



CONTACT INFORMATION

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ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: CHILITO MINE

ALTERNATE NAMES:

SCHNEIDER GROUP
CLAIMS MS 4680
GILA CANYON COPPER CO CLAIMS
VELASCO PIT

GILA COUNTY MILS NUMBER: 11A

LOCATION: TOWNSHIP 4 S RANGE 15 E SECTION 22 QUARTER SE
LATITUDE: N 33DEG 04MIN 00SEC LONGITUDE: W 110DEG 47MIN 48SEC
TOPO MAP NAME: HAYDEN - 7.5 MIN

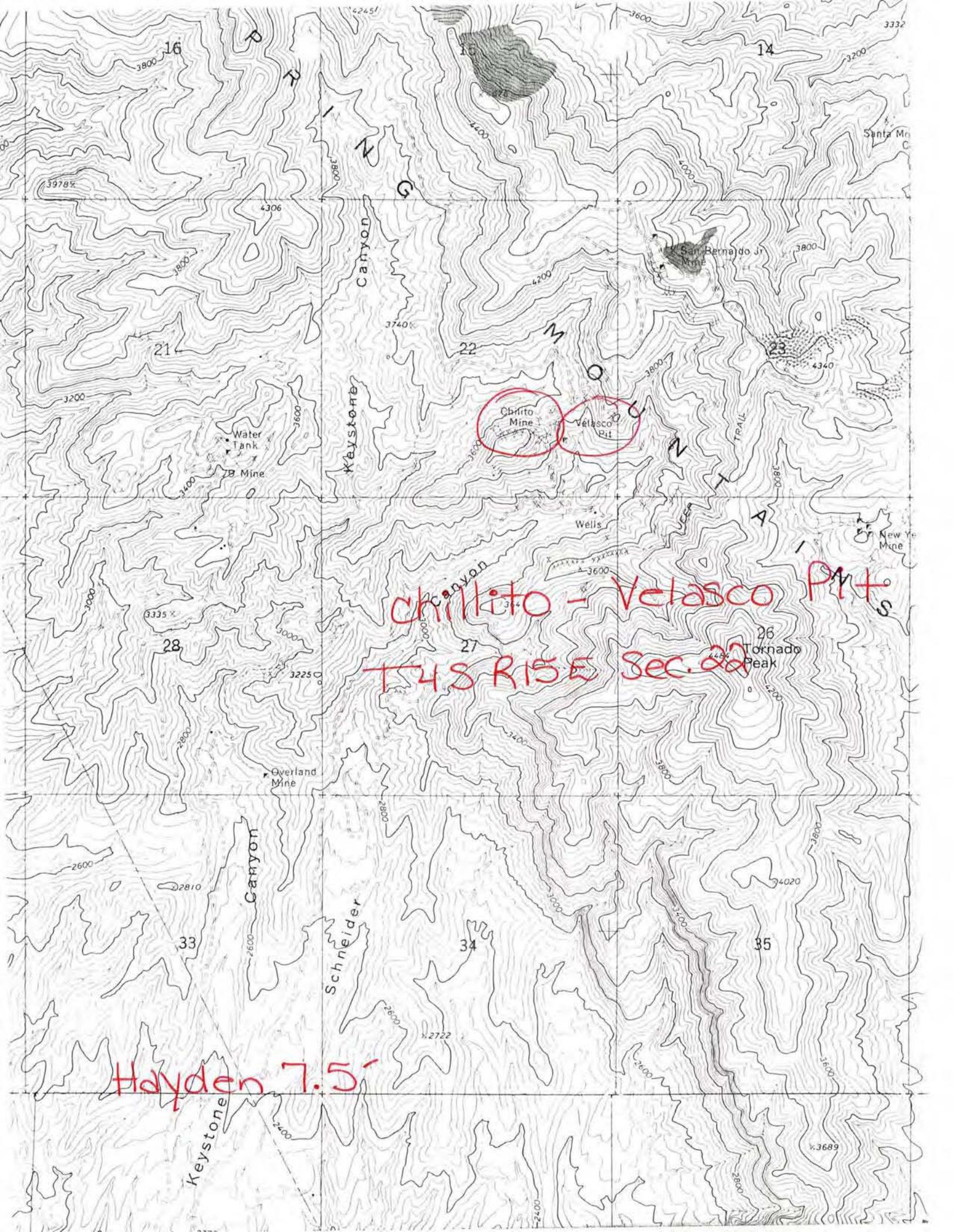
CURRENT STATUS: PAST PRODUCER

COMMODITY:

COPPER SULFIDE
COPPER OXIDE
SILVER
MOLYBDENUM
SILICON SMELTER FLUX

BIBLIOGRAPHY:

ATOMIC ENERGY COMM. 172-480, P. 164
BLM MINING DISTRICT SHEET 673
ADMMR CHILLITO MINE FILE, "U" FILE CU28
ADMMR PUB PROD POSS MARGINAL CU MINE 1941, P9
ROSS C P ORE DEP SADDLE MTN & BANNER MGN DIST
USGS BULL 771, 1925, P. 63
ELEVATORSKI E A AZ IND MIN, 1978 P31
MSHA YELLOW SHEETS



Chirito - Velasco Pit
T4S RISE Sec. 22

Hayden 7.5'

Chillito Mine

Gila

Visited Gordon Wainwright's Chillito silica quarry 5½ miles north of
Hayden. GW WR 1/26/77



Pay Dirt 11/25/68

CHILLITO MINE

GILA COUNTY
Banner District

Dick Lobb was in to say hello and stated that Mike Guzman no longer was at the Chillito, because the grade in copper dropped too much. Someone by the name of White and a partner since are reported to have found some better copper. LAS Superior Conference - 6-22-61

Mr. Wainwright reported by letter of Feb. 1962, that in 1961 Chillito produced 24,271 tons of siliceous ore yielding 295,960 lbs. of copper. They stripped 250,000 tons of waste in the process. They worked 9 men during first 3 months and 4 men during the remainder of the year. A followup letter was written to verify the year that represents this production. Memo - Lewis A. Smith - letter from Gordon Wainwright of Chillito Copper Co., Box 459, Hayden. Feb. 25, 1962

This property active 2-1962 - 3 men working

Active Mine List Oct. 1962 - 3 men

Has not operated for a year. LAS 10-20-64

Bear Creek at the Chillito mine - also studying the "79" mine. FTJ WR 1-26-68

Kennecott has the Chillito mine and are obtaining 250 tpd from contract miner, did not get the details. FTJ WR 9-27-68

Active Mine List April 1969 - 4 men - Gordon Wainwright, Hayden

Visited Superior - both perlite plants were in operation. JHS Conf. 6-18-69

Visited Wainwright's house (trailer) - he mines 3 to 5 thousand ton/mo. FTJ WR 9-26-69

Active Mine List Oct. 1969 - 5 men - Gordon Wainwright
Active Mine List April 1970 - 5 men - Gordon Wainwright
Active Mine List Oct. 1970 - 5 men - Gordon Wainwright

Directory of Mining - August 1971 - 5 men.

Wainwright continued to mine flux ore from the Chillito mine north of Hayden. FTJ QR 9/71

Chillito mine continued to produce copper flux ore for Kennecott smelter at their regular rate of about 150 T/D. FTJ QR 3rd 71-72

Active Mine List - October 1972 - Empl. 5

To Wainwright office and talked to Mrs. Wainwright who said there was no change in their operation at the Chillito Mine. FTJ WR 5-23-74

CHILITO PROPERTY-VELASCO PIT

GILA COUNTY

HM WR 4/8/88: A report on the Chilito copper deposit, Gila Co was obtained for the file. The report has been widely circulated among professional geologists for over 10 years, so there should be little reason to continue to class the data as proprietary. The deposit was developed by Kennecott but is now owned by ASARCO.

*do
not
staple*

████████ CHILITO MINES

GILA COUNTY, ARIZONA

MILS # 11 A-B

RECEIVED
APR 18 1988
DEPT. OF MINES &
MINERAL RESOURCES

**79 AND CHILITO MINES
GILA COUNTY, ARIZONA**

EXPLANATION

Qal	Alluvium	}	QUATERNARY
QTg	Gila Conglomerate	}	TERTIARY AND QUATERNARY
qp	Quartz porphyry dike	}	TERTIARY
qdp	Quartz diorite porphyry		
Ka	Andesite	}	CRETACEOUS
Pn	Naco Limestone	}	PENNSYLVANIAN
Me	Escabrosa Limestone	}	MISSISSIPPIAN
Dm	Martin Limestone	}	DEVONIAN
Ca	Abrigo Formation	}	CAMBRIAN
db	Diabase	}	PRECAMBRIAN
p&t	Troy Quartzite		
p&m	Mescal Limestone		

 fault

Geologic Setting

Precambrian Pinal Schist (small outcrop) overlain by Dripping Spring quartzite, Mescal Limestone and Troy quartzite are intruded by Precambrian (?) diabase and overlain by Paleozoic sediments. These are overlain by Cretaceous(?) andesite and basalt and intruded by Laramide(?) quartz-diorite and quartz-diorite porphyry. Postmineral rocks include Tertiary hornblende porphyry rhyolite porphyry and Qal.

Alteration - Mineralization

Mineralization occurs as stockwork fractures in diabase adjacent to the quartz-diorite stock. Diabase contains locally abundant sericite, clay, biotite, and chlorite and probably should be included in the clay sericite alteration type. However, the alteration mineralogy of the diabase primarily reflects a deuteric or late magmatic alteration, which is a Precambrian rock-type effect. Most samples of quartzite and quartz-diorite showing biotite-orthoclase alteration are very fractured and are found in and near ore. Quartz-sericite-limonite is found in and peripheral to ore in quartzite and also the south end of the quartz diorite stock. The quartz diorite only weakly mineralized.

