall include all the drill hole locations identified on the map, Figure 2, as 'Drill hole proposed by applicant.' Copies of the survey maps and relative data shall be submitted to the Government promptly upon completion of the survey."

This specification would seem to require that a gravity station be occupied at each of the proposed drill hole sites and, perhaps at each major fracture intersection, up to a total of 600 stations. For gravity exploration in this district, this would not be a proper or feasible procedure, as I shall try to explain below.

In the first place, the application of gravity exploration is severely limited by terrain conditions. This is especially true when the purpose of the work is to detect the small gravity variations which may be associated with the presence of porous or cavernous conditions in the subsurface. Excessive topographic relief near the observation station will cause gravity variations of larger magnitude than those associated with the geological conditions

we are trying to detect. Consequently, the observation stations must be placed at locations which will minimize the terrain effect, since it is not possible to make corrections for terrain irregularities to the accuracy that would be required for the detection of these small anomalies.

Secondly, in order to delineate the anomalies it is necessary to obtain information as to the "normal" trend of gravity in the area. It is the departure from this "normal" trend which constitutes the anomalies. Such information can be obtained by observations at intervals along traverses, or at stations on extensive grids. Large grids are not practical for this area because of terrain difficulties and excessive cost, but adequate information can be obtained from measurements along traverses, located so as to minimize terrain effect.

Because of the above described limitations, it would not be practicable in the Little Mountain area to occupy gravity stations at specified, more or less random locations; in fact, because of the same limitations it is not always possible to direct the traverses across areas where the surface geological indications are the most favorable. However, there are locations on Little Mountain (including the Kanter-Levy property) where gravity work can be useful, even under the described limitations. This has been demonstrated by our past work in the district.

We would like to be able to complete the gravity survey for Mr. Kanter, under terms that would satisfy the requirements of his DMEA contract, while also meeting our own recommendations as to proper and suitable procedure for gravity exploration in the little Mountain area. Accordingly, we request, on behalf of "Kanter-Levy" that the Government either approve our contract for gravity work, as written, or amend the DMEA contract to read substantially as follows:

--- Phase 2. Complete a geophysical (gravimeter) survey consisting of the determination of relative gravity at 600 stations spaced at intervals of 50 feet along approximately 30,000 feet of traverse. The traverse locations shall be selected by agreement in the field between the geophysical contractor and the Operator's geological representative or supervisor; it being understood that, wherever possible, the traverses will be located so as to traverse areas where (1) maps based on photogeologic interpretation indicate concentrations of fracture intersections, and/or (2) other favorable or indicative surface geological conditions are present, such as local structural basins, surface slumps, or mineralization found at the surface or in prior drill holes.

Very truly yours,

Clyde H. Wilson

CHW/m
Encl. Copy of Agreement
between "Kanter-Levy" and Clyde H. Wilson

EXHIBIT I

AGREEMENT

THIS AGREEMENT made this _____ day of _____, 1958, by and between Clyde M. Wilson, 366 South Fifth East, Salt Lake City 2, Utah, hereinafter referred to as "Wilson" and Joseph M. Kanter and Leon Levy, of 729 Dupont Building, Miami, Florida, hereinafter referred to as "Kanter and Levy",

WITNESSETH:

That for and in consideration of Five Dollars ($5.00) by each party to the other paid and receipt of which is hereby acknowledged, and other good and valuable considerations including the mutual covenants and agreements hereinafter contained and to be kept by the parties, it is agreed as follows:

THE GRAVITY SURVEY

1. Wilson agrees to conduct a gravity survey on the Kanter-Levy property on Little Mountain, near Lovell, Wyoming; consisting of the determination of relative gravity at appropriate intervals along traverses crossing the property at locations to be selected by mutual agreement.

2. PURPOSE AND LIMITATIONS OF THE SURVEY: The purpose of the gravity survey will be to locate near-surface porous and/or cavernous zones in the Madison limestone, as an indirect guide in the exploration for uranium mineralization which sometimes occupies these structures. Whether such zones can be detected by gravity measurements depends upon whether they are large enough and sufficiently porous to create gravity effects, measurable at the surface. In Wilson's prior work in this district, follow-up drilling exploration has indicated that porous zones can be detected by gravity measurements, up to a maximum depth of the order of 150 to 200 feet. Application of the methods is restricted to terrain of low to moderate topographic relief. From a field inspection, Wilson made, he concluded that certain parts of the property would meet these requirements. A gravity survey, in Wilson's opinion, probably will aid in directing Kanter-Levy

(Copy from which typed too illegible for reproduction)

additional exploration in the most favorable locations.

3. Wilson agrees, as soon as possible after completion of the field work, that he will prepare and submit a written report which will contain:

(a) A description and explanation of the field work,

(b) A statement of the results, accompanied by illustrative charts and maps,

(c) Conclusions and recommendations concerning further exploration, and

(d) Survey maps showing, by appropriate surveying and engineering data, the location of proposed drill holes.

4. Wilson agrees to utilize the following in making the gravity survey:

(a) One instrument truck, and, if required, an additional automobile for use by the survey crew,

(b) A portable and accurate gravity meter,

(c) A four-man crew, with full equipment.

5. Wilson agrees that the survey shall include 600 gravity stations, more or less.

6. Wilson agrees that his total charge, including all expenses for conducting the survey and preparation of all reports and maps shall not exceed Two Thousand Seven Hundred Twenty-five dollars ($2,725.00).

MONTEREALVY PAYMENTS

1. Montereal agrees to pay the following charges for the work to be conducted by Wilson:

(a) For 4-man crew and equipment, per day in the field $175.00

(b) 26 working days per month, of which from 1 to 4 days may be spent in the field office by one or two men in order to maintain calculations,

[illegible], maps, recommendations, etc. up-to-date);

(b) [illegible]: A mileage charge of 10¢ per mile for Wilson's instrument truck to and from Salt Lake City; and a charge of 10¢ per mile each for the use of one or two vehicles, as required, on field work;

(c) [illegible]: The actual cost of food and lodging for Wilson's crew, enroute to and from Salt Lake City, and at the field base during the period the crew is engaged on the survey work;

(d) [illegible] and Travel Time: A charge of $67.50 per day for any standby time resulting from inclement weather or other causes beyond Wilson's control, and for travel time enroute to and from Salt Lake City;

(e) [illegible] Time: A charge of $62.50 per day for main office time required at the end of the field-working period, for final calculations and compilation of data and preparation of reports and maps. (Note: For short term jobs - up to 2 weeks - main office time usually amounts to about one-third of the preceding field time; for longer terms, it is proportionately less);

(f) [illegible] Water Rental: The actual cost incurred by Wilson for rental of a suitable gravity meter; such cost, however, not to exceed $450.00 for the first 600 gravity stations, nor $450.00 per month for any extended field-working period;

(g) [illegible]: A payment of $925.00 when the gravity survey is authorized; thereafter, balances due are to be paid at the end of each week of field work in accordance with itemized statements to

be submitted by Wilson.

2. Kunter-Levy agree to provide all possible available information that will aid in the planning of the survey and in the subsequent interpretation and correlation of the geophysical measurements. Such information should include available geological maps and other geological data, drill hole logs, etc.

3. Kunter-Levy agree to pay a maximum of Two Thousand Seven Hundred Twenty-five dollars ($2,725.00), less a prorated refund if Wilson's actual cost of gravity meter rental is less than Four Hundred Fifty dollars ($450.00) for the first 600 stations. It is understood and agreed, however, that Kunter-Levy shall pay no more for the first 600 gravity stations than the "per diem" and other charges listed in paragraph 1 above, plus the actual cost of the rental of the gravity meter.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first stated above.

OLIVER H. WILSON

JOSEPH H. KUNTER

LEON LEVY

DRAFT
7-3-58

EXPLORATION PROJECT CONTRACT
KANTER-LEVY COMPANY
DOCKET NO. DMEA-4849

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Kanter-Levy Company, that Exploration Project Contract Idm-E1173, (Docket No. DMEA-4849), dated February 25, 1958, is amended effective February 25, 1958, as follows:

In Exhibit "A," Description of the Work, Stage I, in the description of the Work under Phase II, the words - the areas covered by shall be inserted after the word "all" in the second sentence.

This amendment shall not be construed to increase the estimated total cost of the project nor the aggregate total amount which the Government may be required to contribute.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

Kanter-Levy Company

By Joseph H. Kanter (Partner)

_____
Leon Levy (Partner)

25th Ave Courthouse
Denver 2, Colorado
June 30, 1958

Memorandum

To: H. H. Burghum - w/enclosure
DMEA/DPC (Mayer) - " "

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

Subject: Docket No. DMEA 4814 (Uranium), Contract No. Am-21173, Exeter-Levy Company (Cave Lime et al. claim groups), Big Horn County, Wyoming.

Enclosed is a copy of a letter from Joseph E. Exeter, dated June 27, 1958, and a Report, dated June 25, 1958, by Clyde E. Wilson, with three maps attached. Mr. Wilson's Report contains a review of the Gravity Meter Survey completed on the unit a request for Government approval for a portion of the drilling under Stage I, Phase 3.

Please submit a joint memorandum report containing your recommendations in the matter.

The original material taken to the Federal Center by Mr. Burghum on June 27 should be returned to this office for the Region III files.

Original signed by
J. W. TOWNSEND

J. W. Townsend

JWT:pel

cc: Chm. Op. Comm.(2) } w/copy of
Curres. File* } enclosures.
Geiger
Chrom.

*Enclosures will be returned from Federal Center.

Air Mail
Special Delivery

928 North Bend Road
Cincinnati 24, Ohio
June 27, 1958

DMEA
DEPARTMENT OF THE INTERIOR
JUN 30 1958
REGION III
DENVER, COLORADO

Mr. J. W. Townsend,
Alternate Acting Executive Officer,
DMEA Field Team, Region III,
U. S. Department of the Interior,
224 New Customhouse,
Denver 2, Colorado.

Re: Docket No. DMEA 4849 (Uranium)
Contract No. Idm-E1173
Kanter-Levy Company
(Cave Line et al. claim groups)
Big Horn County, Wyoming.

Dear Mr. Townsend:

Mr. Clyde Wilson, who has been employed by this company, has forwarded to us and to you a copy of his preliminary report. As per our telephone conversation, I am forwarding to you five extra copies so that your office will have sufficient copies for distribution.

Mr. Wilson is anxious to complete the balance of the gravity survey and, of course, we would like to begin drilling at the earliest possible opportunity. We would, therefore, appreciate it if you would expedite this request.

Very truly yours,

Joseph H. Kanter

K:r

Encls.

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 3 1958
DATE | INITIALS | CODE

Note: This report is forwarded at the request of Joseph H. Kanter, in connection with DMEA Loan: Docket No. DMEA 4849
Contract No. Idm-E 1173

DMEA
DEPARTMENT OF THE INTERIOR
JUN 27 1958
REGION III
DENVER, COLORADO

CLYDE H. WILSON
MINING ENGINEER AND GEOLOGIST
366 SOUTH FIFTH EAST
SALT LAKE CITY 2, UTAH
ELGIN 5-4466

June 25, 1958

DMEA
DEPARTMENT OF THE INTERIOR
JUN 1958
REGION III
DENVER, COLORADO

Mr. Joseph H. Kanter
Mr. Leon Levy
928 North Bend Road
Cincinnati 24, Ohio

Dear Sirs:

Enclosed herewith are a report and three (3) maps, which give the results, to date, of the gravity survey we have conducted on your property on Little Mountain, near Lovell, Big Horn County, Wyoming. This work was conducted in accordance with an Agreement between "Kanter-Levy" and Clyde H. Wilson, dated June 3, 1958. The report is a preliminary review of procedures and results, made in order to expedite the start of drilling exploration on your property.

To date, 203 gravity stations have been occupied along 10,000 feet of traverse. As shown on the "gravity profiles" submitted herewith, a number of anomalies (gravity "lows") have been indicated, some or all of which may represent porous and/or cavernous conditions at relatively shallow depths in the underlying Madison limestone formation. Of the mapped anomalies, we have selected and indicated in the report, those which we believe represent the best sites for preliminary test drilling in the immediate areas crossed by the gravity traverses.

The attached report gives a description and explanation of the field work and general procedure, a statement of the results to date, and recommendations concerning preliminary test drilling and further exploration.

We shall be pleased to supply any additional information that may be possible as a result of the work completed to date.

Very truly yours,

Clyde H Wilson

Clyde H. Wilson

CHW/m

Encl. Report
Three (3) maps

DMEA
DEPARTMENT OF THE INTERIOR
1958
GRANT III
DENVER, COLORADO

Preliminary Report

GRAVITY SURVEY

On

BROKEN HEART & TRI PACER MINING CLAIMS

Near

LOVELL

BIG HORN COUNTY, WYOMING

For

JOSEPH H. KANTER & LEON LEVY

CINCINNATI, OHIO

CLYDE H. WILSON

SALT LAKE CITY, UTAH

June 25, 1958

INTRODUCTION

This report gives the results of gravity measurements conducted during the period June 12-19, 1958, on the Broken Heart and Tri Pacer mining claims of the Kanter-Levy property in Sections 19 and 20, Township 58 North, Range 94 West, on Little Mountain, a gently sloping plateau on the west flank of the northern Big Horn Mountains, in Big Horn County, Wyoming.

The purpose of the gravity survey was to locate near-surface porous and/or cavernous zones in the Madison limestone, as an indirect guide in the exploration for uranium mineralization which sometimes occupies these structures. Surveys conducted previously in this District have shown that the decrease in average formation density caused by increased porosity frequently is reflected at the surface by a related local decrease in the force of gravity. The field measurements, therefore, were directed to determining variations in the earth's gravitational field, and particularly to mapping local gravity anomalies (gravity "lows").

The gravity measurements were made with a World-Wide Instruments, Inc. gravity meter, having a sensitivity of .08087 milligals per scale division. This instrument is capable of accurately measuring gravity variations as small as one ten-millionths part of the earth's normal gravity field.

At the time of this report, determinations of relative gravity had been made at 203 stations, along 10,000 feet of traverse (Traverses 1, 2 and 3, and Traverse 1 anomaly detail). For the

most part, the traverses cross Madison limestone formation, either outcropping, or covered by a thin soil mantle. At a few locations, Amsden formation or Amsden erosional detritus of undetermined thickness overlies the Madison limestone at traverse sites.

DESCRIPTION OF THE FIELD WORK

Conditions controlling the development of porous and cavernous zones and the deposition of uranium mineralization in the Madison limestone in this District are not well understood, as yet. It is known that certain cavernous zones in the subsurface favor the deposition of uranium mineralization, sometimes in commercial grades and quantities. As exploration guides, sites of intersecting fractures, local structural basins, surface slumps, etc. in the Madison limestone are believed to indicate sites of possible development of cavernous conditions below. In using gravity measurements, therefore, it is advisable to conduct the measurements, if possible, across areas where one or all of the above-described geological conditions exist. However, because of the detrimental influence of rough terrain (terrain anomalies), gravity work can be employed usefully only under conditions of low to moderate topographic relief. It is not always possible, therefore, to conduct the measurements at sites where geological conditions are optimum.

In order to be of any value, the gravity measurements must be conducted along traverses or on extensive grids, so that variations from normal gradient can be determined. Single stations

spaced at random, a considerable distance apart, are of no value.

In the present survey, after field inspection and discussions with your representative in the field, it was decided to conduct measurements along traverses located so as to minimize terrain effects, while, at the same time, traversing areas in which there appear to be concentrations of fracture intersections (as indicated by maps based upon photogeologic interpretation) and near sites of uranium mineralization exposed at the surface or indicated by prior drill holes.

The traverses occupied so far follow this general plan (Traverses 1, 2 and 3, on the accompanying map). This group of traverses extends westerly from the general vicinity of the Ryan camp. Traverse 1 crosses the site of an indicated structural basin, just north of an open pit dug at the site of subsurface uranium mineralization indicated by prior drilling. Traverse 2 crosses the sites of two indicated structural basins and terminates near the site of uranium mineralization exposed at the surface on the Broken Heart No. 9 claim. Traverse 3 lies partly within an indicated structural basin and passes near the site of mineralization on the Broken Heart No. 9 claim.

Gravity readings were taken at intervals of 50 feet along each traverse. By appropriate calculation and correction, the field readings were reduced to terms of relative gravity, in milligals (Bouguer anomaly), and they were then plotted in the form of gravity profiles. Traverses T-1:1+00 N. and T-1:1+00 S. were used to obtain additional information at the sites of two

gravity anomalies which had been disclosed by the initial measurements along Traverse 1.

Elevations of the gravity stations were determined by differential leveling around closed loops. So determined, the elevations are accurate to the nearest 0.1 foot.

RESULTS OF THE GRAVITY SURVEY

Sixteen anomalies (gravity "lows") have been indicated by this initial work. These results are illustrated on the three accompanying maps:

(1) Gravity Profiles & Anomalies, which shows the location, character and magnitude of the anomalies on each traverse;

(2) Gravity Traverses & Anomaly Locations, which shows the layout of the gravity traverses and gives the areal locations of the anomalies, on the ground; and,

(3) Claim Map, (supplied by "Kanter-Levy") on which the gravity traverses and anomaly locations are shown in relation to the claim boundaries and to the formation fracture pattern as interpreted from photogeologic examinations by other parties.

Interpretation of the Gravity Data

There are several types of near-surface geological conditions which may cause local gravity anomalies in this area. Delineation of a gravity "low", therefore, does not necessarily indicate increased porosity or cavernous conditions in the underlying Madison limestone. Other geological conditions which may cause local decreases in gravity because of the presence of material of lower density at or near the surface are: (1) shallow

stream channels, (2) increased thickness of soil cover, (3) the presence of intervening Amsden formation or Amsden detritus lying on the irregular erosional surface of the Madison limestone, or in sink holes or other slumped zones, or (4) near surface changes in petrology introduced by stratigraphic variation or by structural discontinuity or change (e.g. faults, etc.) These various possibilities must all be considered in evaluating the anomalies. Our past work in this district indicated that anomalies due to irregularities in the thickness of Amsden formation or of soil cover rarely exceed 0.1 milligals intensity, whereas many anomalies of larger intensity have been found to represent porous zones in the Madison limestone.

Traverse 1

The eastern portion of this traverse crosses soil-covered terrain, with possibly some Amsden formation or detritus present. The anomalies at 2+50 East and 5+00 East are of approximately 0.1 milligals intensity. They may represent shallow porous zones in the Madison limestone, or, perhaps, local variations in the thickness of Amsden cover. Significant anomalies are indicated at 3+00 West and 7+00 West. The 3+00 West anomaly probably indicates the presence of an extensive zone of porosity in the Madison limestone, possibly associated with the influence of some Amsden formation in a local slump or erosional depression in the Madison limestone. This anomaly is indicated also on the 1+00 North Line and the 1+00 South Line, somewhat diminished on the former traverse, but of still large magnitude on the latter

traverse, which crosses a large open pit where previous exploration has been conducted by drilling and mine opening. Uranium mineralization which has been disclosed by prior exploration here evidently is associated with the probable porous and/or cavernous conditions indicated by the gravity survey results.

The anomaly at 7+00 West carries through quite strongly to the 1+00 North Line, but dies out, southward. The vicinity is soil-covered, so no direct correlation to the Madison limestone can be made. The anomaly probably represents increased porosity in the limestone and other subsurface conditions similar to those underlying the anomaly at 3+00 West.

Between about 12+00 West and 20+00 West there is a very pronounced decrease in gravity. The nature of the change is such as to suggest a cause other than local increase in porosity in the Madison limestone. Amsden formation outcrops on prominent hills northeastward and southwestward from the traverse site. However, at the traverse location there is no surface geological indication of sufficient thickness of Amsden formation to cause an anomaly of this magnitude, unless there is a large slump or depression on the Madison limestone surface. If this is the case, cavernous conditions could underlie the depressed area and give rise to a portion of the observed anomaly.

Traverse 2

The three westernmost anomalies on Traverse 2 (7+50 West, 1+50 West and 2+50 East) all occur at locations where the Madison limestone is at or very near the surface. There is a good

probability, therefore, that the anomalies represent porous and/or cavernous conditions in the Madison limestone. The anomaly at 11+50 East occurs a short distance southward of a hill of outcropping Amsden formation. At the anomaly site there is no evidence of sufficient thickness of Amsden formation to cause an anomaly of this magnitude. The anomaly, therefore, probably represents porous and/or cavernous conditions in the Madison limestone. The anomaly, however may be related to whatever geological condition causes the large anomaly at 18+00 West on Traverse 1, about 600 feet to the northeast.

Traverse 3

The two anomalies on Traverse 3 (1+00 East and 2+50 West) are of minor intensity, but, since they occur over outcropping Madison limestone, they may represent porous conditions at shallow depths. The 1+00 East anomaly may be related to the anomaly at 7+50 West, on Traverse 2.

RECOMMENDATIONS

Drill Hole Exploration

Test drilling is recommended at the sites of the most prominent gravity anomalies; namely, 3+00 West, 7+00 West and 18+00 West on Traverse 1; and 7+50 West, 1+50 West, 2+50 East and 11+50 East on Traverse 2.

In the case of 3+00 West, Traverse 1, whether a hole should be drilled here and the selection of the drilling site should be governed by information from previous drilling in this vicinity.

The site for a new drill hole could be at 3+00 West, or at a location northward or southward along the indicated trend of the anomaly.

