E-1173

For royalty payment of $597.86, dated July 31, 1964, see transmittal letter file.

800

J. H. Kanter, 690 Northland Road, Forest Park, Cincinnati, Ohio 45240
Telephone 825-5300

July 28 1964

Mr. W. R. Griswold,
Chief, Division of Minerals,
U. S. Department of the Interior,
Office of Minerals Exploration,
Washington 25, D. C.

Dear Mr. Griswold

Reference is made to your letter of June 25, 1964, RE: DMEA [illegible] (Uranium) Kanter-Levy Company, Cave Line et al., Claims, Big Horn County, Wyoming, Contract Idm-E1173.

Please be advised that the Kanter-Levy Company discontinued all work on the above claims during 1959. Shortly thereafter the lease on the claims was released to the lessor, Ryan Consolidated Petroleum Company, Jerome L. Crossman et al.

We have received a letter from Seymour G. Hootkins, 3420 Republic National Bank Building, Dallas 1, Texas, dated July 2, 1964, stating that the lessor has forfeited the mining claims under Wyoming laws, due to nonperformance of work on them.

In view of the fact, as disclosed in the foregoing paragraph, that Kanter-Levy has had no connection with the subject mining claims since 1959, it is impossible to answer your questionnaire in exactly the terms of the questions. As a consequence, while we have given categorical yes and no

answers to your questions. It should be understood that these answers are subject to the qualification "to the best of our knowledge."

If we can be of any further service to you, please let us know.

Very truly yours,

THE KANTER CORPORATION

J. H. Kanter
President

[Re: 65 questions 1 and 2 answered "No" since Jan. 1965]

K r

Encl

JUL 7 1964

Mr. J. H. Kanter
President
The Kanter Corporation
Forest Park, 690 Northland Road
Cincinnati, Ohio 45240

Re: DMRA-4849 (Uranium)
Kanter-Levy Company
Cave Line, et al., Claims
Big Horn County, Wyoming
Contract Ida-R1173

Dear Mr. Kanter:

This is with reference to your letter of June 29, 1964, to Mr. Seymour Hootkins, in which you state that you no longer have an interest in the subject claims.

In accordance with Article 8 and Amendments Nos. 1 and 2 of the above-referenced contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract from February 25, 1958, to February 25, 1969, or until the Government's contribution of $14,576.59 is fully repaid, whichever occurs first.

Article 3 (d) of Amendment No. 2 to the contract provides that the Operator (Kanter-Levy Company, a partnership composed of Joseph H. Kanter and Leon Levy), 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. In view of this commitment, we will continue to hold the Kanter-Levy Company as surety for any royalty due the Government under the terms of the contract, as amended.

Sincerely yours,

George Fumich, Jr.

Acting Director

FMMurphy/gla (7-7--64)
cc to: Director's Reading File
Docket
Region III w/1 cy each: J.H.Kanter letr. 6/29/64 to Seymour Hootkins;
Seymour G. Hootkins' letr. 7/2/64 to Joseph H. Kanter

CA&A Division
120M

REPORT OF
ROYALTY REVIEW

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, Forest Park
Cincinnati 40, 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 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, Platt 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.

[illegible]

Titan Mining Company is a partnership in which Stanley E. Preator, Eyre Preator, Arlan Preator, and Lazell 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.

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY
O. M. E
RECEIVED JUL 8 '63
DATE
CODE
800

July 2, 1963

Hunter-Levy Company
c/o J. H. Hunter
787 West Hanger Road, Forest Park
Cincinnati 40, Ohio

Re: DMRA-4849 (Uranium)
Contract Ida-E1173
Hunter-Levy Company
(Cave Line, et al., Claims)
Big Horn County, Wyoming

Gentlemen:

Enclosed is a copy of the Report of Royalty Review on the subject contract dated June 18, 1963, covering the period April 7, 1960, through February 6, 1963, which shows that the royalty account is in balance as of the date of the Report of Royalty Review.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosure

cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E1173
Chron
HMC/lm

RECEIVED

Building 20 - Federal Center
Denver 25, Colorado

July 2, 1963

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMFA-4849 (Uranium)
Contract Idm-E1173
Hunter-Levy Company
(Cave Line, et al., Claims)
Big Horn County, Wyoming

Attached is the original Report of Royalty Review dated June 18, 1963, on the subject property covering the period April 7, 1960, through February 6, 1963.

Original signed by

Hugh M. Connors

Attachments

cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm-E1173
Chron
HMC/lm

JUN 19 19

Memorandum

To: Acting Field Officer, Region III

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

Subject: DMEA-4849 (Uranium)
Kanter-Levy Company
Cave Line, et al., Claims
Big Horn County, Wyoming
Contract Idm-E1173

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

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, U. S. Department of the Interior, Washington 25, D. C.;
(b) One copy for the Operator; and
(c) One copy for your files.

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

Enclosures

CEFisher/ama 6-18-63

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

Mr Packer

Thanks – corrections made and Feb reports will reflect changes

B–

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

February 19, 1963

Memorandum

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

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

Subject: DMEA-4849 (Uranium)
Kanter-Levy Company
Cave Line et al., Claims
Big Horn County, Wyoming
Contract Idm-E1173
and
DMEA-4709 (Uranium)
Little Mo Mining, Inc.
Mint et al., Claims
Fremont County, Wyoming
Contract Idm-E1136

The following OME Region III royalty receipts under symbol 14X4401 were erroneously reported for and credited to the DMEA account for contract Idm-E1173, Kanter-Levy Company:

| Abstract of Remittances No. | Date | Amount |
|---|---|---|
| '62-11-6 | 11-27-62 | $5,964.96 |
| " | " | 94.99 |
| '62-12-1 | 12-4-62 | 78.41 |
| '62-12-4 | 12-14-62 | 80.14 |
| '62-12-6 | 12-27-62 | 118.35 |
| '63-1-1 | 1-4-63 | 188.62 |
| '63-1-5 63-1-3 | 1-15-63 | 106.06 |
| '63-1-7 | 1-31-63 | 232.51 |
| '63-2-1 | 2-6-63 | 231.05 |
| '63-2-2 | 2-11-63 | 177.74 |
| | Total | $7,272.83 |

These royalty receipts properly should have been reported for contract Idm-E1136, Little Mo Mining, Inc. Accordingly, you are requested to make an appropriate adjustment in your accounts for the two contracts.

February 19, 1963

Memorandum

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

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

Subject: DMEA-4849 (Uranium)
Kanter-Levy Company
Cave Line et al., Claims
Big Horn County, Wyoming
Contract Idw-E1173
and
DMEA-4709 (Uranium)
Little Mo Mining, Inc.
Mint et al., Claims
Fremont County, Wyoming
Contract Idw-E1136

The following GME Region III royalty receipts under symbol 14X4401 were erroneously reported for and credited to the DMEA account for contract Idw-E1173, Kanter-Levy Company:

| Abstract of Remittances No. | Date | Amount |
|---|---|---|
| 62-11-6 | 11-27-62 | $5,964.96 |
| " | " | 94.99 |
| 62-12-1 | 12-4-62 | 78.41 |
| 62-12-4 | 12-14-62 | 80.14 |
| 62-12-6 | 12-27-62 | 118.35 |
| 63-1-1 | 1-4-63 | 188.62 |
| 63-1-5 | 1-15-63 | 106.06 |
| 63-1-7 | 1-31-63 | 232.51 |
| 63-2-1 | 2-6-63 | 231.05 |
| 63-2-2 | 2-11-63 | 177.74 |
| | Total | $7,272.83 |

These royalty receipts properly should have been reported for contract Idm-E1136, Little Mo Mining, Inc. Accordingly, you are requested to make an appropriate adjustment in your accounts for the two contracts.

EDTalbert/ama 2-19-63

cc:
Docket
Director's Reading File
CA & A Division - Idm-E1173
Region III (2)

Building 20 - Federal Center
Denver 25, Colorado

February 14, 1963

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: DMEA-4709 (Uranium)
Contract Idm-K1136
Little No Mining Inc.
(Mint, et al., Claims)
Fremont County, Wyoming

DMEA-4849 (Uranium)
Contract Idm-K1173
Kanter-Levy Company
(Cave Line, etal., Claims)
Big Horn County, Wyoming

ENTER COPY
O. M. E
RECEIVED FEB 18 1963
DATE
800

I made a huge error in crediting royalty payments to the subject contracts royalty accounts.

Attached is a photo copy of the royalty payments which were credited to K1173 which should have been properly credited to K1136. Our records have been corrected as shown. Will you please correct your records and advise the Fiscal Section to make the necessary corrections.

The royalty account on K1136 now shows that $9,300.65 has been paid leaving only $2,109.26 to repay the Government participation in full.

I talked to Mr. Kahler, Auditor at Susquehanna-Western, Inc., who informs me that his records check with mine.

Original signed by

Hugh M. Connors

Attachment

E 1136

| Date | Lot No. | Dry Tons | Gross Value | Net Value | Value Per Ton | % Roy | Royalty Due | Royalty Paid | Remarks |
|---|---|---|---|---|---|---|---|---|---|
| [illegible] | 1215 | 10,516.933 | 119,301.06 | | | 5 | 5,964.96 | 5,964.96 | |
| ~~11-13-62~~ | ~~1217~~ | ~~281.041~~ | ~~1,899.85~~ | | | ✓ | ~~94.99~~ | ~~94.99~~ | |
| 11-17-62 | 1221 | 200.030 | 1568.22 | | | ✓ | 78.41 | 78.41 | |
| 11-30-62 | 1225 | 278.247 | 1602.70 | | | ✓ | 80.14 | 80.14 | |
| 12-5-62 | 1230 | 262.998 | 2366.98 | | | ✓ | 118.35 | 118.35 | |
| 12-10-62 | 1235 | 276.427 | 1592.21 | | | ✓ | 79.61 | 79.61 | |
| 12-20-62 | 1236 | 278.080 | 2180.14 | | | ✓ | 109.01 | 109.01 | |
| 12-31-62 | 1245 | 270.559 | 2121.20 | | | ✓ | 106.06 | 106.06 | |
| 1-22-63 | 1249 | 274.349 | 4650.25 | | | ✓ | 232.51 | 232.51 | |
| 1-28-63 | 1251 | 288.806 | 4620.93 | | | ✓ | 231.05 | 231.05 | |
| 2-4-63 | 1257 | 198.591 | 3554.78 | | | ✓ | 177.74 | 177.74 | |

Little Mo.

E 1136

E-1173

For royalty payment of $178.14, dated February 6, 1963, see transmittal letter file.

Mr. Stanley E. Preator
Secretary
Titan Mining Company
P. O. Box 35
Burlington, Wyoming

DEC 5 1962

Re: DMEA-4049 (Uranium)
Kenter-Levy Company
Cave Line, et al., Claims
Big Horn County, Wyoming
Contract Ida-81173

Dear Mr. Preator

In response to your letter of November 28, 1962, enclosed are copies of the following material:

1. Thermofax copy of the subject contract. (19 pages plus map showing location of claims and location of proposed drill holes)

2. Thermofax copy of Amendment No. 1 to the contract. (7 pages and two maps. Figure 1 and 2 referred to in the amendment)

3. Thermofax copy of Amendment No. 2 to the contract. (3 pages)

4. Thermofax copy of Final Narrative Report, dated April 1, 1960, submitted by the Operator. (36 pages plus a negative (6 sheets) and one assembled copy of the map referred to in the second paragraph of page 4)

In the event you wish advice or clarification on matters relating to the above material, it is suggested that you contact Mr. H. M. Summers, Acting Field Officer, GSE, Region III, Bldg. 26, Denver Federal Center, Denver 25, Colorado.

Sincerely yours,

George Fumich, Jr.

Director

Enclosures

cc: Director's Reading File
Region III (X) w/1 copies of incoming letter
CAAA Division
Docket
Code 300

FMMarphy/mm
12-3-62

E-1173

For royalty payment of $263.02, dated November 27, 1962, see transmittal letter file.

800

NOV 21 1962
O.M.E.

Building 20 - Federal Center
Denver 25, Colorado

November 19, 1962

Mr. K. D. Ass, Jr.
Office Manager
Susquehanna - Western, Inc.
Riverton, Wyoming

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

Dear Mr. Ass:

This has further reference to your letter dated November 5, 1962 wherein you stated that "5% of Gross Settlement on lots 2937-S and 2995-S were mailed to DMEA."

I have checked with the Washington office OME and they advise that they have not received any royalty from the captioned property and this office has never received any royalty from this project.

Will you please check your records to ascertain where the checks were sent and advise this office.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
~~w/two copies of Mr. Ass~~
Idm-E1173 Royalty Corres.
Chron

NOV 16 1962

Memorandum

To: Acting Field Officer, Region XXI

From: Chief, Division of Field Operations

Subject: DMEA-4849 (Uranium)
Kantor-Levy Company
Cave Line, et al., Claims
Big Horn County, Wyoming
Contract Idm-X1173

Your November 13 memorandum requests advice as to whether the Washington office has received royalty on settlements for lots 2937-S and 2985-S purchased by Susquehanna-Western, Inc., from Titan Mining Company.

The records of this office disclose no payments whatsoever applicable to the subject contract.

George C. Selfridge

EDTalbert/ama 11-16-62

cc:
Docket
Director's Reading File
CA & A Division
Review Committee

800

Building 20 - Federal Center
Denver 25, Colorado

November 13, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, GME
Washington 25, D. C.

From: Acting Field Officer, GME, Region III

Subject: DMEA-4849 (Uranium)
Contract Idm-E1173
Hunter-Levy Company
(Cave Line et al. claims)
Big Horn County, Wyoming

Enclosed are the original and one copy of a letter from E. D. Axe, Jr., Office Manager of Susquehanna-Western, Inc.

In his letter he states that 5% of the gross settlement on Lots 2937-S and 2985-S were mailed to DMEA. The check or checks were not received by this office and I am wondering if they were mailed to the Washington Office and we were not notified as has happened in the past.

Will you please advise.

Original signed by

Hugh M. Connors

Attachments

TMP

# SUSQUEHANNA - WESTERN, INC.

RIVERTON, WYOMING • ULSTER 6-9217

November 5, 1962

E 1173

Hugh M. Connors
U. S. Dept. of Interior
Acting Field Officer, OME
Region III
Building 20 - Federal Center
Denver 25, Colorado

OME
DEPARTMENT OF THE INTERIOR
NOV 6 1962
REGION III
DENVER, COLORADO

Re: Cove Line et al claims

Dear Mr. Connors:

Listed below are the lots we have purchased and settled for from Titan Mining Co.:

| | | | |
|---|---|---|---|
| Lot 2882-S | 50.950 wet tons | Tri-Pacer #5 Claim | Settled 6/29/62 |
| Lot 2937-S | 50.905 wet tons | Tri-Pacer #5 Claim | Settled 7/30/62 |
| Lot 2985-S | 54.280 wet tons | Tri-Pacer #5 Claim | Settled 7/5/62 |

5% of Gross Settlement on lots 2937-S and 2985-S were mailed to DMEA.

We have 54.040 tons that will be settled this month and will send 5% of this gross to the DMEA office.

We are uncertain as to any future shipments at this time, but will advise if we receive any more ore from them.

Very truly yours,

SUSQUEHANNA-WESTERN, INC.

E. D. Axe, Jr.

E. D. Axe, Jr.
Office Manager

eda:cs

Building 20 - Federal Center
Denver 25, Colorado

October 31, 1962

EXTRA COPY
O. M. E
RECEIVED NOV 2 1962
8:00

E. B. Ann, Jr.
Office Manager
Susquehanna - Western, Inc.
Riverton, Wyoming

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

Dear Mr. Ann:

We were advised in July 1962 that ore from the captioned property was being stockpiled at your mill. My letter of July 6, 1962 advised you that royalty is due the Government on the sale of all ore from this property by virtue of the captioned contract.

