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RECONSTRUCTION FINANCE CORPORATION

MINING SECTION

REPORT OF SUPERVISING ENGINEER

Docket No. ND-8177 and ND-5374
Date of authorization for Examination Received - July 24, 1943
Date of Examination,
Inclusive - - - July 30, 1943
Date of Report - - - August 13, 1943

* * * *

Applicant was granted a \$5,000 accessibility loan in March, 1943, to rehabilitate a tunnel and other underground workings in the event that such work may reveal and make accessible sufficient copper ore to warrant subsequent development.

Applicant has rehabilitated tunnel workings, laid air and water pipe, rails and has mined a few places to expose the ore. Also, the applicant has driven southwest from the 100' level, 15 to 20' along the ore zone, uncovering some ore. The level hasn't been driven sufficient length to get under stopes on the tunnel level.

Applicant has constructed a 50 ton ore bin and has about 15 tons of ore in the bin. A blacksmith shop had been constructed and furnished with a large and varied assortment of tools, supplies steel and pipe fittings.

1. NAME AND ADDRESS

E. L. NELSON and RUSSELL HADDY
c/o Summit Lodge
Miami, Arizona

Correspondents: Same

2. CHARACTER OF PROJECT

To mine copper ore, develop ore on the 100' level by drifting and raising and unwater the shaft to the 200 level.

3. LOCATION OF MINE

Mine is situated in the Pioneer Mining District, Pinal County, Arizona, about 9 miles west of Miami, Arizona. The nearest railroad station is Miami, Arizona, serviced by a branch line of the Southern Pacific Railroad. The mine is about two miles south of U.S. Highway 70, but those two miles are traversed by a rough, steep road.

4. APPLICANT

Applicant consists of two young men each with from 10 to 12 years of experience in copper and gold mines. They are capable.

5. LOAN REQUESTED

\$10,000.00.

6. DESCRIPTION OF PROJECT

A. General Features

1. No mine or mill workings which are not confined with applicant's ownership.
2. Project will comply with State Compensation and Safety-First Statutes.
3. No legal discrepancies which are not covered.
4. Right-of-way facilities are impeded by a gate through a private ranch.
5. No surface or subsurface trespass during project.

B. Existing Development

1. Tunnel and shaft.

- a. A tape and compass survey was made of the underground workings on the property known as the "Myak Vein Workings." The tunnel which is just under the surface is 170' long and follows the course of the vein. Outside the portal of the tunnel, an incline shaft, dipping about 55 degrees to the northwest, extends to a depth of 205'. However, the shaft is not open below the 100 level and according to the applicant, is filled with water to within 25' of this level. At the 100 level a drift extends southwest about 30 and to the northeast an unknown distance.

b. Sampling

Six samples were taken of the ore exposures. Mr. Lane, at a previous time, had taken a sample, not duplicated at this examination. These samples are all posted on the map.

Sample No. 1 taken by Mr. Lane was across 54" in the roof.
Assay: .12 oz. au., 6.41% copper;

Sample No. 99 was taken in the floor across 55".
Assay: Trace au., no silver, 6.45% copper;

Sample No. 100 was taken in the floor across 24" of the footwall.
Assay: Trace au., no silver, 4.70% copper;

Sample No. 101 was taken across 48" of the face of the 100 level.
Assay: Trace au., no silver, 2.80% copper;

Sample No. 102 was taken across 24" of the footwall streak, 10' back from the face of the 100 level.
Assay: Trace au., no silver, 1.50% copper;

Sample No. 103 was taken across 12" of the hanging wall streak.
Assay: trace au., no silver, 2.85% copper.

Sample No. 104 was taken as a grab from ore piled out on the dump. This ore came from a shaft about 140' east of the Myak shaft and on the same vein.

c. Mine workings are all easily accessible, except the shaft below the 100 level.

d. General features of deposit:

The ore occurs in a fissure vein that traverses the granite in a northeast-southwest direction and which dips to the northwest about 55°. Mineralization in the form of quartz, copper carbonates and some chalcopyrite forms the vein but only where the vein widens does ore of commercial grade occur. On the 100 level more sulphides were observed.

A shoot of ore occurs on the tunnel level about 75' long and terminates against the north-south fault. The ore shoot is wide, of a fair grade of copper and undoubtedly continues to the 100 level.

East of the shaft a shoot of ore is supposed to be mined from the 200 level to the 100 level.

C. Proposed Development

1. A recommended plan of development as agreed upon by the applicant and your Engineer is submitted for consideration:-

a.	100' of drifting on 100' level	\$2,000
b.	Raise from 100 level to tunnel level	1,080
c.	Unwatering and shaft repair to 200' level	1,000
d.	Installing hoist and track to 100 level	500
e.	Road repair	300
f.	Miscellaneous expense and deposit for labor	<u>620</u>
		\$ 5,500

2. No recommendation.

3. Expected capacity of operation:-

- a. Mining - 3 tons per 24 hour day
- b. Drift development - 4' per 24 hour day
- c. No crosscutting
- d. Raise development 4' per 24 hour day
- e. Not applicable
- f. " "
- g. " "
- h. " "
- i. \$7.69 per day

D. Equipment

- 1. Applicant is fully equipped except for a pump to unwater shaft.
- 2. Not applicable.
- 3. " "
- 4. Pump, powder and small supplies.
- 5. No mill or washing plant equipment recommended.
- 6. No housing facilities on property. The two members of the applicant live at Summit Lodge, about 2 miles away.
- 7. Camp and shop buildings not recommended.
- 8. A small sum of money is indicated for road repairs.

E. Cost Estimations

1. Ledge vein

a.	Mining	\$4.00 per ton
b.	Drifting	20.00 per foot
c.	Crosscutting	None
d.	Raising	\$12.00 per foot
e.	Winze	None
f.	Shaft sinking	"
g.	Milling	"
h.	Hauling	\$2.00 per ton
i.	Freight	None
j.	Smelter	\$3.50 per ton
k.	Royalty	10%
l.	Timber	\$40.00 per 1000
m.	Total cost	\$9.50 per ton

F. Ore Reserves

Ore exposure on the tunnel level is about 75' long and 4.5' wide. If the ore continues on down to the 100 level, there will be:-

$$\frac{75 \times 36 \times 4.0}{12} = 2,150 \text{ tons}$$

If the ore averages 5.00 copper, which seems reasonable, the value at the Miami Smelter will be as follows:-

5.0% = 100 lbs. - 10 lb. = 90 lbs. x 9.275¢ =	\$ 8.35
Bonus = 97 lbs. @ 5¢	4.85
	<u>\$13.20</u>
Mining, smelter and hauling costs	9.50
Profit per ton	<u>\$ 3.70</u>

7. EMPLOYMENT

- A. Number of men now employed: 2 miners.
- B. Number of men to be employed: 1 extra man, machine man
- C. Number of shifts: 1 shift.

8. OBJECTIONS TO PROJECT

None

9. TIME SCHEDULE

- A. Total time - 3 months to complete project.
- B. Length of operating season: 12 months a year.
- C. Take applicant 18 months to repay loan.

