Arizona Mineral Resource

SME Meetings

Society for Mining, Metallurgy, and Exploration, Inc.

Tucson Section, meets the 2nd Wed. of each month except July and Dec. at the Ramada Inn-University. Contact: Rammie - (520) 388-7051

Southwestern New Mexico Section, meets the 1st Thurs. during Feb., Apr., Sept., and Nov. Contact: Tisha M. Clark - (505) 538-760

Pinal Mountain Section, meets the 3rd Tues. of each month except June, July, Aug., and Dec. in Globe or Miami. Contact: Ken Brusoe (520) 473-7454

Morenci Section, meets the 2nd Tues. of each month except Jan., June, July, and Aug. at the Clifton Elks. Contact: James Davis - (520) 865-4521

Grand Canyon Section, meets the 2nd Fri. of each month except Feb., Apr., June, Aug., and Dec. Contact: Tom Bender (520) 633-2241

Maricopa Section, meets the 3rd Thurs. of each month except June, July, Aug. and Dec. Contact: Carole O'Brien - (602) 945-4630

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Arizona Department of Mines & Mineral Resources
1502 West Washington
Phoenix, Arizona 85007

Address Correction Requested

ARIZONA

No. 19 June, 1998

Mineral Resource

MINING NEWS

BHP Makes Major Discovery

BHP Copper has announced discovery of the Magma Porphyry near Superior. It is the first new major copper discovery announced in Arizona for many years. The deeply buried deposit is under post-mineral rocks and was first intersected by drill holes from the underground workings of BHP's Magma mine at Superior in 1995. All of the holes drilled have significant intercepts of greater than 1 percent copper.

The first three were long holes that were inclined laterally and downward from the underground workings. The latest holes were deep, steeply inclined holes drilled from the surface in 1998. The longest intercept is from one of the surface holes; assays of drill core from the bottom 1,004 feet yielded arithmetic mean grades of 1.75 percent copper and 0.029 percent molybdenum, and the last 619 feet of that interval assayed 2.18 percent copper and 0.028 percent molybdenum.

The dimensions of the Magma Porphyry deposit are still incompletely defined, but it is at least 1,500 feet high, 2,100 feet long, and 600 feet wide. The top of the deposit is approximately one mile beneath the surface. The existing infrastructure at Magma is not suitable to exploit the new deposit, but the results of preliminary studies indicate that the deposit may be amenable to conventional bulk tonnage, underground mining methods, and flotation processing. At the end of the quarter, exploration drilling had ceased. The Magma mine remains on a care-and-maintenance status and BHP was evaluating options for future exploration.

Court Strikes Down BLM Requirement

The Bureau of Land Management's bonding requirement on hard rock mining has been struck down by the U.S. District Court for the District of Columbia. The portion of the bonding requirement effected by the ruling are those involving less than 5 acres of disturbance. The rule required all bonds to be submitted with a Professional Engineer's certification of reclamation costs.

The Arizona and Nevada Mining Associations joined the Northwest Mining Association in the case Northwest Mining Association v. Babbitt, claiming that the BLM bonding rule was invalid.

Of the court's decisions, Luara Skaer, Executive director of the Northwest Mining Association said, "This is a great day for small miners, the mining industry and the citizens of the United States. The legal process worked to protect America's small business community. The court's decision sends a clear message to federal agencies that they must follow the laws enacted by Congress, or their rules will be set aside."

The Arizona BLM State office does not know if this means that bonds already paid by miners under this regulation will be returned. The Department recommends requesting a refund if a bond was paid under section 302(b) of the Federal Land Policy and Management Act, 43 U.S.C. Sec 1732(b) requirements from the appropriate field office.

Harborlite's Patent Application

In our enthusiasm to spread good news we erroneously reported completion of the final report recommending patent be issued for some of Harborlite's perlite claims at Superior. The report is only preliminary and subject to additional levels of review before its acceptance and the possible eventual issue of a patent. We wish Harborlite good luck in obtaining those patents.

Gold Road Mine Closed

Addwest Minerals Inc. announced the closing of the underground Gold Road mine in Mohave County on June 26. Gold Road produced over 30,000 ounces of gold last year at their 500 ton-per-day CIP mill. Addwest estimated they had 3 years of reserves remaining totaling 524,000 tons grading 0.23 ounces at the end of 1996. If the price of gold increases substantially, it is conceivable the mine will be reopened. Gold Road was the only operating gold mine in Arizona.