References

- DeWilliam, P. P., 1964, Chilito project, Banner mining district, Gila County, Arizona: BCMC-SWD Rept. (Sept. 16).
- Eastlick, J. T., 1968, Geology of the Christmas Mine and vicinity, Banner mining district, Arizona, in Ore Deposits in the United States 1933-1967, J. D. Ridge (ed.): Am. Inst. Mining Metall. Engineers, p. 1191-1210.
- Lehner, R. E., 1962, Chilito property appraisal: BCMC-SWD Rept. (April 11).
- Taylor, S. A., 1963, Chilito examination, Banner mining district, Gila County, Arizona: BCMC-SWD Rept. (Dec. 3).
- Wilson, J. C., 1964, Final report on applied geochemical studies at Chilito, Arizona: KES-GRD (Dec. 30).

PORPHYRY COPPER PROBABILITY STUDY
OCCURRENCE DESCRIPTION OUTLINE

I. SULFIDE SYSTEM

A. Name CHILITO County Gila State Arizona

*B. Length: Exposed 3800 ft; Extrapolated 5000 ft.

*C. Width: Exposed 3500 ft; Extrapolated 4500 ft.

*D. Azimuth of Elongation 10°; Sulfide Concentration 1.5(?) Vol. %

*E. Capping (circle one for each)

Oxidized Capping	yes	no		no data
Leached Capping	yes	no		no data
Intensity in Outcrop	subtle	apparent	obvious	no data
Color	red-brown	maroon	bleached-yellow	no data

*F. Absolute Age (m. y.); Min. _____; Max. _____; Average _____
Relative Age (bracket): 62 m. y. Christmas

*G. Drillholes

1. Maximum Depth 700 ft.

2. Comments Drilled by BCMC into mineralized Precambrian diabase.

*H. Geologic Setting (age, host rocks, intrusive relationships, oldest to youngest formations, contacts, alteration halo to core zone).

See Attached

I. Reference:

See Attached

*Note: See Rules and Conventions.

Sulfide System Name Chilito

II. Diagnostic Reconnaissance Characteristics

A. District Prospect Zoning Outside of Sulfide System

1. Prospects/Mines

Metal/Type	Min. Diam. (feet)	(M) Mines (P) Prospects	Rock Types	Deposit Types
Cu ✓	18,000	M	Martin limestone	replacement
Pb-Zn -Cu ✓	12,000	M	Paleozoic limestone	skarn
Ag-Au ✓				
Mn				
Other				
Other				

B. Dike Swarms

Rock Types	Qtz. monz.			
Length (ft.)	1500-3000			
Width (ft.)	4000			
Azimuth (°)	70			
Age	uncertain			
* Spatial Rel.				
Contacts				
Other				

*C. Important Regional Structures (other than dike swarms)

Type	Normal fault		
Length	15,000+		
Azimuth (°)	345		
Recognition Factors	Cn/db contact		
Age	Postmineral		
Spatial Rel.	West boundary		
Contacts	nd		
Other			

*D. Other Reconnaissance: (See back of page)

Reconnaissance

Chilito has many strong similarities to the Ray deposit. At Chilito, Ray, Troy, and Christmas, the mineralization has apparently been introduced along the stock contacts and yet has not significantly affected the stocks themselves.

Areas of good diabase mineralization are noticeably marked by numerous mineralized oxide fractures, small shears, and small pebble dikes.

Sulfide System Name Chilito

III. Center of Mineralization (zone of best copper)

A. Name Chilito

*B. Copper Mineralization

1. Type	*%	Av. Grade	Rock Type	*Other Data
a. Primary	X	0.1-0.4	diabase	
b. Enriched	X		diabase	
c. Skarn (replacement)				
d. Oxide	X			
e. Mixed	100	0.51%Cu	diabase	

2. Current Mineral Inventory

a. Tons 74.7 x 10⁶ ; Av. Grade 0.51 Cu %; Cutoff _____

b. Other Credits 0.01% Mo; 0.04 oz Ag/T.; tr -0.005 oz Au/T.

3. Past Production

a. Tons None ; Av. Grade _____%; Cutoff _____%

b. Other Credits _____

C. Cover

1. 100 % Exposed at time of discovery

2. Projected Post Mineral Cover

a. Thickness (ft.) None (0)

* b. Formations None

* c. Estimated Δ elevation of base of cover to top of cc blanket (ft.) _____

No data

3. Premineral Cover

a. Thickness (ft.) None

b. Formations _____

Sulfide System Name Chilito Mine, Gila Co., Arizona

IV. Aeromagnetic Expression of Sulfide System or Mega-District

A. Type Magnetic low embayment at south edge of intrusive, or
gradient area south of intrusive.

B. Magnitude -40 Gammas, Line Spacing 1/3 mile
Clearance 1000' AT

C. Source

1. Length 2,000 ft. Width 2,000 ft. Azimuth equidimensional
2. Susceptibility -600×10^{-6} cgs. (?)

D. Diagnostic Character WITHOUT Geology embayment at south edge of
intrusive; sediments or altered intrusive.

E. Diagnostic Character WITH Geology Sediments (pEt) and altered
intrusive south of larger intrusive source. 50% of the large positive
magnetic source lies within the sulfide system.

F. Other Geophysical Expression IP anomaly

G. Reference:

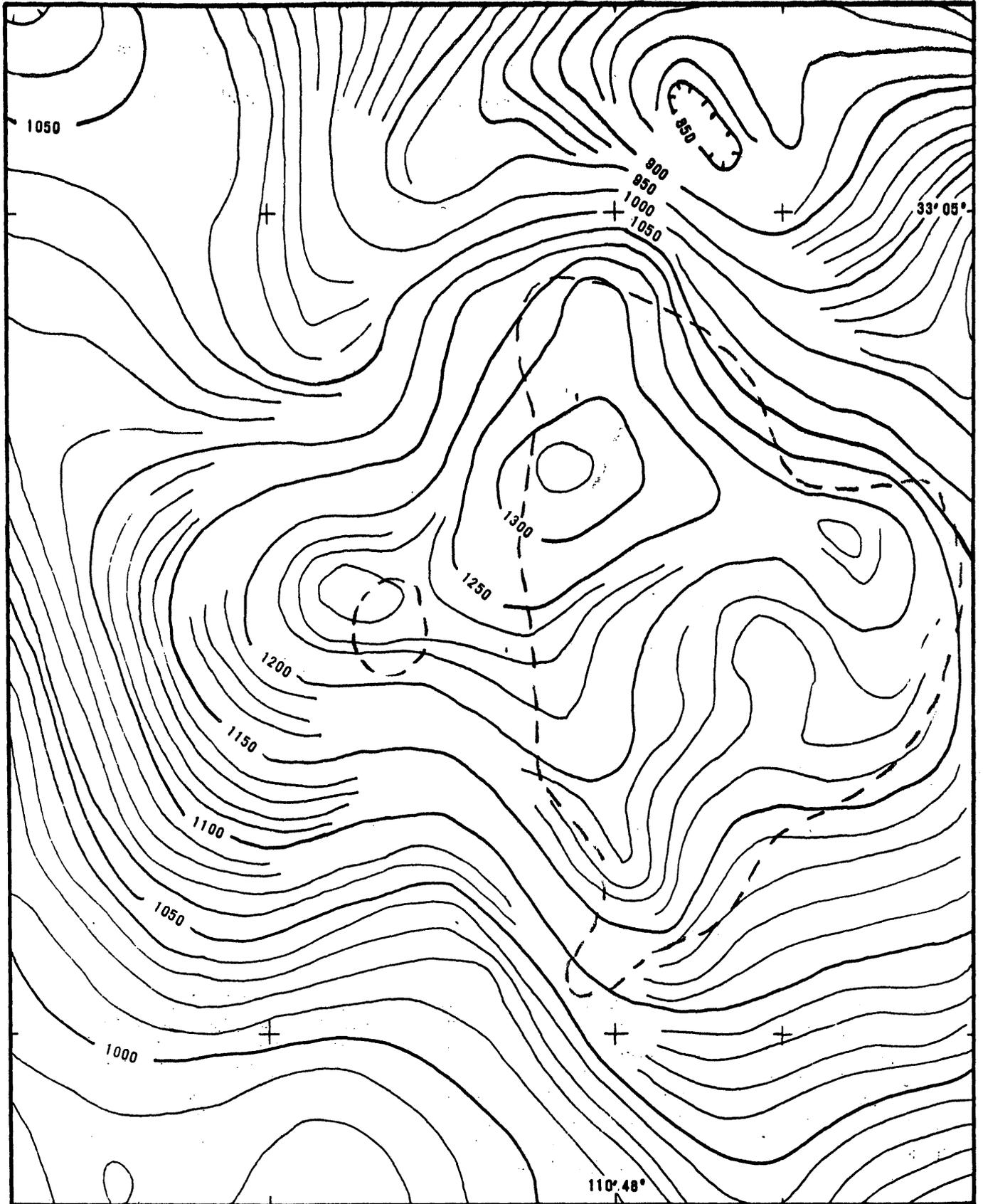
Andrews, R. K., 1970, Preliminary Interpretation of the Saddle
Mountain Aeromagnetic Survey: KEI-GDO Report.

BCM Saddle Mt. Aeromagnetic Survey, 1970.

H. Comments on Quality of Data:

Good quality data but irregular terrain clearance due to 1200+ feet of
topographic relief.