10. Estimated Cost of Project

A. Total development:	
100' of drifting	\$2,000.00
90' of raising	1,080.00

	Carried forward:-	\$3,080.00
B.	Purchase of equipment, pump and small items Installing, hoisting and track to 100 level	500.00
C.	Unwatering shaft and repair from 100 to 200 level	1,000.00
	Road repair	300.00
D.	General Expense Miscellaneous expenses and deposit for labor	620.00
E.	Repayment of loan Docket No. ND-8177	<u>5,000.00</u>
	Total	\$10,500.00

11. NATURE AND SOURCES OF REVENUE

- A. Loan will be repaid from proceeds during present development project.
 - a. Notes of \$5,000 semi-annually
 - b. It is believed property should become self-sustaining upon successful completion of present project.

12. COMMENTS OF SUPERVISING ENGINEER

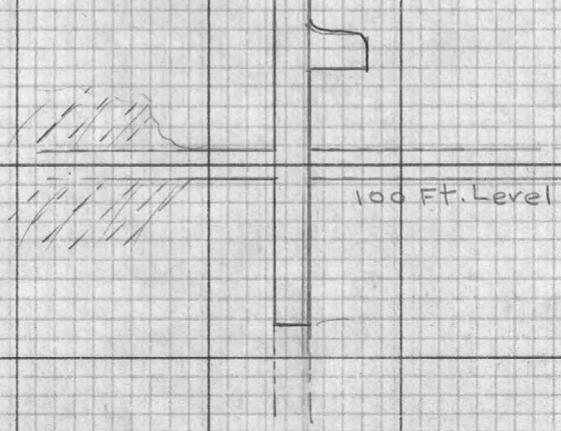
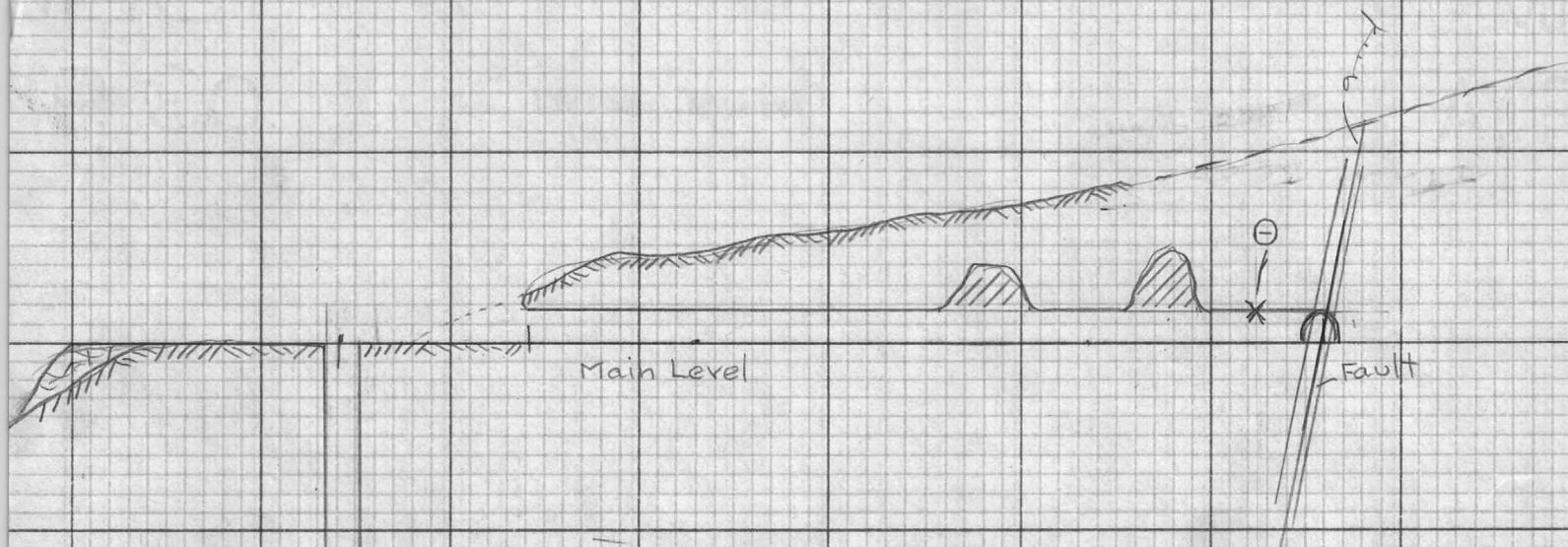
The applicant consists of two young men each with more than 10 years of mining experience. On this property they have uncovered a small body of ore when the tunnel was rehabilitated. It is believed that this ore will continue down to the 100 level and on to the 200 level.

There is a lack of water at the property, except in the shaft. By pumping out the water for mining purposes, another purpose will be accomplished, i.e., that the 200 level will have been accessible for examination.

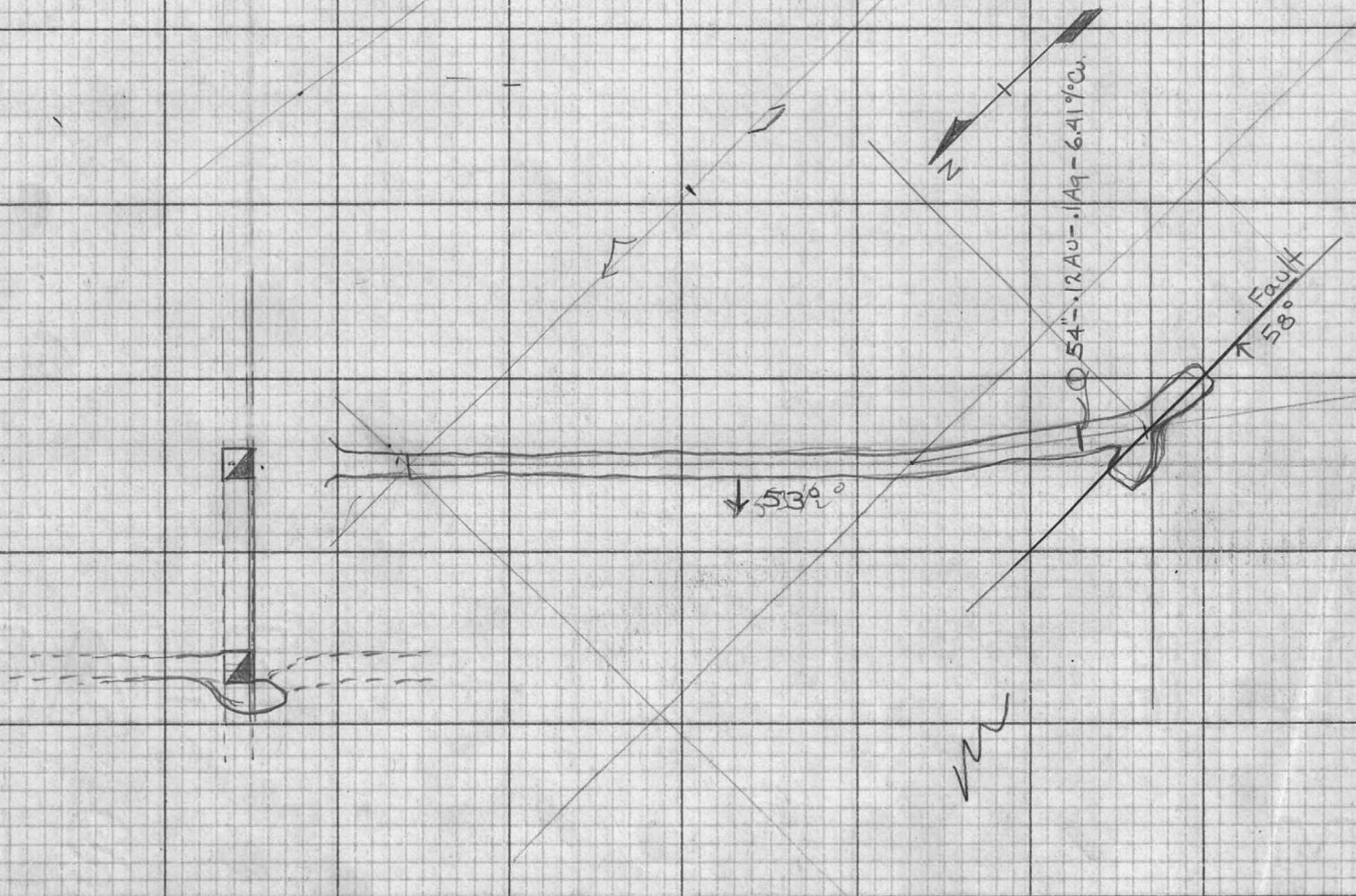
The property is about 9 miles from the Smelter at Miami, Arizona, giving the applicant a low hauling and freight cost. The applicant has all the necessary machinery, except a pump and intends to use one extra man in the operation. There is no great quantity of ore, but there is a possibility of developing more when the 200 level is re-opened. It is recommended that the applicant be given the new loan.