Gravity Exploration

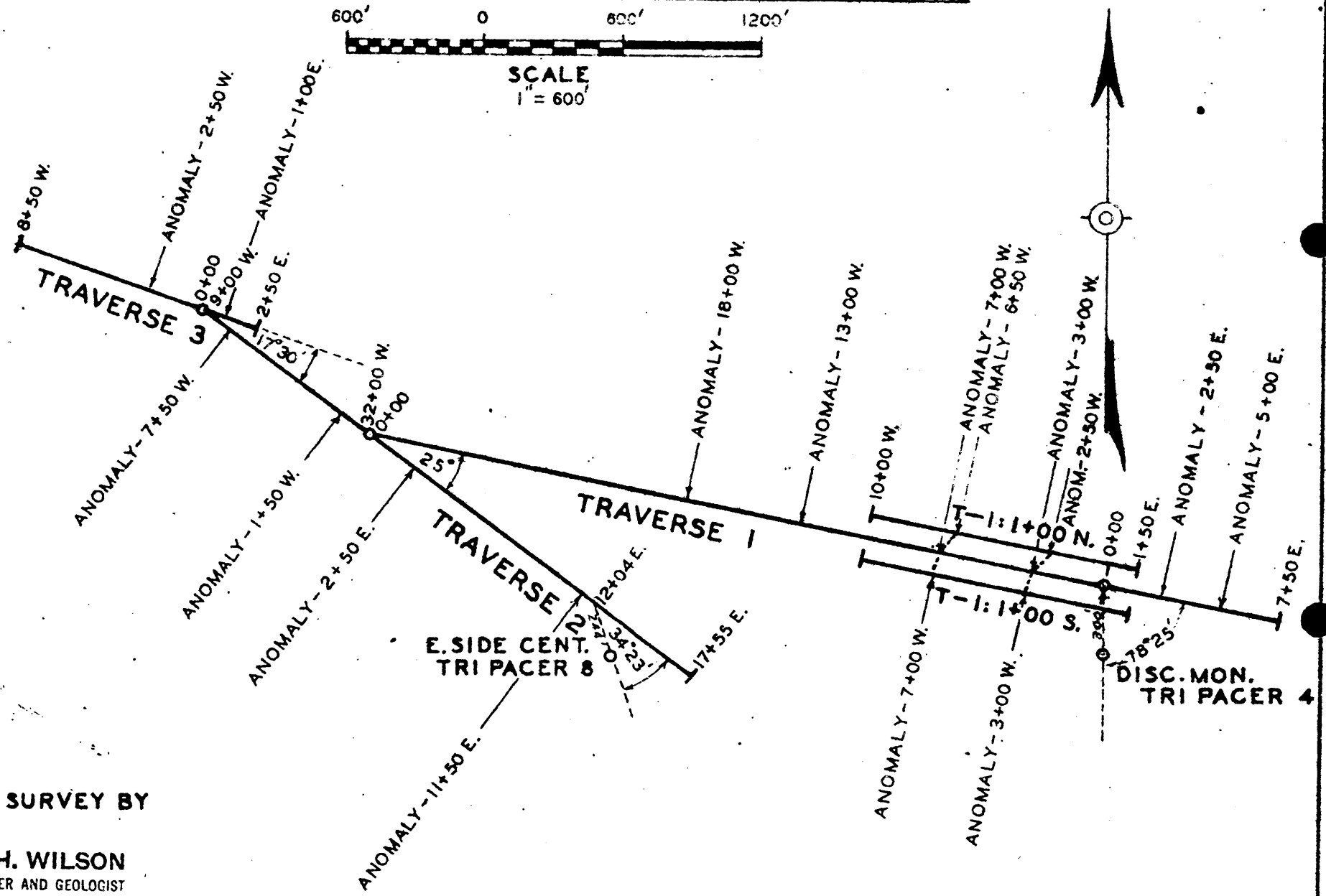
(1) The gravity survey should be continued under the general procedures described in the report.

(2) Depending upon geological correlations and information from prior drilling in the vicinity, the gravity anomaly at 3+00 West on Traverse . should be traced southward by additional traverse detail.

Clyde H. Wilson
Geologist

GRAVITY TRAVERSES & ANOMALY LOCATIONS

KANTER-LEVY PROPERTY~LITTLE MOUNTAIN, WYOMING



GRAVITY SURVEY BY

CLYDE H. WILSON
MINING ENGINEER AND GEOLOGIST
366 SO. FIFTH EAST
Salt Lake City 2, Utah

June 25, 1958

Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/23/58	Murphy	700
6/23	Kuebler	700
		225

June 23, 1958

Memorandum

To: The File

From: F. M. Murphy, Mining Engineer
Division of Rare and Miscellaneous Metals

Subject: Docket No. DMEA-4849 (Uranium)
Contract No. Idm-E1173
Kanter-Levy Company
Cave Line, et al., Claim Groups
Big Horn County, Wyoming

Mr. Elvin Kanter visited this office at 1:30 p.m., June 20, 1958, to discuss a change in the description of the work under Stage I, Phase 2, gravimetric survey, to allow more latitude in the locations of the stations.

He said the gravimetric survey had been started, but that it had been stopped as it was not feasible to conform to the requirements of placing a station on each of the holes shown on map Figure 2. I asked if this matter had been discussed with the Field Team. He said it had and the Field Team stated that the contract would have to be amended if some of the hole locations were not covered by the gravimetric stations.

I called J. W. Townsend at 3:30 p.m., and advised him of my talk with Kanter. He said that "Wilson" had located a few anomalous spots and that Kanter-Levy wanted to start drilling on these areas, and later continue the gravimetric survey. However, this proposal was not submitted in writing. Townsend mentioned that the Field Team was having a hard time in getting a definite line-up of the proposed work from the Applicant.

I mentioned that, if necessary, the contract description for the locations of the gravimetric stations could be amended in keeping with the purpose of the gravimetric survey. Mr. Townsend agreed that this should be done as it was quite possible that some of the areas covered by the drill holes in Figure 3 should be eliminated. However, he suggested that we wait until the Operator made a written request for a change in the Stage I, Phase 2, gravimetric survey, work.

F M Murphy

F. M. Murphy

8623

928 North Bend Road
Cincinnati 24, Ohio
June 11, 1958

DMEA
DEPARTMENT OF THE INTERIOR
JUN 16 1958
REGION III
DENVER, COLORADO

Mr. James Townsend,
Alternate Acting Executive Officer,
DMEA Field Team, Region III,
United States Dept. of the Interior,
224 New Customhouse,
Denver 2, Colorado.

Re: Docket No. DMEA 4849 (Uranium)
Contract No. Idm-E1173
Kanter-Levy Company
(Cave Line et al. claim groups)
Big Horn County, Wyoming.

Dear Mr. Townsend:

In regard to the above contract, it has been suggested to us that we be allowed to utilize some of the drilling costs to deepen drill holes which have been drilled on this property by previous owners. Apparently, the ore body, if there is one, lies below 150 feet and we believe that the holes should be deepened to 170 feet.

We would appreciate it if you would inform us if it would be possible to arrange to make this change and what unit cost you would allow us to do this drilling.

Very truly yours,

Joseph H. Kanter

K:r

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 18 1958

DATE	INITIALS	CODE

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 18 1958

DATE	INITIALS	CODE
6/18	C	220
6/18	[illegible]	800
6/19	[illegible]	700

25A New Customhouse
Denver 2, Colorado
June 16, 1958

Mr. Joseph E. Kanter
Kanter-Levy Company
[illegible] North Bond Road
Cincinnati 24, Ohio

Re: Docket No. DMEA 4849 (Uranium)
Contract No. [illegible]-XL175
Kanter-Levy Company
(Cave Line et al. claim group)
Big Horn County, Wyoming

Dear Mr. Kanter:

Reference is made to your letter of June 11, 1958, concerning the possibility of deepening previously drilled holes.

There is no provision in the contract for the deepening of previously drilled holes. Such work could only fall under Stage II, as the work under Stage I is specific as outlined.

The possibility of deepening previously drilled holes will be given consideration by the Government should you wish to submit a request for the deepening of specific holes. Your justification for the hole deepening must be accompanied by a map or maps showing the location of the holes to be deepened.

In reference to Stage I work, your attention is directed to the fact that Phase 3 work depends on results of work under Phases 1 and 2, and work under Phase 4 is contingent on the results of the work under Phase 3. In addition, the performance of any work under both Phases 3 and 4 is subject to prior Government approval, based on a specific work request from you.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JWT:ypl

cc: Chem.Op.Com.(2) w/copy of
Kerlinger Operator's
DMEA/DPC-Riverton letter of
Corres. file June 11.
Townsend
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado
June 5, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 9 1958
DATE | INITIALS
6-9 | C | 220
6/9 | ce | 215
| | 700

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4849 (Uranium), Contract No. Idm-E1173, Kanter-Levy Company (Cave Line et al. claim groups), Big Horn County, Wyoming

Enclosed are the Government's and Audit copies of Exploration Project Contract No. Idm-E1173, which was forwarded by your letter of May 16, 1958 for signature by the Operator after being revised to increase the unit cost per station for the geophysical work. Form MF-205, Consent to Lien and Subordination Agreement, signed by the wives of the owners-lessors, has been attached to each copy of the contract. Therefore, the contract was presented to the Applicant for signature and final distribution is now being made.

Also enclosed are two copies of the Operator's letter of June 3, 1958, by which the executed copies of the contract were returned to this office, and three copies of a letter from this office, dated June 5, 1958, whereby we forwarded the "Operator's Copy" of the contract, blank report forms, and provided instructions relative to reporting on work performed under the contract and procedures to be followed in corresponding with this office relative to operations under the contract.

The contract, dated February 25, 1958, provides for exploration work estimated to cost $41,240.00, toward which the Government will contribute 75 percent, or not in excess of $30,930.00.

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

J. W. Townsend

COPY

DUEA

20A New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

JUN 5 1958

Hunter-Levy Company
c/o Guggenheimer and Company
25 Broad Street
New York 4, N. Y.

Re: Docket No. DMEA 4049 (Uranium)
Contract No. Ilm-E1173
Hunter-Levy Company
(Cave Lake et al. claim groups)
Big Horn County, Wyoming

Gentlemen:

Enclosed is the "Operator's Copy" of Exploration Project Contract No. Ilm-E1173, Docket No. DMEA 4049.

Also enclosed are six copies of Form EP-10A, "Operator's Monthly Report and Voucher," and six copies of Form EP-10AA, "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
20A New Customhouse
Denver 2, Colorado.

The extra copy is for your records.

Forms EP-10A and EP-10AA 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 EP-10A and EP-10AA 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 EP-10A and EP-10AA 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 numbering. 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 make a part of your claim for reimbursement.

The contract is prepared on Form NP-620, and under the provisions and as outlined in Exhibit "A" attached to the contract, the allowable costs are a combination of "Actual Stage" and "Field Unit Costs," with established maximum average unit costs for the drilling and maximum unit costs which cannot be exceeded for the other items of work under Category (1). Under the provisions of Article 6 of the contract, the work outlined in Exhibit "A" under Category (1) is to be performed by an independent contractor. The actual costs of the work completed under Category (1) are to be reported under item (1) on Form NP-104, and must be supported and documented by a signed or certified true copy of the billing from the contractor. The costs of sample analyses, under Category (7), are to be reported under item (7) on Form NP-104. The number of sample analyses reported must be documented by a copy of the assay report and a signed or certified true copy of the billing from the assayer. Assays reported on the basis of "Field Unit Costs" require no documentation, as they are otherwise verified. However, those on a "Field Unit Costs" basis are to be reported on Form NP-104 under item (1). The foregoing applies to both stages of work described in Exhibit "A". For further information relative to documentation of costs, please refer to the instructions on the reverse side of Form NP-104. Also, please refer to instructions on the reverse side of Form NP-104A regarding preparation of that form.

In reference to the drilling work under Category (1) of Exhibit "A", please refer to item (f) of Annex II attached to the contract, pertaining to the average unit cost. If costs incurred any month cause the average unit cost to be in excess of the maximum allowable average unit cost, such excess costs will be computed, subject to reinstatement at a later date within the aggregate of such suspensions, should the costs incurred any subsequent month cause the average unit cost to fall below the maximum allowable average unit cost. The foregoing applies to each separate class of drilling under each work stage.

In the event you decide 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. Such requests 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 HF-104 and HF-104A.

Relative to continuity of work under the contract and prior Government approval therefor, you are referred to the specific provision in the fifth paragraph on page 2 of Exhibit "A" attached to the contract.

When the work under Stage I, Phases 1 and 2, is completed, you must request approval from this office for the work you propose to perform under Phases 3 and 4 of Stage I and, subsequent to the performance thereof, request approval for the work you propose under Stage II. Your request for the work approval must be in quadruplicate, each copy complete with a map showing the location and extent of the work completed and the location and extent of the additional work proposed. Also, in support of your request for approval of additional work, you must include an evaluation of the work completed, including among returns on any samples and any other pertinent data which will be of value to the Government in appraising results of the work.

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, DMMA, or by the DMMA Field Team, Region III.

It is a regulation that reimbursement for the cost of work accomplished prior to the date of the contract will not be allowed. It is a requirement and incentive that you notify this office in writing the date work actually commences under the contract.

Very truly yours,

Original signed by
J. W. TOWNSEND
Alternate Acting
Executive Officer, DMMA
Field Team, Region III

JWT:ps1
c: Chem. Op. Comm. (3)
Finance Office, Reg. III
Amendment file, Reg. III
Hardman
DMMA/DPU (Binyon)
Corres. file
Forward
Chron

WARNER-KANTER COMPANIES

CINCINNATI, OHIO ST. LOUIS, MISSOURI WASHINGTON, D.C.

Cincinnati 24, Ohio
June 3, 1958

Mr. J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III
U. S. Department of the Interior
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4849 (Uranium)
Kanter-Levy Company
(Cave Line et al. claim groups)
Big Horn County, Wyoming
Proposed Exploration Project
Contract No. Idm-E1173

Dear Mr. Townsend:

I am herewith returning the above contract properly signed by myself individually as a partner and as an agent on behalf of Leon Levy. Am enclosing copy of Power of Attorney which has been given to me by Mr. Levy.

I would appreciate it if you would forward to us at the above address the "Operators" copy of the contract. We are anticipating our geophysical work starting immediately and we would hope to start drilling on or before June 22 so we can complete our validation work prior to July 1. If it is necessary for your inspectors to visit the property prior to the drilling operation, I would appreciate it if you would notify us.

Very truly yours,

J. H. Kanter

Joseph H. Kanter

JHK/h
encls.

DMEA
DEPARTMENT OF THE INTERIOR
JUN 5 - 1958
REGION III
DENVER, COLORADO

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 4 1958
DATE | CODE
6/4 | C | 220
700

(VIA AIR MAIL)

504 New Customhouse
Denver 2, Colorado
May 29, 1958

CERTIFIED MAIL

Mr. Elvin Hunter
c/o Grubb's Hotel Apartments
1731 New Hampshire Avenue, N. W.
Washington 9, D. C.

Re: Docket No. DMEA 4849 (Uranium)
Hunter-Levy Company
(Dave Ibbs et al. claim groups)
Big Horn County, Wyoming -
Proposed Exploration Project
Contract No. Xbu-81173

Dear Mr. Hunter:

In compliance with the telephone request by Joseph Hunter today, since the required Consent to Lease form signed by the owners' wives was received today, enclosed are the Government's, Audit, Finance Office, and Field Team copies of proposed Exploration Project Contract No. Xbu-81173, which has been prepared pursuant to your application for Government assistance in exploration work under the Defense Minerals Exploration Administration program.

If the contract is satisfactory, all copies are to be signed by both partners of Hunter-Levy Company as indicated and the signatures attested to by the Secretary of the Company; or, in the event, as indicated in advice by telephone on May 29, that some other person has been granted power of attorney to sign the contract, then the person signing should sign for both partners in the spaces provided and insert authority for such signing. This should be accomplished on all copies of the contract 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 these 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.

[illegible]

[illegible]

[illegible]

REGISTERED MAIL

Mr. [illegible]
c/o [illegible]
[illegible]
[illegible]

Re: [illegible]
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]

Dear Mr. [illegible]:

In conference with Mr. [illegible] regard to [illegible] survey, please the required consent to fly your aircraft in the events as required herein, authorized and the [illegible], [illegible] [illegible] and [illegible] [illegible] [illegible]

2. The contract requires completion of the exploration work by the date stated thereon. Approval must be obtained from the Government for any suspension of work which may result in failure to complete the work by the date specified.

3. Equity 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 furnished 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.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive
Officer, NMEA Field Ops.
Region XXI

Enclosures

JWT:yrl

cc: Chmn. Op. Comm. ✓ (2)
Purchaser
NMEA/NEC (Kinyon)
Budget - w/copy of Chairman's letter of May 16 and Applicant's Attorney's letter of May 27.
Townsend
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/12/58	Murphy	700
5/13	Ellis	700
5/15	Talbot	~~200~~
		~~140~~
		~~800~~
5/16	GLS	130
"	Duncan	110
"	Gottlieb	100
5/19	C	220
		700

MAY 16 1958

B

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

C

INTERIOR DEPT.
MAY 13 1958
SOLICITOR

Re: Docket No. DMEA-4849 (Uranium)
Kanter-Levy Company
Cave Line, et al., Claim Groups
Big Horn County, Wyoming

Dear Mr. Harshman:

Enclosed are the original and four copies of a proposed long-form contract. Attached to each contract form MF-200 are Annex I (two pages), Annex II (one page) Exhibit "A" (five pages), map Figure 2, and three Consents to Lien and Subordination Agreements signed by (1) members of Ryan Consolidated Venture No. 2; (2) by S. A. Winfrey, et al.; and (3) by the male members of the owners-lessors.

The Applicant was advised that we also require the consents to lien of the wives of the owners-lessors. Copies of this instrument, prepared for the signatures of the wives, were given to Mr. Elvin Kanter. The executed copies will be forwarded directly to your office.

The Administrator has signed the proposed contract subject to the attachment of the Consent to Lien and Subordination Agreement signed by the wives listed on page 5 of the Mineral Deed, dated October 12, 1956.

The subject proposed contract increases the allowable cost of the gravimetric survey for the reasons mentioned by Mr. Murphy in his telephone conversation with you on May 6, 1958.

If you and the Applicant find the proposed contract in order, please attach the above-mentioned MF-205 and insert in Article 3 of the contract form the date work shall commence.

8623

Then have the two partners sign the original and four copies. Thereafter, kindly distribute the copies in the usual manner.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (THB)

Enclosures

FMMurphy/gla
5-12-58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
FMMurphy

APPROVED:

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

Thor H. Kiilsgaard (THB)
Member, Geological Survey

Government's copy

MF-200
(Revised June 1954)

Docket No. DMEA 4849

Commodity Uranium

Contract No. Idm-E 1173

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 25 FEB 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] Kanter-Levy Company, a partnership composed of Joseph H. Kanter and Leon Levy.

whose mailing address is c/o Oppenheimer & Co., 25 Broad Street New York 4, New York, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and Map, 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 Big Horn, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the[4] Lessee of[5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a[6] See Annex I, [7] recorded in Book See Annex I, page I, 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: interests of lessor and holders of overriding royalty interests. (See Annex I.)

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

of the land (lessor, seller, optionor, etc.), are attached, as follows: Consents to Lien and Subordination Agreements of lessor and all holders of overriding royalty interests. See Annex I.

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Uranium The work to be performed is described in Exhibit "A." The Operator on or before .... shall commence the work, and on or before December 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"~~, except as otherwise provided in Exhibit "A" with respect to stages of work. 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 $40,316.00

The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $30,237.00: *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

16—70617-1

Boston Manger
"Appd. Sol. Min."

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 therefor 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 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.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O Mitchenson
Administrator, Defense Minerals
Exploration Administration

KANTER-LEVY COMPANY
(Operator)

~~BY~~
JOSEPH H. KANTER (partner)

LEON LEVY (partner)

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

Memphis
Ellis
Chambers
Selfridge
Johnson

Estimated Costs of the Project

Stage I

Actual Costs

Category (1) Independent Contracts

Gravimetric and leveling survey, 600 stations @ $3.00/station	$1,800.00	
30 hours bulldozing @ $12.50/hr.	375.00	
6,800 feet drilling @ $2.65/ft. (Phase 3)	18,020.00	
Drilling two check holes: (Phase 4)		
300 feet @ $2.65/ft. (the first 150 feet of each hole)	795.00	
40 feet @ $3.50/ft. (the last 20 feet of each hole)	140.00	
340 feet casing @ $2.00/ft.	680.00	
20 hours standby time @ $15/hr.	300.00	$22,110.00

Categories (2) through (6)

None

Category (7) Miscellaneous

None except:		
Chemical analyses for U_3O_8 content of 40 samples @ $3.50/sample	$140.00	$140.00

Fixed Unit Costs (See Annex II)

Incidental allowance 1/ for each foot of drill hole completed, 7,140 feet @ $0.25/ft.	$1,785.00	$1,785.00
Estimated total cost Stage I		$24,035.00

Stage II

Actual Costs

Category (1) Independent Contracts

10 hours bulldozing @ $12.50/hr.	$125.00	
5,440 feet drilling @ $2.65/ft.	14,416.00	
16 hours standby time @ $15.00/hr.	240.00	$14,781.00

Categories (2) through (6)

None

Category (7) Miscellaneous

None except:

Chemical analyses for U_3O_8 content of 40 samples @ $3.50/sample	$140.00	140.00

Fixed Unit Costs (See Annex II)

Incidental allowance 1/ for each foot of drill hole completed, 5,440 feet @ $0.25/ft.	$1,360.00	1,360.00
Estimated total cost Stage II		$16,281.00

S U M M A R Y

Estimated total cost Stage I	$24,035.00	
Estimated total cost Stage II	$16,281.00	
Estimated total cost of project		$40,316.00
Government Participation @ 75%		$30,237.00

1/ Includes all costs whatsoever that might be allowable costs of the Contract under Categories (2) through (6) of Article 6(a), except as scheduled in Exhibit "A".

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 8 1958
DATE | INITIALS | CODE
5/8 | C | 220
" | FMM | 700

May 6, 1958

VIA AIR MAIL
SPECIAL DELIVERY

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4849 (Uranium), Kanter-Levy Company (Cave Line et al. claim groups), Big Horn County, Wyoming

In compliance with Mr. Murphy's request by telephone this date, enclosed are the following:

1. The Government's, Audit, Operator's, Finance Office, and Field Team copies of proposed Contract No. Idm-E1173. Also enclosed are two extra copies of Annex I, Annex II, Exhibit "A", and the map, Figure 2; all of which were forwarded by your letter of February 25, 1958.

2. Five copies of executed Form MF-205, Consent to Lien and Subordination Agreement, pertaining to the property listed in Agreement of September 10, 1957 between Ryan Consolidated Venture No. 2 and Kanter and Levy. This Consent to Lien form was referred to in our teletype to you of May 5, 1958.

