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October 1, 1940

Grace M. Sparkes, Secretary
Yavapai Associates
Prescott, Arizona

Dear Grace:

Many thanks for your letter of September 27th regarding the Texas Mine, and I do believe there should be a chance to handle a zinc property at this time. I have one or two inquiries and will submit to them a report on your property and see if we cannot get some interest started.

I am due to be in the Hereford district on October 16th, and I could arrange to go and look at the property on that day. I will be in Bisbee for a meeting on the night of October the 15th so could leave Bisbee early Wednesday morning and go over the property. If you will put me in touch with your brother-in-law, I will be glad to work this examination in while I am in that district.

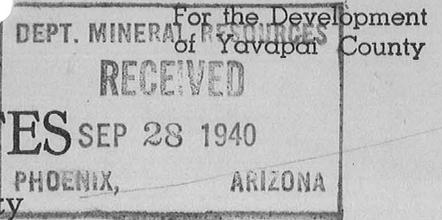
Yours very truly,

J. S. Coupal
Director

JSC:mm

P.S. I have had a most discouraging letter from Carl Barth dated September 25th. He will write me again on or before the 7th of October so that I may have late information as to his condition and be able to report to the Board of Governors. I shall try and have the Board hold open Carl's job as long as possible so as to give him a chance to fully recover.

Best Year-Round
Climate in Southwest



YAVAPAI ASSOCIATES

United Civic Groups of Yavapai County

FINANCED THROUGH THE YAVAPAI COUNTY BOARD OF SUPERVISORS

September 27, 1940

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ELLIS MCCrackEN

KIRKLAND DISTRICT

C. C. JACKSON

A MARVELOUS DISTRICT
IN THE
"HEART OF ARIZONA'S"
WONDERLAND

SERVED BY
U. S. HIGHWAYS 66-89-60
STATE HIGHWAYS 79-69
EXCELLENT COUNTY AND
FORESTRY ROADS.

Mr. J. S. Coupal, Director
Arizona Mineral Resource Board
Phoenix, Arizona

Dear Sam:

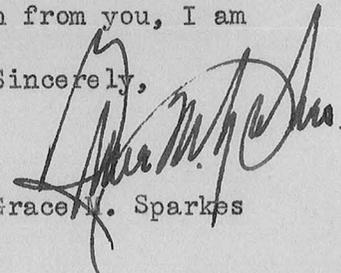
It seems to me that we should be able to do something to move the Texas property which was owned by my father and Mr. Burdette Moody of Los Angeles. I have authority to act for Mr. Moody and for my father's interest. Copy of his report is enclosed herewith.

With zinc at the price which it is, it seems to me that with the work which you are doing you should be able to find some reliable individual or group who would handle this property. I sent Miles Carpenter detailed information on the property months ago.

I would like to suggest that you make it a point to survey this property as soon as possible. I would like to have your slant on the same, and I would be glad to arrange for my brother-in-law who knows the property to go with you if you feel it is necessary.

Awaiting confirmation from you, I am

Sincerely,


Grace M. Sparkes

GMS ms
9-25-40

This Is the Great Country of Northern Arizona—the Land of Outdoor Life.
Mines—Stock Ranches—Farms—Health—Recreation
Pine-Laden—Health-Giving NATURAL AIR COOLED SUNSHINE

DIAMOND DRILLING REPORT OF RADAR GEOPHYSICAL SERVICE SURVEY
Made by Harold Ferrin, geologist and geophysicist.

STATE OF TEXAS MINE - Cochise County, Arizona.
 Address - % P O Box 1099, Bisbee, Arizona.

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HOLE NO. 1

STRIKE - S 20 E
DIP - 52 deg. (Recommended for 50 deg drilled at 52 deg.)
LEVEL - End N drift in War Stope.

DEPTH OF HOLE - 81 feet.

(Depth starter hole 47'. Used old diamond drill hole, which was not collared for standpipe and therefore difficult to get accurate sludge recovery.)

EXACT AMOUNT ORE CORED: 10' 3".

DEPTH ORE ENCOUNTERED: Between 60' and 62'

<u>ASSAYS:</u>	<u>Sample No. 1</u>	<u>Sample No. 2</u>
	(taken 5' 6" below where ore was pierced)	(taken 25 1/2" from Sample No. 1)
	<u>Assays by Arizona Bureau of Mines</u>	
AU.	.02 oz	.06 oz
AG.	.28 oz	9.0 oz
CU.	.09 %	4.16 %
PB.	.2 %	.3 %
ZN.	27.6 %	45.2 %
	(8' of ore)	(2' of ore)

GEOLOGY

FORMATION

Starter hole -----	47'
Went through 16" marble to blue lime -----	1' 4"
Then 3' 6" blue lime -----	3' 6"
" 7' garnet and garnetized lime -----	7'
	<u>58' 10"</u>
Pierced ore -----	60' to 62'
Ground up core and sludge make difference	
From ore to Bottom 81' hole garnetized lime,	
slightly mineralized.	

REMARKS: According to measurement on feed screw, after encountering soft, heavy, black sulphide ore, pierced 2' high grade, which would not core. Sludge heavy, carrying heavy black sulphide cuttings. Formation very favorable at 81' meriting more drilling. Cores in Box No. 1.

HELPERS: Grace and
 Billy Sparkes.

DRILLER: Perry L Bones

DIAMOND DRILLING REPORT - RADAR GEOPHYSICAL SERVICE SURVEY
Made by Harold Ferrin, geologist and geophysicist.

STATE OF TEXAS MINE - Cochise County, Arizona
Address - % P O Box 1099, Bisbee, Arizona.

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HOLE No. 2

STRIKE - S 15 deg W
DIP - 63 deg. (Recommended for 70 deg drilled at 63 deg.)
LEVEL - end North drift War Stope.

DEPTH OF HOLE - 97 feet.

EXACT AMOUNT OF ORE CORED: 6'

DEPTH ENCOUNTERED - 64' to 70', inc.

ASSAY:

Sample No. 3
(Taken at 64')
Assay by Arizona Bureau of Mines
AU. ----- .02 oz
AG. ----- 2.2 oz
CU. ----- .05 %
PB. ----- .1 %
ZN. ----- 25.1 %
(6' of ore)

GEOLOGY

FORMATION

Beddings of garnets and garnetized lime
from start of hole to 64'
at 26' - sludge panned sulphides
at 32' - light sulphides panned
Ore from 64' to 70'
70' to 75' - highly mineralized lime and garnets
75' to 89' - blue lime
at 79' - some sulphides - mineralized
at 84' - mineralized
89' to 97' - porphyry granite
at 93' cemented hole - used chopper.

REMARKS: Cores in Boxes Nos. 2-3-4.

HELPERS: Grace M. and
Billy Sparkes.

DRILLER: Perry L Bones

DIAMOND DRILLING REPORT - RADAR GEOPHYSICAL SERVICE SURVEY
Made by Harold Ferrin, geologist and geophysicist.

STATE OF TEXAS MINE - Cochise County, Arizona.
Address - % P O Box 1099, Bisbee, Arizona.

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HOLE No. 3

DIP - 90 deg.

LEVEL - End North Drift War Stope

DEPTH OF HOLE - 102'

GEOLOGY

FORMATION

From start of hole 19' marble.
19' to 28' - garnetized lime
at 25' panned some sulphides
28' to 102' - bottom of hole - in and out of garnets
and garnetized lime, showing some mineralization.
at 28' - 31' panned some small sulphides
at 55' to 60' panned little sulphides.

CORES in Boxes Nos. 5, 6 and 7.

REMARKS: Mr Ferrin's statement after checking drilling and cores
July 4, 1948: "Necessary to drill this hole 25' deeper
to hit ore body and footwall."

Note: We were obliged to return diamond drill and equipment
at 102'. Reamer gone. Unable to contact Mr. Ferrin in time
to get his check-up to continue drilling and owner needed
his drill and equipment. Mr Ferrin arrived one week later,
for examination of our work.

HELPERS: Grace M and
Billy Sparkes.

DRILLER: Perry L Bones

Confidential

Prescott, Arizona, July 16, 1943.

VIA AIR MAIL

THE STATE OF TEXAS MINE

Mr. Landon F. Strobel
Ex. Secy - Quota Committee
Premium Price Plan for Copper, Lead & Zinc
Room 2047 - Temporary "R" Building
Washington, D. C.

Dear Mr. Strobel:

This will acknowledge receipt of your letter of July 8th.

We do not understand where you obtained any certainty of 400 tons being produced regularly for any set period of time. As we have tried to explain, there is no way to estimate our ore because we have no funds to block out ore for any probable or possible.

We are working in ore that is in sight, with absolutely NO DEVELOPMENT PROGRAM.

Furthermore, we do not have any finances to do any development work, but must rely upon the possibility of obtaining the "B" and "C" premiums to keep in operation and to do development work.

Certainly, the Quota committee does not consider it fair TO BUY THIS MINE under the circumstances.

Since writing you (and we regret more than you and your Committee, the time it takes for such correspondence) in working solely in our ore, we have shipped five more cars making a total of 7 cars to-date.

After the severe penalties and DEBITATIONS made by the smelters and the costs which we must take care of beyond the mill returns we are actually in worse shape than when we started our first correspondence with you, our assumption being it was self evident that we would receive the "B" and "C" premiums.

We list below those costs which we must take care of out of our mill returns and the premium you allow:

1. All actual mining costs.
2. Truckage on ore from mine to railroad ramp at Don Louis - 35 miles
\$3.00 per ton.
3. Railroad switch charge Southern Pacific Don Louis to Mill at Lowell.
4. Assaying.
5. Industrial Insurance.
6. Employers Tax 3%
7. Social Security Tax 1%
8. County taxes (also state)
9. Other costs - repair, maintenance and general operation.
10. UNPAID TO RECONSTRUCTION FINANCE CORPORATION. "B" Loan - \$14,000.00

(2)

\$8,000 of this loan with interest was due and payable on July 1st. Note: WE ASKED ONE YEAR'S TIME EXTENSION FOR THE PAYMENT OF THESE NOTES and received the following comment from Mr. Marten Macartney, Chief, self-liquidating Division: "This Corporation is unwilling to waive any of the provisions of the Instrument of Security and Chattel Mortgage securing your notes, or to advance the maturity dates on these notes, but will, after July 1, 1943, carry them as 'past due' until further notice. It is noted that you have applied to the Quota committee for additional premiums on zinc, lead and copper being produced from your property. As you know, quotas are not within our province. We will, however, be pleased to furnish the Quota committee with data we have on the project if called upon to do so."

11. Interest to HFC on Loan - basis 6% or 4%.

As it stands we are simply GUTTING OUR PROPERTY, with no development program and no possibility apparently of obtaining one. No chance for the owner to make any reasonable return or any return, let alone meet obligations made in good faith to those who were formerly associated with me in this property.

Furthermore, again I repeat our superintendent WORKS ON THE JOB, not 8 hours but double time many times and his salary has literally gone back into the mine to help keep things moving. The clerical and other work which I was called upon to do for this project if paid worth couldn't be had for \$200 a month.

Since writing you, we cross cut the north exposure on the vein 19 feet and were disappointed there, but with drifting this may be changed. NO FUNDS FOR DRIFTING. We drifted on the present ore deposit - East exposure 27 feet and raised 13 feet West, with negative results as to the extent of the ore deposit east. This could be changed anytime with development. Working IN THE ORE in this area has given us a possible 150 tons. After the extraction of the ore in this area, we must find new deposits, which require extensive development work and which cannot be carried on WITHOUT THE "B" AND THE "C" premiums. It is self evident from a glance at the additional settlement sheets, copies of which are attached, our latest financial statement and a comparison of the costs which we must meet as outlined above, there is nothing left for development work. Mr. A. C. Nebeker, district technical advisor of the War Production Board in Arizona, visited our property and gave you his opinion - namely that after a review of the settlement sheets, noting the various deductions made on assay contents, mill treatment, freight and processing deducts, the 'nets' are insufficient to bear the mining and development costs under the ceiling price of lead and zinc. He pointed out that the ores make no replacements in the lines. "They have not been able to block out ahead of extraction, a definite tonnage of ore, as it has taken all the returns from shipments, plus added dollars, to pay for mining and shipping. I think the property will be a regular shipper of lead-zinc ores if there is a margin over extraction costs with which development work can be carried on," and quoting further from his letter of June 30, 1943 he said: "I would recommend the State of Texas mine be given consideration for the "B" and "C" premium price."