CHARLES A. RASOR
Supervising Engineer

Attachments
Map
Assay Certificate



DOCKET NO. ND 8177
 HADDY & NELSON
 Scale: 1" = 40'
 June 12, 1943
 Sample: ①
 Ore
 Proposed Work



Doc 3 Pg. 8

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Granted

Mine **ASTONISHED - Fairview Group. Cu.** Date **March 11, 1943**
Formerly known as the American Group.
District **Pioneer.** Engineer **Earl F. Hastings**
Subject: **Reconstruction Finance Corporation**
Mining Loan.

Docket No. **Phoenix C - 156**
Date Application Received **March 9, 1943**
Date of Field Examination **March 2, 1943 (Macfarlane)**
Date of Report **March 11, 1943**

1. Name and address of applicant (correspondent):
Russell Hardy and Edward L. Nelson, 391 East Street, Globe, Arizona.
2. Character of project and estimated cost thereof:
Equip and unwater Main Shaft to bottom, 212 ft. level. Clean out 250 ft. of tunnel, portal of which is 30 ft. from collar of Main Shaft. Sample ore exposed. \$5,000.00.
3. Location of property:
Pioneer Mining District, Pinal County, Arizona, approximately 12 miles SE of Miami, Gila County, Arizona.
4. Applicant's interest in or ownership of property:
Applicants are a limited partnership holding 5 year lease with option to purchase. Royalty 10% to apply on \$25,000.00 purchase price.
5. Loan requested:
\$12,000.00 amended to \$5,000.00.
6. Loan recommended:
\$5,000.00.
7. Comments:
(A) The report of A. Macfarlane, Field Engineer for the Department of Mineral Resources, dated March 2, 1943, covers conditions and logical anticipations in a concise, orderly and intelligent manner.

From this report and other docketed material it appears that there is abundant evidence of commercial ore in place and indications of strong mineralization in inaccessible workings.

(B) Visible ore, samples of which are plotted on the Macfarlane plan and section maps, need not be reiterated. A summary of evidence is as follows:

- 1 - No. 1 Shaft.
Dump rejects assay 3.47 ozs. ag. and 3.0% cu.
Settlement sheets of shipment 37.0 ozs. ag. and 16.01% cu.
" " " " 8.31 ozs. ag. and 26.03% cu.
" " " " 2.88 ozs. ag. and 3.11% cu.

3/11/43

- 2 - Main Shaft (to be rehabilitated).
Settlement sheet of shipment. 4.25 ozs. ag. and 3.47% cu.
3 ft. cut sample 80 ft. level. 1.28 ozs. ag. and 3.17% cu.
- 3 - Tunnel (to be rehabilitated).
Settlement sheet of shipment. 1.07 ozs. ag. and 3.18% cu.
Samples 2,3 and 4 - aver. width 3 ft. 0.3 ozs. ag. and 6.65% cu.
- 4 - Horse Whim Shaft.
This is inaccessible and the historical evidence of ore not as concise as in the case of the other workings although it appears some shipments have been made from this area.

(C) The ore, with the exception of shipment "A" is highly silicious though slightly high in alumina and desirable at the International Smelter.

(D) The property is well situated in regard to marketing of ores and source of supplies.

(E) An early and appreciable production of copper ore can be anticipated. It is considered that the loan is warranted both for the production which is fairly well assured and the possibilities of developing further important ore shoots.

ARIZONA DEPARTMENT OF MINERAL RESOURCES

Earl F. Hastings
Projects Engineer

The American.

The American group, consisting of five unpatented lode mining claims, is situated in the Pineer mining district of Pinal Co., Arizona, about $3/4$ of a mile west of the boundaries of Pinal and Gila counties. About 10 miles N.W.W. from Ray, about 10 miles west of Miami, about 15 miles west of Globe, and above 9 miles east of the Magma Mines, at Superior, or about midway and in almost a direct line between the Inspiration and the Magma mines.

The surface is very rugged, tho the mountains are not very high, the elevation at the shaft being about 5000 feet. There is a profuse covering of scrub oak and manzanita brush over most of the ground, which together with the unusual erosion of the mountain base, makes the study of out-crop, tracing of veins, etc. rather difficult and decidedly slow.

The formation is a coarse grained granite, termed Schultz-granite by Ransome, and is identical with the now famous Schultz-granite on the Live Oak Property, which forms a part of the Inspiration ore body.

This Schultz-granite on the American forms the base of the mountain but a short distance up, comes in contact with the schist forming the western boundary of the Globe quadrangle. Immediately above this contact and sometimes over-running it, is the great dacite flow that covers everything to the west for a number of miles, in fact, almost to Superior.

It is in this granite-schist contact that the principal ore deposits occur, and at the point where the shaft is sunk, the contact runs N.W.W. and S.S.E. dipping westward about 45 degrees and is 130 feet deep. At a depth of 80 ft. a drift runs north 50 ft. from which we shipped a small lot of ore carrying 26% copper. This drift shows ore all the way, tho for the most part, low grade. A winze (vertical) in the bottom of this drift is all in ore of perhaps $2 1/2$ or 3%. The ore on this level is black sulphide, (covalite).

At the bottom of the shaft, 130 ft. from the collar, another drift runs north, and here a 45 foot cross cut gave by careful sampling 1.7% copper.

This exclusive of a streak $2 1/2$ or 3 ft. wide in the shaft carrying about 5% and one on the hanging wall of about the same size and quality.

In this level the foot-wall has never been cut, the values continuing as far as we went. The ore on this level is chiefly chalco-pyrite with occasional small bunches of covalite, and is very thoroly disseminated.

The values occur in the granite side of the contact, the ore being very soft creushed quartz, talc and granite, almost no blasting being required in drifting, a pick being for the most part sufficient.