3. Two copies of the letter dated May 1, 1958 from J. Byron McHale, Attorney at Law, forwarding the executed Consent to Lien forms under item 2, to this office.

E. N. Harshman

E. N. Harshman

Enclosures

J. Byron McHale
ATTORNEY AT LAW
Greybull, Wyoming

May 1, 1958.

DMEA
DEPARTMENT OF THE INTERIOR
MAY 5 1958
REGION III
DENVER, COLORADO

Defense Minerals Exploration Administration,
New Customhouse Building,
Denver, Colorado.

ATT: Mr. Harshman.

Gentlemen:

RE: KANTER & LEVY
RYAN CONSOLIDATED VENTURE #2
Big Horn County, Wyoming.

I herewith enclose your form MF-205, Consent to Lien, duly executed by all original locators of the mining claims now held by the above captioned applicants.

Mr. Elvin Kanter requested, via long distance telephone, that I submit the enclosures, being five in number and all duplicates of MF-205, to you, directed to the attention of Mr. Harshman. It is his wish, if it be consistent with policy, that you confirm receipt of the enclosed consent to lien by a letter directed to him, as follows:

Mr. Elvin Kanter
Attorney at Law
1731 New Hampshire Ave., N.W.
Washington 9, D.C.

or send such a letter to me at Greybull, Wyoming, and I will in turn forward same to him.

Very truly yours,

J. Byron McHale

JBM/st
Enc: 5

T.

J. Byron McHale
ATTORNEY AT LAW
Greybull, Wyoming

May 1, 1958.

DMEA
DEPARTMENT OF THE INTERIOR
MAY 5 1958
REGION III
DENVER, COLORADO

Defense Minerals Exploration Administration,
New Customhouse Building,
Denver, Colorado.

ATT: Mr. Harshman.

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Big Horn County, Wyoming.

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Mr. Elvin Kanter requested, via long distance telephone, that I submit the enclosures, being five in number and all duplicates of MF-205, to you, directed to the attention of Mr. Harshman. It is his wish, if it be consistent with policy, that you confirm receipt of the enclosed consent to lien by a letter directed to him, as follows:

Mr. Elvin Kanter
Attorney at Law
1731 New Hampshire Ave., N.W.
Washington 9, D.C.

or send such a letter to me at Greybull, Wyoming, and I will in turn forward same to him.

Very truly yours,

J. Byron McHale

JBM/st
Enc: 5

DMEA Form 7
(12-56)

May 7, 1958

OFFICIAL FILE COPY

Date	Surname	Code
5-7	Murphy	700
"	Ellis	

Memorandum

To: The File

From: F. M. Murphy, Engineer
Division of Rare and Miscellaneous Metals

Subject: Telephone conversation with E. N. Harshman, 5-6-58

Docket No. DMEA-4849 (Uranium)
Kanter-Levy Co.
Big Horn County, Wyoming

I advised Harshman that we would possibly have to rewrite the proposed contract fowarded to the Field Team, as Applicant's request of May 5, for increase in geophysical survey costs appeared to be justified in view of Clyde H. Wilson's letter of May 2, 1958. (Copies of both letters sent to Field Team this date).

Told Harshman that I had discussed matter of costs with Jim Basley and Willard E. Davis of the USGS Geophysical Section and in their opinion the estimate of cost submitted by Wilson (the possible contractor of the Geophysical Survey) was reasonable, especially since the work was for such a short period. They also said USGS paid $450 per month for rental of a Gravimeter plus transportation.

Harshman said he would return the copies of the contract.

F M Murphy

F. M. Murphy

FMMurphy/izm 5-7-58
cc: Mr. Murphy

8623

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 8 1958

DATE	INITIALS	CODE
5/7	C	220

Chairman, D.M.E.A. Operating Comm.

DN 235 BUR MINES 5-5-58 4-17

CHAIRMAN, OPERATING COMMITTEE, DMEA

RED X XXX RE DOCKET DMEA 4849, KANTER-LEVY CO., SECOND AND THIRD PARAGRAPHS YOUR LETTER OF 2-25-58 AND ANNEX 1 ATTACHED TO PROPOSED CONTRACT IDM-E1173. CONSENT TO LIEN FORM RECEIVED TODAY IXX SIGNED ONLY BY LAZELL PREATOR, EYRE PREATOR, STANLEY PREATOR, ARLAN PREATOR, VAUGHN A HODSON, MORRIS R AVERY, AND MELVIN H CHRISTLER, AND NOT SIGNED BY OTHER PARTIES LISTED IN ANNEX 1. PLEASE TELEYPE ADVICE AS TO WHETHER OR NOT CONSENT TO LIEN FORM AS SIGNED ACCPETXX ACCEPTABLE.

E N HARSHMAN, ACTING EXEC. OFFICER

Reply not needed, talked with Harshman by phone May 6.

Denver, Colorado

MAY 8 8 44 AM '58
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 5 1958
DATE
5/5 C 220
Murphy 700

CC's to Reg 3 (5-7-58)

1731 New Hampshire Ave., N.W.
Washington, D. C.
May 5, 1958

Tel. ST. 3-3344

Mr. Ernest W. Ellis
Defense Minerals Exploration Administration
Department of the Interior
Washington, D. C.

Re: DMEA 4849

Dear Mr. Ellis:

Reference is made to our conversation of May 3, 1958. At that time I outlined to you the difficulties (with respect to costs) that Kanter & Levy would have to face in our exploration of our Little Mountain, Wyoming project.

One of these difficulties is a fear that the price for drilling in which the DMEA will participate is too low when the peculiarities of the formations to be drilled are considered. Another is that $.25 per foot for less than 10,000 feet of drilling (in the first stage) is not enough for "incidentals" when it appears that these "incidentals" include overhead, rental of probing equipment, the pay, maintenance and travel of a supervisor, accounting, reports, etc. But these things are not the worst of our difficulties nor ones that would necessarily require us to refrain from conducting an exploration project at this time.

There is, however, a factor which may, when considered with the other factors, require us to reappraise our entire attitude on this project. As you no doubt will recall, our first stage drilling request was reduced by the DMEA from 15,000 to approximately 7,000 feet. The basis for this reduction I am told was the belief that the geophysical examination which was approved would reduce the number of non-mineralized holes. But after reducing

our footage, and thereby limiting our ability to find the ore that may exist, the DMEA appears to have failed to estimate correctly the cost of the approved geophysical examination.

Immediately upon receiving information that an approved contract was awaiting submission of certain consents to lien, I approached Clyde H. Wilson of Salt Lake City, Utah, to make arrangements to begin the geophysical work. When I told him of our DMEA commitment and of our desire to stay within it if possible, he was amazed. He informed me that the $3.00 per station figure mentioned in one of his letters to us was only possible if a two or three month program were pursued. For only 600 stations, the move-in, move-out costs, plus the minimum rental of special equipment would raise the cost considerably. At my request, he wrote us his outline of how a geophysical examination should be conducted and his estimate of costs. These costs were not definitely stated, but they appeared to exceed the DMEA commitment. After speaking with you on May 3, 1958, I called Mr. Wilson and requested his minimum charge for 600 stations. His reply, which is attached, is, I believe, self-explanatory.

We are most anxious to begin work on this exploration project at once. We have incurred considerable expense in which the DMEA will not participate, including a side trip to Greybull and Little Mountain to examine the title and convince the royalty holders to sign Consents to Lien. I respectfully submit that an increase in the DMEA contract for geophysical work is amply justified. Is there any way that we can get such a revision within the next few days?

I appreciate your consideration of this matter.

Yours very truly,

Elvin Kanter

Elvin Kanter, for
Joseph H. Kanter and Leon Levy

EK:z
Enclosure

GEOLOGICAL AND GEOPHYSICAL EXPLORATION

CLYDE H. WILSON
MINING ENGINEER AND GEOLOGIST
366 SOUTH FIFTH EAST
SALT LAKE CITY 2, UTAH
ELGIN 5-4496

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 5 1958

DATE		
5/5	C	220
"	Murphy	700

May 2, 1958

AIRMAIL - SPECIAL DELIVERY DMEA 4849

Kanter-Levy Co

Mr. Elvin Kanter
1731 New Hampshire, NW
Washington 9, D. C.

Dear Mr. Kanter:

At your request and in accordance with our discussion over the long distance telephone this evening, I am submitting, herewith, a proposal for the conduct of a short term gravity survey on your property on Little Mountain, near Lovell, Wyoming.

It is understood that the conduct and starting date of the survey will depend upon when and whether we can obtain on short term rental the type of gravity meter (portability and accuracy) required for the proposed work. We are now trying to arrange the rental of one of these instruments.

Our charge for an initial term of work proposed will consist of two parts, as follows:

(1) A "set-up" charge to cover certain relatively fixed overhead and moving expenses incident to starting and conducting a survey of this kind, based upon the following estimates:

Instrument truck mileage to and from Salt Lake (1000 miles @ 10¢ per mile)	$100.00	
Travel time to and from Salt Lake (2 days @ $87.50 per day)	175.00	
Rental of Gravity Meter (estimated rental cost for one month - if actual cost to us is less for the period of your work, we will reduce the charge to you accordingly)	450.00	
Preparation of final maps and report	200.00	
		$ 925.00

plus:

(2) A flat fee of ---------- $1,800.00
for which we will determine relative gravity and other required information incident to the proper conduct of the gravity survey, at a total of 600 stations disposed along traverses crossing your property at locations selected by mutual agreement.

The total charge, therefore, for the first 600 gravity stations occupied on this job will be $2,725.00, less a prorated refund if our actual cost for gravity meter rental is less than estimated above.

If, subsequently, you wish to extend the gravity survey beyond the period required to occupy the first 600 stations, we will conduct such additional work for a per diem fee, plus expenses and other charges, as stipulated below:

SURVEY CHARGES AND COSTS: (Extended Term)

(a) Fee: 4-man crew and equipment, per day $190.00

(26 working days per month, of which from 1 to 4 days may be spent in the field office by one or two men in order to maintain calculations, records, maps, recommendations etc. up-to date);

(b) Transportation: A charge of 10¢ per mile for the use of two vehicles as required on field work;

(c) Subsistence: You agree to pay the actual cost of food and lodging for our crew at the field base during the period they are engaged on your survey work;

(d) Standby Time: A charge of $87.50 per day for any standby time resulting from inclement weather or other causes beyond our control;

(e) Main Office Time: A charge of $62.50 per day for main office time required at the end of the field-working period for final calculations and compilation of data and preparation of report and maps. (Note: For short term jobs - up to 2 weeks - main office time usually amounts to about one-third of the preceding field time; for longer terms, it is proportionately less);

GEOLOGICAL DATA, TEST AREAS, REPORTS, MAPS: You will provide all possible, available information that will aid in the planning of the survey and in the subsequent interpretation and correlation of the geophysical measurements. Such information would include geologic maps and other geologic data, drill-hole logs, etc. For geologic control and test correlations, preliminary measurements should be conducted, if possible across a "test area" known to contain subsurface porous and/or cavernous conditions. As soon as possible after completion of the field work we will prepare and submit a written report which will contain: (1) a description and explanation of the field work, (2) a statement of the results, accompanied by illustrative charts and maps; (3) conclusions and recommendations concerning further exploration.

PURPOSE AND LIMITATIONS OF THE SURVEY: The purpose of the gravity survey will be to locate near-surface porous and/or cavernous zones in the Madison limestone, as an indirect guide in the exploration for uranium mineralization which sometimes occupies these structures. Whether such zones can be detected by gravity measurements depends upon whether they are large enough and sufficiently porous to create gravity effects measureable at the surface. In our prior work

Mr. Elvin Kanter May 2, 1958

in this district, follow-up drilling exploration has indicated that porous zones can be detected by gravity measurements up to a maximum depth of the order of 150 to 200 feet. Application of the methods is restricted to terrain of moderate topographic relief. From a field inspection we made, in the company of Mr. in 1956, we concluded that certain parts of your property would meet these requirements. A gravity survey, therefore, probably will aid in directing your drill-hole exploration to the most favorable locations.

If you decide to proceed with this work, we request that you sign in the space provided and return to us the enclosed copy of this letter, along with a down payment of $925.00. Thereafter, during the field-working period, additional balances due are to be paid at the end of each week of field work, in accordance with itemized statements to be submitted by us.

Very truly yours,

Clyde H Wilson

CHW/m Clyde H. Wilson

The terms of the above proposal are satisfactory:

_____

_____

_____

Date: _____

224 New Customhouse
Denver 2, Colorado
April 23, 1958

4/25 J.S. 220
~~Film~~ 700

VIA AIR MAIL

Kanter-Levy Company
c/o Oppenheimer & Company
25 Broad Street
New York 4, N. Y.

Re: Docket No. DMEA 4849 (Uranium)
Kanter-Levy Company
(Cave Line et al. claims)
Big Horn County, Wyoming

Gentlemen:

Reference is made to our letter of March 3, 1958 regarding your providing this office with Form RF-205, Consent to Lien and Subordination Agreement, executed by Marvis R. Avery et al.

In regard to the proposed Contract, for it to be made effective this fiscal year, it must have been signed by your Company and returned to this office on or before the close of June 30, 1958. Therefore, all matters which are prerequisite to release of the Contract to you for signature should be resolved without delay.

As considerable time has elapsed since your visit to this office and we have heard nothing further regarding the required Consent to Lien forms, we will appreciate advice by return mail as to the progress being made to obtain execution of the form and as to the date on or before which we can expect to receive it.

Very truly yours,

Original signed by
E. N. HARSHMAN

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

cc: Kanter-Levy Company
c/o Hilary Minerals, Inc.
729 DuPont Building
Miami, Florida

JWT:prl
cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC (Binyon)
Docket
Townsend
Chron.

DMEA

VIA AIR MAIL

224 New Customhouse
Denver 2, Colorado
March 3, 1958

3-6 C 220
3-7 FMM 700

Kanter-Levy Company
c/o Oppenheimer & Co.
25 Broad Street
New York 4, N. Y.

Re: Docket No. DMEA 4849 (Uranium)
Kanter-Levy Company
(Cave Line et al. claim groups)
Big Horn County, Wyoming

Gentlemen:

We have at hand proposed Exploration Project Contract No. Idm-E1173, which has been prepared in reference to your Application for Government assistance in exploration work under the Defense Minerals Exploration Administration program, docketed DMEA No. 4849.

Release of the Contract to you for signature is contingent on this office being supplied with form MF-205, Consent to Lien and Subordination Agreement, executed by Morris R. Avery et al., which was the subject of conversation between you and the Washington Office, DMEA, on February 21, 1958. The Washington Office, DMEA, informed this office that the forms could be expected here on February 27 or 28. However, they have not been received to date.

We will appreciate advice as to the progress being made in obtaining execution of the required Consent to Lien and Subordination Agreement forms.

Very truly yours,

Original signed by
W. H. KING

W. H. King
Executive Officer, DMEA
Field Team, Region XII

JWT:prl

cc: Chmn. Op. Comm. (2)
Marshman
DMEA/DFC (Binyon)
Docket
Townsend
Caron.

EA Form 7
12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/24/58	Murphy	700
"	Ellis	700
"	Chambers	800
2/25	GCS	130
"	Johnson	110
"	Cottingham	100
2/26	C	220
		700

FEB 25 1958

Mr. W. H. King
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-4849 (Uranium)
Kanter-Levy Company
Cave Line, et al., Claim Groups
Big Horn County, Wyoming

Dear Mr. King:

Enclosed are the original and four copies of a proposed long-form contract. Attached to each contract form NF-200 are Annex I (2 pages), Annex II (1 page), Exhibit "A" (5 pages), one map (Figure 2), and one Consent to Lien and Subordination Agreement signed by the members of Ryan Consolidated Venture #2 and one signed by S. A. Winfrey, et al. Also enclosed, for Field Team use, are two extra copies of Annex I, Annex II, Exhibit "A," and map (Figure 2).

The Administrator has signed the proposed contract subject to the attachment of the required Consent to Lien and Subordination Agreement signed by the owners of the claims Morris R. Avery, et al.

Mr. Joseph H. Kanter telephoned February 21 and informed this office that two of the owners did not wish to sign the Consent to Lien; however, he planned to visit them and was quite sure they would sign. He stated that he would personally submit the signed forms to your office on February 27 or 28.

If you and the Applicant find the proposed contract in order, please attach the above-mentioned executed Consent to Lien and Subordination Agreement and insert in Article 3 of the contract form the date work shall commence. Then have an authorized representative

8623

of the company sign the original and four copies. Thereafter, kindly distribute the copies in the usual manner.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2hB)

Enclosures

FMMurphy/gla
2-24-58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
FMMurphy

APPROVED:

Frank D. Lamb (2hB)

Member, Bureau of Mines

Thor H. Kiilsgaard (2hB)

Member, Geological Survey

HILARY MINERALS CO.

SUITE 608 • 342 MADISON AVENUE • NEW YORK 17, N. Y.

DMEA
RECEIVED FEB 25 1958

DATE	INITIALS	CODE
2/26	C	220
"		700

Please reply to:
729 DuPont Building
Miami, Florida

February 21, 1958

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

Re: Docket No. DMEA-4849 (Uranium)
Kanter-Levy Company
Cave Line, et al., Claim Groups
Big Horn County, Wyoming

Dear Mr. Ellis:

As per my telephone conversation this date in regard to your letter of January 31, it is my understanding that you have received all of the papers with the exception of item 5, Consent to Lien for Subordination Agreement.

It is also my understanding that you will forward the above contract as and when it receives approval which may be February 25 to the Denver Office with the instructions that it be signed only upon presentation of Consent to Liens.

I certainly appreciate your taking this action and it is my judgment that when the two "holdups" realize what the situation is they will come forward promptly.

Very truly yours,

J. H. Kanter

J. H. Kanter
President

JHK:et

cc: Leon Levy
Seymour Hootkins

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

FEB 2 0 1958

Memorandum

To: Administrator, DMEA
Attention: Director, Div. of Rare and Miscellaneous Metals

From: Associate Solicitor, Div. of Mineral Res.

Subject: Docket No. DMEA-4849 (Uranium)
Kanter-Levy Company
Cave Line, et al., Claim Groups
Big Horn County, Wyoming

As requested in Mr. Ellis' memorandum dated February 11, 1958, to me, we have prepared the attached Contract.

The Consent to Lien and Subordination Agreement of each party having a royalty interest should be attached to the Contract prior to execution.

Robert P. Dwyer

HCRubin:md
2/17/58

CC: Sol. Docket (2)
R. P. Dwyer
H. C. Rubin
Docket ~~Mr. Ellis~~
Mr. Higbie
Field Team Reg. III (2)
Chron

RYAN CONSOLIDATED PETROLEUM CORPORATION

3400 REPUBLIC NATIONAL BANK BUILDING

JEROME K. CROSSMAN
PRESIDENT

WALTER ZIEGLER
EXECUTIVE VICE-PRESIDENT

DALLAS 1, TEXAS

February 14, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 17 1958

DATE	INITIALS	CODE
2/18	C	220
2/18	FMM	700

D. M. E. A.
Department of the Interior
Room 4447
Washington, D. C.

Attention: Mr. F. M. Murphy

Re: Docket No. DMEA-4849 (Uranium)
Kanter-Levy Company
Cave Line, et al., Claim Groups
Big Horn County, Wyoming

Gentlemen:

Enclosed are five copies of Consent to Lien and Subordination Agreement signed by S. A. Winfrey, Helen Lois Murrow, Paul R. Kitch, and Carolyn C. Stark, all of whom are overriding royalty owners.

We expect to be able to send Consent Agreement which is to be signed by the balance of the overriding royalty owners within a few days.

Very truly yours,

Jerome K. Crossman

Jerome K. Crossman

Seymour Hootkins

Seymour Hootkins

Enclosures

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/11/58	Murphy	700
"	Ellis	700
		140

February 11, 1958

INTERIOR DEPT.
FEB 12 1958
SOLICITOR

Memorandum

To: Associate Solicitor
Division of Mineral Resources

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

Subject: Docket No. DMEA-4849 (Uranium)
Kanter-Levy Company
Cave Line, et al., Claim Groups
Big Horn County, Wyoming

If you find that the property rights of Kanter-Levy are in order, will you kindly prepare the proposed contract in accordance with the attached draft.

Attached is a self-explanatory letter, dated February 7, 1958, by Crossman and Hootkins, with the instruments mentioned. Copies of map Figure 2 are also attached.

/s/ Ernest Wm. Ellis

Ernest Wm. Ellis

FMMurphy/gla
cc to: Mr. Murphy

8623

CROSSMAN AND HOOTKINS
3400 REPUBLIC NATIONAL BANK BUILDING
DALLAS 1, TEXAS

February 7, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 10 1958

DATE	INITIALS	CODE
2/10	C	220
2/11	TMM	700

D. M. E. A.
Department of the Interior
Attention: Mr. F. M. Murphy
Room 4447
Washington, D. C.

Gentlemen:

Re: Docket No. DMEA-4849 (~~Uranium~~)
Kanter-Levy Company
Cave Line, et al., Claim Groups
Big Horn County, Wyoming

Reference is made to your letter of January 31, 1958 addressed to Mr. Joseph H. Kanter concerning the above captioned subject.

Left-hand side

1. Photostat of the Mining Deed dated October 12, 1956 is herewith enclosed.

2. Photostat of Contract of Sale and Purchase of Mining Properties, dated September 29, 1956, is enclosed.

3. The undersigned Jerome K. Crossman and Seymour Hootkins have not yet conveyed the subject claims to the co-owners of Ryan Consolidated Venture #2, but we hereby acknowledge that we hold said claims, subject to the overriding royalties, in trust for the following:

?

Ryan Consolidated Petroleum Corporation
Jerome K. Crossman, Individually and as Trustee
Seymour Hootkins
E. M. Hoffman, Trustee
H. N. Mallon
Walter Ziegler
Eldridge & Goggans, a partnership composed of Zellner Eldridge and J. Lawson Goggans, Jr.
Fallon Gas Corporation
Vincent L. Rohloff

4. Photostat of copy of Assignment of Overriding Royalty dated October 17, 1956.

5. Enclosed are five copies of Consent to Lien and Subordination Agreement signed by all the co-owners of Ryan Consolidated Venture #2. Consent agreements are being circulated among the overriding royalty owners and will be forwarded to you as soon as received.