We have shipped a total of 323,358 Tons of ore - value \$8,986.07 out of which we received \$3,579.78 to pay the costs enumerated - this net is too small to permit any development, let alone extensive development work with the mine merits and in order to keep OUR MINE IN PRODUCTION and OPERATION, IT IS NECESSARY THAT WE HAVE A RESERVE FOR DEVELOPMENT WORK.

We do have a highly mineralized area that merits extensive development but with no income to conduct a sane program.

(3)

We had thought of the possibility of setting up another RFC loan, but can see no justification therefor, if we are to be deprived of the "B" and "C" premiums and no OPPORTUNITY under the present returns to repay what we have already borrowed, nor to carry on the actual necessary costs beyond those shown in the mill settlement sheets.

There is POSITIVELY no way for us to give you information except through the actual statement of conditions. These are based on actual experience - actual mining under war conditions, and not manipulations by pencil on paper, but damned hard facts and work.

We show our actual receipts and our actual disbursements, our commitments and a statement of what is necessary for us to operate.

We have gone at this in good faith, because we believed our government needed this zinc ore for our war effort -- incidentally our young folks - meaning our OWN - are strung from Kiska to Africa, let alone any other patriotic motive which might enter into the picture.

Visiting U S Geologists of the U S Bureau of Mines and the technical advisor of the WPB mining division in Arizona were at the mine when I was trying to fill out your forms WPB 1572 or WPB 2465 and when I suggested they might assist me with some of the technical data, said it would be impossible due to the nature of the deposit and the need for further development. We did the best we could with it as explained and here is another attempt.

We are mining in a series of faults, which are typical of this zinc type of deposits in this part of the country and Mexico. It is therefore impossible to estimate any set time or tonnage of production. All we are asking is for the A B and C premiums on the metal which we can produce; as this is a NEW PRODUCER and it takes time and money to make extensive development necessary to intelligently fill out your applications. We are shipping no more dump material - too difficult - labor scarce - and the compensation received does not justify.

If you require further information let us know, but unless we do receive reconsideration from your Committee and revision on our quota to include the B and C premiums we will DEFINITELY SHUT DOWN WITH THE SHIPMENT of the 150 tons mentioned. We went into this thing because our government declared they needed zinc and lead for the war effort - we sacrificed considerably at our own expense - we are not receiving wages commensurate with those paid other defense workers (that we are not kicking about from the personal standpoint but resent it from the economic phase of the war effort) we have mined economically, prudently and made the grade when others failed so why shouldn't we be given the break on our request for the B and C premiums. We are asking Mr. Sam Coupal, director of the Arizona Department of Mineral Resources, to review our situation and to assist in placing other facts before you and these perhaps in a more technical vein.

Meantime let me make this comment in good faith - if other small producers come into the same snags that we have and are tied up with such delays on mill returns and premium returns and premium revision, there won't be a small mine in operation and what becomes of the men in service needing this strategic mineral?

Sincerely,

Grace M. Sparks.

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TENTATIVE FINANCIAL STATEMENT ----- STATE OF TEXAS MINE ----- July 15, 1943.

RECEIPTS:

Reconstruction Finance Corporation "B" Loan -----	\$14,000.00	
Refunds RFC Loan purchases -failure delivery -----	194.02	
Mill returns - Cars Nos. 1, 2, 3, 4, 5, 6 -----	3,579.78	
"A" Premium Car No. 1 -----	573.48	
		<u>\$ 18 153.26</u>

DISBURSEMENTS:

Checks Nos. 1 - 193, inc. Setting up camp, equip- ping mine and producing 323.358 Tons of ore to- date ----- NO MINE DEVELOPMENT -----		<u>15 541.22</u>
BANK BALANCE July 14, 1943 -----		<u>\$ 2 806.06</u>

COMMITMENTS:

Bills due to June 1943 -----	\$ 690.98
Industrial Commission Ins -----	546.25
July payroll estimated -----	1800.00
Truckage due Cars Nos 5 and 6 -----	322.40
Truckage estimated Car No. 7 -----	140.00
Contingencies estimated -----	1000.00
	<u>\$ 4499.63</u>
DUE RFC -----	8000.00
(Past due July 1, 1943)	<u>\$ 12,499.63</u>

DEVELOPMENT PROGRAM PROPOSED AND PROPERTY ENTITLED TO:

Development by drifting and raising 400 feet @\$15 per ft -----	\$6,000.00
2 - 45 foot raises @ \$15 per ft -----	1,350.00
N cross cut below present workings:	
170 feet @ \$15 per foot -----	2,550.00
Sinking - 300 ft inclide shaft @ \$45 per ft -----	13,500.00
(Sinking will depend upon outcome of proposed diamond drilling)	<u>\$23,400.00</u>
Maintenance and repair on present equipment 5% of proposed development costs -----	1,170.00
Supervision, insurance, compensation ins., interest, taxes, contingencies must be paid - 10% may cover this making total-----	2,457.00
	<u>\$27,027.00</u>

ABSOLUTELY ESSENTIAL TO CONTINUE PRODUCTION THIS ZINC LEAD ORE, DEVELOPE
ADDITIONAL DEPOSITS AND REPAY COSTS THAT WE BE GRANTED A PREMIUM REVISION
TO INCLUDE THE A B AND C PREMIUMS.

40FY

SHATTUCK DENN CORPORATION
MINING
DEN BRANCH - BISBEE, ARIZONA

ORE SETTLEMENT

SHIPPER: Grace M Sparkes

NAME OF MINE: STATE OF TEXAS

MILL LOT NO. 66

CAR NUMBER	DATE RECEIVED	SHIPPER'S LOT NO.	WET	POUNDS OF ORE		NET DRY TONS
				% MOIST.	DRY	
S. P. 11301	6/5/43	5	105640	1.2	104372	52.186
S. P. 11127	6/2/43	4	109640	1.4	108302	54.151
TOTALS			215480		212674	106.357

PAYMENTS:

GROSS ASSAY	GROSS UNITS OF METALS	PER CENT PAID FOR	UNITS OF METAL PAID FOR	METAL PRICES	AMOUNTS
Gold .020 ozs.	2.127 ozs.	69.21	1.472 ozs	\$ 32.439	\$ 47.75
Silver 10.95 "	1168.39 "	83.34	970.43	.6937	679.21
Copper .52 %	1106 lbs.	59.68	649 lbs	.0555	36.02
Lead 4.05 %	8613 lbs.	68.41	5892 lbs	.0490	288.71
Zinc 16.40	34879 lbs.	73.67	26393 lbs	.0794	2095.60

TOTAL PAYMENTS: \$ 3141.29

DEDUCTIONS: Concentrates Freight \$ 207.54
 Transportation Tax 10.05
 Concentrates Treatment 1009.18
 Milling 345.60
 1572.37

NET MILL VALUE 1568.92

Processing fee (20%) of net mill value 313.78

~~XXXXXXXXXXXX~~ NET SETTLEMENT VALUE \$ 1255.14

ORE FREIGHT \$107.740 WET TONS @ \$1.47 15.94

ORE TRANSPORTATION TAX .48 16.32

BALANCE DUE SHIPPER \$ 1238.82

MADE BY D I Fergus

APPROVED BY _____

Copy.

SHATTUCK DENN MINING CORPORATION Den Branch, Bisbee, Arizona.
ORE SETTLEMENT

May 14, 1943.

SHIPPER - Miss Grace M Sparkes

NAME OF MINE - STATE OF TEXAS.		Mill Lot No. 59				
Car Number	Date Received	Shipper's Lot No.	Wet	POUNDS OF ORE % Moist.	Dry	Net Dry Tons
S. P. 92075	5/3/'43	2	110580	1.1	109364	54.682
TOTALS			110580		109364	54.682

PAYMENTS:

GROSS ASSAY	GROSS UNITS METALS	PER CENT PAID FOR	UNITS OF METAL PAID FOR	METAL PRICES	AMOUNTS
Gold	.02 ozs	63.71	.697 ozs.	\$ 32.41	\$ 22.59
Silver	8.50 "	86.60	402.52 "	.6929	278.22
Copper	.28 %	46.41	142 lbs	.055	7.88
Lead	4.05 %	71.26	3156 lbs	.049	154.64
Zinc	10.70 %	74.32	8697 lbs	.0794	690.54
TOTAL PAYMENTS					\$ 1 154.57
DEDUCTIONS: Concentrates Freight					\$ 74.96
Transportation Tax					3.75
Concentrates Treatment					306.37
Milling					177.72
					<u>562.80</u>
NET MILL VALUE:					\$ 591.77
Processing Fee (%) of net mill value					<u>118.35</u>
NET SETTLEMENT VALUE					\$ 473.42
ORE FREIGHT 55.29 Wet Tons @ 15¢					8.40
Ore transportation Tax					.25
BALANCE DUE SHIPPER					<u>464.77</u>

Made by _____

APPROVED BY RHC

COPY

SHATTUCK DEME MINING CORPORATION
DEN BRANCH - BISBEE, ARIZONA
ORE SETTLEMENT

SHIPPER: MISS GRACE M SPARKES
PRESCOTT, ARIZONA

NAME OF MINE: STATE OF TEXAS MINE

MILL LOT NO. 63

Car Number	DATE RECEIVED	SHIPPER'S LOT NO.	WET	POUNDS OF ORE % MOIST.	DRY	NET DRY TONS
ATSF 81031	5/25/43	3	100580	1.2	99374	49.687
TOTALS			100580	1.2	99374	49.687

PAYMENTS:

GROSS ASSAY	GROSS UNITS OF METALS	PER CENT PAID FOR	UNITS OF METAL PAID FOR	METAL PRICES	AMOUNTS
Gold .01 ozs.	.497 ozs.	41.85	.208 ozs	\$32.5961	\$ 6.78
Silver 2.75 ozs.	136.64 ozs.	81.03	110.72 ozs.	.6936	76.79
Copper .34 %	338 lbs.	26.04	88 lbs.	.0555	4.88
Lead 1.42 %	1411 lbs.	66.90	944 lbs.	.0490	46.26
Zinc 14.6 %	14509 lbs.	83.25	12079 lbs.	.0792	959.07

TOTAL PAYMENTS:

\$ 1093.78

DEDUCTIONS: Concentrates freight
Transportation Tax
Concentrates freight treatment
Milling

\$ 78.63
3.70
389.77
253.52 725.61

NET MILL VALUE

368.17

Processing fee (20%) of net mill value 161.48 92.04 253.52

\$ 368.17

NET MILL SETTLEMENT VALUE

Ore Freight Wet Tons
Ore Transportation Tax

7.92
.24 8.16

BALANCE DUE SHIPPER:

\$ 360.01

MADE BY DIF

APPROVED BY _____

COPY

SHATTUCK DENN MINING CORPORATION

DEN BRANCH - BISBEE, ARIZONA.
ORE SETTLEMENT

SHIPPER: GRACE M SPARKES

NAME OF MINE: STATE OF TEXAS.

MILL LOT NO. 68

CAR NUMBER	DATE RECEIVED	SHIPPER'S LOT NUMBER	WGT	POUNDS OF ORE % MOIST.	DRY	NET DRY TONS
S. P. 92889	6/11/43	6	111900	1.2	110558	55.279
TOTALS			111900	1.2	110558	55.279

PAYMENTS:

GROSS ASSAY	GROSS UNITS OF METALS	per cent PAID FOR	UNITS OF METAL PAID FOR	METAL PRICES	AMOUNTS
Gold .015 ozs.	.829 ozs	72.62	.602 ozs	\$ 32.492	\$ 19.56
Silver 10.70 ozs	591.49 ozs	83.90	496.27 ozs	.6943	344.56
Copper .71 %	785 lbs	62.68	492 lbs	.0555	27.31
Lead 3.67 %	4057 lbs	68.92	2796 lbs	.0490	137.00
Zinc 19.40 %	21448 lbs.	77.14	16545 lbs	.0794	1318.67
TOTAL PAYMENTS					\$ 1842.10
DEDUCTIONS: Concentrates freight				126.16	
Transportation tax				6.02	
Concentrates Treatment				538.11	
Milling				179.66	849.94
NET MILL VALUE					\$ 992.15
Processing fee 20% of net mill value					198.43
NET SETTLEMENT VALUE:					\$ 793.72
Ore Freight 55.950 Net tons @ \$1.42				7.92	
Ore Transportation Tax				.24	8.16
BALANCE DUE SHIPPER:					\$ 785.56

MADE BY D. I. Fergus

APPROVED BY _____

Estimate Perry L Bones
Cost mining 15 tons of ore

	\$		
Miners	14.73	one shift	
Muckers	29.60	two shifts	
Blasting	14.00	powder - caps and fuse	
Drilling	10.00	compressor man and fuel	
	<u>68.33</u>		

\$ 4.56 per ton

Note this does not include of course any estimates on ll items listed consideration of disbursements to-date setting up camp, equipping mine, building road, bills due to June, other committments, not development reserve to insure production of zinc and lead.