R15E

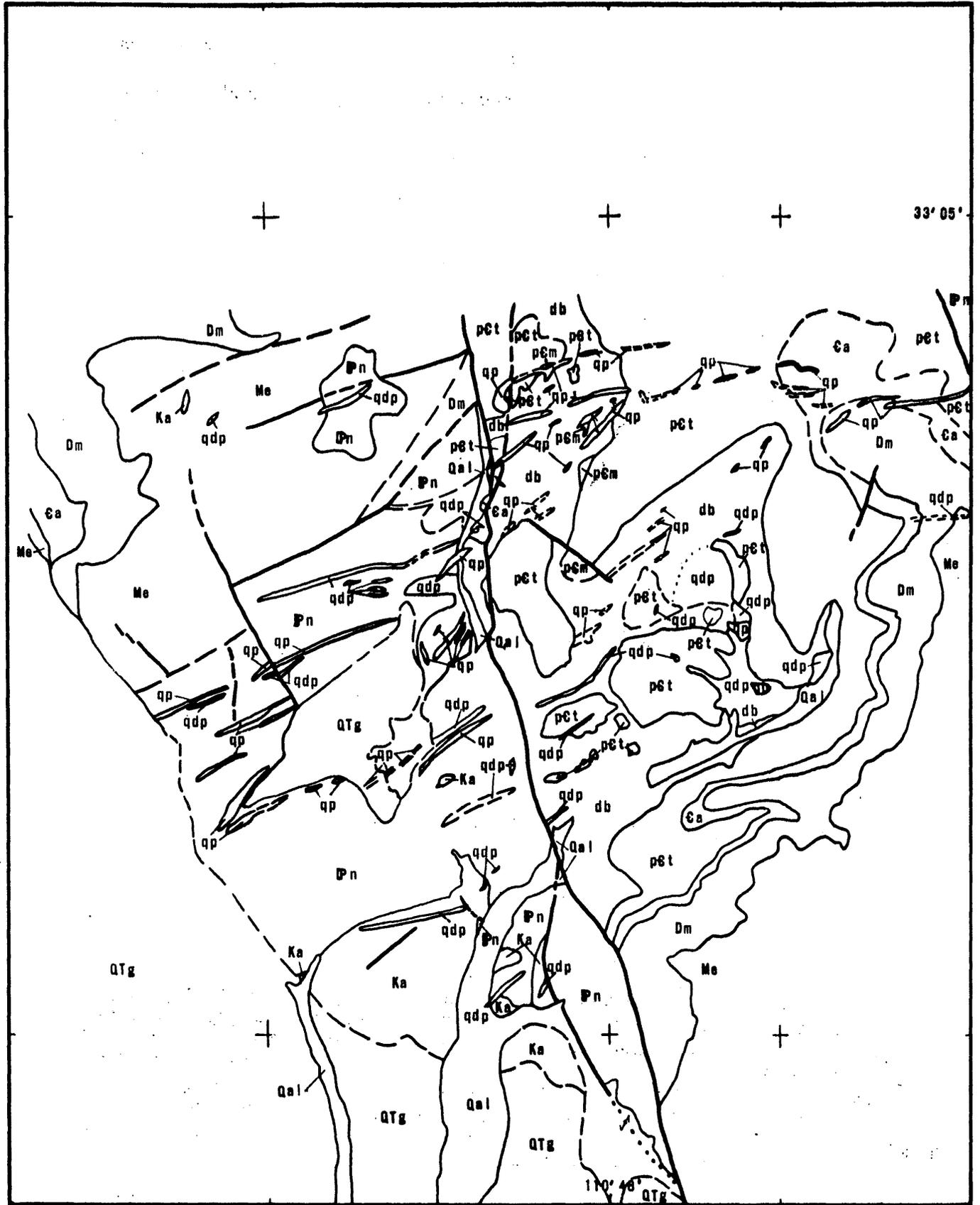


Aeromagnetic map of Area 8 Florence Junction and Saddle Mountain, Arizona;
BCMC Geophysics Div., no. AZ3-301, 1970.

AEROMAGNETIC MAP OF THE 79 AND CHILITO MINES GILA COUNTY, ARIZONA

Scale 1" = 2000'
Contour interval 10 and 50 gammas

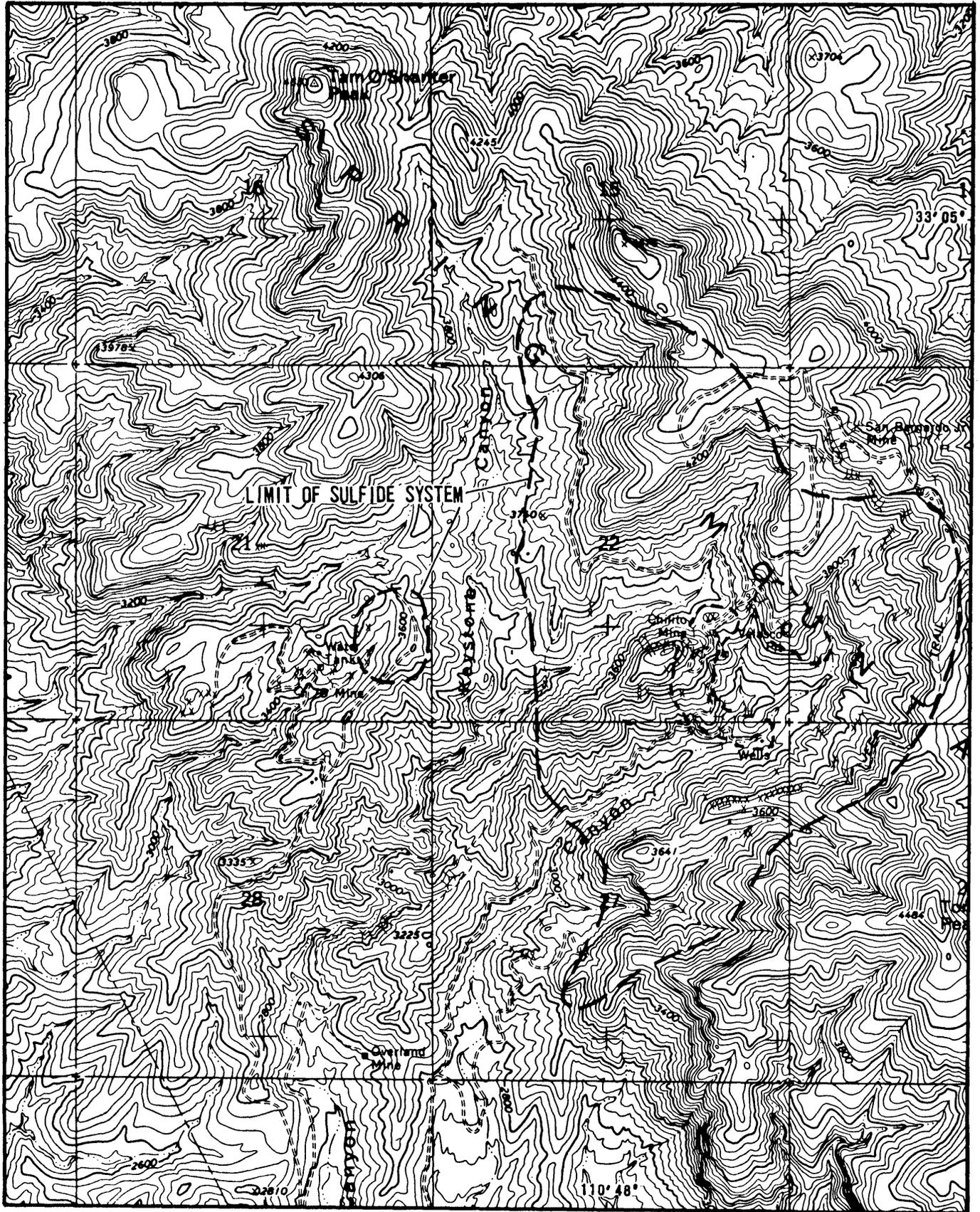
TC 500', Fl 1/3 mile, NW-SE.



Lehner, R.E., 1982, Geology map of the Chilito-Kullman-McCool-79 Mine Area, Banner Mining District, Arizona: BCMC, SW Dist., pl.4.

**GEOLOGIC MAP OF THE 79 AND CHILITO MINES
GILA COUNTY, ARIZONA**

Scale 1" = 2000'



Topography from the Hayden quadrangle, Arizona: USGS, 1964.

TOPOGRAPHIC MAP OF THE 79 AND CHILITO MINES GILA COUNTY, ARIZONA

Scale 1" = 2000'

From settlement sheet 8/20/53

Wainwright - Schmidt property

Zone	cu	cu	sq	File Co.
46.86	1.86	.003	.08	Jan '53
55.86	1.56	—	.12	QSR
44.80	2.49	.003	.15	
44.57	2.27	—	.09	
30.99	3.19	.01	.1	
54.50	3.50	.01	.2	
32.18	3.63	.01	.1	
31.30	4.37	.02	.1	July '53

Wainwright's Lease
 Royalty 5%
 10%
 15%
 Option 150,000 within
 4 years from 4/22/53
 Royalty apply 20000/yr
 Chills 1-48
 Non-assignable

About Sec 10 N45, R15E

oxide Cu in fractured zones in
 Tray Q21 SE Quarry

Gordon Wainwright, owner
 1746 W. Lonto St, Phil

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine CHILIFFO GROUP (Schneider Hill) Date November 25, 1942
District Banner District Engineer Earl F. Hastings
Subject: Reconstruction Finance Corporation
Preliminary Development Loan

Docket No. C-ND-Phx 99
Date Application Received November 18, 1942
Date of Report November 25, 1942

1. Name and address of applicant (correspondent):
R. D. Beard, Bernardo C. Velasco and A. M. Phippen, Winkelman, Arizona.
2. Character of project and estimated cost thereof:
Copper. Repair and retimber caved tunnels to examine copper ore body, \$5,000.
3. Location of property:
Banner Mining District, Gila County, Arizona.
4. Applicant's interest in or ownership of property:
Applicant is one of four partners, owners by location.
5. Loan requested:
\$5,000.
6. Loan recommended:
\$5,000.
7. Comments:
 - (A) A study of the docket produces conflicting reaction. The Scott report is exceedingly optimistic as to prospective tonnage and values on the basis of the limited development, there being 61 million tons "partially proven" of an assumed 1.5% ore by 12,000 feet of development work according to this report, or 5,083 tons per foot of development.
 - (B) The shipping record of a fair and consistent grade of ore is impressive but the location from which these shipments were extracted is not stated.
 - (C) Emphasis is placed upon the poor timbering by past operators and the loss of stopes resulting. It can be assumed, therefore, that the workings are currently in extremely poor condition and that re-entry to stopes from which shipments were made will be difficult, and there is no evidence that remnants of ore bodies of sufficient size to warrant reopening will be found. In fact the Scott report states "Leasers following these high grade croppings have extracted a large portion of the high grade ore and for this reason only a limited number of samples were taken from the high grade still exposed in the workings." Shipments are claimed to have been made subsequent to the Scott report and additional tonnage of the grade of ore previously shipped would now be dependent upon further exploration.
 - (D) The assured tonnage now claimed consists of 10,000 tons of "mill grade" dump material and two blocks of enriched diabase totaling 20,107 tons of 1.6% ore (location of which is unknown), or a grand total of 30,107 tons. The grade is too

November 25, 1942

low for shipment and the quantity too small on which to base a reduction plant.