Arizona Department of Mines & Mineral Resources, 1502 W. Washington, Phoenix, AZ 85007 602-255-3791, toll-free in Arizona 1-800-446-4259
H. Mason Coggin, Director

Arizona Mineral Production - 1997

Thousand metric tons unless otherwise noted

Commodity	Quantity	Value
Clay	withheld	withheld
Copper	1,230	\$2,930,000,000
Gemstones	NA	2,360,000
Gold	withheld	withheld
Sand and gravel	40,719	200,220,000
Silver	159	22,300,000
Stone, crushed	6,100	38,000,000
Other ²	NA	325,000,000
Coal (tons)	11,723	279,000,0003
TOTAL		\$3,796,880,000

- 1 USGS preliminary figures
- 2 Includes cement, lime, gypsum, molybdenum, perlite, salt, dimension stone, and the withheld values
- 3 ADMMR estimate

Yarnell EIS is out

The Bureau of Land Management has released the draft Environmental Impact Statement for the Yarnell Mining Company and the public hearings and comment period has started. Yarnell received their Acquifer Protection Permit from the water quality division of the AZ Dept. of Environmental Quality in June. Now that the clock is ticking Yarnell will have to address, answer, and mitigate all of the public comments submitted at public hearings and through the mail. So far the objections over the project seem to be designed more to delay the project than to address real concerns. Nevertheless, assertions that the project will release a virus or become the target of a terrorist attack must still be addressed.

Forest Service Road Closures

Every American should be concerned by the U.S. Forest Service's announcement to reduce the 373,000 miles of roads in the National Forests by half over the next 10 years. This affects our right to explore Arizona,



Do you need this information in an alternative format? Please call the Department at 255-

visit mines, go four-wheeling, picnic, camp, and prospect in the National Forest.

In addition, the Forest Service intends to suspend all road construction in roadless areas of the National Forests for 18 months. It affects all roads in roadless areas greater than 5,000 acres or more and roadless areas greater than 1,000 acres if they are contiguous to designated wilderness areas or components of the National Wild and Scenic Rivers System.

The Forest Service did not consult Congress or local governments on this issue, but has decided to act unilaterally across the country. If you feel your rights are being taken and want to comment to the Forest Service write to: Gerald Coghlan, Acting Director, Engineering Staff, Forest Service, USDS, POB 96090, Washington, D.C. 10090-6090. You may want to send a copy of your letter to your congressional delegation in Washington, D.C.

Exploration Targets

Of possible interest to prospectors, Phelps Dodge announced in January that the four metals on which they will be focusing their exploration activity are copper, gold, nickel, and zinc.

The Northern Miner 1/19/98

Arizona Ombudsman Citizen's Aide

If you are being treated unfairly by a state agency, the Arizona Ombudsman - Citizen's Aide has been organized by the legislature to "make government more responsive to the people of Arizona."

They will discuss your complaint with you in confidence and provide information to solve your problems, or investigate your complaint and act as a helpful mediator in negotiating a solution. The ombudsman will not automatically take your side in a conflict. Their job is to consider the question in an impartial and objective way. If they decide that you have been wronged by a state agency, they will work with you and the agency to find a fair solution. If they decide you have no valid complaint, they will tell you why.

They can be reached at (602) 277-7292 or 1-800-872-2879. You may visit their office at 3737 N. 7th St., Ste. 209, Phoenix, AZ 85014.

Peabody Western Coal Sold

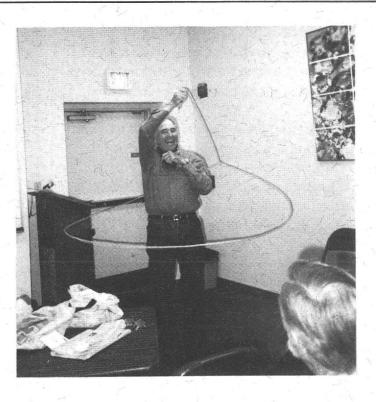
Peabody Western Coal Company's parent company, Peabody Group, became an independent, privately held company when it was acquired by Lehman Merchant Banking Partners. The sale makes Peabody the world's largest private sector coal company and one of the top ten U.S. power-marketing firms.

Peabody mines coal in Arizona at the Black Mesa and Kayenta mines on land leased from the Navajo and Hopi Nations. Coal ranks second only to copper in economic importance in the state, with a production of 11,723,000 metric tons in 1997.

MUSEUM NEWS

Geology in the Park

Glenn Miller, Curator, and Susan Celestian, Curator of Education, participated in a workshop for teachers held at Papago Park. The event was co-sponsored by the Department and the Arizona Mining Association. Subjects included field geology, mapping, and aerial photography.



Lucky fourth grade students got an unexpected treat when Forrest Dougherty visited the Museum recently and agreed to do part of his Will Rogers performance for the classes.

National Science Olympiad

Susan Celestian, Curator of Education, was one of the event supervisors for the 1998 National Science Olympiad that took place in Grand Rapids, Michigan in May of this year. The annual event is a nation-wide competition for young scientists to showcase their achievements over the year. Susan supervised the fossil event. The Department is proud to have a staff member participate in this prestigious event.

Publications

Two new publications of interest to mineral collectors are now available. The circulars are \$.25 each if mailed.

C79 EARTH SCIENCE CLUBS - 1998-99, Includes rockhound, lapidary, and prospecting organizations.

C80 ARIZONA GEM SHOWS - 1998-99, Includes date, location, sponsoring group, and contact person for 25 gem shows.