FORM **WPB-2465**
(2-24-43)

UNITED STATES OF AMERICA
WAR PRODUCTION BOARD

BUREAU OF THE BUDGET NO. 08-R332
APPROVAL EXPIRES FEBRUARY 29, 1944

**INFORMATION TO BE USED IN THE REVISION
OF QUOTAS FOR NEW MINING OPERATIONS**

TO: War Production Board, Washington, D. C.
ATTN: The Executive Secretary of the Quota Committee,
Premium Price Plan for Copper, Lead and Zinc

INSTRUCTIONS—One (1) original and (3) copies of this form are to be filled out and sent to: The Executive Secretary of the Quota Committee, Premium Price Plan for Copper, Lead and Zinc, War Production Board, Washington, D. C. The term "tons" means dry tons of 2,000 lbs. The term "mine" means any mine, group of mines, dump, or other source of primary metal-bearing material for which a quota is to be revised. (All new mining operations receive zero A quotas upon application. "Revision" as used herein refers to the establishment of B or C quotas for such mines.) Only those questions or parts of questions applicable to the operation to be described should be answered.

DATE
NAME OF MINE
LOCATION OF PROPERTY
NAME OF COMPANY
LOCATION OF COMPANY

1. DESCRIPTION OF PROPOSED OPERATION (DESCRIBE HERE IN GENERAL TERMS THE PROPOSED OPERATION, USING ONLY THE SPACE BELOW.)

2. ORE RESERVE DATA AS OF THE MOST RECENT DATE AT WHICH ESTIMATED

DATE OF ESTIMATE

CLASSIFICATION	SHORT TONS	AVERAGE GRADE				
		OUNCES PER TON		% ZINC	% LEAD	% COPPER
		GOLD	SILVER			
PROVEN						
PROBABLE						
POSSIBLE						

DESCRIBE THE BASIS UPON WHICH THE ABOVE ORE RESERVE ESTIMATES WERE MADE INCLUDING:

- A. LENGTH, WIDTH, AND DEPTH OF THE ORE-BODIES
- B. ASSAYS OF SAMPLES TAKEN FROM THE ORE-BODIES OR SHIPMENTS OF ORE THEREFROM.
- C. FURNISH AN ASSAY MAP IF AVAILABLE.

3. PRODUCTION ESTIMATES

A. STATE ESTIMATED DATE WHEN PRODUCTION WILL BEGIN	DATE WHEN MAXIMUM PLANNED RATE OF PRODUCTION WILL BE OBTAINED	HOW MANY MEN (MAXIMUM) WILL BE REQUIRED TO PREPARE MINE AND MILL FOR PRODUCTION?	UNDERGROUND
			SURFACE
B. STATE THE ESTIMATED MAXIMUM RATE OF PRODUCTION IN SHORT TONS PER 24-HOUR DAY, OF	DIRECT SMELTING ORE	MILLING ORE	
	UNDERGROUND	SURFACE	
HOW MANY MEN WILL BE REQUIRED?			

(Continued on reverse side)

3. PRODUCTION ESTIMATES—Continued

C. STATE IN THE TABLE BELOW THE ESTIMATED GRADES, RECOVERIES, ETC.						D. STATE THE TONS OF CONCENTRATES EXPECTED TO BE OBTAINED PER 100 TONS OF MILLING ORE MINED:
ITEM	OUNCES PER TON		% ZINC	% LEAD	% COPPER	
	GOLD	SILVER				
DIRECT SMELTING ORE GRADE						
TO BE PAID FOR						
MILLING ORE CRUDE GRADE						COPPER CONCENTRATE
CONCENTRATE CONTENT						
COPPER CONCENTRATE						
LEAD CONCENTRATE						LEAD CONCENTRATE
ZINC CONCENTRATE						
MILL RECOVERY						
COPPER CONCENTRATE						ZINC CONCENTRATE
LEAD CONCENTRATE						
ZINC CONCENTRATE						
TO BE PAID FOR						
COPPER CONCENTRATE						
LEAD CONCENTRATE						
ZINC CONCENTRATE						

B. STATE IN THE TABLE BELOW THE ESTIMATED CHARGES AND NOT SMELTER RETURNS PER TON OF DIRECT SMELTING ORE AND PER TON OF CONCENTRATES.				4. COST ESTIMATE		
ITEM	FREIGHT CHARGES	SMELTER CHARGES	NET SMELTER RETURNS WITHOUT PREMIUMS	A. INDICATE BELOW THE ESTIMATED OPERATING COSTS PER CRUDE TON		
				ITEM	MILLING ORE	DIRECT SMELTING ORE
DIRECT SMELTING ORE	\$	\$	\$	PHYSICAL DISTRIBUTION		
COPPER CONCENTRATES				LABOR		
LEAD CONCENTRATES				EXPLOSIVES		
ZINC CONCENTRATES				TIMBER		
				FUEL		
				POWER		
				OTHER (Specify)		
				TOTAL		
4-B. DESCRIBE THE ORE-BODIES AS TO DIP, WIDTH, METHOD OF MINING TO BE USED, WHETHER SHAFT OR ADIT ENTRY, LENGTH OF ADIT OR DEPTH OF SHAFT, AND OTHER FACTORS WHICH MAY HAVE BEEN CONSIDERED IN YOUR COST ESTIMATE. (Attach on separate sheet)				FUNCTIONAL DISTRIBUTION		
				EXPLORATION		
				DEVELOPMENT		
				MINING		
				MILLING		
				ADMINISTRATIVE & GENERAL		
5. FINANCIAL CONDITION (ATTACH TO THESE PAPERS A BALANCE SHEET, AS OF THE MOST RECENTLY AVAILABLE DATE, SHOWING THE FINANCIAL CONDITION OF THE CONCERN.				OTHER (Specify)		
				TOTAL		

6. OWNERSHIP AND WORKING AGREEMENTS
 SUMMARIZE: (ON A SEPARATE SHEET)
 A. THE OWNERSHIP OF THE PROPERTY TO BE OPERATED.
 B. IF THE PROPERTY IS NOT OWNED BY THOSE WHO PROPOSE TO OPERATE IT, SUMMARIZE BELOW THE TERMS OF ANY AGREEMENT UNDER WHICH THE PROPERTY IS TO BE WORKED.

7. INVESTMENT ESTIMATES
 SPECIFY UNDER THE GENERAL HEADINGS INDICATED ON THE FOLLOWING TABLE THE EXPECTED CASH INVESTMENTS REQUIRED (Omit cents)
 (See next page for table and Certification)

Include only cash investments made since January 1, 1942.

7. INVESTMENT ESTIMATES—Continued

ITEM	MADE TO DATE Since Jan. 1, 1942	FURTHER ANTICIPATED ¹	TOTAL
EXPLORATION			
ORE-TESTING			
DEVELOPMENT (PHYSICAL WORKINGS ONLY)			
SAMPLING			
MINING PLANT (GROUP IN GENERAL CATEGORIES)			
TOTAL MINING PLANT			
MILLING PLANT (GROUP IN GENERAL CATEGORIES)			
TOTAL MILLING PLANT			
OTHER			
TOTAL OTHER			
TOTAL			

¹Amount necessary to reach rate of production described under 3-b above.

REMARKS

CERTIFICATION—THE UNDERSIGNED CERTIFIES THAT THE INFORMATION CONTAINED IN THIS REPORT IS CORRECT AND COMPLETE TO THE BEST OF HIS KNOWLEDGE AND BELIEF.

NAME OF COMPANY

SIGNATURE OF AUTHORIZED OFFICIAL

DATE

TITLE

SECTION 35(A) OF THE UNITED STATES CRIMINAL CODE, 18 U.S.C. SEC. 80, 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.

(Copy to Arizona Department of Mineral Resources - Phoenix - May 26, 1959 from records at office State of Texas Mine - Montezuma Canyon, Cochise County, Arizona.)

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Copy letter American Smelting & Refining Company, SW Ore Purchasing Office, 810 Valley Bank Bldg., Tucson - dated August 8, 1951 to Grace M. Sparkes - "Enclosed is Deming Schedule D-67 outlining purchase terms for ore from your State of Texas Mine similar to the sample recently submitted for mill test: assaying:

Gold	Silver	Lead	Copper	Zinc
oz	oz	%	%	%
.016	10.82	5.99	0.42	22.5
Non-sulphide				.5

On present metal prices the net returns based on above-quoted assays would be approximately \$33.95 per ton after deducting the milling charge and freight from Hereford to Asarco Mill (freight rate \$4.10 per ton including tax)

When you get into production your shipments should be consigned to AS and R Company, Asarco Mill, New Mexico. Shipping advices, settlement instructions, etc., should be mailed direct to the Deming office (P O Box 998, Deming, New Mexico.)

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Data from other reports on file above mentioned office State of Texas Mine, etc.

STATE OF TEXAS NO 1 Patented Lode:

Geophysical Survey indicated Ore Body 12' wide - 120' long and 400' deep. Tonnage estimated this area - 40,000 tons (by Ferrin's geophysical) Seton Williams, registered professional engineer geologist - estimated ore at \$70 per ton shipped to Shattuck Denn Custom Mill. This basis estimated value of this ore block - \$2,800,000. (Since Williams estimate zn and pb and cu have upped several cents. Date his report on file above office - April 5, 1951.) Estimate value this block using custom mill returns during WW #2 plus premiums \$2,026,502.20. Mill only \$1,209,081.44. (1943 - 1946)

IMMEDIATE KNOWN ORE RESRVES - Estimated Jos G O'Brien (professional engineer) May, 1951 (before increase in zn and pb)

- Dumps - measured by O'Brien ----- 1500 tons, estimated value \$35 per ton \$52,500
 - Stopes - overhead - 2,000 tons unstoped above adit - estimated value \$40 per ton \$80,000
 - Proven block 2 diamond drill holes - 6,000 tons @ \$70 per ton \$420,000.
- Total Value 9500 tons --- \$552,500.

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Ore body State of Texas War Stope - in and out for 50' below floor of stope. Geophysical picked up its true course. Sparkes and Bones diamond drilled into geophysical to prove to their satisfaction that instrument was correct. Ferrin recommended degs for drillkng. 2 holes cut highgrade sphalerite. 3rd to be completed.

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(Copy to Ariz Department of Mineral Resources, Phoenix, Ariz., May 27, 1959
from records at office State of Texas Mine - Montezuma Canyon, Cochise Co., Ariz)

11 con'td

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STATE OF TEXAS MINE NO. 2 - Patented

Partial Geophysical Survey recorded mineralized zone - 72' long - 5 to 6' wide and 300' long along the incline. Indicated about 9,000 tons highgrade lead. This claim has unusual copper showings, which are also on No. 1.

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11-12-13 cont'd

(from data Joseph O'Brien - on file S of T mine office)

Currently, the most important of these workings converge in a big chamber or stope from which in the immediate vicinity over 2,000 tons of ore are reported to have been mined, leaving a considerable tonnage of good ore in tact. This ore body is made accessible through an adit crosscut which is convenient to a 50 ton ore bin located on the road to the mine.

About 200 feet from this big chamber a 350' vertical shaft was sunk sometime in 1902. from old engineering notes and other available data this shaft is in an area that has remarkable ore bearing possibilities and at some future date may well be the locale of extensive profitable mining operations. The shaft is said to have penetrated a metamorphic rock for over 100 feet, then into a granite porphyry tongue or sill, back into a metamorphic rock and perhaps some limestone. It is reported to have passed through 100 feet of zinc ore or mineralization, then into several horizontal zones of a good grade copper ore. A raise from a drift near the bottom of the shaft penetrated 35 feet of 5% copper ore, and a core drill hole from the bottom of the same drift penetrated 22 feet of $4\frac{1}{2}\%$ to $5\frac{1}{2}\%$ copper ore carrying 4 - $7\frac{1}{2}$ oz silver per ton. This ore horizon is 600 feet below the bottom of the shaft or around 950 feet below the surface. The ore body in the shaft area is apart and unrelated to the ore body exposed in the big chamber."