If we can furnish any additional information, kindly advise.

Very truly yours,

Jerome K. Crossman

Jerome K. Crossman

Seymour Hootkins

Seymour Hootkins

Encls. 8

DRAFT
2-11-58
FMMurphy/izm

MF-200
(Revised June 1954)

Docket No. DMEA 4849

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] Kanter - Levy Company, a partnership composed of Joseph H. Kanter and Leon Levy.

, whose mailing address is c/o Oppenheimer & Co., 25 Broad Street New York 4, New York, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and map 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 Big Horn, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee 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] see Annex I, [7] ....recorded in Book ....., page ....., official records of said County; and

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

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

of the land (lessor, seller, optionor, etc.), are attached, as follows: .....

See Annex I

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of **Uranium** The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before **December 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."

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 $ ~~40,316.00~~ 41,240.00 The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $ ~~30,237.00~~ 30,930.00 : *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

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

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

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

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

CATEGORY (2)—PERSONAL SERVICES.

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

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

Subcategory (c)—Labor.

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

CATEGORY (4)—OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.*—

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

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

(c) Categories (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.

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

EXPLORATION PROJECT CONTRACT
KANTER - LEVY COMPANY
DOCKET NO. DMEA-4849

ANNEX I

The land referred to in Article 2 of the contract consists of 120 contiguous unpatented lode mining claims. The notices of location of the claims have been recorded in the official records of Big Horn County, Wyoming, as follows:

Claims	Book	Page	Date Located	Date Recorded
Vista No. 0-17	153	43-77	2/14/56	4/11/56
Big Horn No. 1-17	152	505-537	2/13/56	4/11/56
Broken Heart No. 1-11	152	539-559	2/13/56	4/11/56
Broken Heart No. 12-15	153	1-7	2/13/56	4/11/56
Valentine No. 1-17	153	9-41	2/14/56	4/11/56
Tri-Pacer No. 1-17	152	361-393	2/11/56	4/10/56
Tri Val No. 1	152	425	2/11/56	4/10/56
Goon No. 1-6	152	427-437	2/12/56	4/10/56
Horse Thief No. 0-9	152	439-457	2/12/56	4/10/56
Cactus No. 1-4	152	497-503	2/12/56	4/11/56
Cave Line No. 1-15	152	395-423	2/11/56	4/10/56

The approximate locations of the claims are shown on the map attached hereto and made part hereof entitled "Figure 2--Map Showing Proposed Drill Holes, Ryan Consolidated Claims (Kanter-Levy) secs. 19, 20, 21, 27, 28, 29, 30, T. 58 N., R. 94 W., Big Horn County, Wyoming."

The above claims were conveyed to J. K. Crossman and Seymour Hootkins by a Mining Deed, dated October 12, 1956, signed by Vaughn A. Hodson, Charlotte Hodson, Stanley E. Preator, Vivian Preator, Arlan Preator, Dorothy Preator, Lazell Preator, Betty Preator, Eyre Preator, Jessie Preator, Morris R. Avery, Plett Avery, Melvin H. Christler, and Frances Christler. The mining deed was amended by a Contract for sale and Purchase of Mining Properties, dated September 29, 1956, by the same parties.

In both instruments the Assignors retain a 12½% royalty on all production from the claims.

In an Assignment of Overriding Royalty, dated October 17, 1956, J. K. Crossman and Seymour Hootkins, assigned a 2% overriding royalty on the gross production from the claims to S. A. Winfrey.

J. K. Crossman and Seymour Hootkins hold the claims in trust for Ryan Consolidated Venture #2. (See letter February 7, 1958).

Under an Agreement, dated August 9, 1957, as amended by an Agreement, dated September 10, 1957, Ryan Consolidated Venture granted the Applicant an undivided 50 percent interest in the land under certain conditions set forth in the Agreement.

Copies of the Consent to Lien and Subordination Agreements signed by Morris R. Avery, Eyre Preator, Lasell Preator, Melvin H. Christler, Vaughn A. Hodson, Stanley Preator, Arlan Preator, ~~and their wives~~; S. A. Winfrey; and Ryan Consolidated Venture #2, are attached hereto and made part hereof.

EXPLORATION PROJECT CONTRACT
KANTAR - LEVY COMPANY
DOCKET NO. DMSA-4649

EXHIBIT "A"

Description of the Work

General Provisions

The object of this project is to explore for uranium ore deposits in the Mission Canyon member of the Mississippian Madison limestone formation by rotary drilling. It is estimated that drill holes averaging 170 feet in depth will be required to penetrate the inferred ore horizons.

All holes shall be drilled non-core and the cuttings from each 2-foot section of drill hole shall be recovered by a Duclone or similar collecting apparatus. All cuttings shall be tested for radioactivity. Cuttings showing significant radioactivity shall be sampled, the Operator using one-half of each sample for chemical assay purposes. The other half shall be stored for Government inspection and possible use in a container properly identified as to drill hole number and the depth interval that the sample represents. With Government approval, its portion of the sample may be disposed of by the Operator.

The cuttings from the drill holes shall be logged geologically, and each hole shall be probed radiometrically as soon as possible after completion. Records of such logging and probing, together with the assay certificates of the cuttings samples, shall be submitted with the Operator's monthly progress report. The monthly report shall also include a map or sketch showing the location of all holes drilled during the reporting period.

In the absence of a written waiver of this provision, the Government will not participate in the cost of an incomplete hole, a hole that is closer than 200 feet to the outer boundaries of the claim groups, or a hole that cannot be probed with standard radiometric testing equipment.

The Operator shall provide a full-time supervisor and such other technical services and labor as are required to complete the project work in a satisfactory manner.

All bulldozer work shall be done with a D-7 dozer or an equivalent unit of any other make.

The direction and extent of the work under this contract shall be subject to Government approval.

The work is divided into two stages. The Operator shall perform all the work in Phases 1 and 2 of Stage I and as much of Phases 3 and 4 of Stage I, and of Stage II, as is approved in advance in writing by the Government.

Stage I

The work under Stage I shall be done in four (4) phases as follows:

Phase 1. Locate and mark on the ground the major fracture intersections shown on the aerial photographs mentioned under item ~~4e~~ 2e (page 3) of the Operator's application for exploration aid.

Phase 2. Complete a geophysical (gravimeter) survey of the major intersections including the elevations of a minimum 600 stations. These stations shall include all the drill hole locations shown on map Figure 2 and identified as "Drill hole proposed by applicant." Copies of the survey maps and relative data shall be submitted to the Government.

Phase 3. Construct access roads and drill sites and drill not in excess of 40 holes to an approximate depth of 170 feet on the most favorable anomalies determined by the gravimetric survey, and, or to extend mineralization trends indicated by holes previously drilled. No hole drilled in Phase 3 shall be closer than 200 feet to any other hole.

Phase 4. One check hole shall be drilled as an offset to each of the two holes drilled in Phase 3 that have the highest radiometric probe results. The holes shall not be more than 3 feet from the hole being offset. The two offset holes shall be drilled to approximately 5 feet above the mineralized zone, as determined in the hole being offset, then cased and drilled through the mineralized zone. Samples of the cuttings through the mineralized section shall be taken at 2-foot intervals and assayed chemically for uranium.

It is estimated that 7,140 feet of drilling, 30 hours of bulldozer time, 20 hours of standby time for probing, and that chemical analyses for the uranium content of 40 samples will be required to complete Stage I. However, if these estimates are too low, then with previous written Government approval a part of the units of work and their costs may be used from those allowed in Stage II, with corresponding reductions in that stage. With previous Government approval unused units of bulldozer time and chemical analyses may be transferred from Stage I to Stage II.

Stage II

The work shall consist of constructing access roads and drill sites, and drilling not in excess of 32 holes as offsets to those hole previously drilled where the radiometric probe or chemical assay results indicate at least one foot of material containing 0.2% U_3O_8. No hole drilled under this stage shall be closer than 100 feet to any other hole drilled under the contract.

Stage II work shall not exceed 10 hours of bulldozer time, 5,440 feet of drilling, 16 hours of standby time for probing, and the chemical analyses for the U_3O_8 content of 40 samples.

Estimated Costs of the Project

Stage I

Actual Costs

Category (1) Independent Contracts

Gravimetric and leveling survey,		$2724.00
600 stations @ ~~$3.00~~ $4.54/station	~~$1,800.00~~	
Bulldozer, 30 hrs. @ $12.50/hr.	375.00	
6,800 ft. drilling @ $2.65/ft.	18,020.00	
Drilling two check holes:		
300 ft. @ $2.65/ft.	795.00	
40 ft. @ $3.50/ft.	140.00	
340 ft. casing @ $2.00/ft.	680.00	
20 hrs. standby time @ $15.00/hr.	300.00	~~$22,110.00~~
		$23,334.00
Categories (2) through (6)	None	

Category (7) Miscellaneous

None except:		
Chemical analyses for U_3O_8 content of 40 samples @ $3.50/sample	$140.00	$140.00

Fixed Unit Costs (See Article 13)

Incidental allowance[1] for each foot of drill hole completed, 7,140 ft. @ $0.25/ft.	$1,785.00	$1,785.00
Total Estimated Cost Stage I		~~$24,035.00~~ 24,959.00

Stage II

Actual Costs

Category (1) Independent Contracts

Bulldozer, 10 hrs. @ $12.50/hr.	$125.00	
5,400 ft. Drilling @ $2.65/ft.	14,416.00	
16 hrs. standby time @ $15.00/hr.	240.00	$14,781.00

Categories (2) through (6) None

Category (7) Miscellaneous

None except:

Chemical analyses for U_3O_8 content of

40 samples @ $3.50/sample $140.00

Fixed Unit Costs

Incidental allowance[1] for each foot of drill hole

completed, 5,440 ft. @ $0.25/ft. $1,360.00 1,360.00

Total Estimated Cost Stage II $16,281.00

S U M M A R Y

Total Estimated Cost Stage I	~~$24,035.00~~ 24,939.00	
Total Estimated Cost Stage II	$16,281.00	
Total Estimated Cost of Project....	~~$40,316.00~~	$41,240.00
Government Participation @ 75%	~~$30,237.00~~	$30,930.00

1/ Includes all costs whatsoever that might otherwise have been allowable costs of the contract under Categories (2) through (6) of Article 6(a) which have been deleted from this contract.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/31/58	Murphy	700
"	Ellis	700
"	Rothwell	100
1/31		220
/		700

JAN 31 1958

Mr. Joseph H. Kanter
4766 North Bay Road
Miami Beach, Florida

Re: Docket No. DMEA-4849 (Uranium)
Kanter-Levy Company
Cave Line, et al., Claim Groups
Big Horn County, Wyoming

Dear Mr. Kanter:

With reference to your telephone conversation on January 29 with Mr. Murphy and previous conversations in this office, the following papers are required to further process your application:

1. A copy of the Mining Deed, dated October 12, 1956, wherein Morris R. Avery, Eyre Preator, Lazell Preator, Melvin H. Christler, Vaughn A. Hodson, Stanley Preator, and Arlan Preator as Lessors conveyed the subject claims to J. K. Crossman and Seymour Hootkins as Lessees;

2. A copy of the "Contract of Sale and Purchase of Mining Properties," dated September 29, 1956, between the above parties;

3. A copy of the instrument wherein J. K. Crossman and Seymour Hootkins conveyed the subject claims to Ryan Consolidated Venture No. 2, retaining a 2 percent overriding royalty; and

4. A copy of the "Assignment of Overriding Royalty," dated October ?, 1956, by J. K. Crossman and Seymour Hootkins to S. A. Winfrey.

5. Also, five copies each of a Consent to Lien and Subordination Agreement signed by the following are required:

8623

a. Morris R. Avery and the six others mentioned in Item 1;

b. S. A. Winfrey; and

c. Ryan Consolidated Venture No. 2.

Upon receipt of the above papers, we will promptly continue to process your application.

Sincerely yours,

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

FMMurphy/gla
1-31-58
cc to: Admr.'s Reading File
THKiilsgaard, 5224
FMMurphy
DMEA Field Team, Region III (2)

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

Filed
In lieu of "Docket"
copy

Jan. 28, 1958

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention: Director, Division of Rare and Miscellaneous Metals

From: Associate Solicitor, Division of Mineral Resources

Subject: Applicant's Property Rights
Docket No. DMEA-4849 (Uranium)
Kanter-Levy Company
Ryan Consolidated Claims
Big Horn County, Wyoming

Mr. Ellis' memorandum dated January 16, 1958, asked us to review the subject file and determine whether any additional instruments are required from the subject applicant. It appears from the August 9, 1957, agreement between Ryan Consolidated Venture No. 2, a joint venture, and the applicant, that the land in question was previously owned by Morris A. Avery and six others, who conveyed the property to J. K. Crossman and Seymour Hootkins, by mining deed dated October 12, 1956, reserving a 12½% royalty, pursuant to a "Contract of Sale and Purchase of Mining Properties" dated September 29, 1956.

Accordingly, copies of said Contract and conveyance; and the Consent to Lien and Subordination Agreement of Morris A. Avery et al., covering the reserved 12½% royalty, are required.

J. K. Crossman and Seymour Hootkins apparently then conveyed a 2% royalty to S. A. Winfrey, by an "Assignment of Overriding Royalty" (referred to as Exhibit B to the agreement of August 9, 1957, but not attached to the file copy), and then conveyed their interest in the land to Ryan, subject to the royalty rights.

Accordingly, we should be furnished with a copy of the instrument of conveyance of the land by J. K. Crossman and Seymour Hootkins to Ryan, and a copy of the instrument conveying the 2% royalty interest to Winfrey. Also, the Consent to Lien and Subordination Agreement of Winfrey is required as to the 2% royalty interest.

The Consent to Lien and Subordination Agreement of Ryan would be required for the undivided ½ interest in the land held by Ryan.

Mr. Ellis' memorandum also asked whether the contract should be in the name of Ryan as well as Kanter-Levy Company. Inasmuch as Kanter-Levy Company will be entitled, under the August 9, 1957, agreement as amended by the September 10, 1957, agreement, to acquire an undivided ½ interest in the land, and the agreements disclose that these parties are not to be joint venturers, the contract should be made in the name of the Kanter-Levy Company.

Robert P. Dwyer

Robert P. Dwyer

HCRubin/eal - 1/28/58
Copy to: DMEA files
Solicitor's Docket (2)
~~Mr. Ellis (2)~~
Field TEam, Region III
R. P. Dwyer
H. C. Rubin
chron

Note. By telephone, January 29, 1958, Mr. Joseph H. Kanter informed R. M. Murphy that the above instruments would be forwarded in about 2 weeks. He has the Consent to Lien forms.

FMM

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 20 1958

DATE	INITIALS	CODE
1/20	C	220
a	Murphy	700

IN REPLY REFER TO:

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

January 17, 1958
Re: DMEA 4849
Kanter-Levy Co.
Ryan Consolidated claims
Big Horn County, Wyoming
Applicant's Estimate $121,990.08 - Uranium
Recommended Estimate $ 40,255.04

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 random drilling for uranium mineral-(tyuyamunite)-bearing material in cavities in the Mission Canyon member of the Madison limestone formation (Mississippian). The cavities are apparently associated with a fracture pattern related to the northwest-trending Porcupine Creek anticline.

Some work had been done on the property and ore shipments totalling 184 tons of 0.54% U_3O_8 had been made from shafts and an incline put down on drill holes in collapse material. Drilling and mining on properties 2 miles to the east have shown that certain conditions make for sizable ore bodies. The ore is found in and below filled rather than empty cavities.

In order to find the cavities, gravimetric surveys are recommended by the examiners. Once found, non-core drilling would test the cavities. Drilling, assisted by DMEA, has indicated one perhaps 2 orebodies on the Modern Mines Development Co. property 2 miles to the east. As indicated by mining at the Lisbon Uranium Co's. operation, also 2 miles to the east, the cavities which are filled or nearly filled with older collapse breccia and silt appear to be the best traps for uranium mineral deposition.

The work program proposed included random drilling of postulated intersections of fractures and underground work. The recommended drilling will be done where the geophysical survey (gravimetric) indicates cavities exist. No underground work is recommended.

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

N. E. Nelson

N. E. Nelson

DMEA Form 7
(12-56)

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Date	Surname	Code
1/16/58	Murphy	700
1/16	Ellis	700
		140

January 16, 1958

Memorandum

INTERIOR DEPT.
JAN 17 1958
SOLICITOR

To: Associate Solicitor,
Division of Mineral Resources

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

Subject: Applicant's Property Rights
Docket No. DMEA-4849 (Uranium)
Kanter-Levy Company
Ryan Consolidated Claims
Big Horn County, Wyoming

An exploration project to explore the subject claims has been recommended by the Region III Field Team. However, before drafting a proposed contract, we plan to request the Applicant to submit the following:

1. Two copies of Mineral Deed, dated October 12, 1956, by owners of claims to J. K. Crossman and Seymour Hootkins, (12½% royalty).

2. Two copies of "Assignment of Overriding Royalty" (2% royalty), dated October ? , 1956, from J. K. Crossman and Seymour Hootkins to S. A. Winfrey.

3. A copy of assignment of lease from J. K. Crossman and Seymour Hootkins to Ryan Consolidated Venture No. 2.

4. A set (5 copies) of Consent to Lien and Subordination Agreements, executed by the owners and by S. A. Winfrey.

Will you kindly review the subject file and advise this office if there are other instruments required; also, whether the proposed contract should be signed by the members of Ryan Consolidated Venture No. 2 as well as Kanter-Levy Co.

EWE.

Ernest Wm. Ellis

FMMurphy/gla
cc to: Mr. Murphy

8623

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DATE	INITIALS	CODE
1/16	gb	220
1/17	Murphy	700

January 15, 1958

4849

Uranium
Kanter-Levy Company
Ryan Consolidated claims
Big Horn County, Wyoming
$40,255.04

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

Field Team Report

x x

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

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DATE	INITIALS	CODE
1/13	gb	220
1/15	[illegible]	130
1/16	gb	220
1/17	Murphy	700

January 9, 1958

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 4849 (Uranium) Kanter-Levy Co. (Ryan Consolidated claims) Big Horn County, Wyoming - Joint Engineering and Geologic Report

Enclosed are the original and two copies of a Joint Engineering and Geologic Report by Frank B. Moore, USGS, and E. O. Binyon, USBM.

The Examining Team concur in the belief that significant quantities of uranium may be present in hidden caverns on the Ryan Consolidated claims. They recommend a modified exploration program using a gravity method survey to eliminate those intersections under which there are no caverns followed by rotary non-core drilling. It is believed that the cost of such a program will be more consistent with the estimated ore potential of the properties.

The recommended exploration program will consist of two stages and is estimated to require four and three-fourths months to complete at a total cost of $40,255.04.

We concur in the recommendations of the field examiners.

Enclosed are eight (9) extra copies of Figure 2 for possible use in the contract.

W. H. King

E. N. Harshman

Reviewed by
DMEA OPERATING COMMITTEE
1-15-58
(date)

ON-SITE EXAM. REPORT

FOR UNITED STATES GOVERNMENT USE ONLY

TRANSMITTED

JAN 9 1957

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DMEA
DEPARTMENT OF THE INTERIOR
JAN 8 - 1958
REGION III
DENVER, COLORADO

DMEA 4849

Kanter-Levy Co.

Ryan Consolidated claims

Big Horn County, Wyoming

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DATE	INITIALS	CODE
1/15	JHB	130
		220

Uranium

Joint Engineering and Geologic Report

by

Frank B. Moore, Geologist
Geological Survey

E. O. Binyon, Mining Engineer
Bureau of Mines

December 27, 1957

Reviewed by
DMEA OPERATING CONTRACTOR
1-15-58
(0220)

RECEIVED JAN 13 1958
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CONTENTS

Page

Introduction and summary..... 1

Acknowledgements..... 3

Location and accessibility..... 3

Topography and physical features..... 4

Ownership, history, and production..... 5

Present status..... 7

Mining, milling, and other facilities..... 7

Geology..... 8

Ore reserves..... 10

Proposed exploration..... 10

Applicant's proposed exploration program..... 10

Recommended exploration program..... 13

Conclusions and recommendations..... 20

ILLUSTRATIONS

Figure — Follows page

1. Location map, Kanter-Levy Company, Ryan Consolidated claims, Big Horn County, Wyoming. DMEA 4849..... 3

2. Map showing proposed drill holes, Ryan Consolidated claims (Kanter-Levy), Secs. 19, 20, 21, 27, 28, 29, 30, T. 58 N., R. 94 W., Big Horn County, Wyoming..... 21

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RECEIVED JAN 13 1956

DATE	INITIALS	CODE

DMEA 4849

KANTER-LEVY CO.
RYAN CONSOLIDATED CLAIMS
BIG HORN COUNTY, WYOMING

INTRODUCTION AND SUMMARY

Leon Levy and Joseph H. Kanter, partners, in the firm name of Kanter-Levy Co., c/o Openheimer and Co., 25 Broad Street, New York 4, New York, have made application to the Defense Minerals Exploration Administration for assistance in the exploration of the Ryan Consolidated unpatented lode mining claims for uranium. The group of 120 contiguous claims are in secs. 19, 20, 21, 28, 29, 30, 32, and 33, T. 58 N., R. 94 W., 6th principal meridian, Big Horn County, Wyoming, and are 25 miles by road northeast of Lovell, Wyoming.

In the application it is proposed to explore the property by a two-stage program consisting of 23,000 feet of rotary non-core drilling and 1,250 feet of drifting which with the incidental bulldozer work, supervision and analyses was estimated to cost $121,990.08.

The proposed program is designed to explore the Mission Canyon member of the Madison limestone formation of Mississippian age for uranium deposits that occur in and below caverns which are apparently associated with a fracture pattern related to the northwest-trending Porcupine Creek anticline. The predominant ore mineral is tyuyamunite.