Will you please advise if you have purchased any ore from Cave Line et al. Claims to date.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Chief, Division of Field Operations, OME
Royalty Corres. E1173
Chron
HMC/lm

Building 20 - Federal Center
Denver 25, Colorado

October 30, 1962

EXTRA COPY
O. M. E.
RECEIVED NOV 2 1962
TRANS. INITIALS
800

C. L. VanAlstine, Sr.
Chief, Casper Section
U. S. Atomic Energy Commission
P. O. Box 1891
Casper, Wyoming

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

Dear Mr. VanAlstine:

Thank you for your letter of October 26, 1962 regarding the captioned contract.

Subject to the provisions of Amendment No. 2 dated March 13, 1959, signed by Joseph H. Hunter and Leon Levy, Item 3 (a) (ii), Contract IDm-X1173 was automatically terminated effective October 31, 1959. Amendment No. 2 also provided the Royalty Agreement in Item 3 (d) which is as follows:

> "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."

I am amazed at the Preator Brothers statement to you that they were unable to get their required information from OME. A letter from George Rumich, Jr., Director of OME, to Mr. Stanley E. Preator dated August 30, 1962 stated in part as follows:

"Our engineers have reviewed the docket and estimate that the minimum amount of material you would require is as follows:

1. Copy of the contract and amendments (26 pages).

2. Copy of the Operator's final report (36 pages).

3. Map figure 2 referred to in contract.

4. Map submitted with Operator's final report, showing drill hole locations and anomalies.

"We will furnish you one copy of the above material upon receipt of your check for $10.00 made payable to the Office of Minerals Exploration."

We appreciate, very much, the assistance your office has given us in the past and we are always glad to clarify any misunderstandings.

Sincerely yours,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

cc Chief, Division of Field Operations, OME
w/copy of Mr. VanAlstine's letter 10/26/62

UNITED STATES
ATOMIC ENERGY COMMISSION
GRAND JUNCTION OPERATIONS OFFICE
CASPER BRANCH
CASPER, WYOMING

ADDRESS REPLY TO:
P. O. BOX 1001
CASPER, WYOMING

October 26, 1962

IN REPLY REFER TO:
RGA:CLV

OME

U. S. Department of Interior
Office of Minerals Exploration
Building 20, Federal Center
Denver 25, Colorado

ATTENTION: Mr. Hugh H. Connors

RE: MMEA 484A (Uranium), Contract Idn-M173, Kanter-Levy Company (Cave Lime, et al claims), Big Horn County, Wyoming

Gentlemen:

The above-captioned property is now under the control of the Titan Mining Company (Proctor Brothers). They have been unable to get the D.M.E.A. report on the captioned drilling project from Kanter-Levy, and say they have tried to get a copy of the report from O.M.E. without any results. They are upset about paying royalty and not being able to read the report on the work being paid for. Is it possible for you to give them another copy of the report?

In reading our copy of the "Joint Final Engineering and Geologic Report" (which is for Official Use Only), we note on page 2, paragraph 2, the writer does not recommend certification of discovery. In a case where there is no discovery is there still a liability to pay royalty?

Very truly yours,

C. L. Van Alstine, Sr.

C. L. VanAlstine, Sr.
Chief, Casper Section

Code 800

Mr. Stanley E. Preator
Secretary
Titan Mining Company
Box 25
Burlington, Wyoming

JUL 30 1962

Re: IMEA-4849 (Uranium)
Kanter-Levy Company
Cave Line, et al., Claims
Big Horn County, Wyoming
Contract Ion-E1173

Dear Mr. Preator:

Your letter of July 19, 1962, with attachments, has been forwarded to this office by the Acting Field Officer, OME, Region III, for review and reply.

The information in our exploration dockets is considered confidential and for Government use only and, therefore, is not made available to the public. However, if you furnish us a written authorization from the Kanter-Levy Company, a partnership, we shall release to you the data the company submitted relating to its work under the subject contract. The last addresses we have of the members of the partnership are:

Joseph N. Kanter, 928 North Bend Road, Cincinnati, Ohio

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

Under the subject contract royalty is due the Government on all production from the property from February 25, 1958, to February 25, 1969, or until the sum of $14,576.59 contributed by the Government has been repaid, whichever occurs first.

The pertinent contract provisions relating to royalty are as follows:

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

JUL 3 0 1982

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.

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 thereof 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.

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.)

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.

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 Director, Office of Minerals Exploration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

Checks in payment of royalty should be made payable to the Office of Minerals Exploration and remitted, together with two copies of each settlement sheet, to the Acting Field Officer, OME, Region III, Building 20, Federal Center, Denver 25, Colorado.

With reference to the Government's royalty rights, enclosed are copies of two Lien and Subordination Agreements that grant to the Government a lien on the property and production therefrom to secure payment of the royalty, one of which was signed by the individuals comprising your company and the other by their wives.

Sincerely yours,

George Fumich, Jr.

Director

Enclosures

FMMurphy/gla
7-30-62
cc to: Director's Reading File
Contract Division
Region III (2)
Docket
Code 500

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY
O. M. E
RECEIVED JUL 25 1962

| DATE | INITIALS | |
|---|---|---|
| | | 800 |

July 23, 1962

Stanley E. Preator
Secretary
Titan Mining Company
Box 25
Burlington, Wyoming

Re: DMEA-4849 (Uranium)
Contract Idm-E1173
Eastor-Levy Company
(Cave Line, et al., Claims)
Big Horn County, Wyoming

Dear Mr. Preator:

Thank you for your letter dated July 19, 1962 and the legal documents which were attached.

I am forwarding all of this information to the Washington Office OME and they will reply to your letter.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Idm-E1173
Chron

[illegible]
[illegible], Wyoming
[illegible] 1962

[illegible]
[illegible]
[illegible]
U. S. [illegible]
Denver, [illegible]

[illegible] (Uranium)
[illegible] Lim-E1173
[illegible]-Levy Company
[illegible] Lime, et al., Claims)
[illegible] County, Wyoming

Gentlemen:

In [illegible] of the [illegible] are [illegible] resulting our [illegible] reference to, which [illegible] from the [illegible]. As we are [illegible], I am sending you [illegible] enclosing [illegible].

[illegible] to the [illegible] we are [illegible] we feel that we [illegible] through the [illegible] such loan.

We would appreciate this information, [illegible] a copy of said contract very much. If these are not the documents your office requires, would you please state more specifically which documents you refer to, in contact AEC Headquarters, Grand Junction, Colorado.

Sincerely yours,

TITAN MINING COMPANY

Stanley E. Preator
Secretary

Enclosures

CERTIFIED COPY

IN THE DISTRICT COURT OF BIG HORN COUNTY, WYOMING
FIFTH JUDICIAL DISTRICT

VAUGHN A. HODGSON, STANLEY E. PERATOR, ARLAN PERATOR, LANELL PERATOR, KYRK PERATOR, MORRIS E. AVERY,

Plaintiffs,

vs.

JEROME K. GROSSMAN, SEYMOUR SOUTKINE, S. A. WIRSHEY, LEON LEVY, JOSEPH H. KAUFER, MEAN CONSOLIDATED VENTURES CO., KAUFER-LEVY COMPANY, A PARTNERSHIP, HELEN LOUE MURRAY, GERALDY C. FRANK, PAUL H. KYTRE, MEAN CONSOLIDATED PETROLEUM CORPORATION, E. H. MURRAY, Trustee, JEROME K. GROSSMAN, Trustee, H. H. MALLOY, WILLIAM MARSHALL, J. LAURENCE GODBAUT, JR., WALTER SIEGLER, FALLON GAS CORPORATION, a Colorado corporation, VINCENT L. MORLEY,

Defendants.

Civil No. [illegible]

J U D G M E N T

THE STATE OF WYOMING, County of Big Horn, ss.

I, [illegible] Clerk of the District Court of the Fifth Judicial District, within and for said County and State, do hereby certify the foregoing to be a full, true and complete copy of [illegible]

[illegible]

THIS MATTER CAME ON REGULARLY TO BE [illegible] Court this day, the Plaintiffs appearing by counsel, the appearances having been made by the Defendants or any of them and their Default for such failure having been heretofore and is hereby duly entered. Evidence was introduced and the Court being fully advised in the premises FINDS generally for the Plaintiffs and against the Defendants and each of them, that Plaintiffs are the Owners of the mining claims described in Plaintiffs' Complaint and in Exhibit A attached hereto, free and clear of any and all claims of the Defendants, and each of them, and Plaintiffs are entitled to a Decree quieting their title as against said Defendants.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that: Plaintiffs are the Owners of the mining claims, situated in Big Horn County, Wyoming, as described in Exhibit A attached hereto, free and clear of any and all liens, claims, demands of the Defendants, and each and every one of them, and Plaintiffs' title to said mining claims, be and the same is hereby quieted in them

on against said Defendants.

DATED this _____ day of April, 1968.

[redacted]

Building 20 - Federal Center
Denver 25, Colorado

July 16, 1962

O. M. E
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Titan Mining Company
Burlington, Wyoming

Re: DMEA-4849 (Uranium)
Contract Idm-E1173
Kantor-Levy Company
(Cave Line, et al., Claims)
Big Horn County, Wyoming

Gentlemen:

We understand that Susquehanna-Western, Inc. is about to complete a contract with the Titan Mining Company for the processing of ores from the Cave Line, et al., Claims in Big Horn County, Wyoming.

Please be advised that the Cave Line, et al., Claims, 120 contiguous unpatented lode mining claims, are subordinated to the Government by the captioned contract. The subordinated claims are located in Secs. 19, 20, 21, 28, 29, 30, 32, and 33, T. 58 N., R. 94 W., 6th P.M.

The usual DMEA royalty will apply until the sum of $14,576.59 is repaid or a period of 11 years from the date of the contract, whichever occurs first.

Please forward this office a copy of the document which gives you the right to mine and remove ore from the captioned property.

Yours very truly,

Original signed by

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
w/copy of E.D.Axe, Letter 7/12/62
Idm-E1173
Chron

SUSQUEHANNA - WESTERN, INC.
RIVERTON, WYOMING • ULSTER 6-9217

July 12, 1962

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OME
DEPARTMENT OF THE INTERIOR
JUL 13 1962
REGION III
DENVER, COLORADO

Mr. Hugh M. Connors
Acting Field Officer, OME
Region III
United States Department of Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Dear Mr. Connors:

Below is the address of the Titan Mining Company which you requested:

Titan Mining Company
Burlington, Wyoming

Very truly yours,

SUSQUEHANNA-WESTERN, INC.

E. D. Axe, Jr.
Office Manager

eda:pag

800

Building 20 - Federal Center
Denver 25, Colorado

July 6, 1962

E. D. Axe, Jr.
Office Manager
Susquehanna-Western, Inc.
Riverton, Wyoming

Re: DMEA-4849 (Uranium)
Contract Idm-E1173
Kunter-Levy Company
(Cave Line, et al., Claims)
Big Horn County, Wyoming

Dear Mr. Axe:

We understand that Susquehanna-Western, Inc. is about to complete a contract with the Titan Mining Company for the processing of ores from the Cave Line, et al., Claims in Big Horn County, Wyoming.

Please be advised that the Cave Line, et al., Claims, 120 contiguous unpatented lode mining claims, are subordinated to the Government by the captioned contract. The subordinated claims are located in secs. 19, 20, 21, 28, 29, 30, 32, and 33, T. 58 N., R. 94 W., 6th P.M.

The usual DMEA royalty will apply until the sum of $14,576.59 is repaid or a period of 11 years from the date of the contract, whichever occurs first.

I will greatly appreciate receiving the address of the Titan Mining Company so I can advise them of their responsibility concerning royalty on production from the captioned property.

Yours very truly,

Original signed

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
w/copy of VanAlstine's letter 7/5/62
Idm-E1173
Chron

UNITED STATES
ATOMIC ENERGY COMMISSION
GRAND JUNCTION OPERATIONS OFFICE
CASPER BRANCH
CASPER, WYOMING

OME
...NT OF THE INTERIOR

HMC

REGION III
DENVER, COLORADO

ADDRESS REPLY TO:
P.O. BOX 1891
CASPER, WYOMING

IN REPLY REFER TO:

PCA:CLV

July 5, 1962

U. S. Department of Interior
Office of Minerals Exploration
Building 20, Federal Center
Denver 25, Colorado

Attention: Mr. Hugh M. Connors

Re: Your letter of July 3, 1962, DMEA-4849 (Uranium)
Contract Idn.-E1173; Kanter-Levy Company
(Cave Line et al. claims) Big Horn Co., Wyoming

Dear Mr. Connors:

This property has had no production for several years until the past month. There is still no production of record, but we understand that ore has been shipped to the Susquehanna-Western, Inc., mill in Riverton, Wyoming, and is stockpiled there awaiting completion of a contract between the shipper and Susquehanna-Western. The producer is Titan Mining Company, whose address may be obtained from Susquehanna-Western, Inc., Riverton, Wyoming.

The Titan Mining Company has asked for a contract and apparently intend to have a fair-sized operation. The property does have a production allocation through 1966.

Very truly yours,

C. L. Van Alstine, Sr.

C. L. VanAlstine, Sr.
Acting Chief, Casper Branch

Building 20 - Federal Center
Denver 25, Colorado

July 3, 1962

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Miller Reyner, Chief
Atomic Energy Commission
Casper, Wyoming

Re: DMRA-4849 (Uranium)
Contract Idm-E1173
Hunter-Levy Company
(Cave Line, et al., Claims)
Big Horn County, Wyoming

Dear Mr. Reyner:

The captioned property is subordinated to the Government for royalty on all production of ore. The 120 contiguous unpatented lode mining claims subordinated to the Government by this contract are located in secs. 19, 20, 21, 28, 29, 30, 32, and 33, T. 58 N., R. 94 W., 6th P.M.

Will you please advise if there has been any production from this property since April 6, 1960. Also, any information you may have concerning the present status of this property will be appreciated.

Yours very truly,

Original signed

Hugh M. Connors
Acting Field Officer, OME
Region III

HMC/lm
cc Chief, Division of Field Operations, OME
Idm-E1173
Chron

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 Geve 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. U. Talbert, OME Auditor

June 26, 1962

Idm-E1173 Kanter-Levy Company DMEA-4849

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 8, 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 65 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.

Building 20 - Federal Center
Denver 25, Colorado

EXTRA COPY
O. M. E
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July 3, 1962

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: DMEA-4849 (Uranium)
Contract Idm-E1173
Hunter-Levy Company
(Cave Lime, et al., Claims)
Big Horn County, Wyoming

Attached is the original Report of Royalty Review on the subject property dated June 26, 1962 covering the period February 25, 1958, through April 6, 1960.

Original signed by

Hugh M. Connors

Attachments
HMC/lm
cc Chief, Division of Field Operations, OME
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. Idm-E1173
Chron

JUN 28 1962

Memorandum

To: Acting Field Officer, Region III

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

Subject: RMSA-4849 (Uranium)
Kanter-Levy Company
Cave Line, et al., Claims
Big Horn County, Wyoming
Contract Idm-E1173

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

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.; and

(b) One copy for your files.

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

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

Enclosures

EDTalbert/ama 6-28-62

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

(Signed) E. D. Tabor

REPORT
OF REVIEW

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Kanter-Lawy 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 |

E. D. Talbert, OME Auditor

April 11, 1960

[illegible]

**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 Idm-E1175 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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O. M. E.
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Building 20 - Federal Center
Denver 25, Colorado

April 13, 1960

AIR MAIL

Memorandum

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

From: Acting Field Officer, OME, Region III

Subject: Docket No. DMEA 4649 (Uranium)
Contract No. Idm-81173
Kanter-Levy Company
(Cave Lime et al. claims)
Big Horn County, Wyoming

Enclosed is the original of the Report of Review by the Contract Administration and Audit Division, OME, covering a review of exploration costs reported under the subject contract.