O'Brien spent considerable time on the property and his data is available at the mine property. Went to same school as Herbert Hoover -- ~~Vanderbilian~~ -- in San Francisco endowed by Holland. Graduated from Van der Naillen Engineering School of San Francisco in 1911.

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It should be noted that we only shipped our higher grade ore to the custom mill, bearing in mind that our Serial No. would be withdrawn if we did not bring out the highest zinc possible. There are huge tonnages of low grade - mineral rock - on this property. (We know shippers sent 4% zinc to custom mill during war period and collected premiums). With proper exploration, development and modern methods of treatment huge tonnages could be handled from our property.

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(Copy to Ariz Department of Mineral Resources, Phoenix, Ariz., May 27, 1959)
from property reports at office State of Texas Mine - Montezuma Canyon,
Cochise County, Arizona - Grace M. Sparkes - owner Star Rt - Hereford, Arizona.)

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15. Continued. Gray Metals Co., Huachuca Mts. Abstracted from Arizona Mining Journal - Vol 3 No 12 p 21 (1920) C. F. Willis

"Over 500 tons of ore have been shipped which average 17 ozs in silver, 7.5% lead and 22 to 24% zinc. High grade ore shows 84 ozs in silver, 40% lead and 18% zinc. The silver follows the lead and with an increase in lead there is a decrease in zinc content.

The property of the company, geologically, shows two types of deposits one an inter-bedding of the lead zinc ores along the bedding planes of limestone, and a copper showing that has been explored along the lime+granite contact. The sedimentary lime shows for a length of 2400 ft on the ~~granite~~ property of the Gray Metals, but is continuing on both ~~sides~~ ends on which considerable exploration has been and is being done at the present. These sedimentaries show a width of about 200 ft on the surface and are bounded on the north by a massive granite and on the south by a porphyry. The lime beds show considerable evidence of mineral bearing solutions and metamorphism.

The lead-zinc deposit has been opened up by an inclined shaft and a tunnel, from both of which considerable stoping has been done. Then at intervals of about fifty feet, trenches have been cut on the surface which demonstrated the continuity of the deposit. Almost from the surface the sulphides show, and two layers of the ore have been shown, while the surface indicates a third layer. Little work has been done except on the second highest of these layers and this shows from 7-11 ft in thickness with an average assay of 16.5oz silver, 10% lead, 21% zinc, while the ore on the dump extracted from this and other places, shows 11.6 oz of silver, 7.85% lead and 22.5% zinc.

The copper bearing contact of the lime-granite has been opened by a 350 ft shaft with considerable drifting, with 1390 ft of diamond drill holes sent out from the 350 ft level. The first of these holes struck ore at 170 ft and ran 20 ft through ore running 4-6% copper and \$5 in gold and silver. The second hole, at about 300 ft ran through four layers of ore 3,5,6 and 7 ft thick respectively, the latter assaying 6% copper. The third hole showed blank with the exception of the first ten feet. No ore has been encountered outside the limestone. The contact deposits have been opened also by two 50 ft shafts following the contact. At 310 feet the shaft passed through 13 feet of copper ore running better than 4% copper and 3.3 oz in silver."

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(Gray had option from August Baron - original locator.)

(Copy to Arizona Department of Mineral Resources - Phoenix - May 26, 1959
 from Records at Office State of Texas Mine - Montezuma Canyon, Cochise Co. Arizona)

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State of Texas Mine - owner Grace M. Sparkes, P. O. address - Star Rt
 Hereford, Arizona.

Average 22 cars shipped to Custom Mill (Shattuck Denn) Lowell - Arizona
 from war stope

ORIGINAL SHATTUCK DENN MILL
 SETTLEMENT SHEET 1942 pre-war

	Average	High	Low	
Zinc	15.903%	19.65%	10.70%	15%
Lead	2.15 "	5.25"	1.42"	4"
Copper	1.741 %	1. "	.20"	0.041%
Silver	9.091 oz	15.60 oz	3.50 oz	6.95 oz
Gold	.578 "	1.77 "	.01 "	0.015 "

We were allowed no assayer at the mine during the war days under RFC.
 NOTE THE FOLLOWING DIFFERENCE IN ASSAY VALUE OF ORE SHIPPED AS ASSAYED BY
 J. BRYANT KASEY, Prescott Eng. Co. Metal Lab.

				MINERALOGICAL COMPOSITION	
Zinc	16.55%	Iron	5.13	Sphalerite	24.60 %
Lead	19.42 "	Insol		Galena	21.92 "
Copper	3.64 "	Limestone	12.80	Limestone	12.80 "
Silver	29.13 oz	Sulphur	16.53	(CaCo3)	
Gold	.02 "			Chalcopyrite	10.55%
				Pyrite	4.10"
				Insol	25.23 "
				(mainly quartz)	

CUSTOM MILL RETURNS CARS NOS. 1-35 inc:

NET DRY TONS ----- 1,791.07
 Total Mill Receipts ---- \$40,995.98 (No 1) \$68,694.90 div by 1791 -- \$32.31 per ton
 Premiums ----- \$27,719.01 (" 2) \$40,995.98 " " " -- \$22.88 " "
 Total Gross Receipts \$68,694.99

Recent Geophysical Survey Determined (August 1947)

50,000 Tons on State of Texas and 9,000 tons on State of Texas No. 2
 Total determined by GPS ----- 59,000 tons
 Using Basis Total Mill Approx. 2,000 tons -- 29½ tons x \$40,995.98 equals
 \$1,209,081.41 - No. 1.
 " " " " " " " " -- 29½ x \$68,694.99 equals
 \$2,026,502.20 - No. 2.
 Basis 59,000 tons @ \$10 mill ore No. 1 ----- \$403,027.13
 " " " " " " " " 2 ----- \$675,500.73

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We shipped our best grade (high grade ore) in place for war effort. Stockpiled in stope and on dumps is considerable tonnage which can be handled with premiums. Estimates on this from 10,000 tons to 20,000 tons. Recently completed geophysical survey by reputable geologist-geophysicist using three methods - including their own known only to themselves) picked up continuity of ore body in war stope and shows this ore body in place 120 feet in length, 12 feet wide and continuous for 400 feet. Also a sizeable body of lead. You will recall we received NO DEVELOPMENT. NO EASY MONEY OF ANY TYPE. OUR RFC "B" DEVELOPMENT LOAN WAS SOUGHT AND APPROVED FOR DEVELOPMENT PURPOSES AND WAR CONDITIONS CHANGED THIS SOLELY TO THE EXTRACTION OF OUR ALREADY DEVELOPED ORE BODY. WE DID NOT RECEIVE MAXIMUM PREMIUMS TO WHICH WE WERE JUSTLY ENTITLED: WE WERE A WAR GUINEA PIG FOR THE LOT WHO FOLLOWED. WE DID NOT RECEIVE MONEY FOR ACCESS ROAD, HAD TO BUILD OUR OWN AND A YEAR AFTERWARDS AN ENGINEER SHOWED UP TO ASK US WHERE WE WANTED AN ACCESS ROAD SURVEY MADE. WE DID NOT RECEIVE A DIME OF THE DEVELOPMENT AND EXPLORATORY PREMIUMS. THE SMART ONES WHO HELD OUT DURING THE WAR DAYS REAPED THE HARVEST AND TO A CERTAIN EXTENT ARE DOING IT TODAY. THE MAJORITY OF THE LITTLE ONES WHO TRIED AND DID DO A JOB FOR THE WAR - AND THEIRS MEANT CONSIDERABLE - FOR THE MAJORITY SENT IN THEIR BEST ORES --- TOOK THE BEATING.

DRILLING WILL PROVE OUR GEOPHYSICAL AND DESPITE ALL REVERSES WE ARE TRYING TO GET THIS DONE. I HAVE BROKEN MY HEALTH DOING 3 peoples work. YES, FEED, HUNGRY PEOPLE ANYWHERE - BE SURE THEY GET IT - DON'T FORGET JUSTICE FOR OUR OWN AMERICANS. THIS PROPERTY MERITS DEVELOPMENT. IT SHOULD HAVE A SMALL PLANT TO TREAT ITS ORES ON THE GROUND.

low grade

ROUGH ESTIMATE ON GEOPHYSICAL PLACED 60,000 tons, of Copper-Lead, Zinc
continuity found and shipped for war effort.

WE SHOWED OUR GOOD FAITH AND WE ARE ENTITLED TO A FAIR SETTLEMENT UNDER THE QUASI-CONTRACT SETTLEMENT ACT OR NEW LEGISLATION IF AMENDMENTS CANNOT BE MADE TO IT. WE ARE ENTITLED SOMEWHERE ALONG THE LINE TO A DEVELOPMENT PROGRAM. *We paid RFC 50% of its loan this should have been used for development purposes & interest*

HELL YOU DON'T KNOW WHAT QUESTIONNAIRES ARE. YOU SHOULD HAVE WORKED AN OUTFIT LIKE THIS DURING THE WAR DAYS. BILL BROADGATE HAS ASSISTED US AND IS FAMILIAR WITH OUR SITUATION.

Thanks for your help.

Perry L Bones
 % State of Texas Mine
 P O Box 1099
 Bisbee, Arizona.

DEPARTMENT OF MINERAL RESOURCES

TO ALL PRODUCERS OF COPPER, LEAD and ZINC IN ARIZONA:

This department and others are making strenuous efforts to bring about legislation which will help ameliorate the restrictions and difficulties faced by the producers of copper, lead and zinc, and other strategic minerals.

To assist in these efforts it is advisable that we have an authentic survey of the results of the President's veto of the Allen Bill, and the results that would take place if a new bill, such as the Russell Bill, were passed by Congress. The Russell Bill includes all strategic minerals.

While we have all learned to love questionnaires just as we love stomach ulcers, will you please give the answers in your best judgment to the following questions:

- 1. What was your approximate production in pounds per month for the period preceding the President's veto of the Allen Bill?

(Copper _____ Lbs.) (Lead _____ Lbs.) (Zinc _____ Lbs.)

- 2. What has been your average production per month since that veto has affected your price?

(Copper _____ Lbs.) (Lead _____ Lbs.) (Zinc _____ Lbs.)

- 3. What is your estimate of your production per month for the first few months of 1948 if prices remain as they are now and no premiums are in effect?

(Copper _____ Lbs.) (Lead _____ Lbs.) (Zinc _____ Lbs.)

- 4. What is your estimate of production per month if some incentive plan such as the Russell Bill were in effect?

(Copper _____ Lbs.) (Lead _____ Lbs.) (Zinc _____ Lbs.)

5. General remarks: This outfit needs the active assistance of your Department toward settlement for the ore actually produced and shipped for the war effort - when, if you had a deposit of critical and strategic minerals, you were literally dubbed a slacker if you didn't get it out. Why not get busy on that part of the program and see that justice is given this class into which we fall? Either amendments to clarify the quasi-contract settlement act or new legislation.

An addressed envelope is enclosed for your convenience, but you will have to help with the stamp.

Yours very truly,

Chas H Dunning

Chas. H. Dunning
Director

CHD:mh

With premiums and a fair settlement for ore already extracted (NOT DEVELOPED) which was in place when we started our operations under an RFC Loan only to have the whole picture changed by war conditions from that of a development loan - to extraction and NO development, we can produce sizeable tonnage for small outfit.

Copper - Lead - Zinc
Loan

Sample # 2. The No. 2 dump, at the portal of tunnel, estimated at about 200 tons of ore. This sample was taken from about 20 shallow cuts at 5 foot intervals on the surface of dump and on the slope of dump. A sample of about 100 pounds was taken, crushed, mixed and quartered to about 10 pounds which assayed as follows:

0.05 ounces gold.
8.2 ounces silver.
2.2 % lead.
9.6 % zinc.

Sample # 3. The No. 1 dump located at the portal of the inclined stope is estimated at about 300 tons of ore. Sample was taken in the same manner as sample # 2 and assayed as follows*

0.05 ounces gold
10.2 ounces silver
4.9 % lead
20.9 % zinc.

Sample # 4. Located on the west side of vertical winze, about 3 feet below the collar of winze, tunnel level, across a three feet width of ore. A rough channel cut taken with a moil. About a 10 pound sample, assayed as follows;-

0.05 ounces gold
4.3 ounces silver
trace lead
20.9 % zinc.