This project must then fall into a long term development classification, the cost of this development possibly exceeding the amounts allowable under the R.F.C. loan program. Such development would possibly expose new high grade streaks but, on the whole, no early production could be expected.

(E) Reference is made to Exhibit "L" relative to recovery by an "improved method of leaching and precipitation" and further reference is made to the same subject in information attached to the Preliminary Development Loan application for the New Year's Eve Mine (Phoenix Docket No. 86), both of which refer to the same individual and are indicative of unorthodox beneficiation. This need not, however, be of any immediate concern, although its injection without full explanation puts an unhealthy complexion on the application.

(F) There does appear to be possibilities of this property developing a considerable tonnage of low grade ore. It is favorably located geographically and geologically. The values of the various dumps as given by Scott are interesting and, if representative of all dump material, indicate a widespread mineralization and an ore of a grade which can be profitably mined on a large tonnage basis. The samples are, however, too few in number to be considered conclusive.

This loan is recommended on the indicated potentialities subject to favorable development results. If early production is a factor in the consideration, then this loan is unwarranted.

ARIZONA DEPARTMENT OF MINERAL RESOURCES

Earl F. Hastings, Assistant Director
and Projects Engineer

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA

FIELD ENGINEERS REPORT

Mine CHILLITO MINE

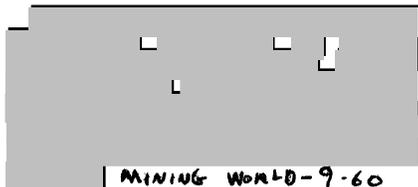
Date June 23, 1960

District BANNER DIST., GILA CO.

Engineer Lewis A. Smith

Subject: Interview with Mike Guzman, operator of Superior (6-23-60)

Mr. Guzman stated that he is now mining and shipping 2 carloads a day, from the Chillito Mine, northwest of Hayden. This ore currently is averaging about 1.5% copper and well over 80 percent silica. The ore is sent to the A.S.R. Smelter in Hayden. Ore reserves are considered to be satisfactory.



Department of Mineral Resources
State of Ariz.
Capitol Building
Phoenix, Ariz.

Hayden Ariz.
June 16, 1911

Dear Sirs:

Inclosed you will find the particulars approximately correct.

The last letter which was addressed
Luis Alvarado has nothing to do with
the Chilite property, he only had a lease
there once. But the owner is Bernado C.
Telasco

Yours truly
P. C. Mues
Hayden Ariz.

Hayden, Arizona
August 13, 1979

MINE SAFETY AND HEALTH ADMINISTRATION
OFFICE OF ASSESSMENTS
522 N. CENTRAL AVE. Room 223
PHOENIX, ARIZONA 85004

Dear Sirs;

This is to notify you that I have ceased operations at the Chilito Mine on 12-31-78 MSHA #0200576, the Tiger Mine MSHA #02-01881 and Camp Grant Quarry MSHA #02-00017 on 7-31-79.

I have received two citations this year. I didn't think I deserved either one of them. The first was for not having a sign posted in the Cap Magazine with seconds per feet burning time. We were moving into Camp Grant Quarry ID #02-00017 which we had not operated for six months, we didn't have time to check all the signs since this inspection took place about two hours after we started to move in. The sign was put up before the inspector left the property. The fine was \$34.00.

The second one was for Noise Exposure. The operator was running three different machines, the inspector didn't know which machine he was over exposed on. The citation said that if he was exposed over a long period of time with adequate hearing protection could result in perment hearing loss. The operator was wearing approved hearing protection. Fine \$38.00.

With this new training, which I don't think will keep one man from getting hurt or killed. I think all men should have on the job training maybe more hours than MSHA requires, but not the kind of training that MSHA requires.

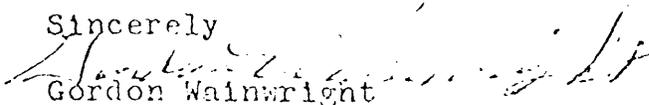
The Record keeping for MSHA health, accident & training, the number of extra people that I would have to hire to administer this program plus at least one fine for each inspection. I didn't see any way I could continue to operate, so I sold my equipment and laid off my crew.

I guess I am one of the first to fall to this government agency that was set up with dictatral powers that can put any mine in this country out of business. It is set up to get rid of the little operators first, then start on the big ones later because they can stand a finacial loss for a longer period of time.

Thanking you for putting me out of business, now I don't have to worry about any employees, payroll, equipment repairs, supplys or any more government forms to fill out and there was plenty of them.

cc; President Carter
Senator Goldwater
Senator DeConcine
Representative
Eldon Rudd
Bob Stump
Morris K. Udall
John J. Rhodes

Sincerely


Gordon Wainwright

P.O. Box G.

Hayden, Arizona 85235

MSHA # 02-00576

02-0188

02-00017

02-01882

July 10, 1944

Office of Price Administration
Phoenix, Arizona

Gentlemen:

Mr. L. C. Douglas, operator of the Chilito Mine, a copper producer near Ray, Arizona, has a truck, the title of which is in the name of the Kern Leasing Company, which he is using to haul equipment to his mine.

The truck is at present stuck on the road at Salome, Arizona for need of tires, with a load of machinery bound for the mine.

Mr. Douglas' work is strategic and this office recommends he be allotted the needed tires.

Yours very truly,

Chas. H. Dunning
Director

CHD:LP

June 30, 1944

P. O. Box 506
Globe, Arizona

Mr. L. C. Douglas
925 Valencia Street
Los Angeles, California

Dear Mr. Douglas:

Your letter of June 27 was referred to me by our head office. I note that you desire to rent a bulldozer for about ten days.

I suggest that you write to me, Box 506, Globe, Arizona, stating what you would be willing to pay for dozer and driver from the time they would leave Globe until they return.

Mr. De Vaux has a good machine, idle at present. He desires to sell it, I think, at about \$3,500 but it is quite possible that he would put a good driver on same and do your work at a price customary in this locality.

Yours very truly,

Andrew Macfarlane
Field Engineer

AM:lp

June 27, 1944

Mr. L. C. Douglas
925 Valencia
Los Angeles 15, California

Dear Mr. Douglas:

As suggested by you, we requested the R.F.C. office here in Phoenix to lend us the original Scott report on the Schneider Mountain Mine. We were informed that this report is in Washington and in order for us to obtain it a request must be made to the Reconstruction Finance Corporation, Washington, D. C. by one of the owners -- R. D. Beard, Bernard V. Velasco or A. M. Pippen. If this is done and the report submitted to us, we will be glad to make copies for you and for our file.

We are returning herewith the carbon of the report to you, as it is impossible to make a true copy from it.

Yours very truly,

J. S. Coupal

lp
Enc.

December 4, 1942

H.

Childs

Mr. R. D. Beard
Winkelman
Arizona

Dear Mr. Beard:

Many thanks for your letter of November 26.

I will say that your application for a "C" loan was received at this office and has been returned to Washington after being reviewed. The Washington office has the authority to grant these loans. The duty of this office is to make comments on the application as submitted.

You will undoubtedly hear direct from Washington.

Very truly yours,

J. S. Coupal
Director

JSC:kk

Winkelman Arizona
Nov 26 - 1942

J. Sam Coupal.
Friend Coupal

I am dropping you a few lines in regards to our Copper Property as we are contemplating for a loan from the Government, we have an engineer by the name of A. M. Phippen from Idaho, taking hold with us and any assistance that you can render him would certainly be appreciated very much in our behalf.

As you and I were taking the matter on some time back which were made not sound,

Our property consists of the old Schuider Mountain group, also known as the Chetler property and lies in about 4 1/2 miles N of the Hayden smelter, we also join the 79 mine and what is known as the Old mine property, in the Branner mining district.

I will close for this time

As ever your Friend

R. D. Beard

June 27, 1941

Mr. Bernardo C. Velasco
Hayden, Arizona

Dear Mr. Velasco:

I have your second questionnaire regarding the Chilito mine. It would seem from this and your letter that the Chilito would not qualify for the report which we are now making, as this report is only intended to cover properties on which an ore reserve has already been developed and which requires only plants for the extraction of the copper.

We hope at some time in the future to have a report covering the properties on which development is needed.

Thanking you, I am

Yours very truly,

Chairman, Board of Governors
Arizona Department of Mineral Resources

CFW:LP

October 30, 1941

Mr. R. D. Beard,
Winkelman, Arizona.

Dear Mr. Beard:

Last night I had a long distance telephone call from Fred P. Leaming who recently examined your property. He is very much disturbed over the fact that you promised to send him a 60-day option right away and it has not come. He is all ready to do business with people who will put a lot of money into development of your property provided he can get the option and terms down in black and white. He telephoned me because he was unable to come over here himself.

He likewise is very much disturbed because after promising an option to him he said you tried to deal with the engineer who was sent to examine the property and this fact tended to upset the deal greatly.