The findings of the Report of Review have my concurrence; therefore, it is recommended that the operator be reimbursed for the balance due of $504.49.

Original signed by

Hugh M. Commore

Enclosure

JWE/bjo

cc: Acting Director, OME (2)
MF-104 file, Region III
Suspense
CAAD, OME
Chron.

EXTRA COPY
O. M. E
RECEIVED APR 21 1960
DATE | INITIALS | CODE
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Building 20 - Federal Center
Denver 25, Colorado

April 18, 1960

Kanter-Levy Company
c/o Oppenheimer and Co.
25 Broadway Street
New York 4, New York

Re: Docket No. DMRA 4349 (Uranium)
Contract No. IAm-8117)
Kanter-Levy Company
(Cave Line et al. claims)
Big Horn County, Wyoming

Gentlemen:

Enclosed for your records is a copy of Report of Review by the Contract Administration and Audit Division, OME, pertaining to costs reported under the referenced contract.

Final payment to you will be processed in conformance with the findings of the Report of Review.

Very truly yours,

Hugh M. Connors

Hugh M. Connors
Acting Field Officer, OME
Region III

Enclosure

cc: Richard K. Liscoe
Teton Exploration Company, Inc.
254 North Center
Casper, Wyoming
JMT/bjo

cc: Contract Administration and
Audit Division, OME
Corres.
Sampsons
Chron.
MF-104 File) w/cy of Report
of Review

APR 13 1960

Memorandum

To: Executive Officer, OME Field Team, Region III

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

Subject: Docket No. DMSA-4849 (Uranium)
Kanter-Levy Company
Cave Line et al. Claims
Big Horn County, Wyoming
Contract No. Idm-X1173

As requested in your April 6 memorandum a Report of Review, in lieu of a final audit of the subject contract, has been prepared. The original and two copies are attached.

If you concur with the facts as stated in this report, please make the distribution prescribed by section 4 of OME Circular 2, dated February 17, 1960. If for any reason you do not concur, please return the original and both copies to this Division with your comments.

Attachments

EDTalbert/ama
April 11, 1960

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Rothrock, Room 7354, Interior

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

OFFICIAL FILE COPY
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RECEIVED APR 11 1960

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| | | |
| | | |

April 6, 1960

Memorandum

To: Contract Administration and Audit Division, ~~OME~~

From: 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

The subject contract expired October 31, 1959 under the provisions of Amendment Number 2 dated March 13, 1959.

A number of units of work completed by the Operator and accepted by the Field Team as conforming to contract specifications were:

| | | |
|---|---|---|
| Stage I - | Gravity Survey | 974 stations |
| | Diamond drilling | 5058 feet |
| | Setup for deepening holes | 1 |
| | Deepening drilling | 107 feet |
| | Chemical analyses | 4 samples |
| | Incidental allowance | 5165 feet |
| Stage II | No work performed. | |

An acceptable final engineering and geologic report was received from the Operator on April 6, 1960.

Records in this office indicate that a total of $14,072.10 has been paid to the Operator. The sum of $500.00 was withheld from reimbursement to the Operator pending resolution of matters prerequisite to closing the account in processing the Operator's final accounting report which was for the period May-June 1959.

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

J. W. Townsend

JWT/bjo

cc: Chmn. Op. Comm. (1)
Hasler
Corres.
Suspense
Chron

Building 20 - Federal Center
Denver 25, Colorado

800

March 29, 1960

Mr. Richard K. Liscoe
Triton Exploration Drilling Co., Inc.
234 North Center
Casper, Wyoming

Re: Docket No. DMEA-4849 (Uranium)
Contract No. Lim-21173
Kanter-Levy Company
(Cave Lime et al claims)
Big Horn County, Wyoming

Dear Mr. Liscoe:

In reference to my letter of March 15, 1960 and your reply of March 28, 1960, you are granted an extension of the deadline for rendering of the final report to on or before April 15, 1960.

The date of April 15, 1960, as requested in your letter, is considered a firm commitment and no further extensions will be granted.

Very truly yours,

Original signed by

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

cc: Kanter-Levy Company
c/o Oppenheimer & Co.
25 Broad Street
New York 4, New York

JWT/bjo

cc: Chmn. Op. Comm. (2)
Hasler ) w/cpy of Liscoe's
Cerres. ) letter of March 28
Suspense
Chron

# TETON EXPLORATION DRILLING CO., INC.

R. K. "DICK" LISCO
PH. 23 4-8598

254 N. CENTER, CASPER, WYO.
PH. 23 7640

D. L. "HANK" HANKINS
PH. 23 4-0490

March 28, 1960

Mr. J. W. Townsend
Executive Officer, OME
Field Team, Region III
Building 20, Federal Center
Denver 25, 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:

As per our conversation of a few minutes ago we are requesting that your deadline prior to closing the above referred to DMEA Contract be extended until April 15, 1960.

This is a firm committal on my part to present the final report that will enable you to close out this Docket prior to that date.

Yours very truly,

TETON EXPLORATION DRILLING CO., INC.

Richard K. Lisco

Richard K. Lisco

RKL:jb

cc: Kanter-Levy Company
c/o Oppenheimer & Co.
25 Broad Street
New York 4, New York

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O. M. E.
RECEIVED MAR 31 1960

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OME
DEPARTMENT OF THE INTERIOR
MAR 29 1960
REGION III
DENVER, COLORADO

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Building 20 - Federal Center
Denver 25, Colorado

CERTIFIED MAIL March 15, 1960

Mr. Richard K. Lisco
Teton Exploration Drilling Co., Inc.
254 North Center Street
Casper, Wyoming

Re: Docket No. DMEA-4849 (Uranium)
Contract No. Km-X1173
Kanter-Levy Company (Cave Line etal claims)
Bighorn County, Wyoming

Dear Mr. Lisco:

In reference to your letter of January 4, 1960, we have not received the final report you were to prepare covering the work performed under contract No. Km-X1173; neither have we been favored with a reply to our letter of February 18, 1960 requesting advice as to the date on, or before which we can expect to receive the report.

Resolution of matters prerequisite to closing our work files on the project cannot be deferred indefinitely and, therefore, it appears that we have allowed adequate time within which to prepare the required report.

If the required final report is not in our hands by April 1, 1960, we will initiate action to close our work files and in doing so will make a permanent deduction of the $500. which was withheld from reimbursement to the operator in processing the final accounting report, Forms RF-104 and 104A dated June 15, 1959, which covers work performed during May 1959.

Very truly yours,

Original signed by

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

cc: Kanter-Levy Company
c/o Oppenheimer & Co.
25 Broad Street
New York 4, New York

by Certified Mail

JWT/ms
cc: Chmn. Op. Comm. (2)
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Building 20 - Federal Center
Denver 25, Colorado
February 18, 1960

Mr Richard K Lisco
Teton Exploration Drilling Company, Inc
254 North Center Street
Casper, Wyoming

Re: Docket No. DMEA 4849 (Uranium)
Contract No. Bm-E1173
Hunter Levy Company
(Cave Line etal claims)
Buckhorn County, Wyoming

Dear Mr Lisco:

Reference is made to your letter of January 4, 1960 regarding rendering of a final report on the work completed under the referenced contract.

Closing of our files in reference to the project work cannot be deferred indefinitely. Payment of the amount withheld in processing the final Accounting Report, which was for the month of May 1959, is contingent upon receipt of the required final report at an early date.

Please advise the date on, or before which we can expect to receive the final report.

Very truly yours,

Original signed by

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

JWT:ms

cc: Chem Op Comm (2)
Hasler Corres
Suspense
Chron

# TETON EXPLORATION DRILLING CO., INC.

254 North Center Street
CASPER OFFICE — PH. 3-4493
[redacted] — CASPER, WYO.
R. K. LISCO — PH. 2-8558

P. O. BOX 1102, RIVERTON, WYO.
V. L. GRANTHAM UL 6-3587
D. L. HANKINS UL 6-9458

OME
DEPARTMENT OF THE INTERIOR

JAN 6 1960
REGION III
DENVER, COLORADO

January 4, 1960

E-1173
DMEA 4849
Kautzer-Levy

Mr. J. W. Townsend
U. S. Department of the Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Dear Mr. Townsend:

In regard to your letter of December 21, 1959, pertaining to Docket No. DMEA 4849 I would expect to have the final report completed on or before February 15, 1960.

I apologize for the delay involved, however, we are in the midst of finishing final reports on a 150,000 foot drilling program in the Shirley Basin Area of Carbon County, Wyoming, and also are in the midst of retiring one of the general partner's outstanding stock. All of these various factors combine to make it impossible to prepare the above-mentioned report prior to February 15th.

Yours very truly,

TETON EXPLORATION DRILLING CO., INC.

Richard K. Lisco

Richard K. Lisco

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1/6/60 Copy sent to Chairman (2) Hailey Jasp.

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Building 20 - Federal Center
Denver 25, Colorado
December 10, 1959

Mr. Seymour G. Mootkins
3420 Republic National Bank Building
Dallas 1, Texas

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

Dear Mr. Mootkins

In reference to your letter of December 8, 1959, Contract Rm-K1173 is in process of being closed. Until the Operator has rendered its final accounting and final report of operations under the contract, and until costs reported by the Operator have been audited by the Contract Administration and Audit Division, OME, we cannot provide you the amount of Government contribution to the costs of the work which would be repayable as provided for in the contract.

Should you acquire the referenced property, you or your assignees would not be under any obligations to the U. S. Government other than as provided for in the contract regarding payment of royalty to the Government on production from the property.

Very truly yours,

Original signed by

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

JWT:ltm

cc: Chmn. Op. Comm. (2)w/cpy
Nasler) incoming ltr.
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Chron.

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Building 20 - Federal Center
Denver 25, Colorado
November 3, 1959

CERTIFIED MAIL

Joseph E. Hunter
Hunter-Levy Company
988 North Bend Road
Cincinnati 24, Ohio

Re: Docket No. DMRA 4849 (Uranium)
Contract No. IAm-X1173
Hunter-Levy Company
(Cave Lime et al claims)
Big Horn County, Wyoming

Dear Mr. Hunter:

Under the provisions of Amendment No. 2 dated March 13, 1959, Item 5(a)(ii) Contract IAm-X1173 was automatically terminated effective October 31, 1959; therefore, in accordance with Article 7 (c) of the contract, your final engineering and geologic report pertaining to work completed under the contract is now due.

In processing your final accounting report which was for the month of May 1959, the sum of $500 was withheld from reimbursement to you pending resumption of work or termination of the contract.

Final payment cannot be made to you until we have received the required final report from you, and until a Report of Review of reported project costs by the Contract Administration and Audit Division, OME, is released to this office. The final audit cannot be scheduled until your final report is received.

We are desirous of closing the account at an early date; therefore, we will appreciate your submitting five copies of the required final report without delay so that other procedures in conjunction with closing the account can be initiated.

Very truly yours,

Original signed by

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

cc: Richard E. Lisco
124 West 2nd
Casper, Wyoming

Mr. R. L. Christie
Hunter-Levy Company
Lovell, Wyoming

cc: Chem. Op. Comm. (2) Hasler
Corres Susp. Chron.

Sch 1614
Vou 4290

Building 20 - Federal Center
Denver 25, Colorado

Paid 504.49.
O.G.

April 18, 1960

AIR MAIL

Memorandum

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

From: Acting Field Officer, OME, 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 is the original of the Report of Review by the Contract Administration and Audit Division, OME, covering a review of explorations costs reported under the subject contract.

The findings of the Report of Review have my concurrence; therefore, it is recommended that the operator be reimbursed for the balance due of $504.49.

Original signed by

Hugh M. Connors

Enclosure

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

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

Budget Bureau No. 42-R1036.5

JUN 25 1959 O.M.E.

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

Month of May, 1959 Docket No. DMEA Contract No. 1 dm 1173
Operator's Name Kanter-Levy Company Minerals Uranium
Address 928 N. Bend Road, Cincinnati, Ohio
Contract Amount, $ 41,240.00 Government Participation: 75 % Amount, $ 30,930.00

| ITEMS OF COSTS | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| **Stage I** | | | | | | |
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | 6,180.16 | 11,826.32 | $18,006.48 | | | 13,403.90 |
| Set up on Co. Hole #22 | 15.00 | - | 15.00 | | | 15.00 |
| Deepening Co. Hole #22 | 380.92 | - | 380.92 | | | 230.55 |
| Gravimetric & Leveling Surv. | | 6,557.12 | 6,557.12 | | | 4421.96 |
| Incidental Allowances | 460.75 | 830.50 | 1,291.25 | | | 1,291.25 |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | 20.00 | 20.00 | | | 14.00 |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | $7,036.83 | $19,233.94 | $26,270.77 | 1359.70 | 14,069.76 | 19,429.46 |

OME
DEPARTMENT OF THE INTERIOR
JUN 16 1959
REGION III
DENVER, COLORADO

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

Date June 15, 1959 Payee Kanter-Levy Company

Per Richard K. Liso Title Agent

Richard K. Liso

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

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

(Instructions on reverse)

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

$ 4019.78

Signature (Authorized Certifying Officer)

Date 6/23/59 Vou. No. OME 59-112

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E1173 in accordance with the terms of the contract.

Signature [illegible] Title [illegible] Date 6/18/59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date JUN 19 1959

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

JUN 25 1959 O.M.E.

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1959 Docket No. DMEA 4849 Contract No. 1 da 2 1173

Operator's Name Kanter-Levy Company Minerals Uranium

Address 928 N. Bend Road, Cincinnati, Ohio

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT Units | AUTHORIZED BY CONTRACT Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Stage I | | | | | | | | |
| Gravimetric & Leveling Survey | sta. | - | - | 6,557.12 | 974 | $6.732 | 1,000 | $ 4.54 |
| Non core drilling | ft. | 6,180.16 | 1,736 | 18,006.48 | 5,058 | $3.56 | 6,120 | 2.65 |
| Standby time | hr. | - | - | - | - | - | 20 | 15.00 |
| Bulldozer time | hr. | - | - | - | - | - | 30 | 12.50 |
| Chemical Anal. | ea. | - | - | 20.00 | 4 | $5.00 | 40 | 3.50 |
| Incidental Allow. | ft. | 460.75 | 1,843 | 1,291.25 | 5,165 | $0.25 | 6,998 | 0.25 |
| Set up to deepen 10,22.25 hole | | 15.00 | 1 | 15.00 | 1 | $15.00 | 3 | 15.00 |
| Drilling 278' in 10,22.25 ft. | | 380.92 | 107 | 380.92 | 107 | $3.56 | 278 | 2.65 |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| TOTAL DISTRIBUTED COSTS | | $7,036.83 | | $26,270.77 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| TOTAL COSTS | | $7,036.83 | | $26,270.77 | | | | |

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

REMARKS:

Date June 15, 1959 Operator Kanter-Levy Company

Per Richard K. Liso Title Agent

Richard K. Liso

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

*Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.*—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

FINAL DISTRIBUTION

MADE JUN 23 1959

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

Date: June 23, 1959
Payee's Reference: May 1959

DMEA-4849

Center-Long Co. c/o
c/o Oppenheimer & Co.
[illegible] Street
New York 5, NY

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

| | | |
|---|---|---|
| Amount Claimed | $ | 7,035.03 |
| Difference | $ | 1,675.13 |
| Amount Approved | $ | 5,359.90 |

The reason for the difference was due to:

Reinstated the amount of $350.00, which was withheld from reimbursement to the Operator in processing the Marcy - April 1959 voucher.