An examination was made of the property on October 29 and 30 by F. B. Moore, geologist of the U. S. Geological Survey, and E. O. Binyon, mining engineer, U. S. Bureau of Mines. W. E. Burleson, mining engineer for the applicant accompanied the examining team on the examination.

The possibility of the discovery of significant uranium ore deposits on the property appears favorable. Ore shipments of 184.2 tons with a grade of 0.54 percent U_3O_8 have been made from an incline and two vertical shafts put down on drill holes that were drilled into collapse material.

A few other surface anomalies at which uranium was found were noted. These occurrences indicate that mineralized solutions have been present. The claims are about 2 miles west of Lisbon Uranium Company's producing mine and the DMEA project of Modern Mines Development Company (DMEA 4564) where one and possibly two ore bodies have been reported found. The geology of the three areas is similar, that is the mineralization or ore is found in and below filled caverns which are controlled by fractures and fracture intersections.

A two-stage modified exploration program is recommended by the examining team. Stage I of this program would consist of geophysical work--a gravity survey; and rotary non-core drilling of 40 caverns located by the survey. In addition 2 holes are to be drilled rotary non-core with casing in order to check radiometric probe results. Under

Stage II (offset drilling) 32 holes are to be drilled as offsets to holes of Stage I containing 2 feet of 0.2 percent eU_3O_8 or better. The estimated total cost of the modified program is $40,255.04 of which the Government's share at 75 percent participation is $30,191.28.

ACKNOWLEDGEMENTS

W. E. Burleson, mining engineer for the company accompanied the examining team during the examination. To Leonard D. Jarrard, consulting geologist for the company and for Modern Mines Development Company (DMEA 4564, Contract Idm-E 1095) and Russell B. Christie superintendent for Lisbon Uranium Company at the Little Mountain property, acknowledgement is made for their courtesy and information.

LOCATION AND ACCESSIBILITY

The Ryan Consolidated claims are near the north end of Little Mountain in secs. 19, 20, 21, 28, 29, 30, 32, and 33, T. 58 N., R. 94 W., 6th principal meridian of Big Horn County, Wyoming (fig. 1). Lovell, Wyoming is about 25 miles by road southwest of the claims.

Lovell, the nearest community to the property, is at the junction of U. S. Highway 310 and State Highway 14 and is a railpoint on the Chicago, Burlington and Quincy railroad. To reach the property from Lovell, take State Highway 14 towards Kane and continue for 11.2 miles to a dirt road on the left, just after crossing a bridge across the

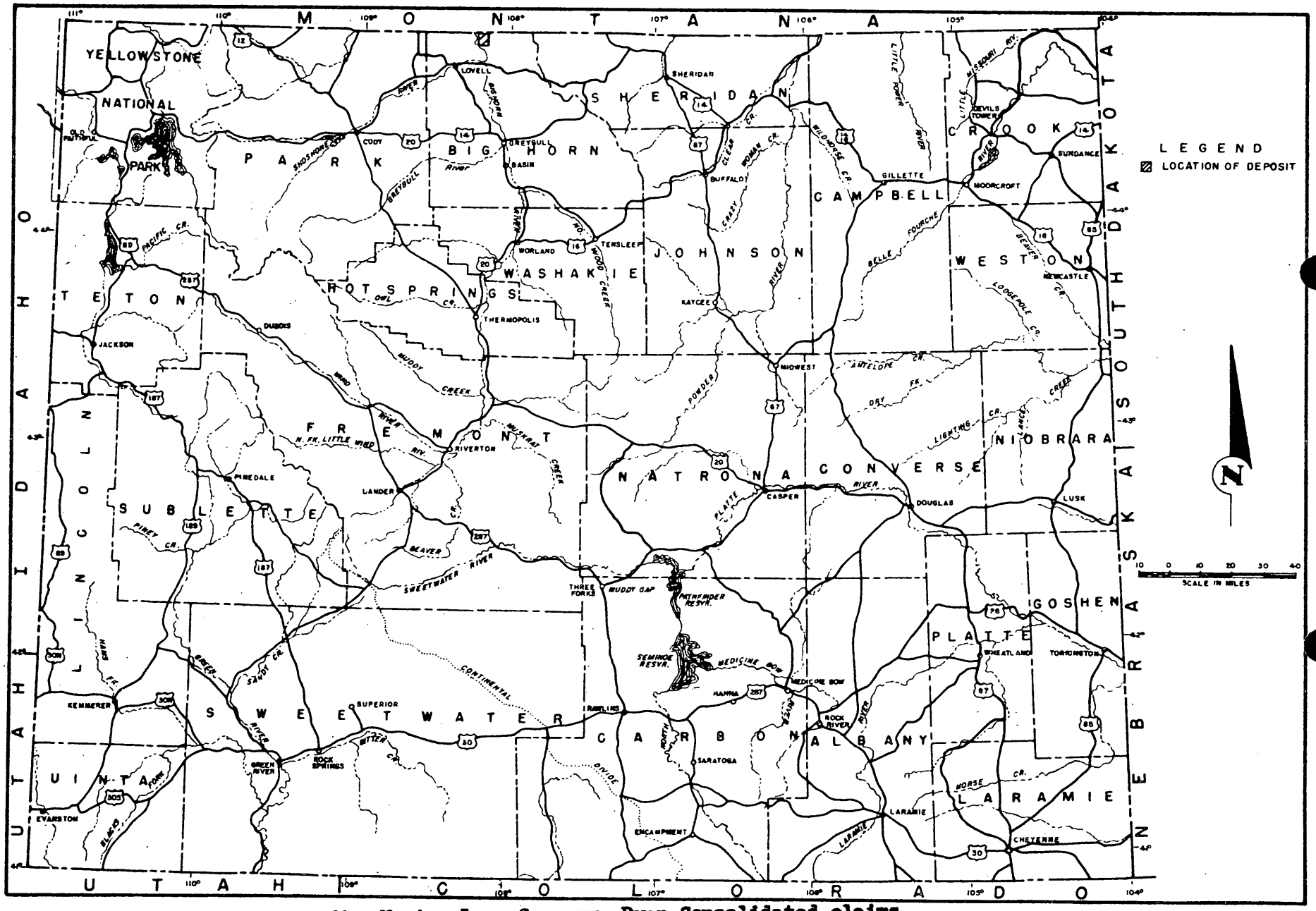

Figure 1 - Location Map Kanter-Levy Company, Ryan Consolidated claims, Big Horn County, Wyoming -- DMEA 4849

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DMEA
RECEIVED JAN 13 1958

NAME	INITIALS	CODE

Big Horn River. Take the dirt road and continue north for 10 miles toward Lisbon Uranium Company's camp. One mile before reaching the camp there is a road to the west, take this and continue for about 3 miles to the Company camp. On the dirt road off State Highway 14 bear right at the first fork and left at the second. The road is good but has long steep grades and it is advisable to use chains or a four wheel drive vehicle in bad weather.

TOPOGRAPHY AND PHYSICAL FEATURES

Relief of that part of the claims on which the proposed work is to be done is moderate. Most of the claim area is relatively flat, being cut only by short and shallow drainage draws. There are no outstanding topographic features other than a few knolls and ridges of the Amsden formation. Altitude of the area is about 4,800 feet with a gentle slope to the west and south. The altitude of the Big Horn River on the western boundary of the claims is about 3,700 feet above sea level.

No water is available on the property and water for drilling and domestic use will have to be hauled either from the Big Horn River at Kane or from Lovell.

Vegetation is sparse and consists of sagebrush, grasses, cacti, and a scattering of juniper.

Summers are moderate with the temperature seldom exceeding 90°, but the winters are severe with heavy snowfall and sub-zero temperatures for much of the time. Snow accompanied by high winds blocks the roads and can make operations impracticable if not impossible for short periods during the winter and early spring.

There is no electric power available on or in the vicinity of the property and either diesel or gasoline-driven equipment will be used.

Most small mining supplies can be obtained in Lovell or at Cody 51 miles west of Lovell; major equipment however would have to be purchased at the larger towns such as Casper, Wyoming, and Billings, Montana.

Cowley, Wyoming, 29 miles by road southwest of the claims is a station on the Chicago, Burlington, and Quincy railroad and a shipping point for ore going south to the A.E.C. buying station at Riverton, Wyoming.

OWNERSHIP, HISTORY, AND PRODUCTION

According to a mineral deed recorded as of November 30, 1956, Entry No. 367170, Book 164, page 374 at the Office of the Ex Officio Register of Deeds for Big Horn County at Basin, Wyoming, the claims were acquired by Jerome K. Grossman and Seymour Hoatkins from Morris R. Avery, Eyre Praetor, Lazell Praetor, Melvin H. Chistler, Vaughan A. Hodson, Stanley Praetor, and Arlon Praetor. By an agreement dated August 9, 1957, between Ryan Consolidated Venture No. 2, a joint venture

between Ryan Consolidated Petroleum Corporation and Jerome K. Grossman, et al. and J. H. Kanter and Leon Levy one-half interest in the 120 claims was acquired by Kanter and Levy.

The claims as recorded by the Ex Officio Register of Deeds office for Big Horn County at Basin, Wyoming, are as follows:

Claims	Book	Page	Date located	Date recorded
Vista No. 0-17	153	43-77	2/14/56	4/11/56
Big Horn No. 1-17	152	505-537	2/13/56	4/11/56
Broken Heart No. 1-15	152 153	539-559 1-7	2/13/56 2/13/56	4/11/56 4/11/56
Valentine No. 1-17	153	9-41	2/14/56	4/11/56
Tri Pacer No. 1-17	152	361-393	2/11/56	4/10/56
Tri Val No. 1	152	425	2/11/56	4/10/56
Goon No. 1-6	152	427-437	2/12/56	4/10/56
Horse Thief No. 0-9	152	439-457	2/12/56	4/10/56
Cactus No. 1-4	152	497-503	2/12/56	4/11/56
Cave Line No. 1-15	152	395-423	2/11/56	4/10/56

120 claim

History of the property is sketchy; the Super Cub Mining Company first operated the property and shipped 74.6 tons of ore with an average content of 0.728 percent U_3O_8 valued at $5,033.70 without Initial Production Bonus.

Ryan Consolidated Venture No. 2 did considerable rotary drilling, sank two shafts and drove an incline from which 213 feet of drifting was done. Also several small pits were opened up on surface exposures.

Ryan shipped a total of 109.79 tons with a grade of 0.413 percent U_3O_8 and a value of $4,076.16.

Total production from the property to date is 184.38 short tons of ore having an average content of 0.545 percent U_3O_8. Total value of the ore was $9,109.86 without the Initial Production Bonus.

There is no production at present.

PRESENT STATUS

The property is now inactive. There is a good camp consisting of several small buildings on the property and as stated under the section History considerable exploratory rotary drilling with some opencut work has been done to explore what the applicant considered the most favorable locations. Also one incline with drifts was driven to develop a favorable show indicated by the drilling. Two shafts were sank on two holes (hole 12 in the row of holes A-A and hole 24 in row e-e) that, by probe, showed good values over a considerable thickness. Neither shaft encountered ore of the grade indicated by probe results.

Mining, milling, and other facilities

The mining equipment on the property consists of two headframes over shaft 12 and shaft 24 and miscellaneous small mining tools such as jackleg drills, hoses, bits, and steel. There is no milling equipment on the property. As mentioned, there is a good camp on the

property consisting of an office building, bunk house, tool shed, a powder house and facilities for fuel storage.

GEOLOGY

The Ryan Consolidated claims are underlain chiefly by Mississippian Madison limestone but in places erosion remnants of Amsden shale cover the top of the Madison. The Ryan claims are on the west flank of the northwest-trending Porcupine Creek anticline the axis of which separates the claims from ore-producing properties of Lisbon Uranium Company about 2 miles east.

Secondary uranium minerals, chiefly tyuyamunite, occur in and immediately below solution cavities in the Mission Canyon or topmost member of the Madison formation. Some of the solution cavities are open; some are filled or partly filled with collapse breccia and silt possibly antedating deposition of overlying rocks; some are filled with large boulders of recent collapse material. The open cavities are barren. The cavities which are filled or nearly filled with older collapse breccia and silt appear to be the best traps for uranium deposition as exemplified by the Lisbon Uranium Company's deposits. The cavities filled with recent collapse material may have an equal potential but exposures are too limited to properly evalute them. The Ryan workings have exposed the tops of two such structures.

The deposits are believed to have formed from descending ground water. Pit No. 1 of the Ryan claims contains thin seams of tyuyamunite on top of 1- to 2-inch shale layers. The Lisbon workings contain tyuyamunite in thin bedded, somewhat fractured limestone beneath cavities nearly filled with cemented breccia and silt. The filling apparently obstructed the flow of solutions and as the deposits have a rather impervious bottom the solutions deposited uranium. Ryan's Prospect area No. 2 has two shafts and an incline. The incline and one shaft cut a mass of loose boulders as much as 10 feet in diameter with open spaces between. Because many openings are below the present workings, solutions could easily move downward carrying the uranium with them. If a solid bottom exists below these cavities especially if filled above with closely packed debris, a favorable trap could be formed. A few small pockets of tyuyamunite exist in the present workings apparently trapped by very local conditions. Ryan's pit No. 3 contains only small amounts of uranium on fractures. Ryan pit No. 4 resembles the Lisbon deposits but on a small scale. A small fracutre-controlled cavity has been partly filled with silt. Calcite in seams is rather abundant and limonite plentiful. Tyuyamunite occurs in seams up to 6 inches thick associated with the limonite and calcite.

The caverns at the Ryan properties are probably controlled by fractures as, it is believed, are other caverns in the district.

Three major sets of fractures have been located from aerial photographs. The most prominant set trends N 40° W parallel to the axis of the anticline. Two other sets trend N 70° E and N 30° E. Although caverns observed to date are apparently related to fractures no trend can be established from the limited exposures.

ORE RESERVES

An estimate of ore reserves on the property is not feasible at this time.

PROPOSED EXPLORATION

Applicant's proposed exploration program

In the application it is proposed to explore the Mission Canyon member of the Madison formation to a depth of approximately 170 feet by a two-stage rotary non-core drilling and drifting program. Under Stage I of the program 89 rotary non-core holes are to be drilled in a random pattern at or near fracture intersections to an aggregate total depth of 15,000 feet. Also 4 drifts totaling 450 feet in length are to be driven, "A" drift is to be driven 50 feet as an extension of the southernmost crosscut off the incline on the Tri Pacer No. 4 claim. "B" drift 200 feet in length is to be driven to explore the area east and west of shaft No. 12 and would connect with the center drift off the incline. Both drifts are to be 5 x 7 feet in cross section and

would be started from existing workings. "C" and "D" are to be inclined drifts or adits 9 x 9 feet in cross section from the surface and each is to be 100 feet in length. The "C" incline would explore the most favorable mineralization in the pit at Prospect 1 located on the common side line of the Broken Heart claims Nos. 8 and 9 and "D" incline would explore Prospect 4 on the Vista No. 7 claim (see applicant's maps, Super Cub Mining Company claim map, and Ryan Consolidated Venture No. 2 map no. 4, area 2).

The applicant also has included 50 hours standby time and 75 hours of bulldozing work for access to and preparation of drill sites.

Stage II is to consist of about 47 rotary non-core drill holes or a total of 8,000 feet of drilling and 800 feet of drifting. The exact location and size of the drifts for this stage are not designated. Also included under Stage II are 25 hours of standby time and 20 hours for roads to and preparation of drill sites. The applicants estimate of the cost of the project is given below:

Stage I

Rotary non-core drilling 15,000 feet at $2.85 per ft.	$ 42,750.00
Standby time 50 hrs. at $15.00 per hr.	750.00
Bulldozer operations 75 hrs. at $12.50 per hr.	937.50
Drifting and inclines 450 ft. at $35.00 per ft.	15,750.00

Personal services at 8 percent of $60,187.50		$ 4,815.00
Miscellaneous		
55 analyses at $3.50 each	$ 192.50	
Probing holes 15,000 ft. at $0.04 per ft.	600.00	
Accounting, taxes etc. 2% of $4,815.00	96.30	
Total miscellaneous		$ 888.80
Total estimated cost Stage I		$ 65,891.30
Stage II		
Rotary non-core drilling 8,000 ft. at $2.85 per ft.		$ 22,800.00
Standby time 25 hrs. at $15.00 per hr.		375.00
Bulldozing operations 20 hrs. at $12.50 per hr.		250.00
Drifting and inclines 800 ft. at $35.00 per ft.		28,000.00
Personal services 8 percent of $51,425.00		4,114.00
Miscellaneous		
45 analyses at $3.50 each	$ 157.50	
Probing holes 8,000 ft. at $0.04/ft.	320.00	
Accounting taxes 2% $4,114.00	82.28	
Total miscellaneous		$ 559.78
Total estimated cost Stage II		$ 56,098.78
Total estimated cost Stage I and II		$121,990.08
Government's share at 75 percent participation		$ 91,492.56

Recommended exploration program

In the opinion of the examining team, the applicant's program is too extensive and costly on the basis of the estimated ore potential of the area. Further it is believed that the drifts and inclines would be development if not in some instances actual mining, and should not be included in an exploration program. Also a program based on fracture intersections as the indicators of caverns at depth would be expensive inasmuch as there is no assurance that caverns would exist below any given intersection. Since Lisbon Uranium Company who operate a producing mine in the area has used geophysical methods (gravimeter) with great success in locating caverns it is believed that a gravimetric survey would be more certain to locate caverns and that the use of this method would materially reduce the cost of exploration. The use of geophysical methods was discussed with Mr. Burleson and it is his opinion that the gravity survey will be acceptable to the applicant .

A modified program using a gravity method survey to eliminate those intersections under which there are no caverns, followed by rotary non-core drilling, is recommended. It is believed that the cost of such a program will be more consistant with the estimated ore potential of the property.

The recommended program will consist of two stages and will require 4-3/4 months to complete. The time for completion is based on a drilling rate of 170 feet per day for a 26 day month with an allowance of

1-1/2 months for completion of the gravimetric survey and one-half month for the final report. An outline of the work to be done under Stage I and Stage II of the modified program is as follows:

Stage I

(1) Locate and mark on the ground major fracture intersections in the favorable area (fig. 2). Aerial photographs should be used as a guide in locating the intersections.

(2) A survey of the major intersections by geophysical methods (gravimeter) including elevations of a maximum of 600 stations. These stations are to include all drill hole locations selected by the applicant. All survey and relative data are to be submitted to the Government.

(3) Drill 40 rotary non-core holes to an approximate depth of 170 feet on the most favorable anomalies indicating caverns as determined by the gravity survey. Should more than 40 caverns be located the most favorable ones are to be drilled. If less than 40 caverns are found the unused footage could possibly be used for additional offset holes under Stage II.

(4) Two holes with the highest radiometric probe results are to be offset as closely as possible--not to exceed a distance 3 feet from the hole--with assay holes to check the probe results. The two offset assay holes are to be drilled to approximately 5 feet above the mineralized zone as determined in

holes being offset then cased and samples of the cuttings obtained either by air or with a bailer. Samples shall be taken at 2-foot intervals through the mineralized section and shall be assayed chemically for uranium. Assay results are to be used for purposes of calibration and are to be submitted with the probe results to the Government.

Stage II

This stage is to be implemented only if probe results of Stage I holes, as calibrated by the assay holes, indicate at least one foot of 0.2 percent U_3O_8.

It is estimated that 32 holes, or a total of 5,440 feet of rotary non-core drilling, will be sufficient for offsetting mineralized holes of Stage I.

The estimated cost of the modified program is as follows:

Stage I and Stage II

Independent Contracts (Actual Cost)

Stage I	Gravimetric Survey and leveling. (Bid stipulates $5.00 for winter, $3.00 for summer. It will be summer by the time this is done). 600 stations at $3.00 per station* (Includes maps and reports).	$ 1,800.00
Stage I	Rotary non-core drilling, 40 holes (at average depth of 170 feet) 6,800 feet at $2.65 per foot** ($2.25 allowed on Idm-E 1095 property adjacent to this one, but drilling costs have increased in this area.)	18,020.00

Stage I 2 - assay holes (cased for sampling)		
300 feet at $2.65 per ft.	$ 795.00	
340 feet at $2.00 per ft. (casing)	680.00	
40 feet at $3.50 per ft. drilling and sampling**	140.00	
		$ 1,615.00
Stage II Rotary non-core drilling 32 holes (at average depth of 170 feet) 5,440 feet at $2.65 per foot**		$14,416.00
Stages I and II Standby time 36 hours at $15.00 per hr.		540.00
Stages I and II Bulldozer operations 40 hours at $12.50 per hour		500.00
Total Stage I and II Independent Contracts Actual Cost basis		$36,891.00
Stage I and II		
Incidental Allowances		
Labor, supervision, consultants		
Supervision engineer or geologist $600 per month for 3.7 months		$ 2,220.00
Operating materials and supplies		
Office and engineering supplies maps, logs, etc. at $10.00 per mo. for 4-3/4 mos.		$ 47.50
Operating equipment		
Transportation 1,000 miles at $0.07 per mile		70.00
Rehabilitation and repairs		none
New buildings, fixtures and installations		none

Miscellaneous

Analyses 50 samples at $3.50 each	$ 175.00	
Accounting $50.00 per mo. for 4-3/4 mos.	237.50	
Probing 12,580 feet at $0.04 per ft.	503.20	
Taxes 5 percent of $2,220.00	111.00	
Total miscellaneous (less analyses)		$ 851.70
Contingencies		none
Total Incidental Allowances (less analyses)		$ 3,189.20

Total cost per foot Incidental Allownaces
$3,189.20 divided by 12,580 feet
$0.2535 per foot

Total estimated cost of recommended modified program (Analyses included)	$40,255.20
Government participation at 75 percent	$30,191.40

* Bid submitted

** No bids submitted - rate per foot based on new drilling costs in this area.

Stage I

Independent Contracts (Actual Cost)

Gravimetric survey and leveling 600 stations at $3.00 per station	$ 1,800.00
Rotary non-core drilling 40 holes (at average depth of 170 feet) 6,800 feet at $2.65 per ft.	$18,020.00

Rotary non-core drilling 2 assay holes (Cased for sampling) 340 feet		
300 feet at $2.65 per foot ✓	$ 795.00	
340 feet at $2.00 per foot (casing)	680.00	
40 feet at $3.50 per foot ✓	140.00	
		$ 1,615.00
Standby time 20 hours at $15.00 per hr.		300.00
Bulldozer operations 30 hours at $12.50 per hr.		375.00
Total Independent Contracts Stage I (Actual Cost)		$22,110.00
Incidental Allowances (fixed costs)		
7,140 at $0.2535 per ft.		$ 1,810.00
Analyses 30 samples at $3.50 each		105.00
Total estimated cost of Stage I		$24,025.00
Government share at 75 percent		$18,018.75
Stage II		
Independent Contracts (Actual Cost)		
Rotary non-core drilling 32 holes (average depth of 170 feet) 5,440 feet at $2.65 per ft.		$14,416.00
Standby time 16 hours at $15.00 per hour		240.00
Bulldozer operations 10 hours at $12.50 per hr.		125.00
Total Independent Contracts Stage I (Actual Cost)		$14,781.00

Incidental Allowances	
5,440 feet at $0.2535 per ft.	$ 1,379.04
Analyses 30 samples at $3.50 each	70.00
Total estimated cost of Stage II	$16,230.04
Government's share at 75 percent	$12,172.53
Total estimated cost of Stage I and Stage II	$40,255.04
Government's share at 75 percent	$30,191.28

Summary

			Cost
Stage I	Gravimetric survey and leveling		$ 1,800.00
	No. of holes	Drilling footage	
Stage I	42	7,140 feet	$22,225.00
	Total Stage I		$24,025.00
Stage II	32	5,440 feet	$16,230.04
	Total Stage I and Stage II		$40,255.04

Upon completion of the gravimetric survey the applicant shall immediately submit to the Government the maps and all data relative to the survey.