To the south a drift was run, on this level, and showed ore all the way a distance of 28 feet, but was of lower grade, perhaps 1%. No regular streak of high grade ore was encountered on the 139 ft. level but near the hanging wall a streak about 3ft, thick of soft quartz-gossan shows the high grade to have leached to greater depth. This entire level shows unusual alteration, both by movement and chemical action, the schist too, which forms the hanging wall, is badly crushed and very highly mineralized, but carries no copper values, iron oxide only.

The American group covers 3600 ft. of this vein, and the American extension 1800 ft. making a total of 5400 ft. The Myah vein is entirely in the granite and we believe does not extend beyond the contact, this vein extends eastward from the contact and is readily traceable for several thousand ft. Near the contact it is badly broken and the walls are not readily traceable but at a distance of 300 or 400 ft. eastward it shows a width of 35 to 75 ft. and so continues for a thousand ft. or more, beyond which point we are not familiar with it.

The dip of the Myah vein is about 55 degrees to the north. A shaft following the dip of the vein was sunk by the American Copper Co., the former owners, to a depth of 205 ft. and several shipments of very high grade copper ore were made from it, but at present the workings are partially caved and the lower levels are filled with water, so may not be explored.

W. S. Sultan, reporting on these workings for the American Copper Co. in 1908 mentions commercial ore in most of the drifts, stating that for a distance of 10 ft. on the second level the ore averages 3 ft. of 15%, this however, we are unable to verify for reasons above stated. The dump shows ore, chiefly chalcocite, and bornite, and this entire dump would probably assay not far short of the grade being milled at present by the Inspiration.

There are other shallow holes on the property, nearly all showing ore in carbonate and oxide forms, but none of importance.

The American extension group answers in a general way, to the American description but is entirely undeveloped.

The thickness of the schist has never been determined, so far as we know.

To the east $2\frac{1}{2}$ miles, the Gibson shaft was sunk thru schist to a depth of 700 ft. and failed to find the bottom of it.

The Union shaft, also to the eastward, and distant about $1\frac{1}{2}$ mi. was in schist all the way-- 500 ft-- but as both these properties are east of us, and as our foot wall is the east wall and is in Schultz-granite, they tell us nothing.

Again there seems a wide difference of opinion as to whether the granite is primary, or intrusive, the latter theory seeming to have gained favor greatly since the development of the Live Oak property.

Going directly east from the shaft the granite belt is about a mile wide, growing wider to the north, and narrower to the south to a point about $\frac{3}{4}$ mi. south of the shaft where it disappears giving place to schist, the same schist belt in which are situated the Gibson and the Union mines, but whether the same schist belt is responsible for that which forms the hanging wall in the American, we are unable to say as the dacite over-runs the contact, before reaching a point to the south where that could be determined, with any degree of certainty. Personally we incline to the belief that it is and that the schist underlies the dacite for perhaps a great distance but we offer this merely as an opinion. And since the dacite flow has completely covered everything to the westward for several miles, there quite naturally has never been any work done to determine its thickness, nor with what it is underlain.

As to the extent of granite, dacite, and schist in the district within the boundaries of the Globe quadrangle, see Frederick Ransome's geological report on the district which covers thoroughly all questions of formation, and is obtainable at nearly any mine company's office, Chamber of Commerce, or will be furnished by the Government upon application.

Ransome's late report on ores of the Ray-Miami district also gives complete information in regard to these ores and the relation of Schultz-granite and Pinal schist to them.

There is no regular lime formation, we believe, in our immediate district. A shipment of ore we made from the American, carrying 17% copper, however, gave us about $2\frac{1}{2}\%$ lime, the higher grade ore carrying somewhat less.

We have never encountered any spar, the matrix being soft altered granite, quartz, for the most part crushed, or "sugar quartz" and talc.

The gossan appears quite thick in places and is unusually pure and light, but irregular and broken.

In the 130 ft. level the quartz-gossan near the hanging-wall shows about 3 ft. and contains a little covalite, but not of commercial grade, but will beyond a doubt, regain its values at or near the water level.

These workings are entirely dry, but judging from the Myah shaft, distant about 600ft. the water should be reached within another 100 ft. of incline depth.

The Myah vein seems always harder than is the contact vein, the quartz harder, and the "granite-porphry" fill also appears harder, less alteration is apparent, less movement, and less mineralization. The ore however, appears to have been always of a higher grade. The last shipment carried, if we have been correctly informed 45% copper, and some few ounces of silver. This ore was shipped in 1908 by leasers.

A short distance east of the Myah shaft, a surface cropping of carbonate ore (low grade) gossan-quartz and iron appears for a distance of perhaps 50ft. at a width of about 2 ft. and nearly opposite on the foot-wall another streak somewhat like it may be seen and still farther eastward 200 or 300 ft. the vein crops very boldly, standing 6 or 8 ft. above the common surface and showing a width of 25 or 30 ft., here it is all, or nearly all quartz, it all shows some iron oxide, but the mineralization at this point, the more thoroughly distributed, is not nearly so intense as farther to the westward, the vein to our mind grows smaller and the mineralization weaker.

There are several smaller veins, probably 6 or 8 within a half mile of the Myah vein, all running about parallel to it, and all have the same characteristics; the nearer the contact the bigger and stronger they appear.

There is adjoining us other ground that we consider very promising which we believe to be obtainable at very reasonable prices, but none, we believe, that is at present subject to location.

There is no timber fit for mining purpose, on the property, tho a limited supply of wood for fuel may be had; no living water, camp water is obtainable about 3/4 mi. distant in the dry season, but abundant water may be developed at very little expense about 3/4 mi. north.

Transportation is over mountain roads to Miami, which is the nearest R.R. point, also the nearest smelter. The Globe, Superior, Phoenix Highway, is just completed, and passes within a distance of one mile of the shaft, and the Superior-Roosevelt Power line passes at about the same distance, from which abundance electric power may be had if desired. This is a Government Power Line.

The district is too well known to require much comment, the Magma, Ray, Miami, Old Dominion, and the Inspiration are all world famous, and they surround us on three sides. Our nearest big neighbor, the Gibson, distant 2 1/2 miles enjoyed for several years the enviable reputation of being the world's richest sulphide copper mine. The Krenshaw group, distant about 1/2 mile, is constantly producing under lease some very good ore, while the Ferhman property, about 1 mile south of us and in the same ore zone has brot in a 3ft. streak of 2% ore.

XXXXXXXXXXXXXXXXXXXX

325 Heard Building
Phoenix, Arizona
April 28, 1945

TH A R
Charles A. Rasor

TULLY - Asst. Chief - Mining Section, RFC - Washington 25, DC

Re: Davis and Haddy - Originally Haddy and Nelson
Docket No. ND-5374 - Third Application

I enclose my report on the above-captioned application for an additional loan to unwater and rehabilitate the inclined shaft on applicant's property.

Mr. Haddy has been a very unsatisfactory Borrower and together with Mr. Nelson, his original partner, frittered away the original loans on the property and never accomplished any of the purposes for which the loan was granted. Now that he has a reliable partner he suffers under the belief that an additional loan will rectify all past errors and that unwatering the shaft will show ore of commercial grade.

This opportunity was afforded the Borrower when I made my original examination for it was at their insistence against my better judgment that the program included unwatering the shaft and opening it up for examination. The work was never done. Examination of all available reports and the present underground workings does not indicate that any large body of ore sufficient to repay all loans and mining costs will be found.

