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WYW - 132847

Mr. Stephen P Collings
Crow Butte Land Company
216 16th Street, #810
Denver, CO 80202

NOV 19 1969

Re: Your non-competitive fringe acreage uranium lease application
WYW-132847

Dear Mr. Collings,

Sufficient exploration has been done to establish the existence of uranium mineralization in the subject application area. This was done under prospecting permits NEW-63905 and NEW-73001. You have identified that additional drilling would be advantageous to further define the extent and quality of the ore body. This would help in your mine planning and to identify a proposed action for NEPA purposes.

Your application for a non-competitive fringe acreage lease is based on currently available information. We have determined that you meet the special requirements for a Federal lease (43 CFR 3565.2), and that we will need further information in order to proceed with this application.

For a fringe acreage lease to be processed, BLM needs to determine a bonus amount to be paid prior to lease issuance. The bonus is based on an appraisal which we will conduct (43 CFR 3565.5). In order to conduct the appraisal we will need the following types of information from you.

- (1) The results of a drilling program adequate to further define the quantity and quality of the reserves to be leased.
- (2) A mining plan adequate to determine certain mining costs and revenues sufficient to establish a fair market value of the reserve to be leased.
- (3) Comparable sales information on sales or leases of uranium, as well as quality, quantity and mining cost information so that these sales can be adjusted to this application.

Item 1 is needed first, while items 2 & 3 can come later in processing the application. We want to work with your exploration geologists to assure that your drilling program will meet our needs for the appraisal and NEPA. Bob Janssen is our geologist for this project and should be contacted at 307-775-6206, as you plan your drilling.

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Your drilling program must also be approved by the Nebraska Department of Environmental Quality as a mineral exploration license. They will establish the terms and conditions of the license and require a bond to assure proper abandonment, plugging and reclamation of drill holes. The BLM will review this license, to assure that the bonding is adequate to protect down-hole resources. The US Forest Service will also require appropriate permitting on lands they administer.

In order to proceed with this application, we ask that you proceed with the needed exploration and complete the program by September, 2000. We will need the complete results of your drilling, including logs, drill collar elevations and coordinates, and analytical data, plus any interpretation of the data you may have done.

In the event that you are not ready to complete needed exploration within the next two years, you may withdraw your application and apply for either another fringe lease application or prospecting permit when you are ready to proceed.

If you have any questions on this letter please feel free to contact Glen Nebeker or myself at 307-261-7600, or Bob Janssen at 307-775-6206.

Sincerely,

ASSOCIATE

/S/MIKE KARBS

Field Manager

✓ cc: District Ranger, Pine Ridge District
Oglala National Grassland
Nebraska National Forest
16524 Hwy. 385
Chadron, NB 69337

Mr. Ralph Knode
Crow Butte Resources, Inc.
PO Box 169
Crawford, NB 69339

SD (922)Attn. Bob Janssen
SD (921)Attn. Mavis Love

UNITED STATES DEPARTMENT OF AGRICULTURE

Pine Ridge Ranger District
16524 Highway 385
Chadron, NE 69337-7364

PENALTY FOR PRIVATE USE, \$300

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Washington, DC 20555