We, in the Department of Mineral Resources, are trying very hard to bring outside money into Arizona and find customers for mining properties, and it certainly handicaps us terrifically when, after we bring in a customer, he has difficulties in getting the necessary papers promptly, and an attempt is made to by-pass him on other deals.

Mr. Leaming assures me that he has people with loads of money who are ready to go on a deal, the terms of which he understood when talking to you. As I understand it, it was a deal to sell for \$75,000, payable in five years at a minimum of \$15,000 a year with 10 per cent royalties, and that is the option that he understood was to be given to him.

It will mean a great deal to the State of Arizona to get the people with whom he is working interested in developing our mines. The deal with you would only be the beginning of a number of similar deals and, therefore, we urge upon you the necessity of getting this option to Mr. Leaming just as quickly as possible.

Thanking you, I am

Yours very truly,

CFW:MH

CHARLES F. WILLIS, Chairman
Board of Governors

Leaming
waiting for
Edmundson

Leaming
Fred P.
20 R. D. Board
Valasco
6 miles S
Hinkelman
60 day option
Braden Cotton Co
Stewart &
Vandegriff
Ready to buy
95,000 @ 40
15,000 a year

1 November 1941

Mr. R. D. Beard,
Winkelman,
Arizona.

My dear Mr. Beard:

I have talked several times with Mr. Fred P. Leaming regarding various properties in Arizona. I understand that he has interested very substantial people in taking over the Snyder-Hill Group. I believe the engineers would be on the property within a few days after a definite commitment was made by you and your associates for turning this property over with sufficient time for the engineers to check up.

We seldom get a chance to get real responsible people interested in a property the size of the Snyder-Hill Group so that it would seem advisable to seriously consider tying it up for at least sixty (60) days in order to determine whether or not a final deal can be made.

With best wishes, I am

Yours very truly,

J. S. Coupal

JSC-jrf

BOARD OF GOVERNORS:
CHARLES F. WILLIS, PHOENIX
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DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
CAPITOL BUILDING
PHOENIX, ARIZONA

J. S. COUFAL, PHOENIX
DIRECTOR
W. J. GRAHAM, PHOENIX
ASSISTANT TO THE DIRECTOR
AND SECRETARY TO THE
BOARD OF GOVERNORS
FIELD OFFICES AT
GLOBE - KINGMAN
PRESCOTT - TUCSON



June 19, 1941

REPLY TO

Mr. Bernardo C. Velasco
Hayden, Arizona

Dear Mr. Velasco:

I have your letter of the 16th enclosing the questionnaire regarding the Chilito Mine. I do not quite understand the way you have answered the question "How much copper could this property produce annually on a 14¢ price". You state \$10,275.16. What we want to know is how many pounds of copper could be produced. It would furthermore be necessary to know what size mill would be figured upon to produce this amount of copper. If we knew the size mill planned, we could estimate the cost, and undoubtedly you would need an additional capital expense in compressor, power, tools and other things. We would appreciate this additional information as we could not enter it on our report in the form in which you give it.

Included within this report we anticipate putting a brief description of the properties which will be listed as potential producers. In order to have these brief reports uniform in their contents we have gotten up another questionnaire showing the points we want to cover, and it will be greatly appreciated if you will fill in one of these questionnaires for the Chilito Mine and return it to us.

Thanking you, and with kindest personal regards, I am

Yours very truly,

Charles F. Willis

Chairman, Board of Governors
Arizona Department of Mineral Resources

CFW:LP
Enc.

other side

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
BUREAU OF MINING
PHOENIX, ARIZONA

Dear Sir:

I figure that to be carried I couldn't very well estimate the number of pounds this property could produce annually on a 14% a lb. basis. Furthermore I can only state that a pretty good-sized mill is needed, but I can't state the size, since I'm sure an engineer can only do it, since I don't have sufficient knowledge to estimate.

Sincerely,
Bernardo C. Toland

Feb 27, 1962

Dear Lewis:

The Information was for 1961

Mike Guzman is a partner with 1/4 interest we have been operating this way since 1956. The partners are Mrs. Martha Murray, Gordon Wainwright, Mike Guzman + M.E. Tolley.

Sincerely

Gordon Wainwright

RECEIVED
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PHOENIX, ARIZONA

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1962

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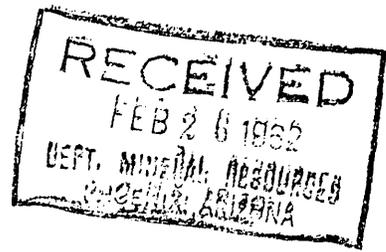


Department of Mineral Resources
Mineral Building, Fairgrounds
Phoenix 7, Arizona

Chillito

February 2, 1962

Mr. Lewis A. Smith
State of Arizona
Department of Mineral Resources
Phoenix, Arizona



Dear Sir:

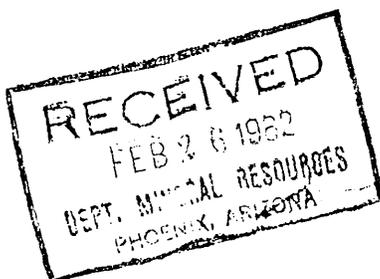
We operated the full year of 1961^{Las (probably summer 1961)} at Chillito mine. We operated as Chillito Copper Co. P.O. Box 459 Hayden, Arizona.

We shipped 24,271 tons of crude silica ore yielding 295,960 lbs. of copper No Gold or Silver We stripped approx 250,000 tons of waste material

We had a total of 9 men the first 3 months the remainder of the year with 4 men

Sincerely,

Jordan Wainwright
Chillito Copper Co



Active

DEPARTMENT OF MINERAL RESOURCES
State of Arizona
MINE OWNER'S REPORT

Date..... 1-23-58

1. Mine: Chillita

2. Location: Sec..... Twp..... Range..... Nearest Town Hayden Distance 9

Direction NW Nearest R.R. Hayden Distance 9

Road Conditions Good

3. Mining District and County: Panner (Gila Co)

4. Former Name of Mine:

5. Owner: Wm. Summers & Co. Inc.

Address: Superior, Arizona

6. Operator: Wm. Summers & Co. Inc.

Address: Superior, Arizona

7. Principal Minerals: Copper & Silver

8. Number of Claims: Lode 3 Patented..... Unpatented 3

Placer..... Patented..... Unpatented.....

9. Type of Surrounding Terrain:

in side of steep hill

10. Geology and Mineralization: Troop fractured

and mineralized on these include the quartz and chlorite, little malachite & azurite

Diabase sill nearby in limestone also mineralized

11. Dimension and Value of Ore Body: Good exposure on both benches

but exact size unknown. Ore runs 1-1 1/2% Cu

70-80% SiO₂

Please give as complete information as possible and attach copies of engineer's reports, shipment returns, maps, etc. if you wish to have them available in this Department's files for inspection by prospective lessors or buyers.

12. Ore "Blocked Out" or "In Sight": *12000000*

Ore Probable: *12000000*

13. Mine Workings—Amount and Condition: *Good*

No.	Feet	Condition
Shafts.....		
Raises.....		
Tunnels.....		<i>1000 ft</i>
Crosscuts.....		
Stopes.....		

2 benches 1000 ft

14. Water Supply: *low*

15. Brief History:

16. Remarks: *One ore shaft, 12000000*

*12000000 ft deep. Has 1 1/2 yard
fine barometer. 1000 ft and 2 benches on
at 200 ft. Has made 10000000*

17. If Property for Sale, List Approximate Price and Terms:

18. Signature: *W. H. Korman*

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine Chillito Mine

Date Jan. 24, 1957

District Banner District --- Gila Co.

Engineer Axel L. Johnson

Subject: Mine Report -- Personal visit & information from Gordon Wainwright, operator.

Location Sections 22 & 23 -- T 4 S -- R 15 E. Go north from Hayden on Highway 177 for 3 1/2 miles. Turn right on private mine road, and drive 5 miles to mine. Last mile rough with steep grades.

Number of Claims 36 unpatented claims.

Owners Bernardo Velasco, Romando Velasco, Mary Beard, Silas Lahmer, & Fred Adams.

Lessees & Operators Gordon Wainwright, Mrs. Martha Murray, Mike Guzman, & M. E. Talley.

Principal Minerals (Royalty 1 to 3 % -- 5 % ; 3 to 5 % -- 10 % ; over 5 % -- 15 %)
Copper ore (all carbonates)

Present Mining Activity Production of copper ore. Open pit operations.

Geology See report of June 18, 1953. Production about 200 tons per week (10,000 tons past year) 3 men working

Ore Values Mr. Wainwright reports that his shipments have averaged about 1.1 % for the past year, the silica has averaged 75 % and the alumina about 7 %. The past 2 weeks the ore has run about 2.5 % copper, this being due to hitting a pocket of better grade material.

Ore in Sight No computed tonnage of ore in sight. Low grade ore is exposed along the bank and the bottom of the cuts mined by the operators.

Marketing Facilities Ore is trucked by Mike Guzman (partner) in own trucks to the Hayden smelter. 13 to 14 tons are hauled per truck load.

Mine Workings See report of June 18, 1953. Since that time, the surface excavations and open cuts have been considerably enlarged.

Past History See report of June 18, 1953. Since that time, Miami Copper took an option on the property and drilled 3 holes. # 1 Hole was drilled to a depth of 2055 ft.; # 2 hole was drilled to a depth of 230 ft.; and # 3 hole was drilled to depth of 270 ft. Mr. Wainwright reports that in the # 1 hole, from 0 to 700 ft. ran from 0.20 to 0.30 % ; from 700 to 900 ft. averaged 0.50 % ; from 900 to 1400 ft. averaged 0.25 % ; from 1400 to 1900 ft. averaged 0.55 % ; and from 1900 to 2055 ft. averaged 0.30 % . Sulfides were hit at about 700 ft. depth. Mr. Wainwright reports that holes # 2 and # 3 were drilled principally for the purpose of determining the possibility of leaching the carbonates. Mr. Wainwright expresses his opinion that more drill holes should have been put down into the sulfide zone in order to determine the existence of a disseminated copper ore body. He believes that the one hole that was sunk missed the principal ore body.