Withheld AN AMOUNT OF $500.00 from reimbursement to the Operator Pending performance of additional project work. If additional work is not approved by the Government and performed by the Operator, continue to withhold the amount of $500.00 pending resolution of matters prerequisite to closing the account.

Suspension, Drilling

The maximum allowable average unit cost is $2.00 per foot of drilling. The reported cost is in excess of $2.65 per foot of drilling. The reported cost is in excess of $2.65 per foot; therefore, the excess cost is suspended as follows, subject to possible reinstatement at a later date to the extent that subsequent Stage I drilling costs may fall below the maximum allowable average unit cost.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

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O. M. E.
RECEIVED JUN 25 1959

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R-III-B & F Form No. 4
4-15-52 D

| | | |
|---|---|---|
| Reported: | 1543 feet drilling at $3.56/ft. | $6,561.00 |
| Allowed: | 1543 feet drilling at 2.65/ft. | 4,083.93 |
| Excess cost suspended | | $1,677.13 |

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O. M. E.
RECEIVED JUN 25 1959

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| | | |

224 New Customhouse
Denver 2, Colorado

June 19, 1959

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket DMEA 4849 (Uranium) Contract Idm-K1173, Hunter-Levy Co. (Cave Line, et al. claims) Big Horn County, Wyoming - Operator's Monthly Progress Report for the period May - June 1959

Enclosed are the original and four copies each of Form MP-104 and MP-104A, Operator's Narrative Report, and Engineer's Report for the above period.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government.

Reinstate the amount of $500.00, which was withheld from reimbursement to the Operator in processing the March - April 1959 voucher.

Withhold an amount of $500.00 from reimbursement to the Operator pending performance of additional project work. If additional work is not approved by the Government and performed by the Operator, continue to withhold the amount of $500.00 pending resolution of matters prerequisite to closing the account.

Suspension, Drilling

The maximum allowable average unit cost is $2.65 per foot of drilling. The reported cost is in excess of $2.65 per foot; therefore, the excess cost is to be suspended as follows, subject to possible reinstatement at a later date to the extent that subsequent Stage I drilling costs may fall below the maximum allowable average unit cost.

| | | |
|---|---|---|
| Reported: | 1843 feet drilling at $3.56/ft. ---------- | $6,561.08 |
| Allowed: | 1843 feet drilling at $2.65/ft. ---------- | 4,883.95 |
| Excess cost to be suspended | | $1,677.13 |

[illegible]

Reconciliation with amount reported by the Operator on Form MF-104 for the period May - June 1959

| | | |
|---|---|---|
| Amount reported on Form MF-104 for May-June 1959 ---------- | | $7,036.83 |
| Amount recommended for suspension ---------- | | 1,677.13 |
| Total acceptable cost for May-June 1959 | | $5,359.70 |
| Government participation at 75 percent ---------- | | $4,019.78 |
| Amount to be reinstated ---------- | $500.00 | |
| Amount to be withheld ---------- | 500.00 | |
| Net deduction or reinstatement ---------- | | 0.00 |
| Balance due Operator | | $4,019.78 |

REMARKS:

Date of Report ---------- June 15, 1959
Date Received in Field Office ---------- June 16, 1959
Date Received in Region Office ---------- June 19, 1959

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

EMC:jy

cc: Chm. Op. Comm. (2)
Marshall, GME,DEC
MF-104 File, Reg. III
Hartshman } w/copy of Engr's. report
Suspense }
Chron.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 25 1959

| DATE | INITIALS | CODE |
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OME
DEPARTMENT OF THE INTERIOR
JUN 19 1959
REGION III
DENVER, COLORADO

June 18, 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Milton H. Marshall

Subject: Docket DMRA 4849 (Uranium) Contract Idm-E1173, Kerber-Levy Company (Cave Line et al claims) Big Horn County, Wyoming -- Operator's monthly progress for the period May-June 1959

Enclosed are the original and four copies each of Forms MF-104 and MF-104A with the required supporting data for "Month of May 1959" but which includes work also complete during the period June 1-June 4, 1959.

The results of work reported for which reimbursement is claimed was inspected June 17, 1959. The operator's agent requests reimbursement for drilling costs based on the total of depths to which each hole was probed. Except for the following, recommendation is made for reimbursement to the operator of 75 percent of the reported costs.

Suppression Drilling

The operator requests reimbursement for a total of 1843 feet of non-core drilling at a unit cost of $3.56 per foot. The contract provides for only a maximum allowable average unit cost of $2.65 per foot of drilling. The reported cost is in excess of $2.65, therefore, the following excess cost is suspended subject to possible reinstatement at a later date to the extent that subsequent costs may fall below the maximum allowable average unit cost.

| | |
|---|---|
| Reported: 1843 ft. drilling at $3.56/ft. | $6,561.08 |
| Allowed: 1843 ft. drilling at $2.65/ft. | 4,883.95 |
| Suspend excess | $1,677.13 |

Reinstatement and withholding

An amount of $500.00 was withheld from reimbursement to the operator on the March-April voucher. It is recommended that the amount be reinstated and like amount withheld from the current voucher.

**Reconciliation**

| | |
|---|---|
| Amount reported on Form MF-104 for May 1959 | $7,036.83 |
| Amount recommended for suspension | 1,677.13 |
| Total acceptable cost | $5,359.70 |

| | |
|---|---|
| Reinstatement to March-April 1959 voucher | $500.00 |
| Withholding from May 1959 voucher | $500.00 |
| net | $000.00 |
| Net total acceptable cost | $5,359.70 |
| Government participation at 75 percent | $4,019.78 |

Milton H. Marshall
Mining Engineer

MHM/mr
cc: 6
I&M-M173
chron

NARRATIVE REPORT
No. 3

During the period May 26 through June 4, 1959, nine "secondary target" holes were drilled under the provisions of Stage 1, Phase 2 of the captioned contract as amended by Amendment No. 1 and as approved in writing by Region III OME Field Team on April 17, 1959.

A "Factual Data" tabulation is attached which lists the pertinent information derived from this work.

Also performed during May was the deepening of Company Hole #22 from 87 feet to 194 feet, 194 feet being the probed depth.

Company Hole No. 25 was relocated and deepened from 79 feet to 105 feet, however, at this latter depth the drilling contractor was unable to penetrate deeper due to loose, sloughing rocks and clays and the hole was abandoned.

Company Hole No. 10 which was to have been deepened was never relocated. This hole had been drilled prior to a stripping operation conducted at the same location.

The best mineralization encountered in the ten holes probed was in Company Hole No. 22 which was deepened from 87 feet. The radioactivity encountered was at a depth of 66 to 72 feet with the better zone representing two feet of .20%. No samples were available from this zone since it had been drilled previously.

No samples obtained from the drilling were considered worthy of assaying.

KANTER-LEVY COMPANY

By Richard K. Lisco
Richard K. Lisco (Agent)

D M E A 4849 - Contract 1 dm - E 1173

Factual Data - Hole Nos. 18 through 26 and Co. #22

| Hole # | Depth Drilled | Depth Probed | Cuttings Recovered | Open Cave Zones | Mineralization at | Peak Reading |
|---|---|---|---|---|---|---|
| T-1-18 | 200' | 200' | 0-138 | 138-142' | 118,136,160 | .05 @ 118' |
| T-5-19 | 180' | 177' | 0-101 | 101-103 | 86 | .01 @ 86' |
| T-5-20 | 199' | 197' | 0-51 | 51-52 | - | - |
| T-5-21 | 200' | 197' | 0-99 | 99-100 | 56 | .01 @ 55' |
| T-4-22 | 200' | 196' | 0-142 | 142-146' | - | - |
| T-6-23 | 190' | 188' | 0-190 | - | - | - |
| T-6-24 | 190' | 186' | 0-190 | - | - | - |
| T-6-25 | 200' | 196' | 0-200 | - | - | - |
| T-1-26 | 200' | 199' | 0-30 | 30-36 | 92 to 104 | .005 |
| Co. #22 | 195' | 194' | 87*-196 | - | 68 | .26% @ 68' |

*Old company hole deepened from 87' to 196'.

June 12, 1959

Mr. Leon Levy
Oppenheimer & Company
25 Broad Street
New York, New York

Re: Docket DMEA 4849 (Uranium)
Contract 1 dm - E 1173
Kanter-Levy Company
(Cave Line et al claim groups)
Big Horn County, Wyoming

Dear Mr. Levy:

Please consider this correspondence as an invoice for drilling of the nine primary target holes and the deepening of Company Hole #22 pertaining to the above-captioned DMEA contract.

| Hole # | Standby | Depth Probed | Cost |
|---|---|---|---|
| T-1-18 | - | 200 | $ 712.00 |
| T-5-19 | - | 177 | 630.12 |
| T-5-20 | - | 197 | 701.32 |
| T-5-21 | - | 197 | 701.32 |
| T-4-22 | - | 196 | 697.76 |
| T-6-23 | - | 188 | 669.28 |
| T-6-24 | - | 186 | 662.16 |
| T-6-25 | - | 196 | 697.76 |
| T-1-26 | - | 199 | 708.44 |
| 9 holes | | 1,736 feet | $6,180.16 |

Company Hole #22

| | | |
|---|---|---|
| Set up and cleaned out to 87' | $ 15.00 | |
| Drilled 87 to 194 - 107 ft. @ 3.56/ft. | 380.92 | 395.92 |
| | TOTAL INVOICE | $6,576.08 |

Payment Schedule

Cash due on date of billing - - - - - $3,972.08
Carried interest - - - - - - - - - - - $2,604.00

Respectfully submitted,

TETON EXPLORATION DRILLING CO., INC.

Richard K. Lisco

Richard K. Lisco

RKL:jb

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

MAY 20 1959
O.M.E.

Budget Bureau No. 42-R1136.5

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

Month of March & April, 195 9 Docket No. DMEA 4949 Contract No. [illegible] - R 1173
Operator's Name Kanter-Levy Company Minerals Uranium
Address 928 North Bond Road, Cincinnati, Ohio
Contract Amount, $ 41,240.00 Government Participation: 75 % Amount, $ 30,930.00

| ITEMS OF COSTS Stage I | FOR OPERATOR'S USE: Monthly Total | Totals Previously Reported | Totals To Date | FOR GOVERNMENT USE ONLY: Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
|---|---|---|---|---|---|---|
| (1) Independent Short Form Contracts: | | | | | | |
| Drilling | 11,826.32 | | 011,826.32 | | | |
| Bulldozing | - | - | - | | | |
| Gravimetric levelling survey Crosscutting | | 6,557.12 | 6,557.12 | | | |
| Drifting | | | | | | |
| Incidental Allowances | 830.50 | | 830.50 | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | 20.00 | | 20.00 | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | $12,676.82 | $6,557.12 | $19,233.94 | 7647.80 | 4421.96 | 14069.76 |

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

Date 5-5-59 *Payee Kanter-Levy Company

Per Richard K. Lisco Title Agent

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

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

(Instructions on reverse)

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

$ 6735.85

Signature [illegible] (Authorized Certifying Officer)

Date 5/13/59 Vou. No. OME 59-107

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 1173 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engineer Date 5/11/59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE

Checked for Engineering Allowability

Signature [illegible] Title Executive Officer Date MAY 12 1959

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

## OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March & Apr. 1959 Docket No. DMEA 1849 Contract No. 1 dn - D 1173

Operator's Name Kanter-Levy Company Minerals Uranium

Address 928 N. Bend Road, Cincinnati, Ohio

| OPERATION | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract: Units | Authorized by Contract: Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Stage I | | | | | | | | |
| Gravimetric & leveling survey | sta. | - | - | $6,557.12 | 974 | $6.732 | 1,000 | $ 4.54 |
| ~~Drifting~~ Non-core drlg | ft. | 11,826.32 | 3,322 | $11,826.32 | 3,322 | $3.56 | 6,120 | $ 2.65 |
| ~~Crosscutting~~ Standby time | hr | - | - | - | - | - | 20 | $15.00 |
| ~~Raising~~ Bulldozer time | hr | - | - | - | - | - | 30 | $12.50 |
| ~~Shafts~~ Chemical Anal. | ea. | 20.00 | 4 | $20.00 | 4 | $5.00 | 40 | $ 3.50 |
| ~~Winzes~~ Incidental Alloy. | ft. | 830.50 | 3,322 | $830.50 | 3,322 | $0.25 | 6,998 | $ 0.25 |
| Drilling: Core | hole | - | - | - | - | - | 3 | $15.00 |
| Drilling: Open | | | | | | | | |
| Auger | ft. | - | - | - | - | - | 278 | $ 2.65 |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| Total Distributed Costs | | 12,676.82 | | $19,233.94 | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| Total Costs | | 12,676.82 | | $19,233.94 | | | | |

Set up to deepen 0 10.22
Drilling 278' in 0 2.10.22.25

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

Date 5-5-59 Operator Kanter-Levy Company

Per Richard K. Lisco Title Agent

Remarks:

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

*Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.*—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

RECEIVED
MAY 14 1959
Div. of Mineral Technology
BUREAU OF MINES
Denver Experiment Station
Denver, Colorado

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

Date: ~~May 12, 1959~~
Payee's
Reference: ~~March & April 1959~~

Kanter-Levy Co.
c/o Oppenheimer & Co.
25 Broad Street
New York 4, N.Y.

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ ~~12,676.82~~

Difference $ ~~3,029.02~~

Amount Approved $ ~~9,647.80~~

The reason for the difference was due to:

**Disallowed, Chemical Analyses**

The contract provides for a maximum allowable unit cost of $3.50 per sample analyzed. A unit cost of $5.00 per sample is reported on Forms MF-104 and MF-104A. The excess cost is disallowed as follows:

| | |
|---|---|
| Reported cost, 4 samples analyzed at $5.00/Spl------ | $ 20.00 |
| Allowable cost, 4 samples analyzed at $3.50/Spl----- | 14.00 |
| Amount disallowed | $ 6.00 |

**Suspension, Drilling**

The maximum allowable average unit cost is $2.65 per foot of drilling. The reported cost is in excess of $2.65 per foot,

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

EXTRA COPY
O. M. E.
RECEIVED MAY 20 1959

| DATE | INITIALS | CODE |
|---|---|---|
| | | 800 |

R-III-B & F Form No. 4
4-15-52 D

therefore the excess cost is suspended as follows, subject to possible reinstatement at a later date to the extent that subsequent Stage I drilling costs may fall below the maximum allowable average unit cost.

| | |
|---|---|
| Amount reported, 3322 feet at total cost of---------- | $11,826.32 |
| Allowable cost, 3322 feet at $2.65 per foot---------- | 8,803.30 |
| Excess cost suspended | $ 3,023.02 |

| | |
|---|---|
| Amount disallowed | 6.00 |
| Amount suspended | $3,023.02 |
| Total Deductions | $3,029.02 |

<u>Withheld</u> an amount of $500.00 from reimbursement to the Operator pending resumption of work under the contract. If work under the contract is not resumed, the amount of $500.00 will continue to be withheld pending resolution of matters prerequisite to closing the account.