To offset any cause for prejudice, Walter F. Brown, Supervising Engineer, and myself spent part of two days making a thorough underground examination and a sampling of ores that might have any bearing on the applicants obtaining additional funds. The applicant has been insistent that we make an examination, and telephoned that he had been expecting us, but when we arrived neither he nor his crew were at the mine. We made our underground examination without the applicant and left word that we would be back the next afternoon. He had a full crew the next day but they were not capable of much work.

I have not recommended an additional loan because the facts do not justify further funds being spent.

Charles A. Rasor
CHARLES A. RASOR
Supervising Engineer

CAR:sbm

Enc:
2c - Report
w/ supporting data

RECONSTRUCTION FINANCE CORPORATION
MINING SECTION
REPORT OF SUPERVISING ENGINEER

Re: Haddy and Davis
(Originally Haddy and Nelson)
Docket No. ND-5374
Third Application
Date of Examination: April 18-19, 1945
Date of Report: April 28, 1945

On March 26, 1943, a Preliminary Development Loan of \$5,000 was approved to Haddy and Nelson (Docket No. ND-8177). After expenditure of these funds a further loan of \$5,500 was approved August 25, 1943 to develop and mine ore exposed. During the expenditure of the latter loan it became apparent that the Borrowers were a poor risk and were only interested in spending the money on themselves. They had differences between themselves as well as with this office. The operation closed down and Nelson parted. It is not known where he is but he is supposed to be in Colorado.

On the word of Mr. Haddy that outside capital was being furnished to develop and mine the ore, the Borrower was allowed to operate on a royalty basis, making payments of 7½% royalty on smelter returns and likewise 7½% of MRC premium payments. Mr. Haddy took in another partner, Mr. Bob Davis, and has mined ore intermittently. It is this partnership that is now applying for a loan.

1. NAME AND ADDRESS:

Robert L. Davis and Russell Haddy
American Mine, Summit Lodge
Miami, Arizona

Correspondent: Russell Haddy
American Mine, Summit Lodge, Miami, Arizona

2. CHARACTER OF PROJECT:

To unwater and retimber shaft from 80 foot level to 200 foot level, and drift on 140 foot level and 200 foot level.

3. LOCATION OF MINE:

The American Mine is in the Pioneer Mining District, Pinal County, Arizona, about 9 miles west of Miami, Arizona.

4. APPLICANT:

Applicant consists of two men who have had practical experience in mining, but from our experience with Mr. Haddy his valuation of money is appalling.

5. LOAN REQUESTED:

\$18,000; \$10,500 to repay previous loans.

6. DESCRIPTION OF PROJECT:

One of the applicants, Russell Haddy, has been working intermittently on the property, shipping a few tons of copper ore to the smelter. His working the property is in accordance with an arrangement with the Reconstruction Finance

5. DESCRIPTION OF PROJECT: (Cont)

Corporation in which the Corporation accepts $7\frac{1}{2}\%$ of smelter returns from all marketed ore, together with $7\frac{1}{2}\%$ of all premiums received from MRC. This arrangement has been in effect since September 8, 1944.

Mr. Haddy obtained another partner in the place of Mr. Nelson and has gone ahead. Now the applicants wish to obtain an additional loan. The impression always has been that Mr. Haddy was to obtain outside capital but apparently the outside capital is to be more money from the Reconstruction Finance Corporation.

The applicants propose to borrow an additional \$7,500 for the following purposes:

- a. Unwater the shaft to the 200 foot level and retimber shaft.....\$2,500.00
 - b. Drift 100 feet on 140 foot level and drift 200 feet on 200 foot level..... 4,500.00
 - c. Miscellaneous and incidental expenditures..... 500.00
- \$7,500.00

Applicants have been told that granting of additional funds for the proposed work is unlikely. However, they are applying regardless. In the first place, applicants can show no additional information than that already known about the ore under the water. In fact, the unsigned, undated report on the American Mine is lacking in factual data. In the second place, unwatering and rehabilitating the shaft to the 200 foot level was part of the program agreed upon by Haddy and Nelson when I first examined the property, but they never made any effort to do this work when the money was available. The various progress reports sent in on the operation also have mentioned the general shiftless attitude of the Borrowers.

Shipping records are usually a good indication as to the worth of a mine. In the case of the American Mine there are too many shipments in the red to make it attractive for spending more funds. From August 7, 1943 to April 12, 1945 296.7 tons of mixed oxide and sulfide ore have been shipped to the smelter. Total copper content was 21,123 pounds. This gives an average of 3.55% copper per ton. Smelter returns were \$76.72 in the red. Premiums amounted to \$2,663.18.

Applicant was mining some ore from the stope when the examination was made and it was thought best to take a few samples.

Sample No. 105 was cut across 21 inches of ore in the west end of the stope. It assayed 3.6% cu. The hanging wall also showed considerable green stain and it was sampled. It assayed 1.80% cu across 40 inches. This has been very deceiving to Mr. Haddy as he consistently believes the hangwall is good ore. The green color looks rich but is confined only to the cracks in the granite. The rest is unaltered granite and pure waste.

On the 80 foot level Mr. Haddy mentioned that he would start a stope on some good ore west of the fault. Examination disclosed that the shoot of ore is

5. DESCRIPTION OF PROJECT: (Cont)

30 feet long and averages about 40 inches thick. The four samples cut at 10 foot intervals have a weighted average of 5.5% copper. The ore is quartzose and irregular in width and has stringers of sulfides varying from seams to 4 inches wide alternating from hanging wall to footwall. The grade of ore is not considered unattractive if it wasn't for the irregularity of the shoot and the fact that the ore appears not to extend upward.

The mine was thoroughly mapped. Samples were taken where the applicant considered there was ore. Walter F. Brown, Supervising Engineer, was along on this examination and his conclusions are in agreement with mine regarding the advisability of recommending an additional loan.

6. COMMENTS OF SUPERVISING ENGINEER:

I do not recommend an additional loan, first, because there is no new data to substantiate the hearsay claims of ore on the 200 level; second, the original Borrower, Haddy and Nelson, were irresponsible and never accomplished the purpose of the first and second loans; and third, the grade of the ore mined averages about 3.5% copper and is barely sufficient to meet the smelting costs. Although previous sampling as well as the present sampling indicated 5.0% copper ore, no such figure was attained on mining and is not likely to be attained now.

Charles A. Rasor
CHARLES A. RASOR
Supervising Engineer

CAR: sbm

Attachments:
Assay Data
Map

ARIZONA TESTING LABORATORIES

ANALYTICAL AND CONSULTING CHEMISTS
ASSAYERS, MINING ENGINEERS
823 EAST VAN BUREN STREET

ASSAY CERTIFICATE

PHOENIX, ARIZONA

8/3/43

194

M F. C. A. Razor, Supervising Engineer, RPC.,
325 Heard Building,
Phoenix, Arizona

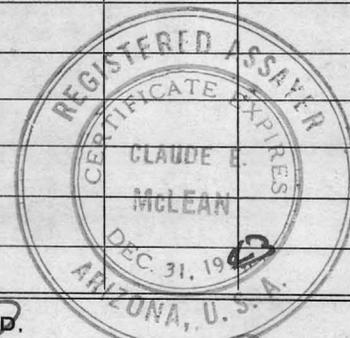
WE HAVE ASSAYED THE SAMPLES RECEIVED FROM YOU AND FIND THE RESULTS AS FOLLOWS:

GOLD FIGURED AT \$ 35.00 PER OUNCE.