Present Mining Operations Mining operations are conducted by means of open cut excavations. A D 7 Caterpillar Bulldozer and an HD 6 Car Loader are used to remove the ore from the face of the cut and loading same into the ore truck. Selective mining is necessary, as not all of the ore blasted from the bank runs high enough grade for shipping. The ore, which runs too low in silica (less than 70%) is pushed into piles for possible future use or for mixing with higher silica ore, and the barren and almost barren rock is pushed over the bank and wasted.

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine Chillito Mine ✓

Date June 18, 1953

District Banner District ---- Gila County

Engineer Axel L. Johnson

Subject: Mine Report -----Personal Visit, and information Gordon Wainwright.

Location Sections 22 and 23 --- T 4 S -- R 15 E.

Go on Winkelman-Ray Highway north from Winkelman. Turn right 3 1/2 miles north of Winkelman on private mine road. Drive 5 miles north-east on this mine road. Road very rough, and steep grades last mile.

Number of Claims 36 unpatented claims

Owners Bernardo Valasco, Romando Valasco, Mary Beard, Silas Lehmer, & Fred E. Adams. ✓

Lessees and Operators Gordon Wainwright, and R. H. Murray.

Principal Minerals ✓ Copper ore (all carbonates)

Number of men Employed The two operators, Mr. Wainwright and Mr. Murray working the mine themselves.

Production Rate Have shipped 8 carloads since starting operations on Jan. 15th, and another carload ready for shipment. Rate about 100 tons per month.

Topography Mountainous and rough. Near the center of the Mescal Mts.

Geology Country rock is ~~Quartzite~~ Quartzite, and underlying this is a Diabase. These formations dip approximately 33 degrees to the SE. The copper carbonate ore mined by the operators is found in a shattered layer in the Quartzite formation. This layer is from 50 ft. to 100 ft. in thickness, and just above the Diabase formation, and dips 33 degrees to the SE. The minerals found are chrysocolla, malachite, azurite, cuprite, with a small amount of chalcocite.

Ore Values Ore runs from 1.5 % to 3.7 %, after hand sorting, practically all copper carbonates. Silica runs from 60 to 85 %. Sample in open cut ran 1.89 % Copper. Most of the minerals are concentrated along the cracks and crevices of the shattered quartzite.

Ore in Sight Several hundred tons of this low grade ore are exposed along the sides of the 3 open cuts mined by the operators.

Marketing Facilities Operators are shipping the ore to the Magma Copper Co. at Superior. They realize only about \$250 per carload for this ore, and claim they are losing money on their operations.

Mine Workings Workings on this property consist of 9 tunnels---30 to 40 ft. long each, and one old tunnel (caved), about 1750 ft. long. There are some old stoped in these tunnels. Also there are 6 open cuts on the surface, 3 worked at present.

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA

FIELD ENGINEERS REPORT

Page 2.

Mine Chillito Mine (continued)

Date June 18, 1953

District Banner District ---- Gila County.

Engineer Axel L. Johnson

Subject: Mine Report ---- Personal Visit, and information Gordon Wainwright.

Past History

(1) Property owned by a Mr. Snyder prior to 1916. Mr. Snyder is reported as having done some mining on the property.

(2) Owned by a Mr. Chittenden from 1916 to 1918. Mr. Chittenden is reported as having done considerable mining on the property at Snyder Hill, some 1000 ft. to the west of the present operations. Mr. Wainwright cites a report to the effect that \$336,000 worth of ore was taken out by Mr. Chittenden.

(3) Property held by a Mr. Scott from 1919 to 1930. No ore was shipped at that time.

(4) Present owners have owned the property since 1930. Property has been leased intermittently during that time. Lessees would ship one or two carloads of ore and then give up the lease.

(5) Kennecott Copper had a lease on the property from 1946 to 1949. They are reported as having drilled 5 diamond drill holes on the property in 1948 and 1949. They gave up the lease in 1949. No copies of the drilling results were given to the owners, according to Mr. Wainwright.

Present Operations

Mr. Wainwright and Mr. Murray are working in 3 of the open cuts, on the slopes of a rather steep hill. They have no air compressor, and do not drill any holes for blasting operations. They place the powder in some of the many cracks and crevices in the shattered quartzite formation. Where the crack or crevice is too narrow, they use bars and picks to make it large enough to insert the sticks of dynamite.

After the rock is broken, it is hand sorted, shoveled by hand in a pick up truck, dumped into a small ore bin. From the ore bin, it is loaded into a 6 ton truck, and hauled to Burns Siding, a distance of 5 miles for rail shipment to Magma Copper at Superior.

Proposed Plans

Operators are trying to raise enough capital to purchase mining machinery in order to operate the mine more efficiently, and also to develop some ore reserves. They would like to install an air compressor, drilling equipment, and a truck loader.

In their mining operations, they have not yet got down to the contact between the quartzite and the diabase. They are of the opinion that there should be from 5 to 10 ft. of higher grade of ore at the contact between the quartzite and the diabase.

Remarks

Operators now losing money on their operations. Operations on a much larger scale with modern machinery may show a slight profit, if operators do not have to resort to too much hand sorting. Grade of ore might get better with increased depth, at and near the quartzite-diabase contact.

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
MINE OWNER'S REPORT

- ✓
1. Mine Chilido
2. Location 5 miles north of Hayden, Ariz.
3. Mining District & County Banner
4. Former name Schneider Hill now Chilido
5. Owner R. D. Reed & Yelaseo
6. Address (Owner)
7. Operator L. C. Douglas Lessee
8. Address (Operator) 925 Valencia St
Los Angeles Calif.
9. President, Owing Co.
- 9A. President, Operating Co.
10. Gen. Mgr. L. C. Douglas
14. Principal Minerals Copper
11. Mine Supt.
15. Production Rate Proposed 400 tons daily
12. Mill Supt.
16. Mill: Type & Cap. none
13. Men Employed
17. Power: Amt. & Type Gasoline
18. Operations: Present
19. Operations: Planned open cut mining and preparation
of mine workings.
20. Number Claims, Title, etc. 20 claims by location
21. Description: Topography & Geography are in diabase & quartzite
lime strata
22. Mine Workings: Amt. & Condition 12000' development

23. Geology & Mineralization

opper in Carbonate, Sulfide, some
Glauconite & Chalcopyrite.

24. Ore: Positive & Probable, Ore Dumps, Tailings

30,000 Tons shipped
Large tonnage developed in
mine workings.

24A. Dimensions and Value of Ore body

25. Mine, Mill Equipment & Flow-Sheet

26. Road Conditions, Route

plans to build 3 1/2 to 4 miles of road
from Hayden St. to mine.

27. Water Supply

for mining & domestic needs

28. Brief History

Developments made by Mr. Schindler
prior to 1912 also further development last
world war period.

29. Special Problems, Reports Filed

30. Remarks

31. If property for sale: Price, terms and address to negotiate.

32. Signature.....

33. Use additional sheets if necessary.

Arizona Department of Mineral Resources, Capitol Building, Phoenix, Arizona

QUESTIONNAIRE

Relating to survey of potential copper production from Arizona small and marginal mines for national defense purposes;

Name of mining property..... Chilito Mine

Location..... About six miles north of Hayden

Ownership..... Bernardo C. Velasco

Name of Manager..... Not working at present

Post Office address..... Hayden, Arizona

Copper production (pounds) during each of the past five years:

1936..... 1937..... 1938.....

1939... 64,548 Lbs. 1940... 73,394 Lbs.

1941 rate of copper production based upon first four months..... Haven't been operated so far

How much copper could this property produce annually

on a 14 cent price? ..\$10,275.16 approximately..

on a 16 cent price? ..\$11,743.04....."

on an 18 cent price? ..\$13,210.92....."

on a 20 cent price?.. \$14,678.80....."

What price copper is necessary for this property? .14..... cents per pound?

What plant facilities would be required and how much is the estimated cost in the

event a 14 cent price could be assured? ..Mill, can't estimate the cost, but the

greater the mill, the greater produce.

a 16 cent price could be assured? ..

18 cent price? ..

20 cent price? ..

For what length of time would assurance of price and sale of full production be necessary?

Over 20 years approximately.

(Over)

How long would it take, after financing has been provided for, before production on the above basis could be reached? As soon as mill and machinery were put up ready to work.

Does your organization have the facilities for raising the necessary capital to increase production to the amount stated? No

If not, do you believe that your company would be amenable and agreeable to government financing? Yes

Do you believe that you could finance the capital investment yourself on some such basis as a guarantee of sale of output at a fixed price and for a definite period, with damages to cover unamortized portion of capital investment in the event the government failed to take the output for the agreed upon time - or some similar arrangement? No

Please let us have your comments on the probability or possibility of your organization participating in such a program for national defense purposes

It is probable that we can participate in a National Defense Program except that we can't put the mine to work because of lack of funds.

What would be your ideas on financing and carrying out such a plan as is indicated by these questions? That through some means machinery could be gotten and a mill constructed, since I don't have the money.

Kindly list names and addresses of other potential copper producers in Arizona whose operations should be included within this survey.

Arizona Department of Mineral Resources, Capitol Building, Phoenix, Arizona

QUESTIONNAIRE

Relating to survey of potential copper production from Arizona small and marginal mines for national defense purposes;

Name of mining property... *Chilito mine*

Location... *about six miles north of Hayden*

Ownership... *Bernardo C. Velasco*

Name of Manager... *not working at present*

Post Office address... *Hayden, Arizona*

Copper production (pounds) during each of the past five years:

1936..... 1937..... 1938.....

1939 *64,548 lbs.* 1940 *73,394 lbs.*

1941 rate of copper production based upon first four months... *Haven't been operated so far*

How much copper could this property produce annually

on a 14 cent price? *\$10,275.16* approximately
on a 16 cent price? *\$11,743.04* "
on an 18 cent price? *\$13,210.92* "
on a 20 cent price? *\$14,678.80* "

What price copper is necessary for this property? *14* cents per pound?