EXTRA COPY
O. M. E.
RECEIVED MAY 20 1959

| DATE | INITIALS | CODE |
|---|---|---|
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| | | |
| | | |
| | | |
| | | |

224 New Customhouse
Denver 2, Colorado
May 12, 1959

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4849 (Uranium) Contract Iam-K1173
Kanter-Levy Company, (Cave Lime et al. claims)
Big Horn County, Wyoming - Operator's Monthly Progress
Report for the period March - April, 1959

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

Disallowance, Chemical Analyses

The contract provides for a maximum allowable unit cost of $3.50 per sample analyzed. A unit cost of $5.00 per sample is reported on Forms MF-104 and MF-104A. The excess cost is to be disallowed as follows:

| | |
|---|---|
| Reported cost, 4 samples analyzed at $5.00/Spl------ | $ 20.00 |
| Allowable cost, 4 samples analyzed at $3.50/Spl----- | 14.00 |
| Amount to be disallowed---------- | $ 6.00 |

Suspension, Drilling

The maximum allowable average unit cost is $2.65 per foot of drilling. The reported cost is in excess of $2.65 per foot, therefore the excess cost is to be suspended as follows, subject to possible reinstatement at a later date to the extent that subsequent Stage I drilling costs may fall below the maximum allowable average unit cost.

| | |
|---|---|
| Amount reported, 3322 feet at total cost of--------- | $11,826.32 |
| Allowable cost, 3322 feet at $2.65 per foot--------- | 8,803.30 |
| Excess cost to be suspended---------- | $ 3,023.02 |

EXTRA COPY
O. M. S.
RECEIVED MAY 22 1959
DATE | INITIALS | COPY

[illegible]

[illegible]

To: [illegible]

Through: [illegible]

Subject: [illegible]

[illegible]

[illegible]

[

**Withhold** an amount of $500.00 from reimbursement to the Operator pending resumption of work under the contract. If work under the contract is not resumed, continue to withhold the amount of $500.00 pending resolution of matters prerequisite to closing the account.

**Reconciliation With Amount Reported by the Operator on Form MF-104 for the period March - April, 1959**

| | | |
|---|---|---|
| Amount reported on Form MF-104 for March-April, 1959 | | $12,676.82 |
| Amount to be disallowed | $ 6.00 | |
| Amount to be suspended | 3023.00 | |
| Total Deductions | | 3,029.00 |
| Acceptable cost for March and April, 1959 | | $9,647.80 |
| Government participation at 75 percent | | $7,235.85 |
| Amount to be withheld | | 500.00 |
| Balance due the Operator | | $6,735.85 |

Remarks:

| | |
|---|---|
| Date of Report | May 5, 1959 |
| Date Received in Field Office | May 8, 1959 |
| Date Received in Region Office | May 11, 1959 |

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

Enclosures

JDC:hmh

cc: Comm. Op. Comm. (2)
Marshall, CMM/DFC
MF-104 file, Reg. III
Harshman ) w/copy Engr's
Cooper ) Report
Charon

[illegible]

OME
DEPARTMENT OF THE INTERIOR

MAY 11 1959
REGION III
DENVER, COLORADO

May 11, 1959

Memorandum

To: Executive Officer, OME

From: N. H. Marshall

Subject: DMEA 4849, Contract Idm-E1173 - Kanter-Levy Company, Big Horn County, Wyoming - Progress report for March - April 1959

Enclosed are the original and four copies of Forms MF-104 and MF 104A with the required supporting data for March-April 1959.

The results of work reported for which reimbursement is claimed was inspected May 11, 1959. Except for the following, recommendation is made for reimbursement of 75 percent of the reported costs:

Disallowance - Chemical analyses

The contract provides for analysis of 40 Stage I samples for $U_3O_8$ at $3.50 per sample. The invoiced cost for analysis of 4 samples was at $5.00 per sample therefore is in excess of contract provisions.

| Disallow | | |
|---|---|---|
| Reported cost for 4 analysis at $5.00 each | $20.00 | |
| Acceptable cost for 4 analysis at $3.50 each | 14.00 | |
| Excess costs to be disallowed | | $6.00 |

Suspension - Drilling costs

The contract provides for drilling 30 holes, 6120 feet at $2.65/ft. Reported costs for drilling 17 holes are $11,826.32 at $3.56/ft. Inasmuch as the reported cost per foot of drilling is in excess of the allowable maximum for the item of work it is recommended that the cost for drilling in excess of $2.65/ft. be suspended.

**Suspend**

| | | |
|---|---|---|
| Reported costs for 3322 ft. drilling at $3.56/ft. | $11,826.32 | |
| Allowable cost for 3322 ft. drilling at $2.65/ft. | 8,803.30 | |
| Excess to be suspended | | $3,023.02 |
| Total deductions | | $3,029.02 |

**Reconciliation**

| | |
|---|---|
| Amount reported on form MF-104 for March-April 1959 | $12,676.82 |
| Amount recommended for deduction | 3,029.02 |
| Total acceptable cost for March-April 1959 | $9,647.80 |
| Government participation at 75 percent | $7,235.85 |

M. H. Marshall
Mining Engineer

Milton H. Marshall

MHM/mw
cc: 6
Idm-E1173
chron

NARRATIVE REPORT
No. 2

On March 6, 1959, two drilling units of Teton Exploration Drilling Company, Inc., commenced drilling the 17 "primary target" holes under the provisions of Stage 1, Phase 2 of the captioned contract as amended by Amendment No.1. The drilling was completed on these initial 17 holes on March 21, 1959. Completed holes are blacked in on the accompanying map.

The purpose of this drilling was to explore for uranium ore deposits in the Mission Canyon member of the Madison limestone formation by rotary drilling. The results of the drilling verified a successful application of the gravity meter in picking porosity zones. However, the degree of mineralization encountered in the initial 17 holes was meager.

All samples of this drilling that were recovered have been properly marked and are being stored in the camp located on the property.

Four samples were assayed from the cuttings recovered from the initial 17 holes, the results of which are tabulated below.

| | | Lab Radiometric | Chemical Assay |
|---|---|---|---|
| HOLE NO. T-1-1 | | | |
| Sample depth interval | 30-32 | 0.03 | 0.05 |
| | 32-34 | 0.04 | 0.06 |
| | 34-36 | 0.03 | 0.04 |
| HOLE NO. T-4-12 | | | |
| Sample depth interval | 90-92 | 0.02 | 0.04 |

In the interpretation of the accompanying radiometric logs a full scale reading on the 10 K scale with the instrument calibrated at 14 is equal to 0.60 for equilibrium ores. The peak reading on log T-1-1 at a depth of 35 feet is 0.31%. The anomaly itself would be interpreted as approximately 6 inches of 0.20%. From the samples recovered and the "feel" in the drilling of this hole it would seem that a filled solution cavity existed above the mineralized zone but not in it.

KANTER-LEVY COMPANY

By Richard K. Lisco
Richard K. Lisco (Agent)

124 West Second Street
Casper, Wyoming

March 26, 1959

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

Re: Docket DMEA-4849 (Uranium)
Contract ldm - # 1173
Kanter-Levy Company
(Cave Line et al Claim Groups)
Big Horn County, Wyoming

Gentlemen:

Please consider this correspondence as an invoice for the drilling of the first 17 holes of the above-captioned DMEA contract.

| Hole # | Depth Probed | Cost |
|---|---|---|
| T-1-1 | 199' | $708.44 |
| T-1-2 | 200' | 712.00 |
| T-2-3 | 197' | 701.32 |
| T-2-4 | 203' | 722.68 |
| T-2-5 | 197' | 701.32 |
| T-2-6 | 199' | 708.44 |
| T-2-7 | 201' | 715.56 |
| T-2-8 | 197' | 701.32 |
| T-4-9 | 160' | 569.60 |
| T-4-10 | 201' | 715.56 |
| T-4-11 | 197' | 701.32 |
| T-4-12 | 195' | 694.20 |
| T-4-13 | 186' | 662.16 |
| T-5-14 | 193' | 687.08 |
| T-6-15 | 199' | 708.44 |
| T-6-16 | 198' | 704.88 |
| T-6-17 | 200' | 712.00 |
| 17 holes | 3,322' | |
| | TOTAL INVOICE - | $11,826.32 |

**Payment Schedule**

| | | |
|---|---|---|
| Cash due on date of billing | - | $6,843.32 |
| Carried interest | - | 4,983.00 |
| | | $11,826.32 |

Respectfully submitted,

TETON EXPLORATION DRILLING CO., INC.

Richard K. Lisco

Richard K. Lisco

RKL:jb

[illegible]

April 16, [illegible]

[illegible], [illegible] & [illegible] Laboratories
[illegible] North [illegible] Street
Billings, Montana

Gentlemen:

We are sending to you this date via parcel post the following four uranium samples:

1. T-1-1 (30 to 32)
2. T-1-1 (32 to 34)
3. T-1-1 (34 to 36)
4. T-4-12 (90 to 92)

The samples pertain to a D.M.M.A. contract on the Kuter-Levy property located on Little Mountain.

Would you please assay for uranium and send 8 copies of your results to the above address. Your invoice should be sent to the same address.

Yours very truly,

NEW MEXICO MILLING CO., INC.

Richard K. Lisco

Richard K. Lisco

RKL:jb

4-17-59 Please forward check for $20.00 and samples will be promptly analyzed + reported. Thank you.

John L. Yzquierdo

EXTRA COPY
O. M. E.
RECEIVED MAY 20 1959

| DATE | INITIALS | CODE |
| --- | --- | --- |
| | | |
| | | |
| | | |
| | | |
| | | |

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

Budget Bureau No. 42-R1036.5

MAY 15 1959 O.M.E.

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

Month of ~~November~~ JUNE - DEC., 1958 Docket No. DMEA 4849 Contract No. 1 am - E 1173
Operator's Name Kanter-Levy Company Minerals Uranium
Address 928 North Bend Road, Cincinnati, Ohio
Contract Amount, $ 41,240.00 Government Participation: 75 % Amount, $ 30,930.00

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| Stage I | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Contracts: Short Form | | | | | | |
| Grayimetric & leveling survey | $6,557.12 | - | $6,557.12 | | | |
| ~~Drilling~~ | | | | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| (2) Labor and Supervision: | | | | | | |
| Labor | | | | | | |
| Supervision | | | | | | |
| Technical Services | | | | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | | | | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | $6,557.12 | | $6,557.12 | 4421.96 | | 4421.96 |

OME
DEPARTMENT OF THE INTERIOR
MAY 11 1959
REGION III
DENVER, COLORADO

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

Date 5/5/59 *Payee Kanter-Levy Company

Per Richard K. Lisco Title Agent
Richard K. Lisco

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

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

(Instructions on reverse)

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

$ 3316.47

Signature
(Authorized Certifying Officer)

Date 5/13/59 Vou. No. OME 59-107

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 1173 in accordance with the terms of the contract.

Signature M Marshall Title Mining Engineer Date May 8, 1959

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature [illegible] Title Executive Officer Date MAY 12 1959

# MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

## OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of ~~November~~ JUNE - DEC 1958 Docket No. DMEA 4849 Contract No. 1 dm - E 1173

Operator's Name Kanter-Levy Company Minerals Uranium

Address 928 North Bend Road, Cincinnati, Ohio

| OPERATION | Unit | Costs This Month | Units This Month | Costs to Date | Units to Date | Unit Costs to Date | Authorized by Contract: Units | Authorized by Contract: Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Stage I | | | | | | | | |
| Gravimetric & leveling survey | Sta. | $6,557.12 | 974 | $6,557.12 | 974 | $6.732 | 1000 | $4.54 |
| Drilling | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | | | | | | | | |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| Stripping | | | | | | | | |
| Trenching | | | | | | | | |
| Test Pits | | | | | | | | |
| Roads and Trails | | | | | | | | |
| Total Distributed Costs | | $6,557.12 | | $6,557.12 | | | | Total Costs Authorized by Contract |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| Total Costs | | $6,557.12 | | $6,557.12 | | | | |

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

Date May 5, 1959 Operator Kanter-Levy Company

Per Richard K. Lisco Title Agent

Richard K. Lisco

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

Remarks:

(Instructions on reverse)

(For Government use only)

M Hamblin

## INSTRUCTIONS

*Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.*—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 15 1959

| DATE | INITIALS | CODE |
|---|---|---|
| 5/15/59 | a | 220 |
| | | 800 |

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

Date: May 12, 1959
Payee's
Reference: June, November and December 1958

Kanter-Levy Co.
c/o Oppenheimer & Co.
25 Broad Street
New York 4, N.Y.

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ 6,557.12

Difference $ 2,135.16

Amount Approved $ 4,421.96

The reason for the difference was due to:

Disallowance, Gravimetric and Leveling Survey

The contract provides for a maximum allowable unit cost of $4.54 per gravimetric station. The Operator has reported costs in excess of $4.54 per station, therefore the excess costs are to be disallowed, as follows

| | |
|---|---|
| Amount reported, 974 stations at total cost of | $6,557.12 |
| Allowable cost, 974 stations at $4.54 per station | 4,421.96 |
| Amount disallowed | $2,135.16 |

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

224 New Customhouse
Denver 2, Colorado
May 12, 1959

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4849 (Uranium) Contract Idm-E1173
Kanter-Levy Company, (Cave Line et al. claims)
Big Horn County, Wyoming - Operator's Monthly Progress
Report for the period June - December, 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, Operator's Narrative Report, and Engineer's Report for the above period.

Except as otherwise indicated below we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended on the following basis contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Disallowance, Gravimetric and Leveling Survey

The contract provides for a maximum allowable unit cost of $4.54 per gravimetric station. The Operator has reported costs in excess of $4.54 per station, therefore the excess costs are to be disallowed, as follows:

| | |
|---|---|
| Amount reported, 974 stations at total cost of---------- | $6,557.12 |
| Allowable cost, 974 stations at $4.54 per station---------- | 4,421.96 |
| Amount to be disallowed---------- | $2,135.16 |

Reconciliation With Amount Reported by the Operator on Form MF-104 for Period June - December, 1958

| | |
|---|---|
| Amount reported on Form MF-104 for June, November, and December, 1958---------- | $6,557.12 |
| Amount to be disallowed---------- | 2,135.16 |
| Acceptable cost---------- | $4,421.96 |

Government participation at 75 percent---------- $3,316.47

[illegible]

[illegible]

[illegible]

Reason for difference with engineer's calculation:

Engineer's calculation was based on 1000 stations; however, only 97½ stations were surveyed, and reported by the Operator, therefore only 97½ stations can be considered for reimbursement.

Remarks:

Date of Report----------May 5, 1959
Date Received in Field Office----------May 8, 1959
Date Received in Region Office----------May 11, 1959

Original signed by
J. W. TOWNSEND

J.W. Townsend

Enclosures

JDC:bmh

cc: Chem. Op. Comm. (2)
Marshall, CMK/DFC
MF-104 file, Reg. III
Harshman ) w/copy Engr's
Cooper ) Report
Chron

OME
DEPARTMENT OF THE INTERIOR

MAY 11 1959
REGION III
DENVER, COLORADO

May 8, 1959

Memorandum

To: Executive Officer, OME

From: M. H. Marshall

Subject: Kanter-Levy Co., Big Horn County, Wyo. DMEA 4849, Contract Idm-E1173
Progress report for June-December 1958

Enclosed are the original and four copies of Forms MF-104 and MF-104A with the required supporting data for June-December 1958.

The results of work reported for which reimbursement is claimed was inspected December 3, 1958.

Disallowance-Gravimetric and leveling survey

The contract provides for a gravity and leveling survey, 1000 stations at $4.54 per station at a maximum total cost of $4,540.00. The reported cost for the survey is $6,557.12. The excess amount is recommended for disallowance.