All holes shall be probed radiometrically and the probing should be done with standard probing equipment using an Esterline Angus recorder or similar recording equipment. A copy of the radiometric log as well as the lithologic logs of each hole shall be submitted with the monthly reports.

Whenever possible samples should be taken at 2-foot intervals and chemical analyses made of the cuttings from the intervals showing significant mineralization. In the two assay holes samples are to be taken at intervals of 2 feet and all samples analyzed for U_3O_8. Progress maps showing drill hole locations, collar elevation, and elevations in the hole of mineralization shall also be submitted with the monthly progress reports.

Holes shall be drilled no closer than 100 feet to the property boundaries.

The applicant is agreeable to an actual and fixed cost contract.

CONCLUSIONS AND RECOMMENDATIONS

The potential of the Little Mountain district is judged largely on the results of exploration by Lisbon Uranium Company. Lisbon's ore bodies are estimated to be in the order of several thousand tons of 0.5 to 0.8 percent U_3O_8. The ore occurs in and just below filled caverns in the Madison limestone.

The environmental conditions at the Ryan claims appear to be generally similar to the Lisbon properties. However, small undetected differences could influence ore deposition to a considerable degree. One notable difference is that caverns explored to date by Ryan have been more open - the sapces between collapse blocks have not been filled

whereas at Lisbon little open space remains except at the top of caverns. The bottoms of the Ryan caverns may be equally good traps but exploration to date has not reached the needed depths.

The area is difficult to explore because surface indications of radioactivity cannot be used as a guide. Nor can the locations of caverns be determined except by geophysical methods or hit and miss drilling of fracture intersections.

Because it is believed that significant quantities of uranium may be present in hidden caverns on the Ryan Consolidated claims, it is recommended that a modified exploration program be approved.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

December 17, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 19 1957

DATE	INITIALS	CODE
12/19	gb	220

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-4849 (Uranium) Kanter-Levy Company (Cave Line, et al., claim groups) Big Horn County, Wyoming

Enclosed are two copies of a letter dated January 30, 1957, and two copies of a letter dated November 9, 1957, from the Wilson Exploration Company to Mr. W. E. Burleson, Applicant's representative. These letters discuss and present a bid for a geophysical survey on the Applicant's property.

WH King
W. H. King

No answer required at this time.

Reg III
examined
Oct. 29. report
is being prepared

WILSON EXPLORATION COMPANY
MINING ENGINEERS AND GEOLOGISTS
360 SOUTH FIFTH EAST
SALT LAKE CITY 2, UTAH
ELGIN 5-6600

CURRENT FILE COPY
DMEA
RECEIVED DEC 19 1957
DATE | INITIALS | CODE
MAGNETIC
GRAVITY
ELECTRICAL
RADIOACTIVITY
DMEA 4849

January 30, 1957

Mr. W. E. Burleson
c/o Ryan Consolidated Petroleum Co.
Lovell, Wyoming

Dear Mr. Burleson:

Replying to your request, made during my recent visit to Lovell, the following contains information relating to procedures and terms under which we propose to conduct a geophysical survey on your property on Little Mountain, northeast of Lovell:

1. PURPOSE AND LIMITATIONS OF THE SURVEY: The purpose of the geophysical survey will be to locate near-surface porous and/or cavernous zones in the Madison limestone, as an indirect guide in the exploration for uranium mineralization which sometimes occupies these structures. Recent experimental work conducted by us in this district has shown that porous and/or cavernous zones in the limestone, when near enough to the surface, can be located and delineated by gravity and/or electrical resistivity measurements. Although the depth limitation of these methods has not been adequately defined here, as yet, it is believed that 150 to 200 feet represents about the maximum depth at which definitive results can be expected. Application of the methods is restricted to terrain of moderate topographic relief. From an inspection, made in the company of Mr. Doerr, we concluded that certain parts of your property would meet these limitations. A geophysical survey, therefore, probably would aid in directing your drill-hole exploration to the most favorable locations.

2. INSTRUMENTS, EQUIPMENT AND MANPOWER: For conducting this survey we will supply an experienced, technically-trained, 2-man crew, all necessary geophysical instruments, equipment and auxiliary field supplies, and an instrument truck for the transport of our men and equipment. You agree to furnish field helpers, at your cost, to assist us in the conduct of the field work. It is expected that most, or all of the work will be gravity surveying, and for this, two helpers are required. If resistivity work is conducted, three to four helpers will be required for the period of the resistivity work.

3. SURVEY CHARGES AND COSTS: Our charges for this geophysical work will be a per diem fee, plus expenses and other charges, as stipulated below:

(a) Fee: Geophysical crew & equipment, per day in field: $110.00

W.O.

(b) Transportation: A charge of 10¢ per mile for the use of our instrument truck, enroute to and from Salt Lake City (or nearer base) and for use in the field;

(c) Food and Lodging: You agree to pay the actual cost of food and lodging for our crew, while enroute to and from Salt Lake City (or nearer base) and while engaged in the field;

(d) Standby and Travel Time: A charge of $50.00 per day for any standby time resulting from inclement weather or other causes beyond our control and for travel time enroute to and from Salt Lake City (or nearer base) and the job site;

(e) Main Office Time: A charge of $50.00 per day for main office time required for final calculations and compilation of data and preparation of report and maps. (Note: For short-term jobs - up to two weeks - main office time usually amounts to about one-third of the preceding field time; for longer terms, it is proportionately less);

(f) Payments of the above fee and charges are to be made as follows: a down payment of $500.00 when the work is authorized; balances due thereafter, to be paid at the end of each week of field work, in accordance with itemized statements to be submitted by us.

4. GEOLOGICAL DATA, TEST AREAS, REPORTS, MAPS: You will provide all possible, available information that will aid in the planning of the survey and in the subsequent interpretation and correlation of the geophysical measurements. Such information would include geologic maps and other geologic data, drill-hole logs, etc. For geologic control and test correlations, preliminary measurements on your property should be conducted, if possible, across a "test area" known to contain subsurface porous and/or cavernous conditions. As soon as possible after completion of the field work, we will prepare and submit a written report which will contain: (1) a description and explanation of the field work; (2) a statement of results, accompanied by illustrative charts and maps; (3) conclusions and recommendations concerning further exploration.

Availability of a crew and instruments for your proposed work will depend upon the progress of some work we have scheduled for Lisbon Uranium Corporation, under a prior commitment. However, I believe we can arrange a short-term initial survey on your property within a relatively short time after receiving your authorization to proceed.

If you will write us concerning your exploration plans, we shall be pleased to supply any other information, possible, in the hope that we may contribute something to the success of your ore-finding efforts.

Very truly yours,

Clyde H. Wilson

Clyde H. Wilson
Geologist-Geophysical Eng'r.

CHW:ds

Hartman

WILSON EXPLORATION COMPANY
GEOPHYSICAL SURVEYS
300 SO. FIFTH EAST
SALT LAKE CITY 2, UTAH

DMEA
DEPARTMENT OF THE INTERIOR
NOV 15 1957
REGION III
DENVER, COLORADO

DEC 12 1957

DMEA 4849

November 9, 1957

VIA AIRMAIL

Mr. W. E. Burleson
P. O. Box 209
Salida, Colorado

Dear Mr. Burleson:

I hope this letter will provide the additional information you have requested relative to proposed gravity surveys in the Little Mountain area, near Lovell, Wyoming. As I understand it, you want some additional information relative to feasible exploration depths, an estimate of unit costs and a cost proposal which will include the cost of our furnishing the required auxiliary survey crew. These items, therefore, are covered below. They should be considered supplemental to and a revision of our original letter of proposal, dated January 30, 1957:

1. DEPTH LIMITATION: In our experience in this area to date, most of the porous and/or cavernous zones mapped by our gravity surveying have occurred at relatively shallow depths, usually not exceeding 150 feet. However, in a few cases, the drilling results indicate that we were detecting porosity at greater depths. Whether we can detect cavernous zones at depths of 170 to 200 feet will depend upon whether the zone is large enough and sufficiently porous to create a gravity effect measurable at the surface. Because of the variable conditions involved, the probability of detection can not be stated categorically in terms of depth. Where, however, cavernous conditions have developed along systems of near-vertical joints and fractures, it is reasonable to expect some increase in porosity at shallow depths, overlying and related to the deeper zones. These would contribute to a cumulative gravity effect which might aid indirectly in locating the deeper zones. In this connection, it would be helpful if preliminary tests could be conducted over some known deeper zones, such as those you described to me as occurring on the property of the Modern Mines Company.

2. SURVEY CHARGES AND COSTS: (revision of Jan. 30, 1957 proposal):

a. For: 2-man geophysical crew & equipment, per day $125.00
or, 2-man geophysical crew and 2-man survey crew & equipment, per day $150.00

(26 working days per month, of which from 1 to 4 days may be spent in the office by one or the other of the 2-man crews in order to maintain calculations, maps, etc. up-to-date).

b. Transportation: 10¢ per mile for two vehicles;

c. Subsistence: Client to pay the actual cost of food and lodging for the crews, while enroute and in the field;

d. Travel and Standby Time: Travel time and standby time for inclement weather or other causes beyond our control to be charged at one-half the regular fee rates for either or both crews, as the case may be;

e. Main Office Time: $62.50 per day for main office time required at the end of the field-working period for final calculations and compilation of data and preparation of report and maps;

f. Payments: A downpayment of $1,000.00, followed by weekly payments on itemized statements thereafter.

3. ESTIMATE OF UNIT COSTS: There are several ways of expressing the cost of this work on a unit basis, the most suitable probably being either (1) cost per station, or, (2) cost per unit of traverse coverage. While it would not be practicable to use unit quotation as a basis for a contract proposal, the following are given as our best estimates, based upon the work we have conducted for Lisbon Uranium Corporation in this area: (including the cost of both geophysical and survey crews):

a. Winter Conditions: (1) About $5.00 per station;
(2) An average of 2500 feet of traverse per day, at a cost of about $550.00 per mile

b. Summer Conditions: (1) About $3.00 per station;
(2) An average of 4000 feet of traverse per day, at a cost of about $350.00 per mile.

The survey charges for this work as given above are contingent upon your authorizing a minimum of one month's work; with the understanding, however, that should the gravity measurements prove unamenable or unsatisfactory otherwise, after an initial period of two weeks, then you are free to terminate at any time, thereafter.

Whenever you decide that you wish to proceed with the program of gravity surveys, we will submit a final written proposal in such form as to constitute a formal agreement. In the meantime, we shall be glad to consult with you or your principals on any relevant phase of the proposed exploration.

Yours very truly,

CHW/m

Clyde H. Wilson
Geologist-Geophysical Eng'r.

HILARY MINERALS CORPORATION
1196 GRANT STREET, SUITE 210
DENVER 3, COLORADO

LEONARD S. FOX
VICE PRESIDENT

25 BROAD STREET
NEW YORK 4, N. Y.

November 23, 1957

File with DMEA 4849

Mr. William Ellis
Defense Minerals Exploration Administration
Department of Interior
Washington, D. C.

Dear Mr. Ellis:

It was indeed a pleasure for Mr. Joseph Kanter and myself to meet with you recently in your office in Washington. It is certainly gratifying to know that there are people in high positions in the Department of Interior who not only realize the problems of operators in the West but are willing to make themselves available when we are seeking information and guidance.

We look forward to calling upon you again in the future.

Cordially,

HILARY MINERALS CORPORATION

Leonard S. Fox

Leonard S. Fox,
Vice-President

LSF/sc

8 1957

11/8 c 220

224 New Customhouse
Denver 2, Colorado

November 5, 1957

Memorandum

To: DMEA/DFC (Att'n: E. O. Binyon)

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

Subject: Docket DMEA-4849 (Uranium) Kanter-Levy Company (Cave Line, et al., claim groups) Big Horn County, Wyoming

Enclosed is one copy each of the following, concerning the subject application:

1. Agreement, dated August 9, 1957, between Ryan Consolidated Venture No. 2 and J. H. Kanter-Leon Levy.

2. Agreement, dated September 10, 1957, between Ryan Consolidated Venture No. 2 and J. H. Kanter-Leon Levy.

3. Letter, dated October 28, 1957, from Chairman, Operating Committee, DMEA, transmitting items 1 and 2 to this office.

Item 1 should be included as a supplement to your copy of the application. Item 2, although a supplement to the application, is for field use only and should be returned to this office with your Joint Report of Examination.

Original signed by
E. N. HARSHMAN

E. N. Harshman

Enclosures

MHM:jy

cc: Sec. Op. Comm. (2)
Docket 4849
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 1 1957

DATE	INITIALS	CODE
11/1	C	220
~~4~~	~~FMM~~	~~700~~

224 New Customhouse
Denver 2, Colorado

October 29, 1957

Memorandum

To: E. N. Harshman Att: Frank B. Moore
DMEA/DFC Att: E. O. Binyon ~~w/brochure~~

From: DMEA Field Team, Region III

Subject: Docket DMEA 4849 (Uranium) Kanter-Levy Company (Ryan Consolidated Claims) Big Horn County, Wyoming

Enclosed is a copy of the subject application and a copy of the letter from the Chairman of the Operating Committee dated October 23, 1957, together with memoranda of review of the application by W. P. Williams and James Paone.

Will you please return our copy of the application, which was forwarded with our letter of October 24, 1957, for use by the field examiners so that we may complete our file on the subject docket.

E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer

Enclosure

HMC:eh

cc: Sec. Op. Comm. (2)
Docket
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/25	Murphy	700
10/25	Ellis	700
10/25	[illegible]	130
"	Johnson	110
		~~[illegible]~~
		~~[illegible]~~
10/28	C	220
		700

OCT 28 1957

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-4849 (Uranium)
Kanter-Levy Company
Cave Line, et al., Claim Groups
Big Horn County, Wyoming

Dear Mr. Harshman:

With reference to our letter of October 23, 1957, enclosed is one copy of an Agreement, dated August 9, 1957, between the Applicant and Ryan Consolidated Venture No. 2.

Only one copy of a supplemental agreement, dated September 10, 1957, was submitted with the four copies of the application received in Washington. However, Mr. Levy's brother, who personally brought the application to this office, said that one complete copy of the application had been forwarded to the Regional Office, therefore, it is assumed that you have a copy of the supplemental agreement.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (b6)

Enclosures

APPROVED:

Frank D. Lamb (b6)
Member, Bureau of Mines

W. P. Williams (b6)
Member, Geological Survey

FMMurphy/izm 10-25-57 Operating Committee
cc: Mr. Murphy Admr.'s Reading File THKiilsgaard, 5224

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/25	Murphy	700
10/25	Ellis	700
10/25	Lefledge	130
"	Johnson	110
		~~400~~
		348
		220
		700

10/25 Lamb (130)
Williams 10/25 (130)

OCT 28 1957

Mr. Leon Levy
c/o Oppenheimer and Company
25 Broad Street
New York 4, New York

Re: Docket No. DMEA-4849 (Uranium)
Kanter-Levy Company
Cave Line, et al., Claim Groups
Big Horn County, Wyoming

Dear Mr. Levy:

This is to acknowledge receipt of the two copies of the Agreement, dated August 9, 1957, between your company and Ryan Consolidated Venture No. 2, relating to the above-referenced claim groups.

Sincerely yours,

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

FMMurphy/izm 10-25-57
cc: Mr. Murphy
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
DMEA FT Reg. 3 (2)

8623

Oppenheimer & Co.

MEMBERS NEW YORK STOCK EXCHANGE

CABLE ADDRESS
MOPENER NEW YORK

25 BROAD STREET • NEW YORK 4, N. Y.

TELEPHONE
DIGBY 4-4460

October 23, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 24 1957

DATE	INITIALS	CODE
10/24	C	220
"	RMM	700

Mr. Ernest W. Ellis, Director
Rare Metals
Department of Interior
Washington, D. C.

DMEA-4849

Dear Mr. Ellis:

I am enclosing two copies of our original contract covering the properties which we have on option from the Ryan Consolidated Petroleum Co. and on which we have applied for a DMEA loan. I believe you already have two copies of our supplemental agreement dated September 10th.

Very truly yours,

Leon Levy

Leon Levy

LL/bps

enc.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/21	Murphy	700
"	Ellis	700
10/23	GCS	130
"	Johnson	110
"	Mattendorf	100
10/24	glc	220
		700

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

OCT 23 1957

Re: Docket No. DMEA-4849 (Uranium)
Kanter-Levy Company
Cave Line, et al., Claim Groups
Big Horn County, Wyoming

Dear Mr. Harshman:

The captioned application is referred to Region III Field Team for investigation, a field examination if deemed advisable, and recommendations.

Enclosed are copies of memoranda, dated October 15 and 17, 1957, by James Paone, USBM, and W. P. Williams, USGS, respectively, relating to the application. Also enclosed for Field Team use are two copies of the application.

In a telephone call to Mr. Kanter's brother, who resides in Washington, Mr. Ellis requested that copies of the lease agreement between Ryan Consolidated Venture #2 and the Applicant should be submitted. A copy of the lease agreement and addendum will be forwarded to the Field Team when received. Judging from the one copy of the addendum submitted, the Applicant appears to have sufficient rights of possession of the claims.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2HB)

Enclosures

FMMurphy/gla
10-21-57
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, Rm. 5224
Mr. Murphy

APPROVED:

Frank D. Lamb (2HB)
Member, Bureau of Mines

Thor H. Kiilsgaard (2HB)
Member, Geological Survey

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/21	Murphy	700
"	[illegible]	700
10/23	[illegible]	130
"	[illegible]	110
"	Mittendorf	100
10/24	[illegible]	220
		700
10/23	Lamb	130
10/23	Kilegaard	100

DOCUMENT CONTROL
OCT 23 1957

Kanter-Levy Company
c/o Oppenheimer and Company
25 Broad Street
New York 4, New York

Re: Docket No. DMEA-4849 (Uranium)
Cave Line, et al., Claim Groups
Big Horn County, Wyoming

Gentlemen:

The application for assistance in exploring your property, under the captioned docket number, has been reviewed by the Division of Rare and Miscellaneous Metals of the Defense Minerals Exploration Administration. It has been referred to:

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

The Regional Office will contact you in regard to your project if additional information is required.

Sincerely yours,

C. O. Mittendorf

Administrator

FMMurphy/gla
10-21-57
cc to: Admr.'s Reading File
FMMurphy
DMEA Field Team, Region III (2)

8623

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

OFFICIAL FILE COPY
IN REPLY REFER TO:
D M E A
RECEIVED OCT 18 1957

DATE	INITIALS	CODE
10/18	C	220
"	FMM	700

Memorandum

October 17, 1957

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

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

Subject: Review of application, DMEA 4849 (uranium), Kanter-Levy Co., Ryan Consolidated claims, Big Horn County, Wyoming.

The applicant proposes to explore for uranium ore deposits on 120 unpatented mining claims in extreme northern Wyoming.

According to the applicant, two vertical shafts, an inclined shaft, 213 feet of underground openings, and several surface trenches exist on the property. The applicant also claims that about 184 tons of high grade ore, up to 1.24 percent (U_3O_8?), has been shipped from the property. Some of the past drilling on the property seems impressive as to ore thicknesses and grade.

The proposed project would consist of rotary drilling and drifting at a total estimated cost of $111,613.

As I have no specific information about the property, apart from the application, I advise that the claims be evaluated by the Field Team through field examination.

W. P. Williams

W. P. Williams

OFFICIAL FILE -
DMEA
RECEIVED OCT 16 1957

DATE	INITIALS	CODE
10/16	C	220
Ellis	KMM	700

Office of
Domestic Ore Reserves
DMEA, Inc.
Washington 25, D. C.

Date October 15, 1957

DMEA Report No. 4849
DMEA Contract No.
Commodity Uranium
Name of applicant Kanter-Levy Co.
Name of property
Location of property Big Horn, Wyoming
Estimated cost of project $111,612.50

To: Ernest William Ellis, DMEA Member
Uranium Commodity Committee
Through: James Paone, Bureau of Mines Member
Uranium Commodity Committee
Subject: Review of Application
(Application, Plan, Term Report, etc.)