SILVER FIGURED AT \$ 0.70 PER OUNCE.

LAB. FORM 2

LAB. NO.	SAMPLE		GOLD		SILVER		PERCENTAGES		
			OZ. PER TON	VALUE	OZ. PER TON	VALUE	COPPER	LEAD	
48488	#99	55"	Trace	----	None	----	6.45%		
48489	#100	24"	Trace	----	None	----	4.70%		
48490	#101	48"	Trace	----	None	----	2.80%		
48491	#102	24"	Trace	----	None	----	1.50%		
48492	#103	12"	Trace	----	None	----	2.85%		
48493	#104	Grab	0.02	\$0.70	3.40	\$2.38	2.80%		
	Docket KD-5374								



RESPECTFULLY SUBMITTED,

ARIZONA TESTING LABORATORIES

BY

Claude E. McLean
Claude E. McLean

ASSAYER

CHARGES \$ 12.00

CLAUDE E. MCLEAN
P. O. BOX 1888

ARIZONA TESTING LABORATORIES

TELEPHONE 3-6272

ANALYTICAL AND CONSULTING CHEMISTS
ASSAYERS, MINING ENGINEERS
823 EAST VAN BUREN STREET

ASSAY CERTIFICATE

MR. C. A. RASOR, Supervising Engineer, IGO, PHOENIX, ARIZONA, April 21 1945
325 Board building, Phoenix, Arizona

WE HAVE ASSAYED THE SAMPLES RECEIVED FROM YOU AND FIND THE RESULTS AS FOLLOWS:

GOLD FIGURED AT \$ _____ PER OUNCE.

SILVER FIGURED AT \$ _____ PER OUNCE.

LAB. FORM 2

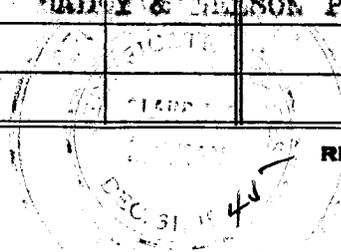
LAB. NO.	SAMPLE	GOLD		SILVER		PERCENTAGES		
		OZ. PER TON	VALUE	OZ. PER TON	VALUE	COPPER	LEAD	
55871	#104 Grab from bin					2.45%		
55872	#105 21" cut face of Stope					3.60%		
55873	#106 NW 40"					1.80%		
55874	#107 30" cut in vein - 80' level					2.50%		
55875	#108 36" cut across vein					3.70%		
55876	#109 60" cut					4.80%		
55877	#110 32" cut					11.80%		
		MADY & NELSON PROPERTY						

RESPECTFULLY SUBMITTED,

ARIZONA TESTING LABORATORIES

BY *C. E. McLean*
Claude E. McLean ASSAYER

CHARGES \$ 7.00



RECONSTRUCTION FINANCE CORPORATION

MINING DIVISION

PROGRESS REPORT OF SUPERVISING ENGINEER

Haddy & Nelson
Docket No. ND 5374
Dated: December 9, 1943

On December 1, 1943, I visited the above project in order to inspect the progress being made.

Applicants have shipped the following ore:--

Aug 17, 1943	16.777 tons,	3.12% copper	= \$126.87 total net at mine.
Nov 11, 1943	29.877 tons,	0.89% copper	= \$ 63.53 total net loss at mine.
	<u>46.654 tons</u>		<u>\$ 63.34 total or \$1.36/ton at mine</u>

At the time of my visit they were pumping the water out of the main shaft and the water was then down 20' below the first level. According to an old report obtained by the applicants, at a point 137' down the shaft there is a drift running both ways from the shaft station and good ore is reported on the level. They will have to pump 30' more of water from the shaft in order to reach this level. The shaft so far is open and in good shape and apparently the mine makes little water.

The applicants consider that there is no more ore available in the adit level and they have done no more work in the West drift on the first level since Mr. Rasor last visited the mine.

Unless a large body of good ore is encountered on the second level, which is now under water, it seems doubtful whether this loan will ever be repaid.

WM. B. MAITLAND
Supervising Engineer

RECONSTRUCTION FINANCE CORPORATION
MINING DIVISION
MEMORANDUM REPORT OF SUPERVISING ENGINEER

Haddy and Nelson
Docket No.....Docket No. ND-5374
Date of Examination...November 20, 1943
Date of Report.....December 3, 1943

Returning from an examination trip to New Mexico, I visited the above captioned borrower as this office has had difficulties with Mr. Nelson regarding the operation of their property.

Mr. Nelson was not at the property as he had left a few days previously for Jerome, Arizona, where he had once worked as a foreman.

Mr. Haddy was present and explained that they had some words between them regarding the operation of the property and that during the time Mr. Nelson was to be away, he was going to mine some ore from the adit level. I examined the round he had blasted and the ore appeared sufficiently high in copper to ship.

They had temporarily stopped work on the 80 foot level after drifting 52 feet along the vein. The ore showing was not encouraging.

The applicants had ripped up the bulkhead in the shaft and had gone down to the water level. They were preparing to unwater the shaft and examine the stope on the east side of the shaft where some good ore apparently had been stoped in the past. The applicants have turned out to be a poor risk. Although Mr. Nelson has made good as a foreman in large copper organizations, he doesn't understand developing a small prospect and can't stand the prosperity experienced under the loan.

CAR
CHARLES A. RASOR
Supervising Engineer

325 Heard Bldg.
Phoenix, Arizona
October 30, 1943

TULLY - Ass't. Chief - Mining Section RFC - Washington, 25, D.C.

Re: Haddy & Nelson
Docket No. ND-5374

Enclosed please find two copies of
my Progress Report on the above
captioned docket.

WILLIAM B. MAITLAND
Supervising Engineer

WBM:den
Enc. 2c Progress Report

RECONSTRUCTION FINANCE CORPORATION
MINING SECTION
PROGRESS REPORT OF SUPERVISING ENGINEER

Re: Haddy & Nelson
Docket No. ND-5374
October 30, 1943

On October 28, 1943 I visited the above captioned project in order to inspect the progress being made. A loan of \$10,500 has been granted this project with a balance of \$2,193.84 still remaining at this date. The applicants are employing two men and are both working on the project also.

They have completed all of the surface improvements which include a 50 ton wooden ore bin, with grizzly, tram line between shaft and bin, headframe and skip dump, hoist, and compressor. Underground they have laid pipe and rail in the shaft to the 100 foot level and installed a skip in the shaft. The 100 foot level has been advanced 45 feet west from the shaft and follows a weakly mineralized vein that is however becoming stronger near the face. Sample No.66 was a grab from the muck pile at the face and ran 0.25% copper. Applicants estimate that the drift must be advanced another 15 feet before the ore shoot found on the upper level is reached. The applicants should be able to reach their objective and get on a shipping basis with the funds still available.