Reconciliation

| | |
|---|---|
| Amount reported on Form MF-104 for the subject period | $6,557.12 |
| Amount recommended for disallowance | 2,017.12 |
| Total acceptable cost for period | 4,540.00 |
| Government participation at 75 percent | $3,405.00 |

Milton H. Marshall
Milton H. Marshall
Mining Engineer

MHM/mw
cc: 6
Idm-E1173 chron

# Narrative Report

## No. 1.

JUNE
NOVEMBER, 1958
DECEMBER

In accordance with D.M.E.A Market No. 4849, initial gravity work was conducted during June 1958 along Traverses 1, 2 and 3, operations were then suspended until November 11, 1958 for renegotiation of the contract. On November 11 the gravity work was resumed and proceeded until "relative gravity" determinations were made at 974 stations, disposed at intervals of 50 feet along 48,100 feet of traverse, across areas specified in the agreement.

Anomalies (gravity "lows") were indicated at 60 traverse locations, most of which have been incorporated into 19 general areas of gravity low, as pointed out in Mr. Clyde H. Wilson's Gravity Survey report of December, 1958. These areas of gravity low represent the presence of porous and/or cavernous conditions in the Madison limestone favorable to the occurrence of uranium mineralization.

Reference is made to Mr. Wilson's report for the indicated most favorable locations for possible deposits of uranium ore. In addition to a statement of survey results and recommendations, the report contains 5 maps, a description and explanation of the field work and a tabulation giving the elevation and value of relative gravity at each gravity station.

Hunter-Levy Co.
By Richard N. Lisco (agent)

KANTER-LEVY COMPANY
925 North Bend Road
Cincinnati 24, Ohio

OME
DEPARTMENT OF THE INTERIOR
APR 27 1959
REGION III
DENVER, COLORADO

EXTRA COPY
O. M. E.
RECEIVED MAY 4 1959

| DATE | INITIALS | CODE |
|---|---|---|
| | | 800 |

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

Dear Mr. Townsend:

I have a copy of your letter of April 22, 1959 to Mr. Richard K. Lisco, containing Forms MF-104 and MF-104A.

Please be informed that Mr. Lisco is designated as Agent for Kanter-Levy in preparing these reports.

Very truly yours,

KANTER-LEVY COMPANY

J. H. Kanter

Kr

cc:
Richard K. Lisco
Teton Exploration Drilling Co.

4/29/59
Copies distributed to:
Chmn. Op. Comm. (2)
Harshman
Marshall, OME/DEC
Finance Office, Reg. III
Contract file, Reg. III
Corres. file, Reg. III
Cooper
Chron

224 New Customhouse
Denver 2, Colorado
April 1, 1959

EXTRA COPY
O. M. E.
RECEIVED APR 3 1959
DATE | INITIALS
800

Mr. Leon Levy
Oppenheimer & Co.
25 Broad Street
New York, New York

Re: Docket No. DMEA 4349 (Uranium)
Contract IAm-[illegible]73
Kanter-Levy Company
(Cave Line et al. claim groups)
Big Horn County, Wyoming

Dear Mr. Levy:

We have received a second letter of inquiry from Mr. Clyde H. Wilson pertaining to reimbursement for Geophysical work which he performed for you under Stage I, Phase 1 of the captioned contract. Mr. Wilson enclosed a copy of a letter dated February 12, 1959, from Mr. Kanter to you, which indicated that the delay in payment is the fault of this agency, which assumption is without basis.

Please refer to our letter of March 2, 1959, whereby we forwarded a second set of blank voucher and accounting Forms NF-104 and NF-104A, together with detailed instructions for preparation and submission of the forms to the Government, together with the required supporting data.

We are not authorized to act as Mr. Wilson's agent, therefore we hope that the matter of reimbursement to him will be resolved without further delay.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JDC:hmh

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

cc: Mr. Clyde H. Wilson
Salt Lake City, Utah

Mr. Joseph H. Kanter
Cincinnati, Ohio

EXTRA COPY
O. M. E.
RECEIVED APR 3 1985
DATE | INITIALS

224 New Customhouse
Denver 2, Colorado
April 1, 1959

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O. M. E.
RECEIVED APR 3 1959
DATE | INITIALS | CODE
800

Mr. Clyde E. Wilson
Mining Engineer and Geologist
366 South Fifth East
Salt Lake City 2, Utah

Re: Docket No. IMEA 4849 (Uranium)
Contract IAm-K1171
Kanter-Levy Co.
(Cave Line et al. claims)
Big Horn County, Wyoming

Dear Mr. Wilson:

Reference is made to your letter of March 26, 1959, with attached copy of Mr. Joseph E. Kanter's letter of February 12, 1959, to Mr. Leon Levy.

The inference in Mr. Kanter's letter that the delay in reimbursement to Kanter-Levy Company, is the fault of this agency is completely unfounded. Possibly Mr. Kanter was under the impression, at that time, that Mr. Levy had submitted the required accounting report and voucher to the Government.

Blank accounting and voucher forms were forwarded to Kanter-Levy Company, together with detailed instructions for their preparation, when the "Operator's copy" of the contract was transmitted by letter of June 5, 1958. Additional copies of the forms and instructions were supplied, upon request from Mr. Levy, subsequent to receipt of your original inquiry by letter of February 10, 1959. To date, completed accounting forms have not been received.

We will advise you when payment is made to Kanter-Levy for the Government's share of the allowable costs of the geophysical work.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JDC:hmh

cc: Chmn. Op. Comm. (2) )
Harshman ) w/copy of
Marshall, OME/EFC ) Wilson's letter of 3/26/59
Corres.file, Reg. III) and Kanter's letter of 2/12/59
Cooper
Chron

EXTRA COPY
O. M. E.
RECEIVED APR 3 1959
DATE | INITIALS | CODE

GEOLOGICAL AND GEOPHYSICAL EXPLORATION

CLYDE H. WILSON
MINING ENGINEER AND GEOLOGIST
900 SOUTH FIFTH EAST
SALT LAKE CITY 2, UTAH
ELGIN 6-4490

OIL
DEPARTMENT OF THE INTERIOR
MAR 27 1959
REGION III
DENVER, COLORADO

March 26, 1959

Mr. J. U. Townsend
Executive Officer, OMB
Field Team, Region III
U.S. Dept. of the Interior
[illegible]
Denver 2, Colorado

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

Dear Mr. Townsend:

To date, we have been unable to collect from "Kanter-Levy" the amount due us as final payment for the geophysical work we completed last November, under the above-designated DMEA project. (Please refer to my previous letter to you, dated February 10, 1959). The enclosed copy of a letter copy received by me is the only reply (if you could call it that) that I have received to my several requests for payment of this account.

Please advise me as to the date and amount of any payment made by the Government to Kanter-Levy for the geophysical survey conducted by us under the provisions of Stage 1, Phase 1, of the Government contract, as amended.

Yours very truly,

Clyde H. Wilson

Clyde H. Wilson

CHW:fk

Encl.

(COPY)

MAR 27 1959
DENVER, COLORADO

February 12, 1959

Mr. Leon Levy
Oppenheimer & Co
25 Broad Street
New York, New York

Dear Leon:

I notice that we have had a letter from Clyde Wilson asking for payment. Could we expedite DMEA approval of our last submission of a bill to them? If not, perhaps you better send him some money and explain that we are withholding the balance until we get clearance from the DMEA.

I do feel that Mr. Wilson has done a good job and I think we should retain his good will.

Sincerely,

HILARY MINERALS CO., INC.

Joseph H. Kantor
President

K:r

bcc: Mr. Clyde Wilson

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224 New Customhouse
Denver 2, Colorado
February 16, 1959

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

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

Dear Mr. Kanter:

We have received an enquiry from Mr. Clyde H. Wilson concerning reimbursement for the geophysical work performed by him under the provisions of Stage I, Phase I of the captioned contract.

Mr. Wilson was informed that we have not received an accounting report and voucher as required by the contract, and, therefore, cannot take action in the matter. Please refer to Article 7 (b) of the contract.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JDC;hmh

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

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224 New Customhouse
Denver 2, Colorado
February 16, 1959

Mr. Clyde H. Wilson
Mining Engineer and Geologist
366 South Fifth East
Salt Lake City 2, Utah

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

Dear Mr. Wilson:

Reference is made to your letter of February 10, 1959, concerning reimbursement to the Government for its share of costs incurred by Kanter-Levy Company, in connection with the geophysical survey conducted by your organization under provisions of Stage I, Phase 1, of the contract, as amended by Amendment No. 1.

The Operator has not rendered an accounting report and voucher as required by the contract; therefore, until the accounting report and voucher is received, payment cannot be made for the Government's share of the allowable costs.

Under Article 5, the contract makes provision for payment by the Government to an independent contractor for the Operator's account, rather than to the Operator. When such payments are made, it is usually at the request, or with concurrence, of the Operator. If you believe it necessary, we suggest that you have the Operator submit to this office a request that a specific amount be paid directly to you.

If we do not hear further in the matter, either from you or the Operator, payment will be made to the Operator in the usual manner, when its accounting report and voucher is received by the Government.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JDC:hmh

cc: Chmn. Op. Comm. (2) )w/copy
Harshman ) of
Marshall, OME/DFC ) Wilson's letter of
Corres.file, Reg.III ) 2/10/59 and attached statement

Cooper
Chron

MYTRA COPY
RECEIVED FEB 15 1959
DATE

CLYDE H. WILSON
MINING ENGINEER AND GEOLOGIST
366 SOUTH FIFTH EAST
SALT LAKE CITY 2, UTAH
ELGIN 5-4496

EXTRA COPY
O. M. E.
RECEIVED FEB 18 1959

OME
DEPARTMENT OF THE INTERIOR
FEB 11 1959
REGION III
DENVER, COLORADO

February 10, 1959

Mr. J. W. Townsend
Executive Officer, OME
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 Co.
(Cave Line et al. claims)
Big Horn County, Wyoming

Dear Mr. Townsend:

I would appreciate your advising me whether the Government has made payment to Kanter-Levy Co. for the Gravity Survey we conducted on independent contract under the above-named exploration project.

Kanter-Levy has not answered our request, dated January 29, 1959, to make final payment on this job, in accordance with our agreement (statement submitted December 16, 1958). Consequently, we are contemplating what action to take to obtain payment of this overdue account. In this connection, I would like to know whether there is a procedure we can employ to obtain payment directly from the Government, on Kanter-Levy account.

We have completed the work that was specified under Phase 1, Stage 1 of the Government contract. The field work was completed November 29, 1958 and Final Report submitted December 17, 1958.

Enclosed herewith is a copy of our final statement to Kanter-Levy, showing a balance of $931.05 due for the work we conducted.

I will be grateful for any assistance or advice you can give in this matter.

Very truly yours,

Clyde H. Wilson

Clyde H. Wilson

CHW/m

Encl. Statement of Dec. 16, 1958
to Kanter-Levy Company

[illegible]

[illegible] (Food & lodging at actual cost) $26.00

[illegible] 2 men for 30 days $167.92
[illegible] 3 men for 10 days [illegible]

[illegible] 10 days @ $62.50 per day $625.00
(Final calculations, compilation of data, preparation of Preliminary & Final Reports)

[illegible] (Actual cost) [illegible]

[illegible]

Total Charges [illegible]

[illegible] the survey charges computed on a per diem basis, as above, [illegible] of the Agreement, the attached [illegible] compilation of charges on the per-location basis.

MAY 6 1960

Memorandum

To: E. M. Cosmure, Acting Field Officer, Region III

From: Chief, Division of Field Operations

Subject: [illegible] (Uranium)
Hunter-Levy Company
Glen Lake, et al., Claim Group
Big Horn County, Wyoming
Contract No. [illegible]

For your information, the Washington Office is carrying the subject contract as a pseudo-certified project. However, in this case the usual field examination will not be necessary.

George C. Selfridge

FMHarpley/gla
5-3-60
cc to: Director's Reading File
Review Committee
Bechtel
Chron
Code 906
CAAA Division

MAY 2 1960

LAW OFFICES OF

WOLF & WOLF

ALEXANDER WOLF (1930)
WILLIAM B. WOLF
WILLIAM B. WOLF, JR.
ALLAN FISHER

OME
DEPARTMENT OF THE INTERIOR
SEP 28 1959
REGION III
DENVER, COLORADO

6TH FLOOR
FIRST NATIONAL BANK BUILDING
1331 G STREET, N.W.
WASHINGTON 5, D.C.

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September 25, 1959

9/28/59 to Copy Chairman Hassler SUSP

U. S. Department of Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

Attention: Mr. J. W. Townsend
Executive Officer, O.M.E.
Field Team, Region III

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:

Your letter of September 9, 1959, to Joseph H. Kanter, regarding the above-entitled matter, has been referred to me for reply, primarily because of the last paragraph on page one of it.

I have not answered sooner because of the fact that I have been occupied in a rather involved and urgent matter for another client. Please excuse the fact that I write on this last day of your deadline for reply.

Our prime concern is your statement that Kanter-Levy Company is in default of Article 3 of its contract. Please be advised that we read Amendment No. 2 of the contract, dated March 13, 1959, as extending the date for completion of Stage I to October 31, 1959. If we are wrong in this, please advise us at once.

We also wish to inform you that it is our present intention to request a formal termination of the contract prior to October 31, 1959. Such a request cannot be prepared by this office due to lack of technical information. We will, of course, inform you promptly of any change of plans.

LAW OFFICES OF

WOLF & WOLF

I spoke about the above matters with Mr. Klugescheid of the Washington office of O.M.E. on September 25, 1959.

Very sincerely yours,

WOLF & WOLF

Elvin Kanter

Elvin Kanter

cc: Joseph H. Kanter
Leon Levy

# TETON EXPLORATION DRILLING CO., INC.

CASPER OFFICE — PH. 3-4493
124 W. SECOND. — CASPER. WYO.
R. K. LISCO — PH. 2-8558

P. O. BOX 1102. RIVERTON. WYO.
V. L. GRANTHAM UL 6-3587
D. L. HANKINS UL 6-9458

OME
DEPARTMENT OF THE INTERIOR
SEP 21 1959
REGION III
DENVER, COLORADO

September 17, 1959

Mr. J. W. Townsend
Executive Officer O.M.E.
Building 20
Federal Center
Denver 25, Colorado

Dear Mr. Townsend:

I am in receipt of the carbon copy of your letter of September 9, 1959, to Mr. Joseph H. Kanter regarding D.M.E.A. Contract No. Idm-E1173, Docket No. D.M.E.A. 4849, and have this date written him airmail requesting that he comply or authorize me to comply with the suggestions forwarded in your letter.

Yours very truly,

TETON EXPLORATION DRILLING CO., INC.

Richard K. Lisco

Richard K. Lisco

RKL:jb

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9/21/59
Approved
Chairman (2)
Hankins
Cont.
Dep.

Building 20 - Federal Center
Denver 25, Colorado

September 9, 1959

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AIRMAIL CERTIFIED

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

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

Dear Mr. Kanter:

Under date of August 5, 1959, we advised your field representative, Mr. R. L. Christie, that if additional work under the contract is not contemplated, then you should immediately forward for the Government's consideration, a request and justification for terminating the contract in its present status since only a portion of the Stage I work had been completed. A copy of the letter to Mr. Christie was forwarded to you at the time of writing.

Mr. Christie advised this office by letter of August 9, 1959, that in his opinion, no further work was warranted. He further stated that he was advising you on the same date of his opinion in the matter.

The contract cannot be maintained in an indefinite status and as the matter now stands, you are in default of the provisions of Article 3 of the contract.

If we do not hear from you on or before September 25, 1959 and the matter resolved, we will have no alternative but to refer the matter to higher authorities for such action as is indicated to protect the Government's interests.

Very truly yours,

Original signed by

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

cc: Richard K. Cisco
124 West 2nd
Casper, Wyoming

Mr. R. L. Christie
Hunter-Levy Company
Lovell, Wyoming

JWT/eg

cc: Chan. Op. Comm. (2)
Mailer
Corres.
Susp.
Chron.