JP

1. Date of subject document 10/14/57 2. Date received by reviewer 10/15/57

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

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

5. Other data available on past production: Yes ☐ No ☐

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

7. [illegible] you know:

8. [illegible] recommendation:
a. [illegible] ☐
b. [illegible] ☐
c. Reduce [illegible] ☐
d. Project ☐
e. Proceed exploration [illegible] ☐
f. Alternate exploration [illegible] ☐
g. Costs ☐
h. [illegible] ☐

9. [illegible] recommends:
a. Consult information from applicant ☐
b. Refer to field team ☐ x
c. Disagree with [illegible] ☐
d. Disagree [illegible] ☐
e. Support [illegible] ☐
f. Request [illegible] ☐
g. Approval ☐
h. Approval ☐
i. Consult with Mr. _____ at _____

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

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

October 14, 1957

Kanter-Levy Company
c/o Oppenheimer & Company
25 Broad Street
New York 4, New York

Gentlemen:

Subject: DMEA-4849

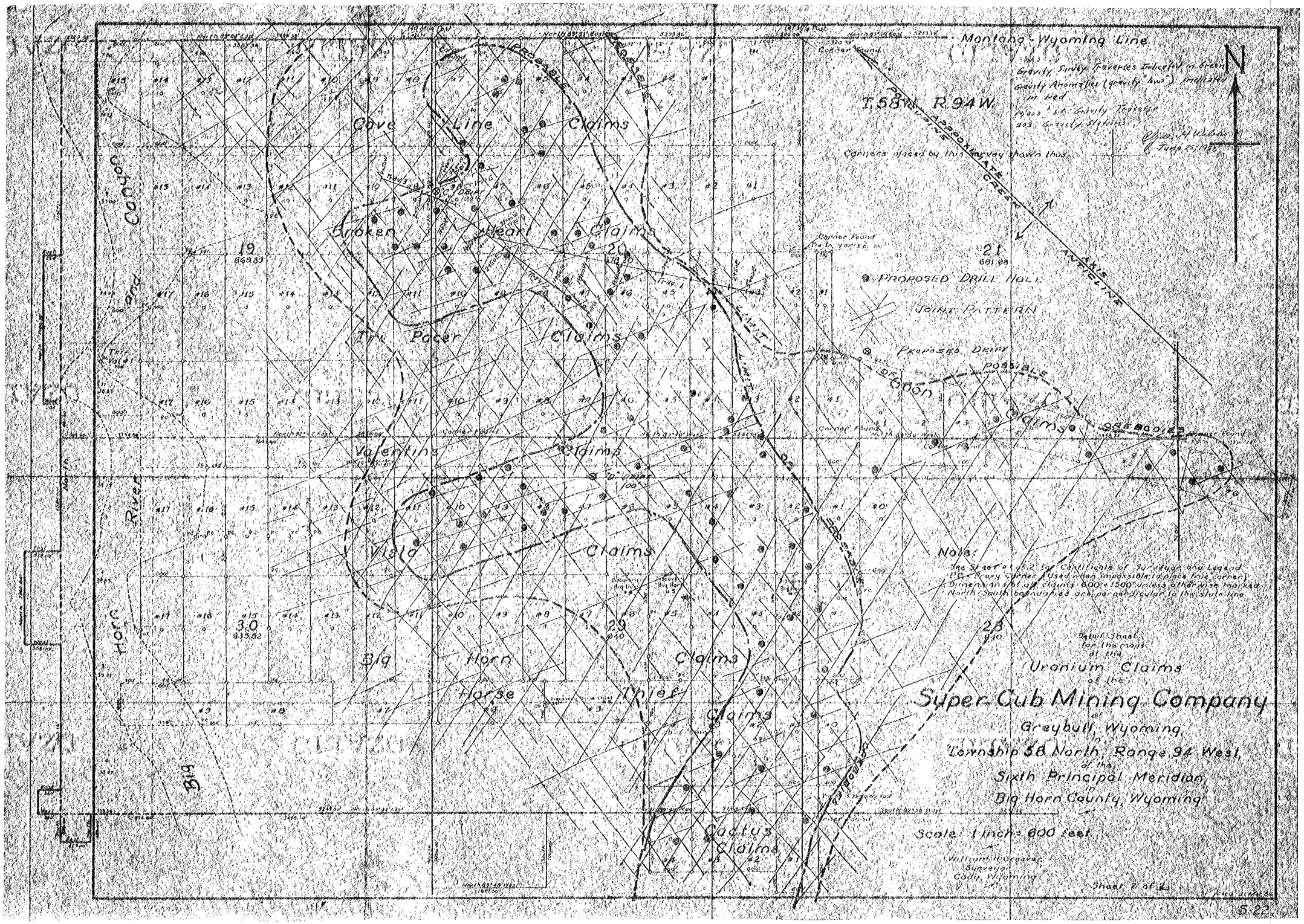
Your application for exploration assistance, dated October 8, 1957 submitted to our office at Washington, D. C. has been assigned Docket Number DMEA-4849 and referred to the Rare and Miscellaneous Metals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

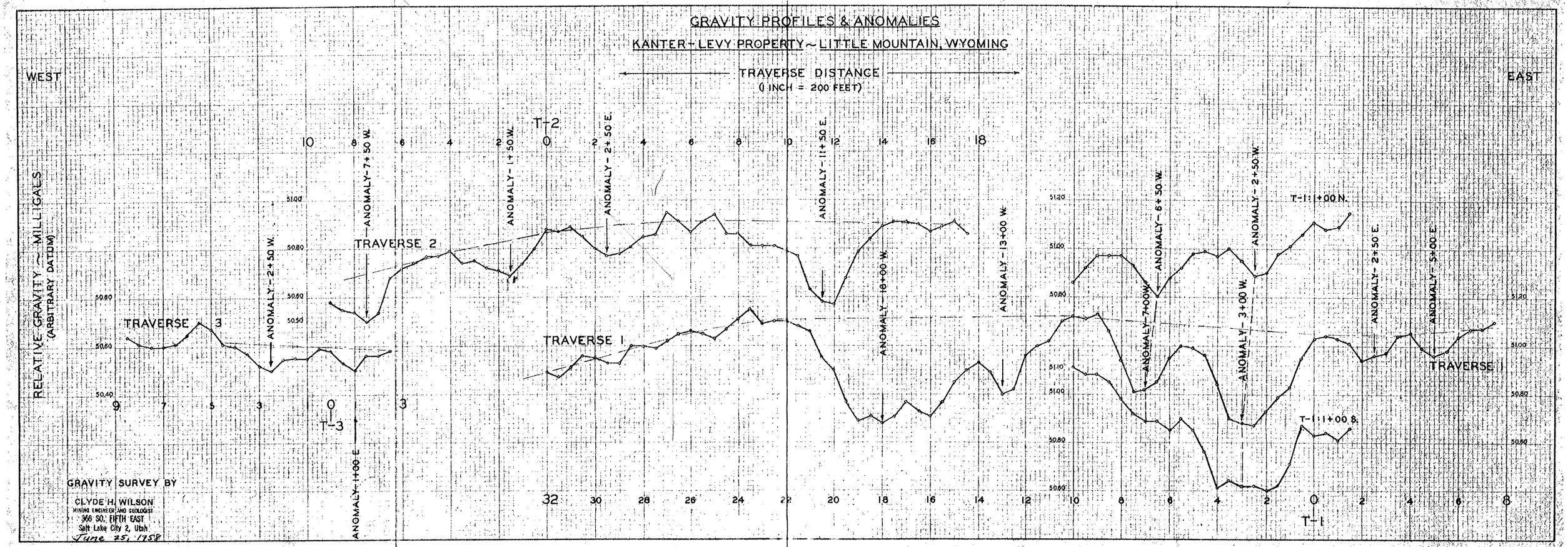
Sincerely yours,

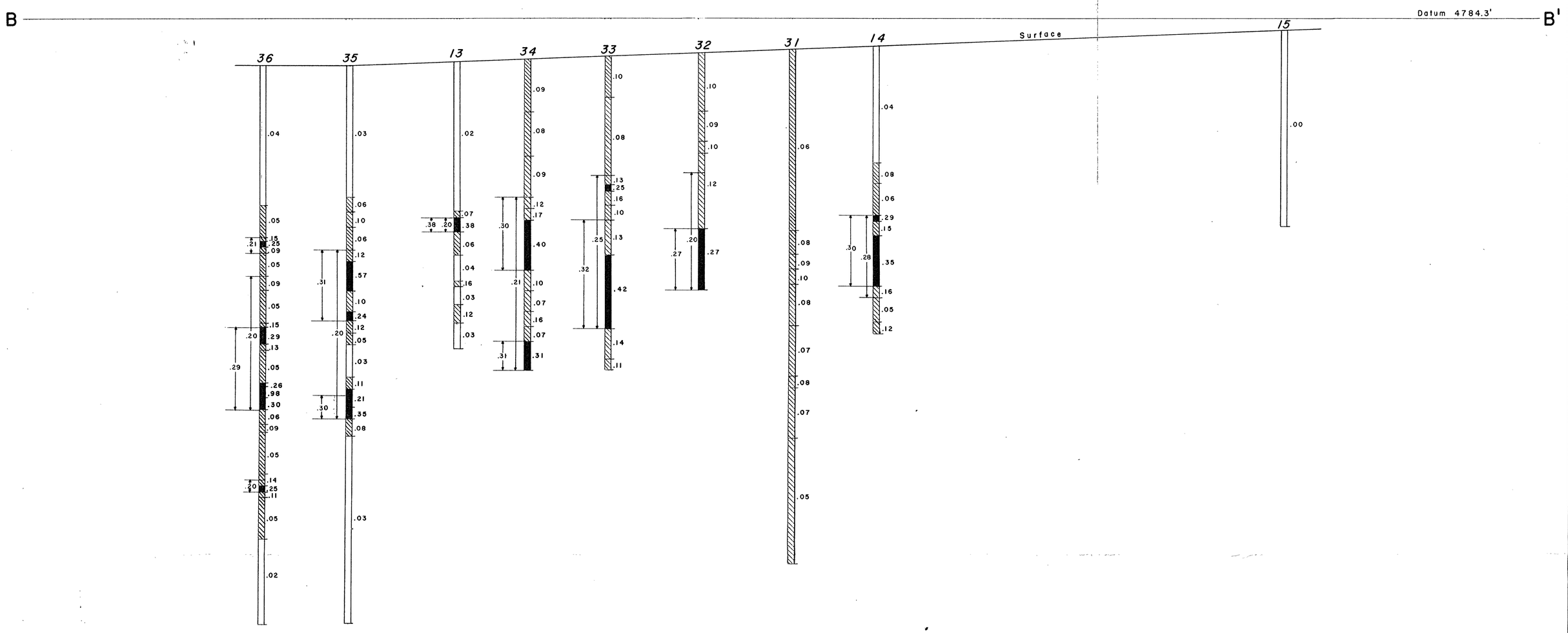
Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to:

Region III


Montana - Wyoming Line
Gravity Survey Traverses Indicated in Green
Gravity Anomalies (gravity "hus") indicated in red
19000 L.F. Gravity Traverse
203 Gravity Stations
June 25, 1956
N
T.58N. R.94W.
Corners staked by this manner shown thus
APPROXIMATE CREST OF ANTICLINE
Corner found
Corner found thirty yards
PROPOSED DRILL HOLE
JOINT PATTERN
PROPOSED DRILL POSSIBLE
Cove Line Claims
Broken Heart Claims
The Pacer Claims
Valentine Claims
Viola Claims
Horn Horse Claims
Thief Claims
Cactus Claims
Cove Creek
Big Horn River
Note:
See Sheet 1 of 2 for Certificate of Surveyor and Legend
BC - Proxy Corner (Used when impossible to place true corner)
Dimensions of all claims 600' x 1500' unless otherwise marked
North-South boundaries are parallel to the State line
Datum Sheet for the mont of the
Uranium Claims
of the
Super-Cub Mining Company
of
Greybull, Wyoming,
in
Township 58 North, Range 94 West,
of the
Sixth Principal Meridian,
in
Big Horn County, Wyoming
Scale: 1 inch = 600 feet
Sheet 2 of 2
S-22


GRAVITY PROFILES & ANOMALIES
KANTER-LEVY PROPERTY ~ LITTLE MOUNTAIN, WYOMING
WEST
EAST
TRAVERSE DISTANCE
(1 INCH = 200 FEET)
RELATIVE GRAVITY ~ MILLIGALS
(ARBITRARY DATUM)
TRAVERSE 3
TRAVERSE 2
TRAVERSE 1
TRAVERSE 11
T-3
T-2
T-1
T-11+00 N.
T-11+00 S.
ANOMALY - 2+50 W.
ANOMALY - 7+50 W.
ANOMALY - 1+50 W.
ANOMALY - 2+50 E.
ANOMALY - 11+50 E.
ANOMALY - 13+00 W.
ANOMALY - 10+00 W.
ANOMALY - 7+00 W.
ANOMALY - 6+50 W.
ANOMALY - 3+00 W.
ANOMALY - 2+50 W.
ANOMALY - 2+50 E.
ANOMALY - 5+00 E.
ANOMALY - 11+00 E.
GRAVITY SURVEY BY
CLYDE H. WILSON
MINING ENGINEER AND GEOLOGIST
366 SO. FIFTH EAST
Salt Lake City 2, Utah
June 25, 1958



RYAN CONSOLIDATED

VENTURE #2

T58N, R94W, SECT. 20

BIG HORN CO., WYO.

Area No.2

Fence Diagram of Drill Holes

Line B—B'

Based On Radiometric Readings
Obtained by Babbel Counter
by Louis L. Doerr
1/14/57

Scale:
Vertical & Horizontal
1" = 10'

0 10' 20' 30'

LEGEND

5 Drill Hole No.

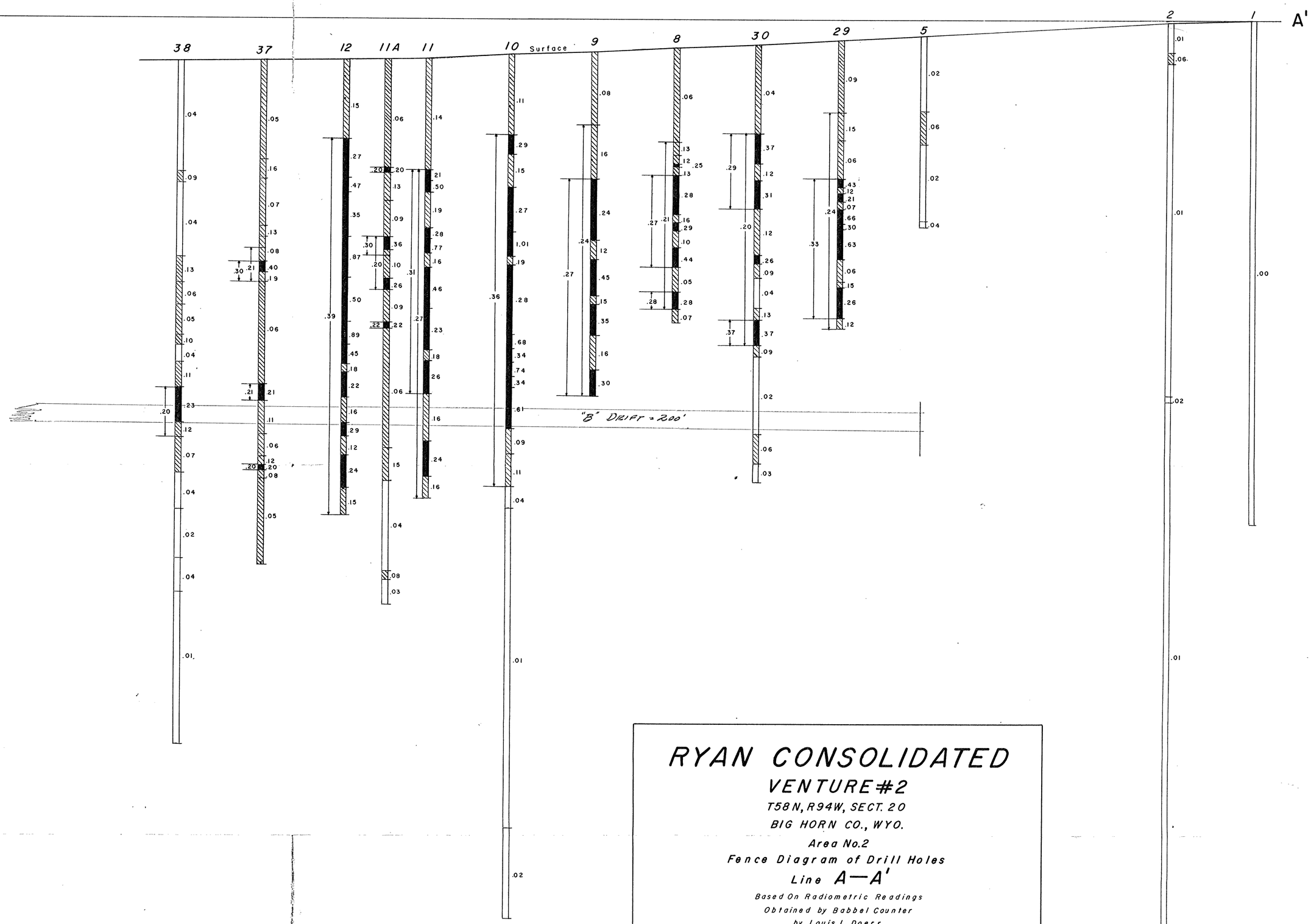
Barren (.00% to .04%)

Mineralized (.05% to .19%)

Ore (.20% +)

.02 .12 .22 — Average e% U_3O_8 between points.

Datum (4784.3') = Collar Elevation of Hole No. TP4-1



RYAN CONSOLIDATED

VENTURE #2

T58N, R94W, SECT. 20

BIG HORN CO., WYO.

Area No.2

Fence Diagram of Drill Holes

Line A—A'

Based On Radiometric Readings
Obtained by Babbel Counter
by Louis L. Doerr
1/10/57

Scale:
Vertical & Horizontal
1" = 10'

0 10' 20' 30'

LEGEND

5 Drill Hole No.

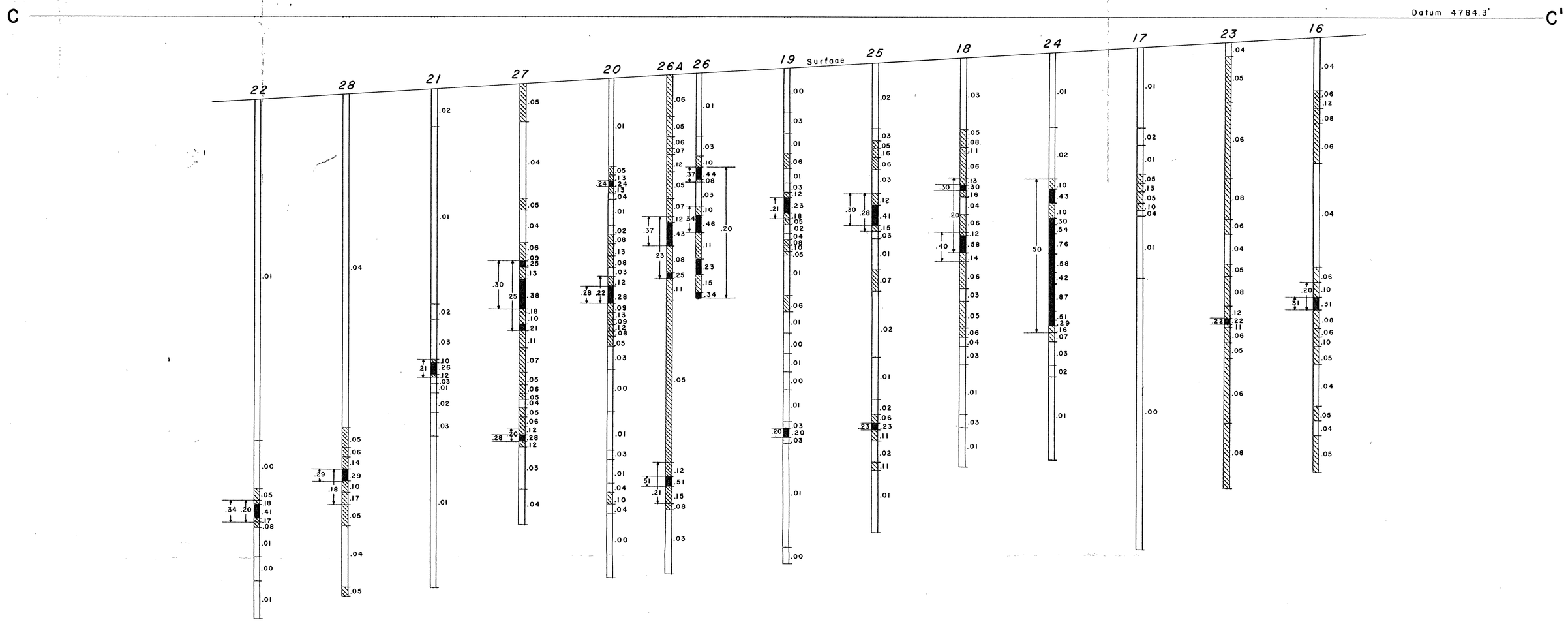
Barren (.00% to .04%)

Mineralized (.05% to .19%)

Ore (.20% +)

.02 .12 .22 — Average e% U_3O_8 between points.

Datum (4784.3') = Collar Elevation of Hole No. TP4-1



RYAN CONSOLIDATED

VENTURE #2

T58 N, R94W, SECT. 20

BIG HORN CO., WYO.