What plant facilities would be required and how much is the estimated cost in the event a 14 cent price could be assured? *Mill, can't estimate the cost, but the greater the mill the greater production*

a 16 cent price could be assured?

18 cent price?

20 cent price?

For what length of time would assurance of price and sale of full production be necessary? *Over 20 years approximately*

How long would it take, after financing has been provided for, before production on the above basis could be reached? *As soon as mill & machinery*

Does your organization have the facilities for raising the necessary capital to increase production to the amount stated? *Yes*

If not, do you believe that your company would be amenable and agreeable to government financing? *Yes*

Do you believe that you could finance the capital investment yourself on some such basis as a guarantee of sale of output at a fixed price and for a definite period, with damages to cover unamortized portion of capital investment in the event the government failed to take the output for the agreed upon time - or some similar arrangement? *No*

Please let us have your comments on the probability or possibility of your organization participating in such a program for national defense purposes.....

It is probable that we can participate in a national defense program, except that we can't put the machinery to work because of lack of funds.

What would be your ideas on financing and carrying out such a plan as is indicated by these questions? *That through some means*

machinery could be gotten paid mill constructed since I don't have the money.

Kindly list names and addresses of other potential copper producers in Arizona whose operations should be included within this survey.....

Date *June 16, 1941*

Signed *Raymond Talbot*

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
OWNERS MINE REPORT

MG 21

Date July 31, 1939

Mine Chilelito

District Banner

Location Hayden Junction, Ariz.

Former name Chileto

Owner R. D. Beard

Address Wimpey
~~Hayden Junction, Ariz.~~

Operator R. D. Beard

Address

President R. D. Beard

Gen. Mgr. R. D. Beard

Mine Supt. None

Mill Supt. None

Principal Metals Copper

Men Employed None

Production Rate Any amount

Mill: Type & Cap. None

Power: Amt. & Type Gas 25 H.P. compressor

Operations: Present Small development work

Operations Planned None

Number Claims, Title, etc. 19 claims

Description: Topog. & Geog.

Mine Workings: Amt. & Condition

There are a few small shipments being made by the owners outside of any other work being done.

(over)

Geology & Mineralization

Ore: Positive & Probable, Ore Dumps, Tailings 2 large ore dumps

Mine, Mill Equipment & Flow Sheet None

Road Conditions, Route Good road right to mine

Water Supply Plenty of water for large mill

Brief History This mine was worked back about 1900 and has been worked a little ever since, but no great amount. Has plenty of development work on it.

Special Problems, Reports Filed

Remarks This property needs a large mill on it to be of any value for working

If property for sale: Price, terms and address to negotiate. The property is for sale.
\$125,000 - and can get your own time and terms on the property.
Write to R. D. Beard, Winkelman, Arizona

Signed.....R. D. Beard.....

Use additional sheets if necessary.

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
OWNERS MINE REPORT

Date July 31, 1939

✓ Mine Chililito

District Banner.

Former name Chililito

Owner ✓ R. D. Beard.

Operator R D Beard.

President R D Beard.

Mine Supt. none.

Principal Metals Copper.

Production Rate any amount.

Power: Amt. & Type Gas. 25 HP compressor.

Operations: Present

small Delorament work.

Location Hayden Junction, Ariz.

Address ~~Winkelman~~
Hayden Junction, Ariz.

Address

Gen. Mgr. R. D. Beard.

Mill Supt. none.

Men Employed none.

Mill: Type & Cap. none.

Operations Planned none.

Number Claims, Title, etc. 19 claims

Description: Topog. & Geog.

Mine Workings: Amt. & Condition

none. There is a few small shipments being made by the owners out side of that there any other work being done.

(over)

Geology & Mineralization

Ore: Positive & Probable, Ore Dumps, Tailings

2 large ore dumps.

Mine, Mill Equipment & Flow Sheet

none.

Road Conditions, Route

Good Road right to mine

Water Supply

plenty of water for large mill

Brief History

This mine was worked back about 1908 and has been worked a little ever since but no great amount, but has plenty of Development, work on it.

Special Problems, Reports Filed

Remarks

This property needs a large mill on it to be of any value for working.

If property for sale: Price, terms and address to negotiate.

The property is for sale. 125 thousand and can get your own time and terms on the property. write to: R. D. Beard

Signed

R. D. Beard

Winkelman
Arizona

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
OWNERS MINE REPORT

Date July 31, 1939

1. Mine Chilelito
2. Mining District & County Banner
3. Former name Chileto
4. Location Hayden Junction, Arizona
5. Owner R. D. Beard
6. Address (Owner) Winkelman, Arizona
7. Operator R. D. Beard
8. Address (Operator)
9. President R. D. Beard
10. Gen. Mgr. R. D. Beard
11. Mine Supt. None
12. Mill Supt. None
13. Principal Metals Copper
14. Men Employed None
15. Production Rate Any amount
16. Mill: Type & Cap. None
17. Power: Amt. & Type Gas 25 H.P. compressor
18. Operations: Present Small development work
19. Operations Planned None
20. Number Claims, Title, etc. 19 claims
21. Description: Topography & Geography
22. Mine Workings: Amt. & Condition There are a few small shipments being made by the owners outside of any other work being done.

23. Geology & Mineralization

24. Ore: Positive & Probable, Ore Dumps, Tailings **2 large ore dumps**

24-A Vein Width, Length, Value, etc.

25. Mine, Mill Equipment & Flow Sheet **None**

26. Road Conditions, Route **Good road right to mine**

27. Water Supply **Plenty of water for large mill**

28. Brief History **This mine was worked back about 1900 and has been worked a little ever since, but no great amount. Has plenty of development work on it.**

29. Special Problems, Reports Filed

30. Remarks **This property needs a large mill on it to be of any value for working**

31. If property for sale: Price, terms and address to negotiate. **The property is for sale. \$125,000 - and can get your own time and terms on the property. Write to R. D. Beard, Winkelman, Arizona**

32. Signed R. D. Beard.....

33. Use additional sheets if necessary.

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
OWNERS MINE REPORT

Date July 31, 1939

1. Mine Chilelito
2. Mining District & County Banner
3. Former name Chileto
4. Location Hayden Junction, Arizona
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8. Address (Operator)
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15. Production Rate Any amount
16. Mill: Type & Cap. None
17. Power: Amt. & Type Gas 25 H.P. compressor
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22. Mine Workings: Amt. & Condition There are a few small shipments being made by the owners outside of any other work being done.

23. Geology & Mineralization.

24. Ore: Positive & Probable, Ore Dumps, Tailings 2 large ore dumps

24-A Vein Width, Length, Value, etc.

25. Mine, Mill Equipment & Flow Sheet None

26. Road Conditions, Route Good road right to mine

27. Water Supply Plenty of water for large mill

28. Brief History This mine was worked back about 1900 and has been worked a little ever since, but no great amount. Has plenty of development work on it.

29. Special Problems, Reports Filed

30. Remarks This property needs a large mill on it to be of any value for working

31. If property for sale: Price, terms and address to negotiate. The property is for sale.
\$125,000 - and can get your own time and terms on the property.
Write to R. D. Beard, Winkelman, Arizona

32. Signed R. D. Beard

33. Use additional sheets if necessary.

Engineer Report

By

Joe D. Scott

The Schneider Hill Group is located in the Banner Mining District in Gila County, Arizona, about $4\frac{1}{2}$ miles from Hayden Junction and $6\frac{1}{2}$ miles from Hayden, where the American Smelting and Refining Company's smelter is located. The Lenden-Arizona Company's holding lies to the south and east, the Apex to the north and north-east, and the Seventy-Nine mine to the west. In fact, the Group lies in the center of all the principal producers of the Banner Mining District. The Camp of Chilite lies within the limits of the property to a large extent. A good wagon road leads directly to the property from Hayden Junction.

The property consists of 20 unpatented claims which are held by right of discovery and by annual assessment work, records are on file.

A tunnel 1800 feet through diabase, a series of shorter tunnels from 300 to 800 feet in length, numerous drifts and 1200 feet of stopes and winzes, open this property up to a comparatively shallow depth. All of the stoping being done above the 300-foot level.

SAMPLING AND PROSPECTING:

The ores on this property are found along the contact of the Trey Quartzite and the diabase. The upper workings along this contact have been done on the relatively high grade ore which shows in numerous croppings at the surface. Leasers of these high grade croppings have extracted a large portion of the high grade ore and for this reason only a limited number of samples were taken from the high grade still exposed in the workings.

Below the upper contact the diabase sill which was intruded between the Trey Quartzite and the underlying limestone and which shows a considerable enrichment, especially along and near the intrusive Quartz Mica Diorite dikes, was thoroughly sampled with the idea of determining the possible value of the diabase as low grade ore which could be profitably mined under the proper conditions.

East Mountain has been worked to a very limited degree and shows the same contact between the Trey Quartzite and the diabase as appears on Schneider Hill. Here the Quartzite is largely stained and replaced in sections along the contact by the carbonates, oxides and silicates of copper, and in some cases, considerable chalcocite is shown in the ore.

The contact is easily discernible on both East Mountain and Schneider Hill, standing out as they do above Schneider Canyon and separated only by a low divide. A deep gulch along the west side of East Mountain, together with Stone Cabin Gulch on the north of both, shows the formation to a depth well below the workings on the property. Several Quartz Mica Diorite outcrops cut through and are clearly traceable on the property. The workings sampled most thoroughly were the 800 foot tunnel driven through the diabase on East Mountain near the floor of the gulch; the working tunnel on Schneider Hill which is the central tunnel of a number runs in the immediate vicinity of the Quartz Mica Diorite dike

which cuts through the property northeast and southwest; tunnel B which lies below the working tunnel and gives an additional depth of 200 feet on the deposit; tunnel C which lies to the north of the working tunnel a distance of 260 feet; the contact tunnels and the 1800 foot tunnel running a little of north on the Glance Claim on Schneider Hill. At no place on the property has the lower limit of the diabase sill been reached and the lime which underlies it and which is much more subject to replacement has never been reached. This limestone in other places in the district and in the surrounding districts shows a thickness of from 200 to 1000 feet.