Sample # 5. Located on the East wall of tunnel, which at this point is really a part of the stope as it shows a width of 20 feet. Sample taken over a width of 3 feet. A rough channel cut taken with moil. About 10 pound sample which assayed as follows;-

0.05 ounces gold, 14.4 ounces silver, 5.9 % lead and 20.0 % zinc.

Samples # 4 and 5 were taken as merely representing two points on the ore exposed in the incline stope. Both walls of the stope show ore from the surface to the vertical winze.

The development suggested is to drift east and west on ore at a point near the vertical winze and to drive such raises as are necessary to block out a sufficient tonnage of ore so as to justify further exploration work by sinking, drilling or by geo-physical work.

Submitted by

J. S. Coupal.
J. S. Coupal.

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine State of Texas Mine

Date 10/29/40

District Huachuca Mountains

Engineer J. S. Coupal

Subject: Synoptic Report

SYNOPTIC REPORT OF STATE OF TEXAS MINE

The State of Texas group of claims, consisting of one patented claim, two full size, and one fractional unpatented claim and a 5 acre mill site claim, a total of about 70 acres, is located on the west slope of the southern end of the Huachuca Mountains, in Parker Canyon (formerly called Montezuma Canyon) a distance of 6 miles from the Bisbee Huachuca highway, Number 92, at a point 24 miles from Bisbee.

The altitude ranges from 4100 feet at the mill site and camp claim to 5400 feet at the principal ore showing. The area is fairly well timbered with scrub oak, manzanita and surrounding grass lands. Water is available for domestic use and the present shaft, with some development, should furnish sufficient water for small scale milling operations. Operating conditions are extremely favorable.

The general geology at the southern end of the Huachuca mountains show a granite core, which rises to an elevation of about 8000 feet, flanked with sedimentaries, - limestones and shales in the lower elevations of around 5400 feet. The ore occurrences are at the granite-limestone contact, where copper minerals predominate and in replacements in the limestone where zinc-lead ores predominate.

There are other ore showings besides those on the Texas group - along and near the contact on both the westerly and easterly flanks of the mountain. Along the contact to the northwest are a group of 7 patented claims, and to the southeast a group of 6 patented claims. The distance between the ore showings on the claims adjoining and on either side of the Texas group is from 7000 to 7500 feet. On the northeast flank of the mountain, a distance of from 4 to 6 miles, mineralization occurs on the Lucy Belle, and for considerable distance up Ash Canyon on the Baumkurchner and other properties.

The general development in the area has been comparatively shallow and limited to outcrops. The structure, general geology and wide-spread mineralization warrant a careful study which could probably be supplemented by geo-physical prospecting for both contact and replacement ore.

The major ore showing on the State of Texas claim is a replacement deposit of zinc-lead sulphides in the limestone at a distance of about 100 feet from the lime-granite contact. This ore body outcrops on the surface and is opened up by irregular workings which show a general dip of almost 23 degrees toward the contact - an inclined depth of about 70 feet, a length along the general strike of the contact of from 100 feet to 150 feet and a stoped width in one place of some 20 feet.

It is reported from authentic sources that in excess of 1500 tons of ore was mined, some of which was shipped and some milled, from this ore body. There are two dumps which by T. J. Sparkes reports ore as follows:

	Au.	Ag.	Cu.	Pb.	Zn.
300 tons	0.08 oz.	13.22 oz.	.80%	7.50%	24.00%
200 tons	0.02 "	6.60 "	.54%	2.80%	16.50%

Ore still shows both in depth and length on this ore body but due to its irregular shape and the general nature of replacement ore bodies any estimate of tonnage possible is probably would only be guess work.

The contact deposit has been developed to only a shallow depth. A crosscut, now in 150 feet has not yet reached the contact. A shaft about 250 feet has been sunk near the contact but has not yet reached ore. Development work on both crosscut and shaft are justified.

The area and particularly the State of Texas group of claims warrant active development. Other development along and near the contact should open up additional ore bodies.

Submitted by



J. S. Coupal,
Director.

23. Geology & Mineralization Contact zone - between the granite core of the Huachuca Mountains and the Cambrian limestones (& shales). Minerals are lead & zinc sulphides in limestone near contact

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

Mine	1000 tons	.05 Au	9.41 Ag.	.67 Cu	5.15 Pb	20.24 Zn
No. 1 Dump	300 tons	.08 Au	13.22 Ag	.80 Cu	7.50 Pb	24.00 Zn
No. 2 Dump	200 Tons	.02 Au	6.60 Ag	.54 Cu	2.80 Pb	16.50 Zn

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

Ore body shows 70 feet in width
High grade sulphides from 3 ft. to 12 ft. in width
Large prospecting area along contact

25. Mine, Mill Equipment & Flow Sheet

None

26. Road Conditions, Route

Fifteen miles from Herefort, Ry. Station on S.P.
on good mine road. 1 mile N of Mexico line

27. Water Supply

A mple water can be developed

28. Brief History

Located in early 80's & patented in 1898.
Shipped 1500 tons high grade and some unsuccessful milling
of low grade

29. Special Problems, Reports Filed

Report filed by T. J. Sparkes

30. Remarks

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

See Agent for terms - sale, lease or royalty

32. Signed From Grace M. Sparkes letter

33. Use additional sheets if necessary.

MS-56

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
OWNERS MINE REPORT

Date September 27, 1940

- 1. Mine State of Texas Mine
- 2. Mining District & County Hartford Mining District
Cochise County
- 3. Former name Agent
- 4. Location Montezuma Canyon -
Huachuca Mountains
26 miles West of Bisbee
- 5. Owner Grace M. Sparkes
Title in name of T. J. Sparkes
& Burdett Moody
- 6. Address (Owner) Prescott, Arizona
- 7. Operator
- 8. Address (Operator)
- 9. President
- 10. Gen. Mgr.
- 11. Mine Supt.
- 12. Mill Supt.
- 13. Principal Metals Zinc - Lead - (Silver &
Copper)
- 14. Men Employed
- 15. Production Rate None
- 16. Mill: Type & Cap.
- 17. Power: Amt. & Type
- 18. Operations: Present None
- 19. Operations Planned Pending sale or financing
- 20. Number Claims, Title, etc. 1 patented (in 1898), 2 full size and 1 fractional unpatented
claims and 1 (5 acre) mill site claim
- 21. Description: Topography & Geography Fairly well timbered and watered - Elevation
about 5500 ft - in Montezuma Canyon running East & West. Nearly range
8000 feet elevation
- 22. Mine Workings: Amt. & Condition
By an inclined shaft (23° from horizontal) and a cross cut
of the ore body.

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

23. Geology & Mineralization

- Date *9/27/40*
1. Mine *State of Texas Mine*
 2. Location *Montezuma Canyon
Huachuca Mountains
26 miles West of Bisbee*
 3. Mining District & County *Hartford Mining District
Cochise County -*
 4. Former name
 5. Owner *Grace M. Sparkes*
 6. Address (Owner) *Prescott - Ariz*
 7. Operator *Titles in name of*
 8. Address (Operator)
 9. President, Owning Co. *J. J. Sparkes &*
 - 9A. President, Operating Co. *Burdett Moody.*
 10. Gen. Mgr.
 14. Principal Minerals *Zinc - Lead - (Silver
& Copper).*
 15. Production Rate
 16. Mill: Type & Cap. *None*
 17. Power: Amt. & Type
 11. Mine Supt.
 12. Mill Supt.
 13. Men Employed
 18. Operations: Present *None*

19. Operations: Planned *pending sale n financing*

20. Number Claims, Title, etc. *in 1898.
1 patented, 2 full size and 1 fractional unpatented
claims and 1 (5 acre) mill site claim.*

21. Description: Topography & Geography *Fairly well timbered and watered - Elevation
about 5500 ft - in ~~the~~ Montezuma Canyon running East
& West. Nearby range - 8000 feet elevation.*

22. Mine Workings: Amt. & Condition *By an inclined shaft (23° from horizontal) and a
cross cut of the ore body.*

23. Geology & Mineralization

Contact zone - between the granite core of the Huachuca Mountains and the Cambrian limestones (+shales). Minerals are lead & zinc sulphides in limestone near contact.

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

	Estimated						
None - 1000 tons	.06	AU	9.41	Ag.	.67	CU	5.15
No. 1 Dump 300 tons	.08	"	13.22	"	.80	"	7.50
No 2 " 200 "	.02	"	6.60	"	.54	"	2.80
							20.24
							24.00
							16.50

24A. Dimensions and Value of Ore body

Ore body about 70 feet in width. High grade sulphides from 3 ft. to 12 ft. in width. Large prospecting area along contact.

25. Mine, Mill Equipment & Flow-Sheet

None

26. Road Conditions, Route

Fifteen miles from Hereford, Ry. station on S.F. on good mine road. 1 mile N of Mexico line.

27. Water Supply

Ample water can be developed.

28. Brief History

Located in early 80's & patented in 1898. Shipped 1500 tons high grade and some unsuccessful milling of low grade.

29. Special Problems, Reports Filed

Report filed by J. J. Sparkes

30. Remarks

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

See Agent for terms - Sale - lease or royalty.

32. Signature

From Grace M. Sparkes letter -

33. Use additional sheets if necessary.

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
OWNERS MINE REPORT

Date September 27, 1940

1. Mine State of Texas Mine
2. Mining District & County Hartford Mining District
Cochise County
3. Former name
A gent
4. Location Montezuma Canyon -
Hualachu Mountains
26 miles West of Bisbee
5. Owner Grace M. Sparkes
Title in name of T. J. Sparkes
& Burdett Moody
6. Address (Owner) Prescott, Arizona
7. Operator
8. Address (Operator)
9. President
10. Gen. Mgr.
11. Mine Supt.
12. Mill Supt.
13. Principal Metals Zinc - Lead - (Silver &
Copper)
14. Men Employed
15. Production Rate None
16. Mill: Type & Cap.
17. Power: Amt. & Type
18. Operations: Present None
19. Operations Planned Pending sale or financing
20. Number Claims, Title, etc. 1 patented (in 1898), 2 full size and 1 fractional unpatented
claims and 1 (3 acre) mill site claim
21. Description: Topography & Geography Fairly well timbered and watered - Elevation
about 5500 ft - in Montezuma Canyon running East & West. Nearly range
8000 feet elevation
22. Mine Workings: Amt. & Condition
By an inclined shaft (23° from horizontal) and a cross cut
of the ore body.

23. Geology & Mineralization Contact zone - between the granitic core of the Huachuca Mountains and the Cambrian limestones (& shales). Minerals are lead & zinc sulphides in limestone near contact

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

Mine	1000 tons	.05 Au	9.41 Ag.	.67 Cu	5.15 Pb	20.24 Zn
No. 1 Dump	300 tons	.08 Au	13.22 Ag	.80 Cu	7.50 Pb	24.00 Zn
No. 2 Dump	200 Tons	.02 Au	6.60 Ag	.54 Cu	2.80 Pb	16.50 Zn

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

Ore body shows 70 feet in width
High grade sulphides from 3 ft. to 12 ft. in width
Large prospecting area along contact

25. Mine, Mill Equipment & Flow Sheet

None

26. Road Conditions, Route

Fifteen miles from Herefort, Ry. Station on S.P.
on good mine road. 1 mile N Mexico line

27. Water Supply

A mple water can be developed

28. Brief History

Located in early 60's & patented in 1898.
Shipped 1500 tons high grade and some unsuccessful milling
of low grade

29. Special Problems, Reports Filed

Report filed by T. J. Sparkes

30. Remarks

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

See Agent for terms - sale, lease or royalty

32. Signed..... From Grace M. Sparkes letter

33. Use additional sheets if necessary.

STATE OF TEXAS MINE, COCHISE COUNTY, ARIZONAMINERAL CLAIMLOCATION:

The Texas Group of mineral claims consists of one patented Mineral Claim (20) twenty acres, also by location two full sized mineral claims, one fraction mineral claim and one mill site (5) five acres, totalling approximately seventy (70) acres. The Texas mine was located in the early eighties, and patented in 1898. The Mill site has U. S. Mineral Survey.

This property is situated in the State of Arizona, Cochise County, Hartford Mining District, in Montezuma Canyon, Huachuca Mountains.

The property is connected by Bisbee and Nogales highway fifteen miles distant from Hereford on the S. P. rr, 26 miles due west from Bisbee, Arizona, and approximately thirty five miles north from Cananea, Mexico, and one mile from the boundary line of Mexico. Clear title to the property is in the name of T. J. Sparkes and Burdett Moody.