Area No.2

Fence Diagram of Drill Holes

Line C—C'

Based On Radiometric Readings
Obtained by Babbel Counter
by Louis L. Doerr
1/20/57

Scale:
Vertical & Horizontal
1" = 10'

0 10' 20' 30'

LEGEND

5 Drill Hole No.

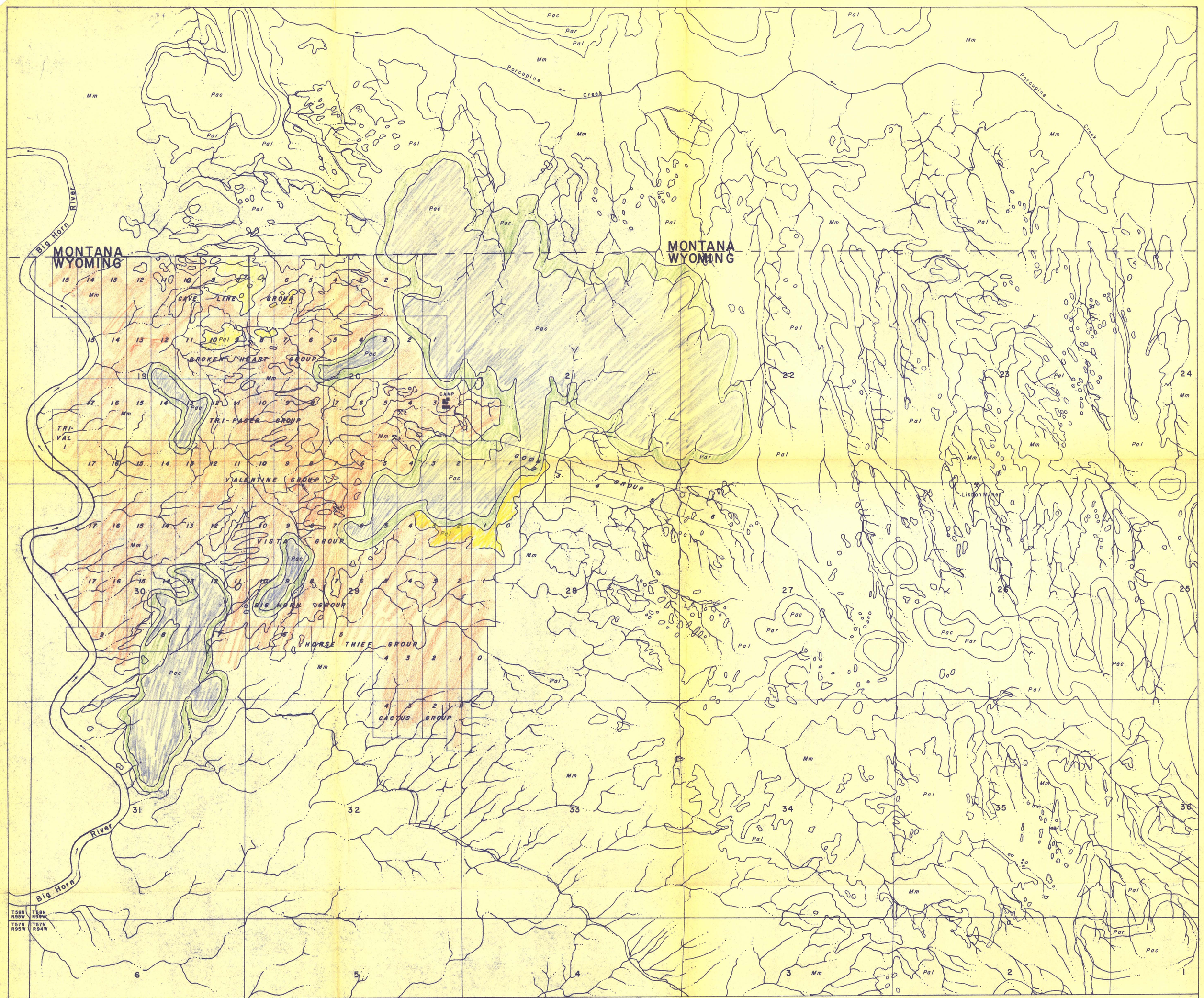
Barren (.00% to .04%)

Mineralized (.05% to .19%)

Ore (.20% +)

.02 .12 .22 — Average e% U_3O_8 between points.

Datum (4784.3') = Collar Elevation of Hole No. TP4 – 1



RYAN CONSOLIDATED

VENTURE #2

T58N, R94W.

BIG HORN CO., WYO.

LITTLE MOUNTAIN DISTRICT

COMPOSITE GEOLOGIC, DRAINAGE & PROPERTY MAP

SCALE 1 inch = 1000 feet

0 1000' 2000' 3000'

Map by Louis L. Doerr May 25, 1957

Photogeologic & Photogrammetric Compilations
by O. M. Hart, W. B. Fleming, L. F. Fay
USAEC Geologists

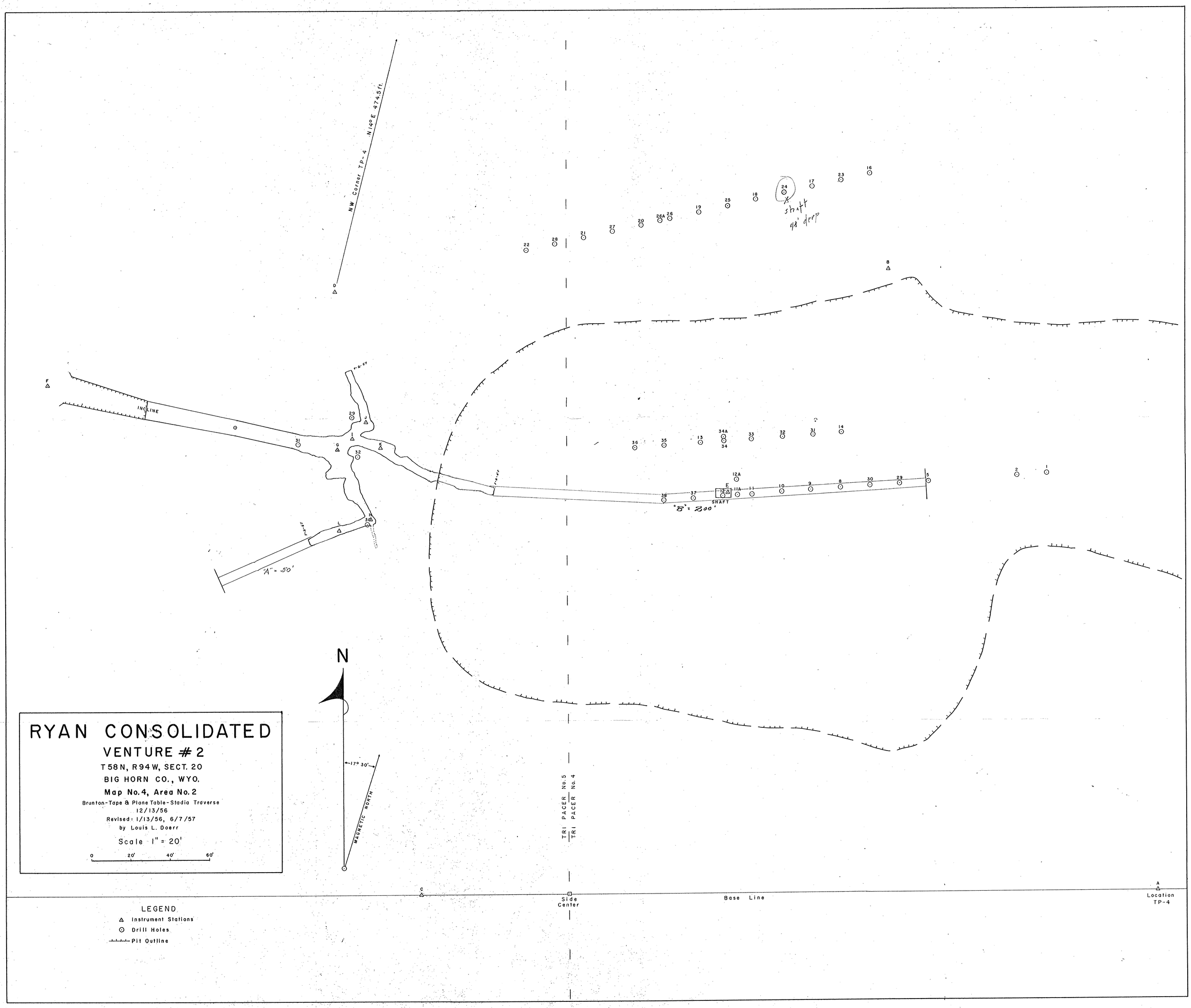
Claim Survey
by Wm. H. Greever - Registered Surveyor

N

MAP No. 3

LEGEND

Pac	Amsden carbonates
Par	Amsden basal redbeds
Pal	Amsden alluvium
Mm	Madison limestone
⚒	Prospects & Mines



RYAN CONSOLIDATED

VENTURE # 2

T 58 N, R 94 W, SECT. 20

BIG HORN CO., WYO.

Map No. 4, Area No. 2

Brunton-Tape & Plane Table-Stadia Traverse

12/13/56

Revised: 1/13/56, 6/7/57

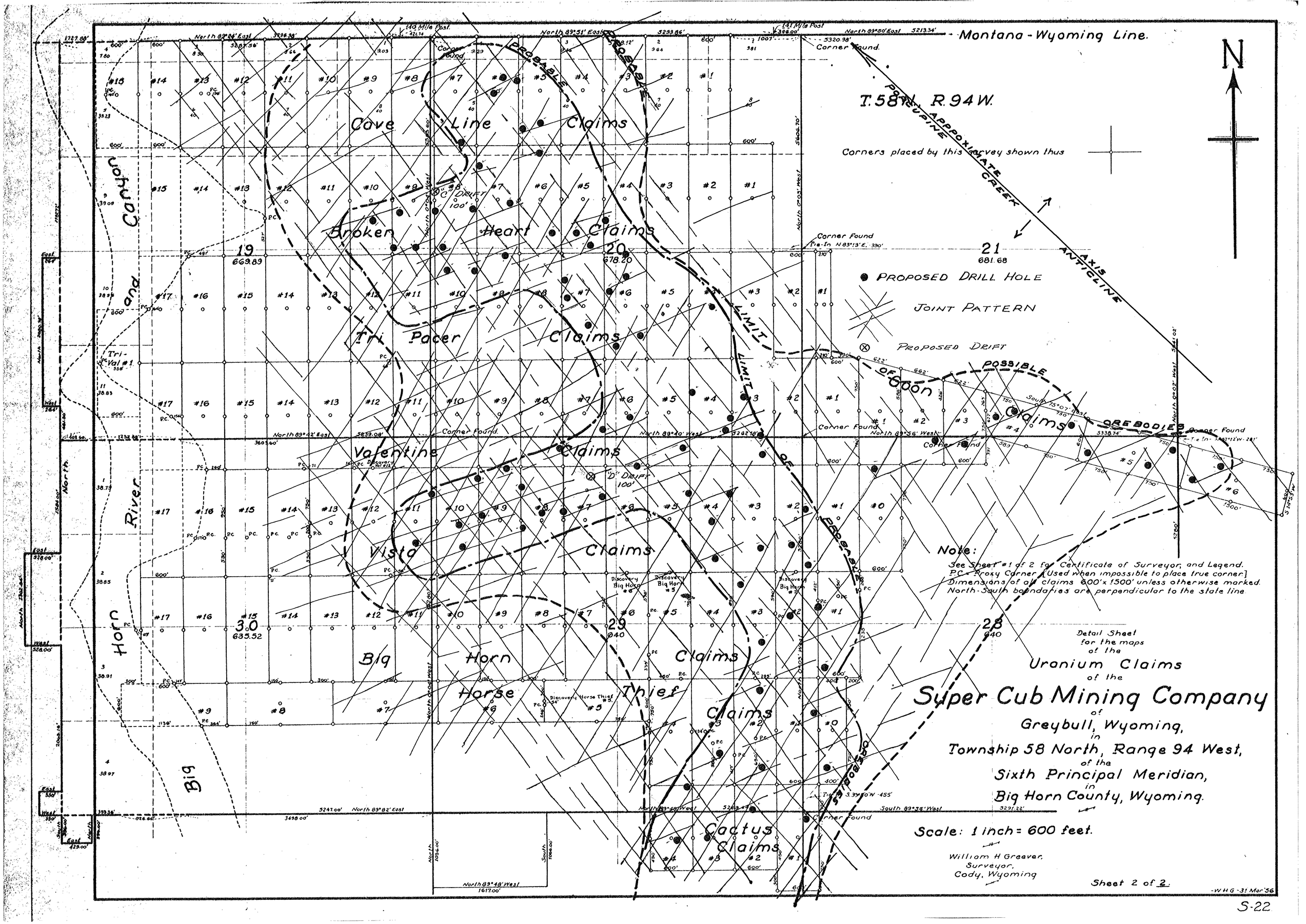
by Louis L. Doerr

Scale 1" = 20'

0 20' 40' 60'

LEGEND

- Instrument Stations
- Drill Holes
- Pit Outline


Montana - Wyoming Line.
N
T. 58 N. R. 94 W.
Corners placed by this survey shown thus
PORCUPINE CREEK
APPROXIMATE AXIS ANTICLINE
PROPOSED DRILL HOLE
JOINT PATTERN
PROPOSED DRIFT
POSSIBLE ORE BODIES
LIMIT OF ORE BODIES
Cove Line Claims
Broken Heart Claims
Tri Pacer Claims
Valentine Claims
Vista Claims
Big Horn Horse Thief Claims
Cactus Claims
Tri-Val #1
Big Horn River and Cow Coon Claims
19
669.89
20
678.20
21
681.68
29
640
28
640
30
635.52
Note:
See Sheet #1 of 2 for Certificate of Surveyor, and Legend.
P.C. = Proxy Corner [Used when impossible to place true corner]
Dimensions of all claims 600' x 1500' unless otherwise marked.
North-South boundaries are perpendicular to the state line.
Detail Sheet for the maps of the
Uranium Claims
of the
Super Cub Mining Company
of
Greybull, Wyoming,
in
Township 58 North, Range 94 West,
of the
Sixth Principal Meridian,
in
Big Horn County, Wyoming.
Scale: 1 inch = 600 feet.
William H Greaver,
Surveyor,
Cody, Wyoming
Sheet 2 of 2.
-W H G -31 Mar '56

S-22

with contract

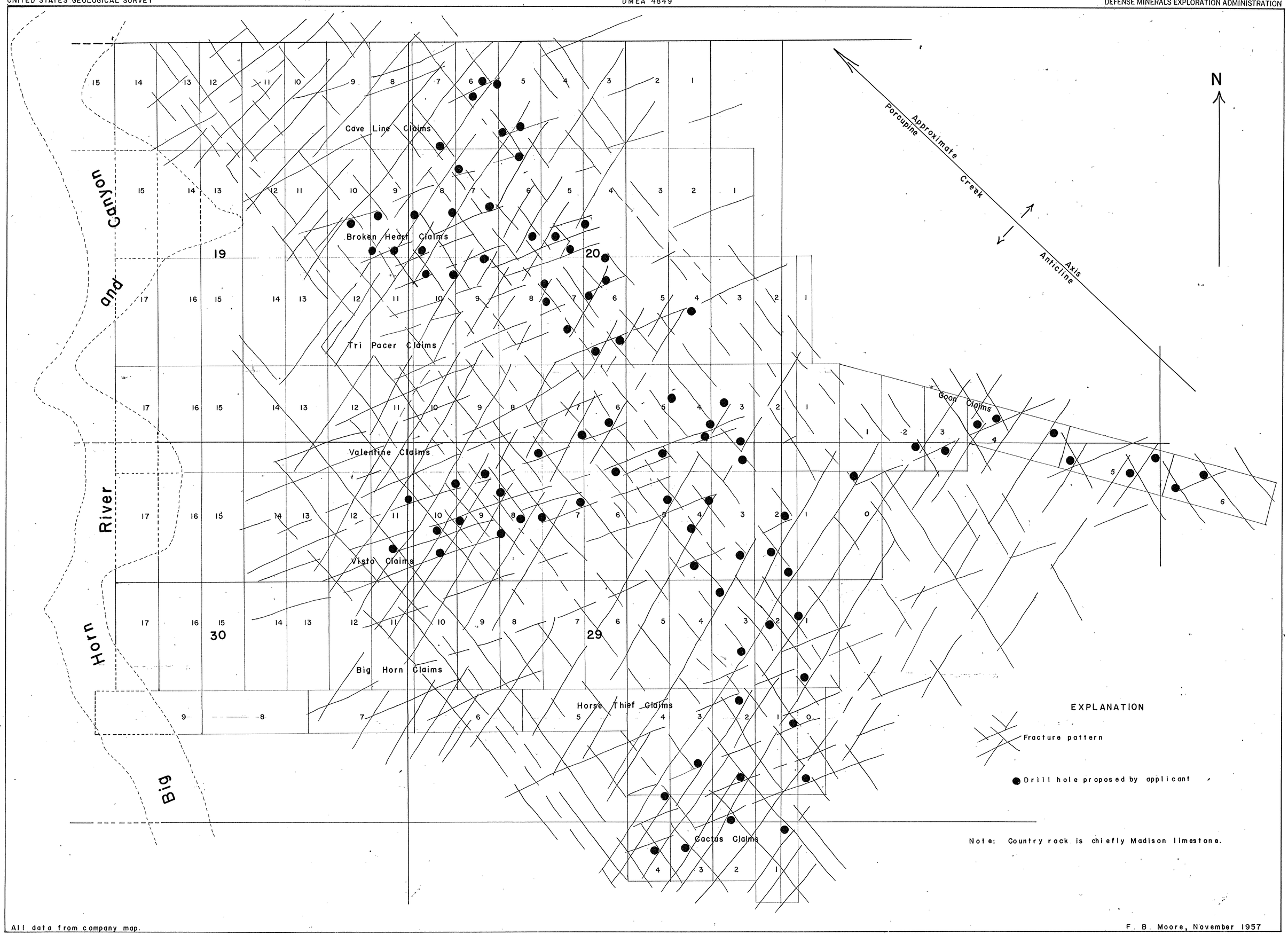


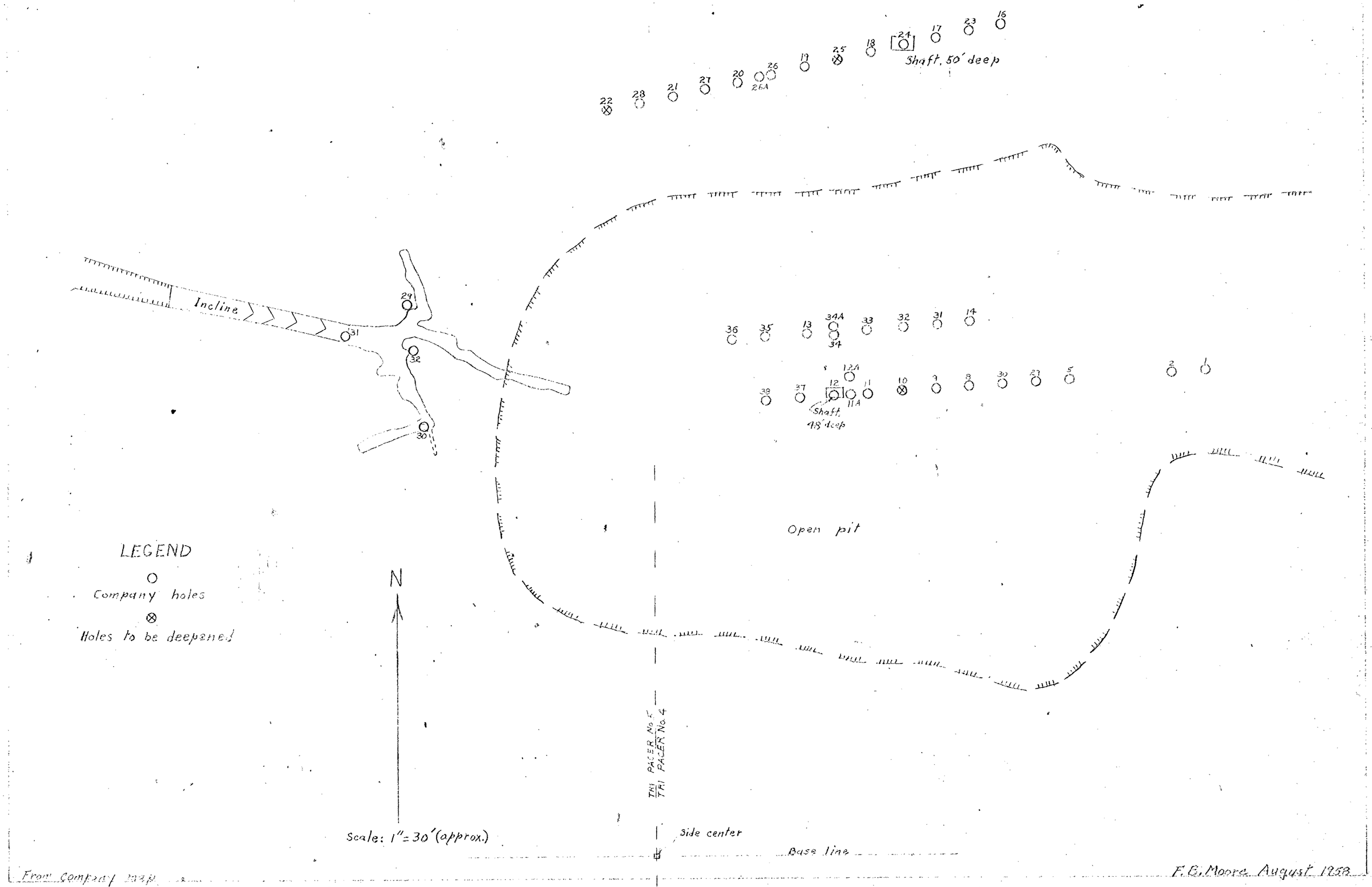
FIGURE 2.--MAP SHOWING PROPOSED DRILL HOLES, RYAN CONSOLIDATED CLAIMS (KANTER-LEVY), SECS. 19, 20, 21, 27, 28, 29, 30, T. 58 N., R. 94 W., BIG HORN COUNTY, WYOMING.

Scale: 1 inch = 600 feet.

DMEA 4849 CONTRACT Idm-E1173

FIGURE 1.- MAP SHOWING APPROXIMATE AREAS FOR GRAVIMETER TRAVERSES, CAVE LINE ET AL CLAIMS, BIG HORN COUNTY, WYOMING

DMEA 4849-CONTRACT IDm-E1173



From Company map

F.E. Moore August 1958

FIGURE 2.- PLAN SHOWING LOCATIONS OF COMPANY DRILL HOLES AND WORKINGS, AREA 2, CAVE LINE ET AL CLAIMS, BIG HORN COUNTY, WYOMING