Here the main ore bodies of the property should be developed. Underlying this line the shales and Quartzite may develop ore bodies of equal magnitude and importance but it is probable that the limestone will yield a tonnage of commercial ore sufficient to make this property a large producer for years to come. While the surface ores and these developed by the shallow workings along the Quartz Mica Diorite dikes have never been extremely high grade, averaging for those shipped about four per cent. I am convinced that the whole body of limestone underlying the diabase sill can be expected to average better than 2% copper with numerous occurrences of from 5 to 10% ore along the contact and adjacent to the Quartz Mica Diorite intrusions.

Sample sheets attached show the results of all sampling done on the property and are clearly indicative of what may be expected at depth on this property.

ORE RESERVES:

These consist essentially of the ore on the dumps, which is of milling grade, in all about 10,000 tons, and two small blocks of enriched diabase developed by raises following the grade occurrences along the intrusive dike.

Dimensions of Blocks:

No. 1 250 x 200 x 4 - 200,00 cu. feet - 15,077 tons

No. 2 200 x 100 x 4 - 30,000 cu. feet - 5,030 tons.

This gives an ore reserve of actually blocked out ore and ore on the dumps of only 20,107 tons with an average value of 1.65%.

PROSPECTIVE ORE:

Since this property is purely in the prospective stage, the ore which can be figured as prospective ore must be estimated from the evidence gained by the sampling of that partially exposed and that which is probable from this history of surrounding districts of Ray, Globe, and Miami.

The diabase outcrops and exposures by tunnels and cross-cuts gives assurance of a body of ore which will average 2%; of the approximate area shown below; 1600 feet x 2000 feet x 400 feet - 800,000,000 cu. feet - 600,000,000 - 61,307,700 tons in the diabase.

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This is assuming a depth of only 400 feet in the diabase, which is out by the 1800 foot tunnel its full length and shows a depth at the face of 960 feet, with the lower limit not reached. The lime underlying this diabase, more

susceptible to replacement, should be mineralized more heavily and more extensively than the diabase, but it is reasonable to expect an equal area and an average of at least 2% ore.

This would give an additional ore reserve of 66,530,500 tons, or a total of 127,856,307 tons. This would assure a life of 42 years for the property, producing 1000 tons a day. Twelve feet of ore lying along the Quartz Mica Diorite dike, which was cut through by the 1800 foot tunnel at a distance of 780 feet, is claimed to have run better than 4% copper; but the tunnel was caved in and was impossible to verify this statement. Several other occurrences of this grade of ore will undoubtedly be cut in the development of this property, thus adding materially to the value of the ore reserve.

ASSETS:

The greater part of the shallow workings on this property would have little value for the future development of the property. In fact, all the work so far done can be classed as of value simply for proving the property, and for that reason will be so considered.

The 1800 foot tunnel driven in the diabase, cross-cutting the sill and proving a thickness of 960 feet at the present face, would have a value of 1600 x \$15, or \$27,000. The 800 foot tunnel on the East Mountain would have value of 800 x \$15, or \$12,000. The working tunnel running at almost right angles to the 1800 foot tunnel and about 499 feet higher on the mountain and 500 feet northeast of the face of the same would have a value of about \$10,000. A total development value of about \$56,000. Two springs and a well supply ample water for domestic purposes.

The indicated value of the property on a basis of a ten-year production and with a 10% return on the investment would be \$3,390,000 x 5.45 - \$18,475,500. I have indicated a 10,000 ton daily plant capacity because ore reserve is so large. The appraised valuation of the property will prove extremely conservative with the development of this property, as the ore body figured will no doubt prove larger with the development of the ground.

✓Conclusions: In summing up the principal features of the Schneider Hill Group, a number of factors must be considered. First, an estimated tonnage of 61,327,807 tons of 2% ore is partially proven by the present workings.

Second, the dissemination of copper values through the greater portion of the diabase sill is shown by the sampling of this on one exposure and by the dump sample taken from the several dumps which are in all cases run through the diabase.

Third, the outcrops of the diabase are clearly traceable through the property and they all show evidence of a mineralization.

Fourth, shipments from the property of unsorted diabase show an average copper content of 2% or better.

Fifth, the scattered inclusions of limestone brought up by the Quartz Mica Diorite, at the time of its intrusion, all are a very good grade of copper due to replacement, and indicate that the limestone which underlies the diabase

will be a better grade of ore than the less susceptible diabase which lies directly above it.

Sixth, the shales and quartzite which underlies the limestone are much more liable to replacement than the diabase and certainly more susceptible to dissemination through them. These all lead to the conclusion that the small investment necessary for the proving of the block of ore which will contain an estimated tonnage of 65,538,800 tons is more than justified by the showing on the property.

SHIPMENTS OF ORE from Schneider Hill Group Prior to 1928 - 397 Cars by C. B. Chittenden. The average afore 5% and up.

By

J. D. Scott
Mining Engineer

Shipments OF ORE FROM SCHNEIDER HILL

Prior to 1928

TONS NET	CU. %	NET RETURNS	CU. AT CENTS PER POUND	TONS NET	CU. %	NET RETURNS	CU. AT CENTS PER POUND
46.02	4.27	\$486.01	10.56	47.43	3.97	424.53	19.01
33.89	4.89	466.46	13.76	43.63	6.62	755.66	19.01
38.86	4.35	387.62	10.05	56.06	6.07	864.53	19.01
44.40	3.19	297.99	17.5	58.35	8.22	1451.18	19.01
49.65	4.32	547.69	11.03	41.98	4.27	441.89	19.01
53.62	2.82	238.08	20.00	48.91	3.69	398.64	19.01
54.07	4.34	610.01	22.50	49.30	3.42	363.83	19.01
24.12	3.65	197.30	22.50	55.28	5.47	756.37	19.01
33.14	5.37	522.37	22.50	52.91	7.52	1079.39	19.01
47.71	4.22	122.16		48.78	3.57	380.53	19.01
48.69	2.77	252.22	19.01	41.74	4.26	408.25	19.01
37.17	5.48	601.83	22.50	50.51	3.28	352.10	19.01
41.75	5.92	751.15	22.50	47.84	4.08	443.53	19.01
52.99	5.29	673.52	19.01	62.98	3.03	389.25	19.01
53.61	6.28	1011.69	22.50	61.61	5.23	789.93	19.01
30.92	2.17	47.00	22.50	45.47	3.91	399.29	19.01
43.71	4.03	431.48	20.53	60.33	11.22	2026.55	19.01
63.516	4.6	771.00	22.50	37.56	5.25	258.79	19.01
48.673	2.41	130.44	22.50	38.50	4.72	426.86	19.01
46.78	8.20	1192.99	21.00	52.55	10.33	1586.58	19.01
42.00	9.16	1094.39	19.1	51.64	3.75	429.67	19.01
43.947	7.27	966.39	21.00	40.30	6.40	666.22	19.01
39.38	4.38	451.31	22.50	35.66	4.21	362.75	20.06
44.95	3.82	382.11	19.01	33.60	7.42	1001.98	26.43
42.4	5.12	587.69	21.00	53.76	5.62	857.07	21.18
39.72	3.13	259.83	19.01	59.00	4.37	666.80	21.18
50.13	2.5	208.04	19.01	50.19	4.68	652.58	22.12
48.68	4.43	499.98	19.01	50.24	8.33	1220.39	19.87
55.01	3.63	439.04	19.01	58.32	4.28	599.02	19.87
48.77	3.03	401.44	19.01	60.04	4.10	584.22	19.875
54.63	2.97	325.37	19.01	42.66	4.35	446.68	19.87
53.62	4.35	538.92	19.01	74.82	4.33	900.13	22.68
47.94	3.04	350.98	19.01	40.96	4.48	514.51	22.68
45.60	2.82	244.87	19.01	42.56	5.56	677.56	23.43
55.90	3.46	418.71	19.01	40.70	6.60	918.80	23.62
42.67	3.70	349.07	19.01	41.82	6.76	972.37	23.62
44.35	3.64	355.26	19.01	38.64	4.83	578.05	23.62
37.33	3.85	321.45	19.01	47.91	4.60	679.39	24.00

Gila Canon Consolidated Copper Company

MINES AT CHILITO, ARIZONA

GENERAL OFFICES
119 N. CENTRAL AVENUE
PHOENIX, ARIZONA

P. O. BOX 1025

September 22, 1917.

To the Board of Directors,
Gila Canon Cons. Copper Co.,

I have just returned from a visit to the Gila Canon Mine. There is no particular change in the conditions affecting the ore shipments, as they are going ahead as usual.

Regarding the east mountain tunnel, which is being driven for the purpose of cutting the mineralized area on east mountain, from which considerable ore has been shipped. This mineral area trends nearly north and south as shown by shallow surface workings and the course of the tunnel is practically east and will require driving an additional 200 ft. to reach a point vertically beneath the surface croppings, and at a depth of about 200 ft.

What I consider a very important development in this tunnel has been made within the last week. At a distance of 180 ft. from the portal, and about 100 ft. below the surface, a large vein was encountered on the left or west side of the tunnel; where found, it is an open fissure extending upward a distance of 30 ft. in one place and laterally an equal distance. The opening is irregular and on the west end, where it closes up, there is 3 ft. of iron oxide, mostly porous and honeycombed, with some quartz. It shows a small amount of copper carbonates and if found on the surface would be considered typical gossan.

The tunnel is being run along the hanging wall, or east side, as, should it be driven in the vein, considerable timbering might be necessary; whereas by continuing along side of the vein no timbers are required.