TOPOGRAPHYGEOLOGY:

The rugged Huachuca Mountains, rising to the heights of over 8,000 feet, extend for twenty-five miles in a northwesterly and southeasterly direction, terminating approximately one and one-half miles into Mexico.

The region is fairly timbered and watered. Montezuma Canyon, in which the property is situated, has an east and west trend. Altitude at the mine is 5,500 feet.

The Huachuca Mountains, where the property in question is situated, have a granite core. On the North side of Montezuma Canyon the granite comes in contact with an older series of sedimentary rocks, namely Cambrian limestone and shales.

The limestone on the contact east and west strike is altered into contact rock containing garnet, hematite, magnetite, chalcopyrite and other contact elements.

DEVELOPMENT:

The property, which is an old one has produced quite a little tonnage of high grade ore. The only available records are of 1,500 tons, some shipped and some milled by old methods which proved a loss to the operators. At that period the price of metals was low, and the present effective method of the separation of these minerals unknown.

The area along the contact is of sufficient size and the mineralization gives sufficient evidence of copper possibilities to warrant development. A cross-cut now in 150 feet, extended 170 feet further would cut the contact a depth of 175 feet.

The main features in making of the property a paying mine, undoubtedly lie in the ores from the zinc-lead, silver and copper. The outcrop of the zinc-lead is in the lime, approximately 100 feet south from the contact, and covers an area 100 feet north and south, by 300 feet east and west. The old 23 deg. incline shaft, a cross-cut of the ore body, shows a width of 70 feet, and the sulphide ore varies from 3 feet in thickness about 20 feet from the collar, graduating up to 12 feet at the bottom (see field sketch). There is nothing in common with the origin of the zinc-lead ores and that of the copper possibilities along the contact.

The mineralized gases which replaced the minerals in the lime evidently came from a source slightly north of east, from the old incline shaft. Other than stoping of the 1,500 tons, some years past, there has been no development along the strike (east and west) of the present ore body.

Conditions are very favorable for quick and economic development of the mine. Drifts should be run both east and west at bottom of the present exposed ore body. Also two north cross-cuts of approximately 200 feet each, cross-cutting the outcrop east from the old workings and at a lower depth. The cross-cuts and drifts, totalling some 800 feet of work, can be done without hoisting, and the various places of development can be worked by one compressor.

Very little timber will be required, and the total cost of this development work should not exceed \$8.00 per foot.

VALUES:

The estimated available tonnage of sulphide ore in the mine is 1,000 tons; dumps 500 tons: (at the present value of metals, the ore will average \$30.00 per ton, as follows):

		Au.	Ag.	Cu.	Pb.	Zn.
Mine	1,000 Tons	.05	9.41	.67	5.15	20.24
No. 1. Dump	300 Tons	.08	13.22	.80	7.50	24.00
No. 2 Dump	200 Tons	.02	6.60	.54	2.80	16.50

As estimated from the present working and character of ore, also the strong zinc-lead outcrop, the mine has in the "Upper Zone" a potential possibility of 20,000 tons of ore.

There are no metallurgical problems to solve in treating this particular kind of complex ore.

Mines of this kind are better known in Mexico, where they have been in successful operation for many years.

Thirty thousand dollars should develop and equip the property with at least a 25 ton pilot mill, thereby enabling the mine to pay a fair profit, and develop to a greater producing tonnage, ultimately developing a "paying mine" and one of long life.

T. J. Sparkes

Dated at Bisbee, Arizona,

October 2, 1936.

STATE OF TEXAS MINE, COCHISE COUNTY, ARIZONAMINERAL CLAIMLOCATION:

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Mines of this kind are better known in Mexico, where they have been in successful operation for many years.

Thirty thousand dollars should develop and equip the property with at least a 25 ton pilot mill, thereby enabling the mine to pay a fair profit, and develop to a greater producing tonnage, ultimately developing a "paying mine" and one of long life.

T. J. Sparkes

Dated at Bisbee, Arizona,

October 2, 1936.

DEPARTMENT OF MINERAL RESOURCES

State of Arizona

MINE OWNER'S REPORT

Date May 26, 1959

1. Mine: State of Texas Mine
2. Location: Sec. ~~12&13~~ / Twp. 24 S Range 20 E Nearest Town... Bisbee Distance... 25 miles
 Direction... West Nearest R.R. ^{Southern} Pacific ^{to town} Huachuca Distance... 15 miles
 Road Conditions... Paved 92 hgy from Bisbee or Sierra Vista - Montezuma Canyon Rd
 turnoff signed - 2 mi paved balance 5 miles good dirt road county and forest
3. Mining District and County: Hartford Mining District, Cochise County
4. Former Name of Mine: (same) *sheet 10-63*
5. Owner: Grace M. Sparkes (Miss)
 Address: State of Texas Mine - Star Rt - Hereford, Arizona (rural mail)
6. Operator: mine on standby -- waiting for parties interested in this type of property
 owner lives at mine property
 Address: (address same as 5)
7. Principal Minerals: Zn - Cu - Ag - pb - Au
8. Number of Claims: Lode 6 Patented 2 Unpatented 4
 plus 2 Millsites
 Placer: Patented Unpatented
9. Type of Surrounding Terrain: Rugged mountains - Huachucas rise to heights of over 8,000 feet, extend for 25 miles in a northwesterly and southwesterly direction terminating approximately 1 1/2 miles into Mexico. Region fairly timbered and watered. Montezuma Canyon in which property is located has an east and west trend. Altitude at mine 5,500 feet. Surrounding terrain - oaks, junipers, manzanitas, pinons, grasslands.
10. Geology and Mineralization: Huachuca Mts (where property is located) have a granite core. On the north side of Montezuma Canyon the granite comes in contact with an older series of sedimentary rocks, Cambrian limestones and shales. The limestone on the contact east and west strike is altered into contact rock containing garnet, hematite, magnetite, chalcopyrite and other contact elements. See Page 39 University of Arizona Report Part Two Dr Eldred Wilson des. Vol. xxli, No. 3 July 1951. Ore occurrences are at the granite-limestone contact, where copper minerals predominate and the replacements in the limestone where zinc-lead ores predominate. My father (through whom I inherited this property) was always seeking a "copper" - felt "mines of this kind are better known in Mexico, where they have been in successful operation for many years." Property on Bisbee-Nogales county-forestry road - 15 miles from Hereford on Southern Pacific Rr., 25 miles from Bisbee and ap. 35 mi from Cananea, Mexico - and 23 mi from Naco, Ariz-Mex on SP railroad as well as highway.
11. Dimension and Value of Ore Body: (See sheets attached)

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" (See sheets attached)

Ore Probable: (See Sheets attached.)

13. Mine Workings—Amount and Condition:

No.	Feet	Condition
Shafts 5	551	1 - 365' - caved from Condition collar at 28' can be rehabilitated: Ore showings from top to bottom dd holes bottom show copper 1 90' vertical cu showings
Raises		2 - 28' cu showings and 1 40 cu, pb zn all have this ore No raises
Tunnels 4	530	open
Crosscuts		
Stopes		

14. Water Supply: ample supply excellent water for all camp and domestic purposes; automatic pressure pump and storage system with water piped to mine houses; facilities can easily be expanded to meet larger demand if necessary; 80,000 gallons water in mine drift for mine purposes - can be increased and expanded as needed. Water supply can be developed for mill purposes. All data available at mine office.

15. Brief History: Property was worked by Spaniards and early drill holes may be seen old antiqua on property. Locations were made by August Baron, of Tombstone (friend of Schefflien and Greene) in 1889 and his State of Texas Claim was surveyed and patented in 1898. A few years later Baron's claim and 32 other claims in this area were acquired by Mitchell Dev. Co., of Ishpeming, Mich. As reported in Copper Handbook - workings by 1904 consisted of 3 tunnels, a shaft about 250' deep and a shallower shaft. According to ^{Grebe} some copper ore was reported to have been found in the main shaft at a depth of 300 ft and in diamond-drill holes below the 350'. Company liquidated in 1906 and Gray Metals took over. (see Sheet attached).

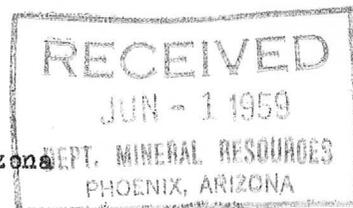
Present owner worked property during World War 2 days - Grace M. Sparkes, Star Rt Hereford, Arizona

16. Remarks: Mine is not a prospect whose ore bodies are yet to be discovered - it has been explored to the point where several of its ore bearing areas have been delimited with ore exposed in at least 3 of these areas and in one area several thousand tons of good grade ore have been mined from an ore body which as yet appears to have been hardly scratched. This ore body is definitely oriented as to its strike, width and depth and considerable knowledge of origin and character of its ore mineralization has been acquired. Ex and dev workings aggregate over 1,000 feet in extent include cross cuts (adit and underground) drifts, raises, inclines and shafts and later several hundred feet of core drilling. (see sheet for additional Remarks)

17. If Property for Sale, List Approximate Price and Terms: Would prefer to talk with interested individual or parties who should visit property if interested. Tentative suggestion - owing to illness of owners and inability to go further with property will sell --- tentative figure \$125,000 Terms to reliable party or parties. Letter should be directed to owner Star Rt - Hereford, Arizona making appointment for mine visit - no telephone rural mail best service.

18. Signature: Grace M. Sparkes
State of Texas Mine- Star Rt - Hereford, Arizona

Grace M. Sparkes
State of Texas Mine
Star Rt - Hereford, Arizona



May 27-'59

Mr. Frank P. Knight, Director
Arizona Department of Mineral Resources
Mineral Bldg - Fairgrounds
Phoenix, Arizona.

Dear Mr. Knight:

Enclosed herewith is my report on the State of Texas Mine, as requested by you months ago. I regret delay in getting this data to you.

With the assistance of my associate, Perry L. Bones, I have kept my property in tact, with the expectation that some day the right party or parties would take it over.

We have carried it as far as is possible, and now with age and illness against us, we hope you will be able to direct reliable people to us. May I suggest that any appointment be made first by letter (we have rural mail delivery every day but Sunday - however, there are delays sometimes with holidays and week ends) to me, so that confirmation can be made, and we will be certain to be here. No telephone. We make our homes on our mining property.

Our Camp is modern and can easily be expanded, is in excellent shape - four cottages, one thoroughly modern, REA electric power, adequate water - assurance that Montezuma Canyon road is to be improved and paved to and beyond our property in 1960. Mine road ok.

All reports, maps, assay returns, shipment returns, metallurgical flow sheet by Harley Sill of Los Angeles, etc., are here and available for any reliable prospective buyer.

Above all, here is a mighty attractive mining property, which we cannot stress too strongly has copper possibilities and other minerals, which should be re-checked carefully, merits additional diamond drilling and thorough checking of old workings.

Despite the difficulties which apparently beset the mining industry today, it would appear it does have the advantage in that those seeking properties of this type can undoubtedly get them at a real advantage insofar as price is concerned. We will meet reliable people fairly.

May I suggest that you pay this property a personal visit and let us hear from you in advance so we will be certain to be here to meet you. Thanking you for your interest and any help you may be able to give us, I am,

Sincerely,



(Miss) Grace M. Sparkes
(address above)

enc

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA

FIELD ENGINEERS REPORT

Mine State of Texas Mines

Date Sept. 11, 1951.

District Hartford Mining District

Engineer Axel L. Johnson

Subject: Reconnaissance Report

Ownership. The claims-- State of Texas #1, State of Texas #2, State of Texas Mill Site #1, and State of Texas Mill Site #2 are owned by Miss Grace Sparkes, Star Route, Hereford, Arizona. These claims are all patented.

Location. The property is located on the north side of Montezuma Road (short-cut--Bisbee to ~~Dungt~~ Nogales). It is 28 miles from Bisbee, 25 miles from Naco, and 19 miles from Hereford,----- in the Hartford Mining Dist., Cochise County, Arizona. Legal Description is Sections 12 and 13---T 24 S., R 20 E. There is a good road about 1/4 mile in length, which connects the property with the Highway.

Topography. The claims are in an area of comparatively steep hills in the southern part of the Huachuca Mts. The altitude is approximately 5500 feet.

Geology and Mineralization. The country rock is a light colored, fine grained limestone, probably Paleozoic in age. To the north of the limestone, there is a quartz monzonite, or monzonite porphyry, which evidently was intruded into the limestone formation. During this intrusion, ascending thermal mineral solutions found their way upward and replaced the limestone at or near the immediate vicinity of the contact between the monzonite and the limestone.