WILLIAM B. MAITLAND
Supervising Engineer

RECONSTRUCTION FINANCE CORPORATION
MINING DIVISION
MEMORANDUM REPORT OF SUPERVISING ENGINEER

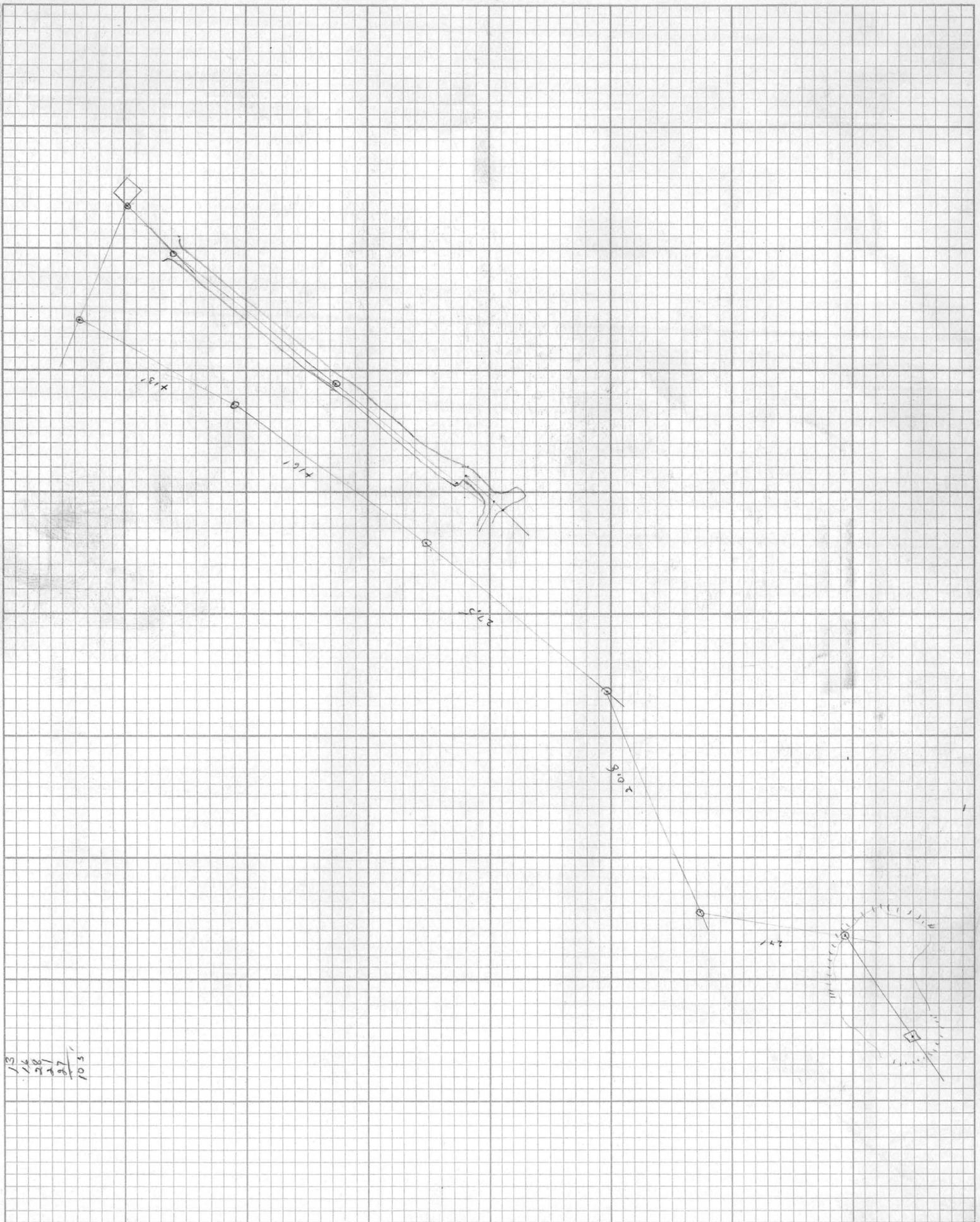
Docket No. ND-5374, Nelson & Haddy
Date of Examination Sept. 25, 1943
Date of Report Sept. 29, 1943.

I visited the Borrower operating under the above captioned docket number on returning from an examination in the Globe mining district. As the Borrower had received his additional loan on September 15th, not a great amount of work had been accomplished. Nevertheless a substantial head frame had been erected, and track was being laid down the shaft and from the collar to the ore bin. A concrete foundation had been laid for the hoist.

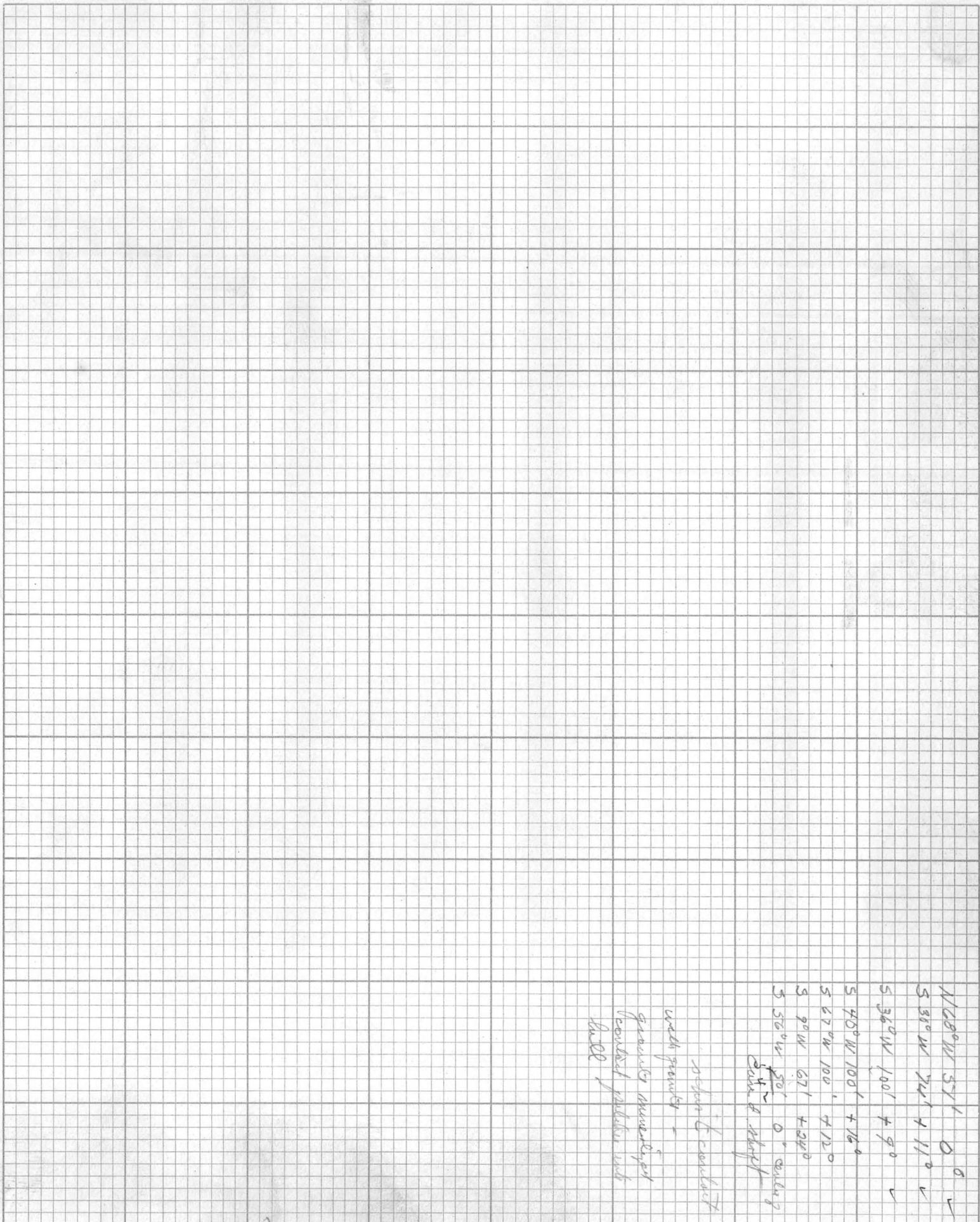
The Borrower informed me that they had received from the Quota Committee an additional 8-cent premium which gives them a 13-cent premium on all copper ore mined.