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Building 20 - Federal Center
Denver 25, Colorado
August 3, 1959

REGISTERED MAIL

Mr. R. L. Christie
Field Representative
Hunter-Levy Company
Lovell, Wyoming

Re: Docket No. DMA 4549 (Brandon)
Contract No. Ma-X1173
Hunter-Levy Company
(Cave Lion et al claims)
Big Horn County, Wyoming

Dear Mr. Christie:

Our records indicate that the last accounting report received covering work under Contract Ma-X1173, was for the period of May 1, 1959 thru June 4, 1959. Our records further indicate that all work approved to date by the Government had been completed as of June 4, 1959, except the designing of prior drilled company holes Nos. 10 and 25, which was attempted but could not be accomplished because of conditions encountered.

The contract cannot be maintained in an indefinite or inactive status; therefore, we will appreciate being advised by return mail as to your plans for additional work under the contract if any. Any additional work is subject to prior approval by the Government.

If no additional work under the contract is contemplated, a request should be submitted immediately, for the Government's consideration, to terminate the contract in its present status without completing the remaining work provided for in the contract.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

JWT:lm

cc: Chem. Op. Comm. (2)
Hunter
OMM/DPC
Corres. file, Reg. III
Susp. file
Chron.

cc: Richard K. Lisco
154 West End
Codyne, Wyoming

Joseph K. Hunter
Hunter-Levy Company
908 North Bend Road
Cincinnati 24, Ohio

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O. M. E.
RECEIVED JUN 8 1959

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25th Ave Centennial
Denver 2, Colorado
June 4, 1959

Mr. S. L. Christie
Field Representative
Hunter-Levy Company
Lovell, Wyoming

Re: Contract No. [illegible] Alog (Noncoal)
Contract No. [illegible]
Hunter-Levy Company
(Dave Mine et al. claims)
Big Horn County, Wyoming

Dear Mr. Christie:

In reference to your request of May 26, 1959, this confirms verbal approval given Mr. Lipse of the Ryan Exploration Drilling Company, Inc., on June 3, 1959, for the deepening of company drilled holes Nos. 10, 22, 25.

The three holes previously drilled along at company expense will be deepened to penetrate the inferred ore horizon of the Phosphoria Oxygen member of the Madison limestone formation as follows:

| Hole No. | Present Depth | Approximate depth to which Holes will be deepened |
|---|---|---|
| 10 | 156 | 200 |
| 22 | 87 | 200 |
| 25 | 79 | 200 |

It is to be understood that the Government will participate in the cost of deepening from the present depth only. The Government will not participate in the cost of the additional drilling of a hole that does not reach its objective.

Nothing in the verbal approval for the deepening of the three drilled holes or this confirmation thereof shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the final unit cost of any item of work.

JWT:lm

cc: Chem. Op. Comm. (3) w/copy
Hershman )Oper's ltr 5/26/59 &
CMH/DFC (Marshall ) Memo of
Corres. File, Reg.III) 5/29/59
Resp. file
Fin. Off. Reg. III
Assoc. File, Reg. III
cc: Hunter-Levy Company
303 North Bend Road
Cincinnati 24, Ohio

Very truly yours,

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

Chron.

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DENVER, COLORADO

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Lovell, Wyoming
May 26, 1959

Mr. J. L. Townsend
Executive Officer
Defense Minerals Exploration Adm.,
224 New Custom House
Denver, Colorado

Dear Mr. Townsend:

Your approval is requested as per D.M.E.A. Docket 4848 Contract Lum-1173, for deeping of Company drilled holes nos. 10, 22 & 25, to depths of approximately 200 feet.

Teton Exploration & Drilling Company is now drilling on the property. Teton expects to complete the other approved drilling by June 1st.

Your immediate approval of this work would be appreciated.

Very truly yours,

R. L. Christie

R. L. Christie
Field Representative
Hunter-Levy Co.

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IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
Denver Federal Center
Denver 25, Colorado

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RECEIVED JUN 8 1959
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REGION III
DENVER, COLORADO

May 25, 1959

Memorandum

To: Executive Officer, GSE Field Team, Region III
Through: E. N. Bergman

From: F. B. Moore
M. H. Marshall

Subject: Rocket DMEA 4849 (Uranium), Contract Idm-X 1173, Hunter-Levy Company (Cave Lime et al. claims), Big Horn County, Wyoming

The operator has requested approval to deepen three company-drilled holes--No. 10, now 156 feet deep, No. 22, now 97 feet deep, and No. 25, now 79 feet deep. Amendment No. 1 of the contract, dated September 30, 1958, provides for deepening the three holes to an approximate depth of 200 feet each, upon prior written approval of the Government.

Seventeen holes, located on the strongest gravimetric anomalies, have been completed. These holes were either barren or weakly mineralized. A second group of mine holes is currently being drilled on weaker gravimetric anomalies on the possibility that the weaker anomalies may represent filled or partly filled caverns which are favorable in contrast to the open caverns which are not. Results of this drilling are not available.

The three holes to be deepened were located by the company in relation to known mineralization. As they are not dependent on the gravimetric survey nor, necessarily, on results of previous drilling, it is recommended that the request to deepen holes Nos. 10, 22, and 25 from their present depths to depths of approximately 200 feet be approved. This will test the other known guide to ore in the area--i.e., the presence of surface or near surface mineralization.

F. B. Moore
F. B. Moore, Geologist

M H Marshall
M. H. Marshall, Mining Engineer

FBMoore:arh

IN REPLY REFER TO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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

Audit's copy

**EXPLORATION PROJECT CONTRACT**
**NAVAL-LEVY COMPANY**
**CONTRACT NO. [illegible]**

**AMENDMENT NO. 4**

It is agreed this 13th day of March [illegible], between the United States of America, acting through the Commissioner of the Atomic Energy Commission (hereinafter called the "Commission") and Naval-Levy Company, corporation (hereinafter called the "Contractor") that Exploration Project Contract No. [illegible] (hereinafter called the "Contract") dated February 25, 1958, hereinafter called the "Contract", be amended, in further respects 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 15, 1959.

(b) The Contractor will not contribute to any work included in the Contract during the period of suspension or in any case of rehabilitation or repair work in the areas which had been completed if there had been no suspension of work.

(c) The Contractor, at its own cost and expense, without reimbursement by the Government, during the period of suspension shall continue the project work.

2. The date fixed in paragraph 2.1.12 the Contract for completion of the work is further extended to October 31, 1959.

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

(a) The Contract and all obligations of the parties hereunder shall be terminated effective, provided, such work and are hereby terminated as follows:

[illegible]

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

(ii) Effective October 31, 1959, if the work is started 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 such performance in the reduced amounts set forth in § (a) above.

(c) The Operator shall promptly perform all changes and additional work provided for in the contract, including the preparation of the final report and final drawings.

(d) The Operator, as principal, if the Operator is the principal, or as surety if the Operator is not the principal (for example, if the Operator's labor consists of skills to provide the services in the field), shall pay to the Government the penalty in proportion provided for in the contract, in the case number and amount set for the full period of time provided for in the contract (or extended period, as if a cancellation of contract or certain work had been made) from certificates issued by the Government, or in addition, all costs of the Government provided for in the contract with respect to certification of discovery or development, prosecution, validity and there to obtain the patents thereof (which includes prosecution of the Operator's invention), disclosure, notice, and the right to receive any compensation due thereunder.

(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 ceiling cost of the project or the aggregate amount which the Government may be required to contribute.

[illegible]

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Frank E. Johnson
[redacted]

[redacted]

Joseph H. Kates
[redacted]

John Fey
[redacted]

[illegible]

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224 New Customhouse
Denver 2, Colorado

FEB 6 1959

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

Enclosed are three copies of a work approval issued by the OME Field Team, Region III, for the drilling of 17 holes under Stage I, Phase 2, of the subject contract.

Also enclosed are three copies of a joint memorandum, dated February 3, 1959, by F. B. Moore, Geologist, Geological Survey, and M. N. Marshall, Mining Engineer, Bureau of Mines, pertaining to the matter. Two copies of the Operator's request, dated January 17, 1959, were forwarded with copies of our memorandum of January 26, 1959, to the field examiners.

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

J. W. Townsend

Enclosures

JDC:hmh

cc: Finance Office, Reg. III - w/copy work approval
Barshman } w/copy work
Marshall, OME/DFC } approval and joint
Corres.file, Reg.III } memorandum
Cooper
Chron

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224 New Customhouse
Denver 2, Colorado

FEB 6 1959

Mr. Joseph H. Kanter
Kanter-Levy Company
928 North Bend Road
Cincinnati 24, Ohio

Re: Docket No. DMEA 4849 (Uranium)
Contract Idm-58173
Kanter-Levy Company
(Cave Line et al. claim groups)
Big Horn County, Wyoming

Dear Mr. Kanter:

In reference to your letter of January 17, 1959, this constitutes approval by the Government for you to drill 17 "primary target" holes, under the provisions of Stage I, Phase 2, of the captioned contract, as amended by Amendment No. 1. The locations of the 17 approved holes are depicted by solid-line circles on the map entitled "Gravity Traverses and Anomalies, Little Mountain area, Big Horn County, Wyoming," which is attached hereto and made a part of this work approval.

Government approval for the 13 "secondary target" holes which you requested is deferred pending results of drilling in the approved holes. To assure continuity of project work you should resubmit your request for such "secondary target" holes as you consider to be warranted as soon as the currently approved drilling has progressed sufficiently to permit proper evaluation of the results. Pertinent data pertaining to the "primary target" drilling must accompany your request.

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

JDC:hmh

Very truly yours,

OME Field Team, Region III

By J. W. Townsend

By E. N. Harshman

cc: Chmn. Op. Comm. (3)
Finance Office, Reg.III
Amendment file, Reg.III
Harshman
Marshall, OME/DFC
Corres.file, Reg.III
Cooper
Chron

cc: Mr. Russ Cristie
c/o Lisbon Uranium Corporation
Lovell, Wyoming

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November 20, 1958

Mr. E. N. Harshman,
Acting Executive Officer,
OME 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-K1173
Kanter-Levy Company
(Cave Line et al. claims)
Big Horn County, Wyoming.

Dear Mr. Harshman:

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,

HILARY MINERALS CO., INC.

Joseph H. Kanter
President

K:r

cc:

11-24-58
Copies to:
Clm Op. Comm (2)
Harshman
Marshall
Carres file
Cooper

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

Audit's copy

RECEIVED 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 [illegible], [illegible], [illegible], and [illegible] on the map entitled "Figure 1. Map 3 of [illegible] Areas for Gravimetric Traverses, ..., attached hereto and made part hereof. The survey shall consist of at least one traverse across each designated area and other parallel traverses not closer than [illegible] feet to previous traverses or offset stations not closer than [illegible] feet to previous stations. Not to exceed 1,[illegible] 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 [illegible] of [illegible] holes to an approximate depth of [illegible] feet each in the most favorable anomalies determined by the gravimetric survey. Also, deepen, to an approximate depth of [illegible] feet each, the company-drilled holes Nos. [illegible] (Nos. [illegible] Phase [illegible]), [illegible] (Nos. [illegible] feet each), and [illegible] (Nos. [illegible] feet each). The locations of these holes are shown on the map entitled "Figure [illegible] - Plan [illegible] showing Locations of Company Drill Holes and Workings, ..., attached hereto and made part hereof. No holes drilled in Phase 2 shall be closer than [illegible] feet to any other hole.

Phase 3. The [illegible] holes shall be drilled as an offset to each of the [illegible] holes drilled in Phase 2 that have [illegible] gravimetric prove results. The check holes shall be drilled not more than [illegible] feet from the hole being offset, and shall be drilled to a depth approximately [illegible] feet above the mineralized zone (approximately [illegible] feet), as determined by the hole being offset, and then shall be cased and drilled through the mineralized zone (approximately [illegible] feet).

It is anticipated that [illegible] feet of drilling, [illegible] of sulfides, [illegible] man-days of standby time for crews, and [illegible] chemical analyses of samples will be required to complete Phase 1. However, if these estimates are too low, then [illegible] will be written down and 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 0.25 $U_3O_8$. 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*, [illegible],120 feet* @ $2.[illegible]/ft. | 1[illegible],21[illegible].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 270 feet* in holes Nos. 10, 22, 25 @ $2.75/ft. | 735.70 | |
| Drilling of 3 check holes (Phase 3) | | |
| 540 feet* @ $2.75/ft. | 1,431.00 | |
| 70 feet* @ $3.00/ft. | 210.00 | |
| 600 feet* casing @ $2.00/ft. | 1,200.00 | |
| Standby time 20 hours* @ $15/hr. | 300.00 | |
| | | $25,059.70 |

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, 7,800 feet @ $0.22/ft. | | 1,716.00 |
| 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 ( )

None

Category (7) Miscellaneous

None except:

Chemical analyses for [illegible] content of [illegible] samples [illegible]/sample [illegible] 1[illegible].7[illegible]

Fixed Unit Cost

Incidental allowance 1/ for each foot of drill hole completed, 4,[illegible]00 feet @ $[illegible].25/ft. 1,2[illegible]

Estimated total cost of Stage II $14,2[illegible]

---

1/ Includes all costs whatsoever that might be allowable costs of this contract under categories (1) through ( ) of Article [illegible](a), except as scheduled in Exhibit [illegible].

S U M M A R Y

| | |
|---|---|
| Estimated Cost Stage I | $2[illegible] |
| Estimated Cost Stage II | 14,2[illegible] |
| Estimated Cost of Project, rounded to | $41,[illegible]00 |
| Government Participation @ [illegible] percent | $30,[illegible] |

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.

THE UNITED STATES OF AMERICA

By C. O. Mittendorf
ACTING Director, Office of Minerals Exploration

KANTER-LEVY COMPANY

Joseph H. Kanter (Partner)
Joseph H. Kanter

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

22d New Customhouse
Denver 2, Colorado

EXTRA COPY
O. M. E.
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DATE

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Memorandum

To: Chairman, Operating Committee, OME

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

Subject: Docket No. IMMA 4849 (Uranium), Contract No. Idm-X1173
Hunter-Levy Company (Cave Lime et al. claims)
Big Horn County, Wyoming

Enclosed are the Government's and Audit copies of Amendment No. 1 to Contract Idm-X1173, 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.

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

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

Original signed by
E. N. HARSHMAN

E. N. Harshman

Encls.

JWT:bh

cc: Finance Office, Reg.III ) w/copy Amendment No. 1
Harshman ) and Power of
Marshall, OME/DFC ) Attorney
Correspondence File )
Cooper
Caron.

[illegible]

[illegible]

[illegible]

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. DMRA-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.

LAMBERT, HAHN & ROBINSON
WASHINGTON BUILDING
WASHINGTON 5, D.C.

freely and voluntarily for the uses and purposes therein mentioned.

Julius D. Brown
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.

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22½ New Customhouse
Denver 2, Colorado
August 22, 1958

Memorandum

To: E. N. Hardman - 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 Ida-E1173, Kanter-Levy Company, (Cave Lime 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.

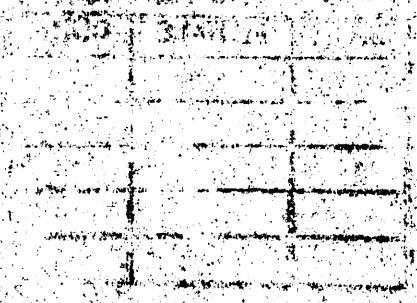
2. Provide for additional gravity meter stations under Stage I, Phase 2, and provide funds for same by reduction of drilling footage and funds under Stage II.