State of Texas #1--Ore Deposit #1. This ore deposit has been determined by geophysical methods to extend a distance of 120 feet on the strike, to be 12 feet wide and approximately 400 feet deep, and dipping 63 degrees to the north. The evidence found at the surface, and in the stope worked during the last war, showed the ore body to be approximately 120 feet long and 12 feet wide, and dipping 63 degrees to the north---as the geophysical measurements indicated. The geophysical work was done by Harold Ferrin in August, 1947. In April and May, 1948, the geophysical work was partially checked by 2 drill holes to a depth of about 100 feet below the surface, and found to be quite accurate to that depth. More drilling would have to be made to substantiate the geophysical estimates as to the depth of the ore body and the size of the deposit below the depth reached by these two drill holes.

A considerable quantity of ore has already been mined from this ore body, from the top 30 or 40 feet of same, as follows:

(1) By early Spanish and Mexican miners--- and unknown quantity of ore near the surface---probably not over 500 tons.

(2) By Miss Sparkes, under Government Loan (1942 to 1946)--- 2000 tons was mined and shipped. This ore averaged 15.9 % Zinc, 2.15 % Lead, 1.74 % Copper, 9.09 oz. of Silver, and 0.578 oz. of Gold.

(3) By Miss Sparkes during the same period (1942 to 1946)--- 1500 tons placed on dumps for future milling. This is estimated by Miss Sparkes to contain approx. \$35 per ton in values.

The remaining ore in the deposit would be approximately as follows:

(1) Milling ore remaining in the present stope----2000 tons.

(2) Proven ore by drill holes ---- 6000 tons.

(3) Probable ore as estimated by geophysical measurements--- 20,000 to 30,000 tons of shipping and milling ore, a large proportion of this probably being direct shipping ore.

The above estimates of the ore remaining in the deposit is arrived at by using the information on the results of the geophysical work, furnished to me by Miss Sparkes, and, also using the information on the diamond drill holes, which information was also furnished to me by Miss Sparkes.

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA

FIELD ENGINEERS REPORT

page 2.

Mine State of Texas Mines

Date Sept. 11, 1951.

District Hartford Mining District

Engineer Axel L. Johnson.

Subject: Reconnaissance Report.

The assays on the drill holes put down were as follows:

- D. H. No. 1--60 to 68 ft.--Zinc 27.6%, Lead 0.2%,
- D. H. No. 1--70 to 72 ft.--Zinc 45.2%, Lead 0.3 %, Copper 4.16%, & Silver 9.0 oz.
- D. H. No. 2--64 to 70 ft.--Zinc 25.1%, Lead 0.1 %, Silver 2.2 oz.
- D. H. No. 3--This hole was drilled vertical, while the other holes were drilled at right angles to the dip. It was drilled to a depth of 102 ft. and no ore was encountered up to that depth. Assuming the dip of the vein to be constant, the vein would not be reached before the hole was drilled to a depth of 112 ft. or more. Mr. Ferrin's report states 'Necessary to drill this hole 25 ft. deeper to hit ore body and footwall.' This hole should have been continued 25 ft. further.

State of Texas #1-- Ore Deposit #2. The State of Texas #1 claim also has another ore deposit which was developed and mined by a 350 ft. shaft, which is now caved in, and the deposit, therefore, is inaccessible for inspection. There are no former records, showing the extent of the deposit, or the amount of ore mined out from same. No geophysical work or drilling has been done on it, and no work is contemplated on this deposit in the immediate future. According to hearsay evidence, about \$250,000 worth of zinc and copper ore was mined from this deposit. How much ore remains in the deposit can only be determined by extensive exploration work on it, or by reoping and retimbering the shaft and drifts.

State of Texas #2 Ore Deposit. This deposit was determined by geophysical measurements to extend 72 ft. in length, from 5 to 6 ft. in width, and approximately 300 ft. in depth. The geophysical work was done by Harold Ferrin in Aug. 1947. The probable ore from this deposit according to the geophysical measurements, would be about 7500 tons, probably most of this being direct shipping ore.

The old workings on this deposit consist of a shaft 28 ft. deep, and a number of open cuts scattered on the hillside. One of these open cuts had an assay showing--Silver 55.7 oz., Lead 14.83 %, Zinc 11.15 %, & Copper 1.61 %. No ore of any appreciable amount has been mined from this deposit, and no drilling has been done to prove up the geophysical work.

Exploration Loan Application. Miss Sparkes applied for a Government Exploration Loan on May 28, 1951. The amount asked was as follows:

- 1-- For State of Texas #1 (Ore Deposit #1)
 - (1) Sinking 8'x 12' shaft inclined 63 deg. to depth of 400'.
400 ft. at \$50 per ft. ----- \$20,000 Time 5 months.
 - (2) Drifting 6'x 8' Drifts--400 ft. (100 ft. on each of 4 levels)
400 ft. at \$45 per ft. ----- \$18,000 Time 5 months.
 - (3) Construction of water storage tank (concrete)----\$2,000 Time 1 mo.
 - (4) Deepen and enlarge present well ----- \$2,400 Time 18 days.
 - (5) Building additions to camp -----\$1,000
 - (6) Insurance, Taxes, Maintenance, & Repairs ----- \$6,150
 - Total-----\$49,550
- 2-- For State of Texas #2
 - (1) 835 ft. of Tunnel--6' x 8' ----- \$35,575
 - (2) Insurance, Taxes, Maintenance, & Repairs ----- \$5, 336.25
 - Total -----\$40,911.25

DEPARTMENT OF MINERAL RESOURCES

STATE OF ARIZONA

FIELD ENGINEERS REPORT

page 3.

Mine State of Texas Mines

Date Sept. 11, 1951.

District Hartford Mining District

Engineer Axel L. Johnson

Subject: Reconnaissance Report.

General Remarks.

From the evidence that I saw in the present workings, and from the evidence I obtained from the geophysical report and from the subsequent drilling, I would consider this property well worthy of further exploration by means of a Government Exploration Loan.

Such an Exploration Loan would:

(1) On State of Texas # 1----prove up some 20,000 to 30,000 tons of ore indicated by the geophysical work, prove the depth, width, and extent of the deposit below the 70 foot level, and develop the deposit for future mining operations that should prove profitable for the owner, and which would provide the Government with some badly needed ore supplies.

(2) On State of Texas # 2----prove up some 7,500 tons of ore indicated by the geophysical work, prove the depth, width, and extent of the deposit, and develop the deposit for future profitable mining operations. The proposed 835 ft. tunnel may possibly also intersect additional ore veins.

Axel L. Johnson

Axel L. Johnson, Field Engineer,
Dept. of Mineral Resources,
P. O. Box 390, Tucson, Arizona.

1

STATUS OF DORMANT MINES

MINE NAME: STATE OF TEXAS
LOCATION: HARTFORD MINING DISTRICT, 26 miles West of Bisbee COCHISE COUNTY
OWNER AND/OR LEASEE: Grace M. Sparkes
ADDRESS: State of Texas Mine - Star Rt - Hereford, Arizona

APPROXIMATE PRODUCTION (Year of 1945):
COPPER 4,102 (GROSS CONTENT) Lbs. LEAD 28,087 Lbs.
ZINC 82,189 Lbs. (OTHER) SILVER - 2279.63 oz
GOLD - 63.963 oz

CHECK THE CHIEF CAUSE OF YOUR DISCONTINUED PRODUCTION:

- (A) Easily available ore worked out.
(B) Increased costs, but have quantity similar to past grade of ore.
(C) Too close a margin to develop more ore.
(D) ORE IN PLACE EXTRACTED FOR WAR EFFORT. NO COMPARABLE DEVELOPMENT

NOR EXPLORATION WORK: METAL PRICES TOO LOW COMPATIBLE WITH RISING COSTS: FAILURE RECEIVE PREMIUMS JUSTLY ENTITLED TO: RISING COSTS INCLUDING MILLING, LABOR, TAXES, SUPPLIES AND EQUIPMENT, ETC. INSURANCE. CHANGED CONDITIONS WITH SMALL OUTFITS TAKING BRUNT.

If you have ore ready to mine please give your estimate of the amount of metal (name each metal) that you could produce in one year (after allowing 60 days to get started) if there were premiums above present market prices. Name amount with a low premium, and amount at a high premium; such as:

Copper at 22 1/2¢ plus 5¢ premium..... 1,000,000 Lbs.
Copper at 22 1/2¢ plus 10¢ premium..... 1,500,000 Lbs.

This property will be a copper of size at depth.

GEOPHYSICAL SURVEY DISCLOSED 59,000 TONS OF ZINC, LEAD, SILVER - Copper and Gold same ore as we extracted and shipped for war effort (2,000 tons approximately) - large tonnages lower grade ore stockpiled in War Stope and on dumps. Old records disclose 100' zn in 365' shaft (caved but can be recovered) also 47' high grade ore similar to that shipped for war effort in bottom of this shaft with 2 dd holes also cutting ore. XX

If you do not have ore ready to mine please discuss the following:

XX CU ALSO SHOWS IN SHAFT and picked up by diamond drill holes in bottom of shaft.
(A) Do you think a reasonable development program would produce a justified tonnage of commercial ore at above mine?

Yes

(B) With a premium price (guaranteed for one year) could you carry out such a development program yourself? What premium? NO BECAUSE WE DO NOT HAVE OPERATING CAPITAL AND ARE

STILL WAITING FOR FAIR SETTLEMENT FOR ORES WE ACTUALLY EXTRACTED AND SHIPPED FOR WAR EFFORT WORLD WAR 11: DID NOT EVEN RECEIVE MAXIMUM PREMIUMS JUSTLY ENTITLED TO; OTHERWISE "YES"

IF - SUFFICIENT TO PAY OWNER OR OPERATOR REASONABLE AND FAIR PROFIT OR RETURN. BASED ON LABOR EQUIPMENT SUPPLIES TRANSPORTATION MILLING AND ALL MINING COSTS. YOUR OFFICE PROBABLY HAS ABILITY AND ACCESS TO FILES, your own labor AND STATISTICS TO WORK THIS OUT. WE'VE STUCK AND PUT EVERY DIME WE COULD INTO OUR PROPERTY DESPITE UNFAIR TREATMENT. WE'VE WORKED AND DEVELOPED THIS PROPERTY ON OUR OWN TO THIS STAGE BUT CANNOT GO FURTHER.

2

(C) If you could not do this yourself, would a quick drilling program by some government agency (at government expense) be sufficient? "YES" IF THEY REALLY MEAN TO GIVE SMALL OUTFITS A

DECENT BREAK. BETTER STILL LET CONTRACT TO GEOPHYSICAL ENGINEER, WHO IS ALSO A DIAMOND DRILLER, AND WHO FOUND THE CONTINUITY OF OUR ORE BODY, TO DRILL OUT GEOPHYSICAL SURVEY.

(D) Or would you prefer a loan plan similar to the arrangements during World War II?

THERE WAS NOTHING WRONG WITH "RFC" MINE LOANS - IT WAS THE UNJUST TREATMENT OF SOME AS AGAINST PARTIALITY TO OTHERS. A DECENT MINE LOAN PLAN IS NEEDED. BASED ON LONG TERMS: LOW INTEREST: CUTTING "RED TAPE" FOR SMALL OUTFITS OR PROVIDING SUFFICIENT FUNDS TO TAKE CARE OF "RED TAPE."

How about a combination plan in two stages such as follows?

Stage 1: Government engineers review project and, if a little drilling appears to be justified and a preliminary key to the situation, such drilling program to be agreed upon by owner and government engineer, paid for by the government, but let by contract. OK - but be certain small outfits are given same consideration as large.

Stage 2: If results of drilling (or without drilling) justify underground development and/or production equipment, same to be obtainable via a mortgage loan on property. No mortgage on property but a fair per centage of the net to be paid to retire indebtedness. SPLIT WITH OWNER NOT A ONE WAY FOR FREE. Please discuss the above: We operated under an RFC "B" Loan, which called for 200 feet of drifting; 100' of sinking and 100' of raising. Our ore body was in place. War conditions changed picture entirely. We did not receive development work; we did not receive a thin dime of exploratory premiums, despite fact we were forced to extract approximately 2,000 tons of ore and ship to custom mill for war effort. We took a beating all along the line - with every one taken care in rising costs but no consideration to fact that our RFC dollar was worth but 50 cents to us. We did not receive maximum premiums to which we were entitled despite efforts to combat involved paper work. We have fought for a fair contract settlement ever since and could be in operation tomorrow with a fair settlement. Since that time owner has stuck to her property; had geophysical survey made disclosing 59,000 tons of same type sphalerite ore shipped for war effort; did limited diamond drilling in geophysical area to prove same, encountering same type ore - some higher grade - ; large tonnages low grade ore stockpiled and on dumps - old reports now recovered show 100' zinc ore in 365' shaft (lost through caving but can easily be reclaimed) also same grade ore as shipped in bottom of shaft. Property merits operating capital and operation.