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

JDC:hmh

cc: Chem. Op. Comm. (2) ) w/copy of Oper. letter and attached
Corres.file, Reg. III) map and data
Cooper
Chren

# 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

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The Department of Interior
Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

Attn: Mr. J. C. Townsend, Alternate
Acting Executive Officer
D.M.E.A. Field Team, Region III

Re: Docket No. [illegible] (Cranium)
Contract No. Ida-[illegible]
Center-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 Center-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 than 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.

J. H. Kanter

Joseph H. Kanter

RECEIVED AUG 25 1958

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DMEA
DEPARTMENT OF THE INTERIOR
AUG 21 1958
REGION III
DENVER, COLORADO

August 18, 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:

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)

DATE RECEIVED
DMEA
DEPARTMENT OF THE INTERIOR
1958
REGION III
DENVER COLORADO

MME Form 14
Sept. 1958

No. 9

Contract No. Idm-E) 1173
~~14-23~~)

Docket No. DMEA) 1849
~~MME~~)

Date of Action April 14, 1960
Terminated Contract

DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OBLIGATION DOCUMENT

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

From: Director, Division of Operations Control and Statistics

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

Name and Address of Contractor:

Kantor-Levy Company
c/o Oppenheimer & Co.
25 Broad Street
New York, 4 New York

| Date of Contract | Region | State | Commodity |
|---|---|---|---|
| February 25, 1958 | III | Wyoming | Uranium |

| | Reserve | Obligation |
|---|---|---|
| Prior Amount | 0 | $30,930.00 |
| Increase | 0 | 0 |
| Decrease | ~~0~~ | ~~16,353.41~~ |
| Revised Amount | 0 | $14,576.59 |

Remarks:

cc: 800
210

43244

DMEA Form 14

Contract No. Idm-E 1173

Docket No. 4849

Executed Contract

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

| Date of Contract | Region | State | Commodity |
|---|---|---|---|
| February 25, 1958 | III | Wyoming | Uranium |

Name and Address of Operator: Kanter-Levy Company
c/o Oppenheimer & Co.
25 Broad Street
New York 4, New York

| | Reserve | Obligation |
|---|---|---|
| Prior Amount | 30,930.00 | 0 |
| Increase | 0 | 30,930.00 |
| Decrease | 30,930.00 | 0 |
| Revised Amount | 0 | 30,930.00 |

Remarks:

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

(Title)

Date delivered to Bureau of Mines, Washington 6/9/58

22845

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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] 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 ....., 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 ~~attex~~ have completed the work ~~[illegible]~~ allowable costs (see Article 6) in a sum not less than the estimated ~~[illegible]~~ 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; [redacted] **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.*—
**SeeAnnex II**

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals
Exploration Administration

KANTER-LEVY COMPANY
(Operator)

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

Joseph H. Kanter as agent for Leon Levy
LEON LEVY (Partner) power of atty dated May 2, 1958

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

35485

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 I have here unto set my hand and seal this 29th day of May, 1958.

Leon Levy

Witnesses:

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. 8-17 | 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 |
| Goen Nos. 1-6 | 152 | 427-437 |
| Horse Thief Nos. 6-9 | 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. Grossman and Seymour Hoskins by a Mining Deed, dated October 12, 1956, signed by Vaughn A. Hodson, Charlotte Hodson,

Stanley E. Preator, Vivian Preator, Arlan Preator, Dorothy Preator, Lowell Preator, Betty Preator, Eyre Preator, Jessie Preator, Morris R. Avery, Flatt 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 Hoetkins, assigned a 2% overriding royalty to S. A. Winfrey.

J. K. Crossman and Seymour Hoetkins 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. DMRA-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 (5) 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(e), 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.

[illegible]

[illegible]

[illegible]

MF-205
(Combines and supercedes MF-202 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 follows:~~ 2/ XXXXXXXXXXX :

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.

| | | | |
|---|---|---|---|
| Lazell Preator | [Seal] | Burlington, Wyoming | [Address] |
| Lyne 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 H. Chastley | (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-20[illegible] 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 27th day of May, 1958

| | | | |
|---|---|---|---|
| Charlotte Hodson | [Seal] | Burlington, Wyo | [Address] |
| Charlotte Hodson | | | |
| Vivian L. 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 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 1173
Contract Date 25 FEB 1958

RECEIVED FEB 10 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 16th day of January, 195 6.

| | | |
|---|---|---|
| Jerome R. Crossman, Trustee | [Seal] | 3421 Republic Natl Bank Bldg. Dallas 1, Texas [Address] |
| Seymour Hoffman | [Seal] | 3420 Republic Natl Bank Bldg. Dallas 1, Texas [Address] |
| E. R. Hoffman, Trustee | [Seal] | 800 Gibraltar Life Bldg. Dallas 1, Texas [Address] |
| D M Mallon | [Seal] | 30th Floor, Republic Natl Bank Bldg. Dallas 1, Texas [Address] |
| Walter Gregler | [Seal] | 3400 Republic Natl Bank Bldg. Dallas 1, Texas [Address] |
| Ryan Consolidated Petroleum Corp. By Jerome R. Crossman President | [Seal] | 3400 Republic Natl Bank Bldg. Dallas 1, Texas [Address] |

I, Vincent L. Kohloff certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that Jerome R. 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. Kohloff

[Corporate Seal]

Fallon Gas Corporation
By Samuel B. Ballen
President

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

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

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

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

INT.-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 APR 27 1956

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 28 day of February, 1956.

| | | | |
|---|---|---|---|
| L. A. Murphey | [Seal] | Cody Wyo. | [Address] |
| Helen Lois Murrow | [Seal] | c/o Mr. Wm. James Stark | [Address] |
| Anne R. Bilal | [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 |

EXPLORATION PROJECT CONTRACT
KANTER-LEVY COMPANY
DOCKET NO. DMRA-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 gamma 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 Phases 1 and 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

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 2a (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."

Bldg Box Cartenhouse
Denver 2, Colorado
June 5, 1958

800

Memorandum

To: Chairman, Operating Committee, NMMA

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

Subject: Docket No. NMMA 4849 (Uranium), Contract No. Ion-X1173, Hunter-Levy Company (Dove Line et al. claim groups), Big Horn County, Wyoming

Enclosed are the Government's and Audit's copies of Exploration Project Contract No. Ion-X1173, 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 NM-805, Consent to Lien and Subordination Agreement, signed by the wives of the contract-holders, 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, thereby 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 $81,340.00, toward which the Government will contribute 75 percent, or not in excess of $60,950.00.

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

JWTrpt
cc: Contract
Finance Office, Region III
Contract
NMMA/DPS-Bloyer
Corres. File - w/copy of Operator's letter of June 3 and letter to Operator.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Concur:
Chairman.

Official signed by
J. W. TOWNSEND

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

Letter mailed to:

Joseph H. Kanter
Kanter-Levy Company
924 North Bend Road
Cincinnati 24, Ohio

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

JUN 5 1958

Kanter-Levy Company
c/o Oppenheimer and Company
25 Broad Street
New York 4, N. Y.

Re: Docket No. DMEA 4849 (Uranium)
Contract No. 14m-R1173
Kanter-Levy Company
(Cave Lime et al. claim groups)
Big Horn County, Wyoming

Gentlemen:

Enclosed is the "Operator's Copy" of Exploration Project Contract No. 14m-R1173, Docket No. DMEA 4849.

Also enclosed are six copies of Form MF-104, "Operator's Monthly Report and Voucher," and six copies of Form MF-104A, "Operator's Unit Cost and Progress Report." At the end of the first calendar month after work is commenced, and monthly thereafter, you are required to submit the original and four copies of each form to the

Executive Officer
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado.

The extra copy is for your records.

Forms MF-104 and MF-104A are to be combined into five sets of one of each form. Each set of the combined forms is to be accompanied by a map or sketch, showing the location and extent of work performed, and a signed narrative report which describes the work performed, conditions encountered, and results of the work. The monthly accounting report will not be processed for reimbursement unless it is accompanied by a signed narrative report and other required or pertinent data. Additional copies of Forms MF-104 and MF-104A will be forwarded to you each month on receipt of your report for the prior month.

For your information, and in reply to many questions that have been asked, after Forms MF-104 and MF-104A are received, an engineer will check progress on the project and review your accounts,

after which the report forms will be forwarded to this office for administrative consideration and vouchering. If the report is in order, a check will be issued by the Treasury Department for the Government's portion of the approved costs. If you have any difficulty in completing these forms and the reports, please call on this office for assistance.

In the matter of your claim for reimbursement of drilling costs under the terms of the contract, reimbursement to you will be on the basis of a hole or holes completed to the objective, which has, or have been, drilled in compliance with the conditions under the "General Provisions" section of Exhibit "A" of the contract and the special conditions pertaining to the drilling under each stage. Therefore, your monthly report should include only such holes which are completed to that extent and the required records made a part of your claim for reimbursement.

The contract is prepared on form NP-300, and under its provisions and as outlined in Exhibit "A" attached to the contract, the allowable costs are a combination of "Actual Costs" and "Fixed 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 recorded 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 subcontractor. The costs of sample analyses, under Category (7), are to be recorded under item (7) on Form NP-104. The number of sample analyses reported must be documented by a copy of the assay return and a signed or certified true copy of the billing from the assayer. Amounts reported on the basis of "Fixed Unit Costs" require no documentation, as they are otherwise verified. However, costs on a "Fixed Unit 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 instructions 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 suspended, 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 desire to perform the work under Category (1) on company account instead of subcontracting it, as provided in the contract, it will be necessary that you request and obtain an appropriate amendment to the contract before reimbursement can be made to you for the Government's portion of the allowable incurred costs.

Your requests to this office for work approval, changes in the contract, or any other communication pertaining to operations under the contract, must be in writing, of which please supply the original and five copies, each copy complete with maps or other pertinent data. Each request for action by this office must pertain to one matter only. Such requests are not to be incorporated in your narrative report accompanying monthly progress report Forms NF-104 and NF-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 sextuplicate, 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 assay 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, DMEA, or by the DMEA 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 imperative that you notify this office in writing the date work actually commences under the contract.

Very truly yours,

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

VT:prl
cc: Chem. Op. Comm. (3)
Finance Office, Reg. III
Amendment file, Reg. III
Harshman
DMEA/DFC (Binyon)
Corres. file
Townsend
Chron.

DMEA Form 14

Contract No. Idm-E 1173

Docket No. 4849

DEPARTMENT OF THE INTERIOR

Rewritten approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

| Date of Contract | Region | State | Commodity |
|---|---|---|---|
| 25 February 1958 | III | Wyoming | Uranium |

Name and Address of Operator: Kanter-Levy Company
c/o Oppenheimer & Co.
25 Broad Street
New York 4, New York

| | Reserve | Obligation |
|---|---|---|
| Prior Amount | 30,237.00 | 0 |
| Increase | 693.00 | 0 |
| Decrease | - | 0 |
| Revised Amount | 30,930.00 | 0 |

Remarks:

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

Date delivered to Bureau of Mines, Washington 5/16/58

22845

DMEA Form 14

Contract No. Idm-E 2173

Docket No. 4849

DEPARTMENT OF THE INTERIOR

Approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

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

| Date of Contract | Region | State | Commodity |
|---|---|---|---|
| February 25, 1958 | III | Wyoming | uranium |

Name and Address of Operator: Kanter-Levy Company
c/o Oppenheimer & Co.
25 Broad Street
New York 4, New York

| | Reserve | Obligation |
|---|---|---|
| Prior Amount | 0 | 0 |
| Increase | 30,237.00 | 0 |
| Decrease | 0 | 0 |
| Revised Amount | 30,237.00 | 0 |

Remarks:

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

Date delivered to Bureau of Mines, Washington 2/25/58

22845

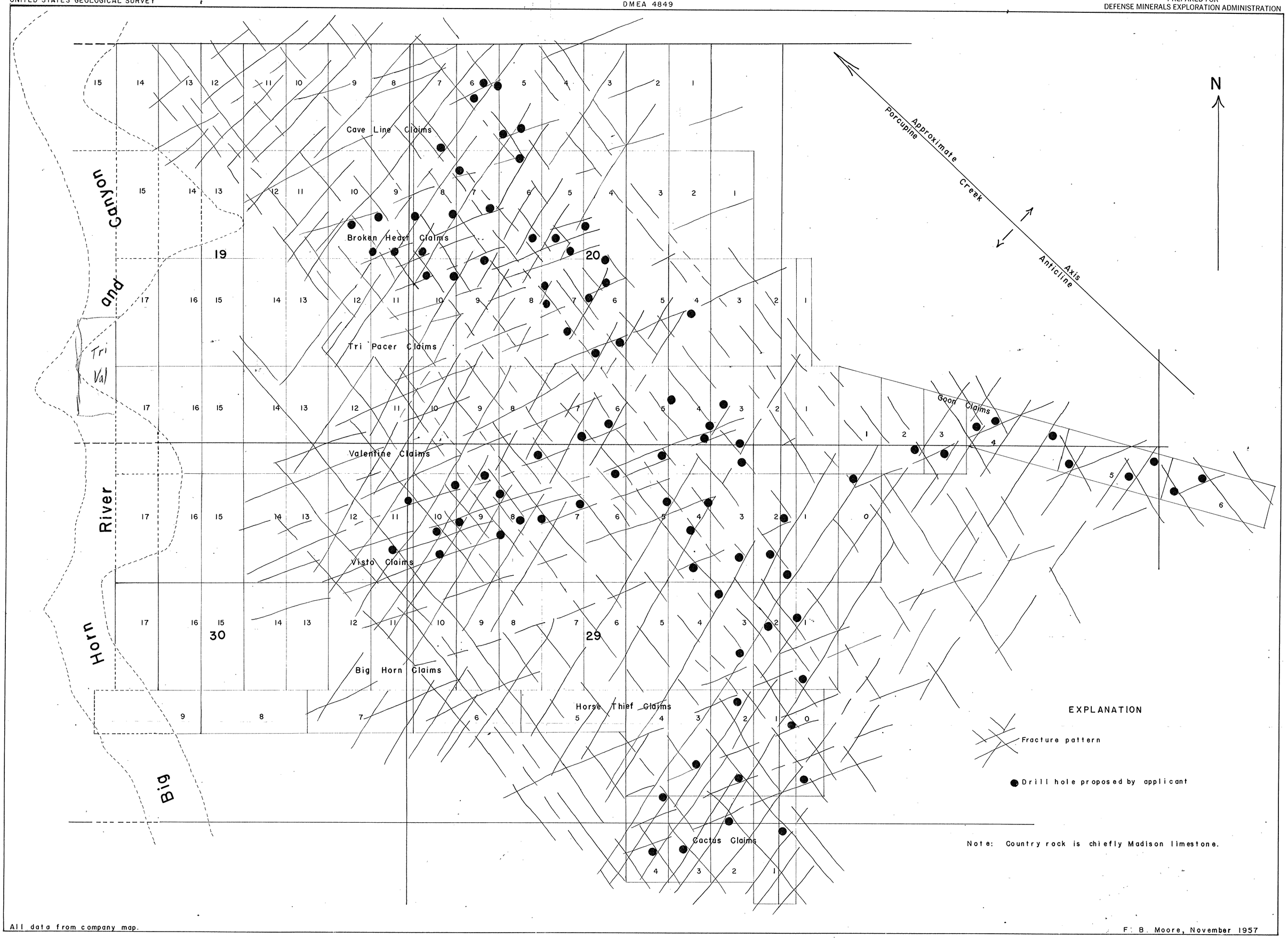


FIGURE 2.--MAP SHOWING PROPOSED DRILL HOLES, RYAN CONSOLIDATED CLAIMS (KANTER-LEVY), SECS. 19, 20, 21, 27, 28, 29, 30, T. 58 N., R. 94 W., BIG HORN COUNTY, WYOMING.

Scale: 1 inch = 600 feet.