SUGGESTIONS:

Immediate PASSAGE OF MINING LEGISLATION TO PAY SHIPPERS OF ORE FOR WORLD WAR II THEIR RIGHTFUL CLAIMS. BROADENING PROGRAM FOR SMALL MINES TO ASSIST WITH DEVELOPMENT AND EXPLORATION PROGRAMS. LOANS SIMILAR TO THOSE GIVEN AGRICULTURAL (INCLUDING LIVESTOCK OUTFITS) LONG TERM SO PROGRAMS CAN BE MAPPED OUT ACCORDINGLY: ASSISTANCE ALONG REA LINES FOR MINING DISTRICTS: TRANSPORTATION AND REDUCTION COSTS ALONG WITH LABOR, INSURANCE, TAXES, EQUIPMENT AND SUPPLIES AND ALL MINING AND MILLING COSTS TO BE COMPUTED BY YOUR DEPARTMENT, AND SHOWING BASIS FOR METAL PRICES+(PREMIUMS) TO SUPPORT THESE COSTS WITH A FAIR RETURN TO THE OWNER AND OPERATOR. GIVE THE SMALL MINER AND OPERATOR THE SAME BREAK THAT IS GIVEN THE SMALL FARMER AND LIVESTOCK PRODUCER. WHY NOT GO BACK TO THE ORIGINAL PLAN OF STOCKPILING THE MINERAL AND GIVE THE SMALL MINER AND OPERATOR A FAIR PROFIT ON HIS WORK AND LET THE CUSTOM MILLS AND SMELTERS TAKE IT FROM THERE?

DATE August 11, 1950

SIGNATURE Perry L. Bones (over)

State of Iowa

October 15, 1948

✓
Miss Grace Sparks
Box 178
Bisbee, Arizona

Dear Grace:

Bill Broadgate writes that the RFC is again threatening foreclosure on your property, but that Senator Hayden had succeeded in getting a postponement. Bill was pessimistic about this being continued much longer.

Bill thought it might help if he had authentic information on the result of recent drilling or other new developments. So will you please send me a report along that line and also any suggestions as to how we can help. As you know we are anxious to help in any way we can.

Yours sincerely,

Chas. H. Dunning
Director

CHD:mh

Bill: Please send us any of that dope you learned about asbestos or any other stockpiling mineral.

STATE OF TEXAS MINE
% P O Box 178
Bisbee, Arizona.

August 23, 1946.

Mr. J. Walters, Jr.,
Paramount Apartments,
Prescott, Arizona.

Dear Mr. Walters:

Following through with our discussion relative to the financing of my mining property here on the Border, I am submitting data, which you requested:

PROPERTY: State of Texas Mine, consists of one patented and five (5) unpatented claims, patent survey pending. Located in Hartford Mining District, Moctezuma Canyon, Cochise County, Arizona. Easily accessible for operation. Connected by Bisbee and Nogales highway - 15 miles distant from Hereford on the Southern Pacific railroad, 26 miles due east from Bisbee, Arizona (19 miles paved and 7 miles graded road) and approximately 35 miles north from Cananea, Mexico and one mile from the boundary line of Mexico.

Produced and shipped during war period and since 489,228 # Zn; 108,624 # Pb; 20,316 # Cu; 12,143.61 Oz Ag; 70.845 Oz Au. Granted maximum premiums by Quota committee.

Based on this record of production from practically surface workings in Stope No. 1, and all available data, property merits and warrants a thorough development program, to include:

(1) Rehabilitation of old shaft. Depth 335 feet. Stations to be cut every 100 feet. Estimated cost \$20,000. This includes hoisting equipment required and installation thereof; timber, building and labor.

(2)

(2) Continuation present cross cut 5' x 7' to contact. Estimated footage 300 feet. Estimated cost \$4,000. This includes timber, cost breaking rock, trackage and labor. Tools and equipment in place.

(3) A complete geophysical survey. Estimated cost, based on figure, following reconnaissance by reputable geophysical engineer, who visited property \$4,000.

(4) Diamond drilling to follow geophysical.

(5) Purchase diamond drill, estimated cost \$1,000.

(6) Mine materials and supplies; camp materials and supplies; maintenance; supervision and operating costs, including superintendent, foreman, occasional services consulting engineer and geologist; assaying; insurance; office; taxes; diamond drilling, completion patent surveys; necessary travel, estimated \$25,000.

(7) While camp is well equipped for present limited operations, additional facilities needed for enlarged program, estimated cost \$1,000.

(8) Purchase and install pilot treatment plant to handle present ore, estimated milling tonnage now available 30,000 tons, and to assist with development program as work progresses, estimated cost \$20,000.

RECAPITULATION

(1)	Shaft	\$20,000
(2)	Cross cut	4,000
(3)	Geophysical Survey	4,000
(4)	Diamond drilling (see 6)	
(5)	Purchase diamond drill	1,000
(6)	General operations and supplies..	25,000
(7)	Enlarge camp	1,000
(8)	Pilot treatment plant	20,000
		<u>\$75,000</u>

As suggested by you owner is to receive \$25,000 and retain control of property and supervision of operations.

Based on its present record of production from our workings in Stop No. 1, and also record shown by the old map of Johnathan Gordon, recently recovered from him, copy of which is enclosed, we believe we have in the State of Texas Mine

(3)

one of the finest opportunities for sound mine investment to be found; clean cut and ready to go, lacking only the necessary, adequate working capital. It should be borne in mind that no development work was permitted during the war period, simply a question of extracting and "gutting" the ore body already developed, and getting it into the custom mill as fast as delivery could be made to help expedite our war effort.

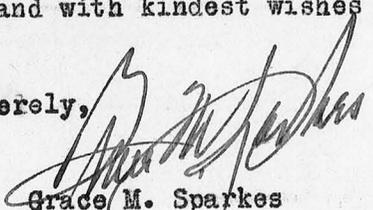
All development work, as stated, has been limited and shallow. The structure, general geology, widespread mineralization, warrant every consideration for a thorough geophysical survey for both contact and replacement ore, with rich deposits undoubtedly to be found along the contact and huge ore bodies at depth.

As outlined to you, I believe you are the one who can handle our mine, obtain the necessary capital and enable us to develop it along the lines it richly deserves.

I would appreciate receiving a definite proposal from you respecting your handling the financing of our project.

It was a real pleasure and privilege to meet Mrs. Walters and you, and to enjoy your hospitality and your unbounded enthusiasm for mining, as well as the many other advantages which abound in this glorious State of Arizona. Awaiting your reply with interest and with kindest wishes to you both, I am,

Sincerely,



Grace M. Sparkes

STATE OF TEXAS MINE

% P O Box 178

Bisbee, Arizona.

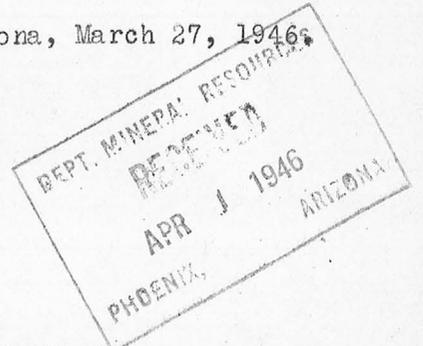
PS: Please return Mr. Gordon's map when you have completed its use.

enc

✓ STATE OF TEXAS MINE

% P O Box 178

Bisbee, Arizona, March 27, 1946



Mr C H Dunning, Director
Arizona Department of Mineral Resources
Phoenix, Arizona.

Dear Chuck:

Please send one copy of the Arizona Mining Laws to the following:

- ✓ Grace M. Sparkes (address above)
- ✓ Perry L Bones (address above)

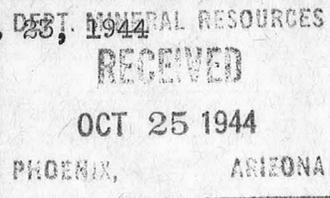
Thanking you, I am,

Sincerely,

Grace M. Sparkes

GM/S

Oct. 23, 1944



Subject: Grace Sparkes State of Texas Mine

Dear Chuck,

I have at hand your of the 21st relative to the C premiums, together with your letter to Grace.

The letter to Grace puts the whole thing on its feet for the first time since I have seen any correspondence on the subject, and is the first hardheaded statement of fact anyone has had the courage to write her.

She will not thank you for it.

I note your letter about the C premium, and that it will clean up her loan, also that it will only be putting money from one government agency to another, and asking me to get after it.

If you knew government agencies better, you would know that they like bailing each other out no better than would the Bank of Arizona care to bail out the First National by making a grant unsecured by any assets on the plea that it is all in the banking system. Each agency is jealous of its appropriation. It would be exactly as sensible... and in fact much more so, to ask the RFC merely to tear up its notes, as Grace has asked. After all, it is an RFC loan with which the Quota Committee had nothing at all to do. I suppose that Bill Gohring has showed you Grace's proposal to the RFC.

— However that may be, the plain facts, as I have heretofore told Sam Coupal, Charlie Willis and Grace, in commenting on this case, is that there is a hard and fast rule that no premiums above the A premium may be made retroactive behind the first of the month on which the application for the premium is filed. The reason for this is very clear after a little thought.

Furthermore, you must realize that for one reason or another hundreds of applicants would like to get lump sum back payments from the Quota Committee, which literally would run into millions of dollars. The Plan was set up for the production of ores. The authority runs only that far. They do not feel it is possible to pay extra for ores already produced. The application could have been made at any time and it always is presumed the applicant comes in the moment he is losing money. Hence, even though it may take some time to decide that, the payment, if it is approved, is ~~not~~ dated back to the time he needed it...i.e., when he applied. I understand Grace states she could not keep up with the bookkeeping sufficiently to file in time, but that would not be taken as an excuse anyway. There is no use going into the details, and I do not want the impression to be left that exceptions ever have been made to the rule.

I explored the situation thoroughly before. There is simply no chance of getting the Quota Committee to bail out the RFC in a lump sum, though they were doing so by including in the premium amortization of the loan which, had the mine lasted would have paid out the loan and then showed as a profit to Grace. They still would be liberal with premiums on an operating basis and with proper showing would have widened the margin. On top of all this, we don't need any more zinc.

If you will analyze the figures, you will find the Quota Committee was very liberal indeed with premiums. The RFC figures there has been a net return of around \$25.00 per ton, which is a lot of money for a mine getting premiums. They still were willing to go a little further, but Grace did not file the necessarily persuasive supporting data.

I will say the filed has been thoroughly explored in the past, both with Quota and RFC and everything that we could do for Grace has been done. It was all fine on the up-grade....

There is no one I enjoyed helping more, and was pleased when she got her lona and the successive premiums. I might note that we never got in on the case until she had carried on a long correspondence herself and the case was stymied. If she had worked through us continually she would have done much better and we probably could have advised her on filing for revisions.

I do not know of anything at all that can be done short of some agreement between Grace, Rait, Stack, Bones, Gohring, and, perhaps yourself. As I have informed Stack, if some rational conclusion can be reached, I will do all I can to press it through here.

But lets not fool ourselves that the RFC loan will be paid off either by the Quota Committee or by the RFC paying the equivalent sums to Grace as wages or other payments. It would be as easy to write the whole thing off, and perhaps easier.

Gohring could have the loan declared unrecoverable, have it written off in Washington on the RFC books... in which case the equipment would have to be liquidated against the loan. But they might let Grace purchase the equipment on a conditional sales contract where and as is. Of course, they would demand any cash in the bank as an offset also. Then a little later, we could ask that the instruments of indebtedness against Grace be cancelled. This course sometimes is taken.

I hope a better deal can be thrashed out with Rait and Gohring. Inidentally Graces lawyer tells me the proposal put up to the RFC by Grace was as per a suggestion by Gohring. If so, Bill knew when he proposed it it could not possibly pass in Washington.

I will do anything for you and Grace on this matter I can, as I have in the past. But please don't broach the retroactive premiums again as there is no use.

Bill Broadgate