Both Mr. Nelson and Mr. Haddy believe that they will be mining ore within two weeks. They have already obtained a pump to unwater to the 200-foot level, and it is believed that this operation will be going soon.

CAR
CHARLES A. RASOR
Supervising Engineer.



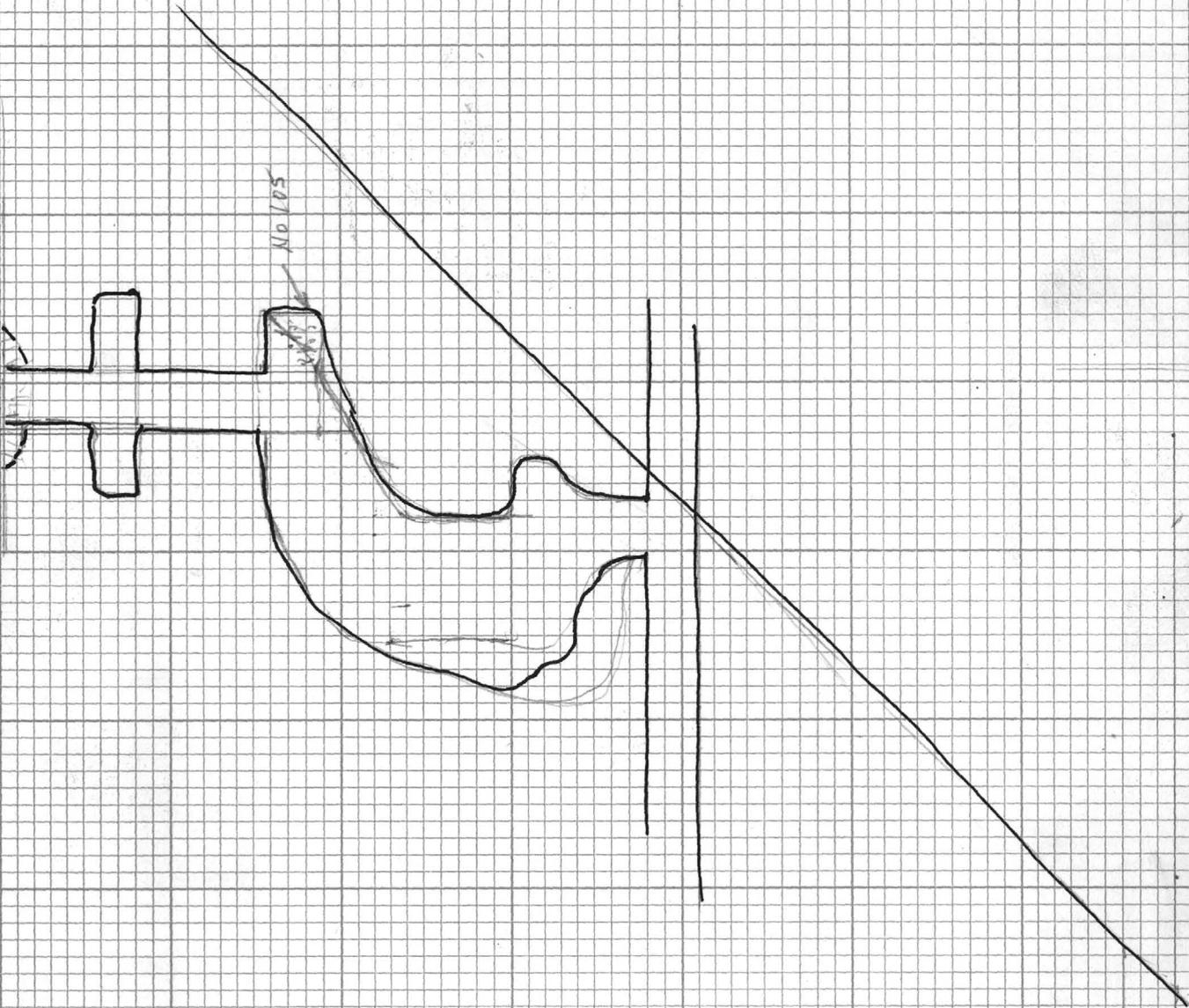
13
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103



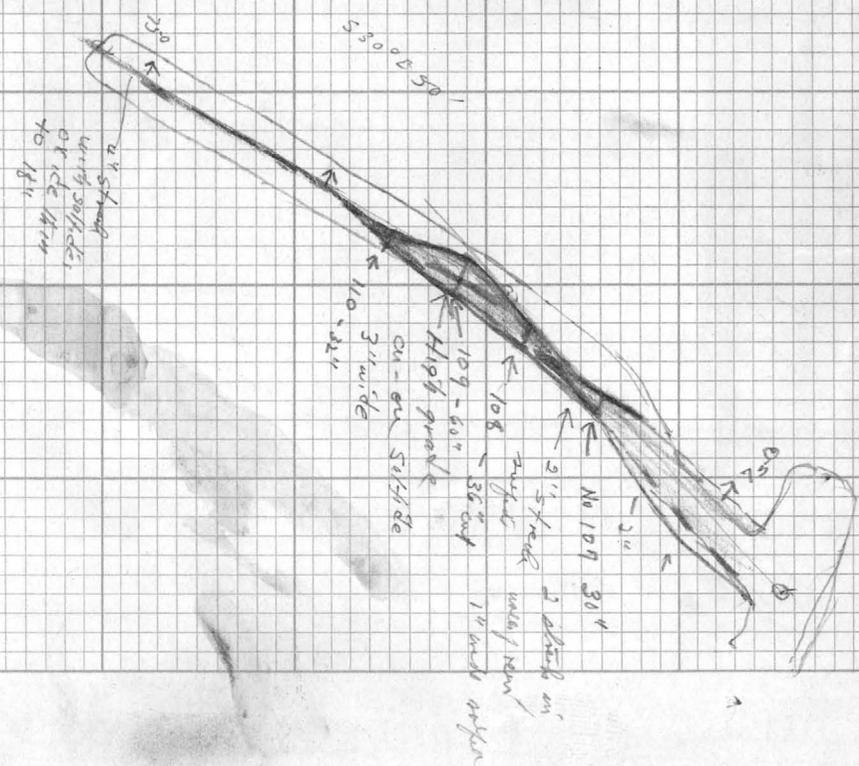
N 68° W 57' 0" ✓
 S 38° W 74' 11" ✓
 S 36° W 100' 49" ✓
 S 45° W 100' 16"
 S 67° W 100' 41"
 S 90° W 67' 42"
 S 56° W 50' 0" ending
 with a sharp
 corner

section & contact
 with gravity -
 gravity measured
 contact parallel with
 hill

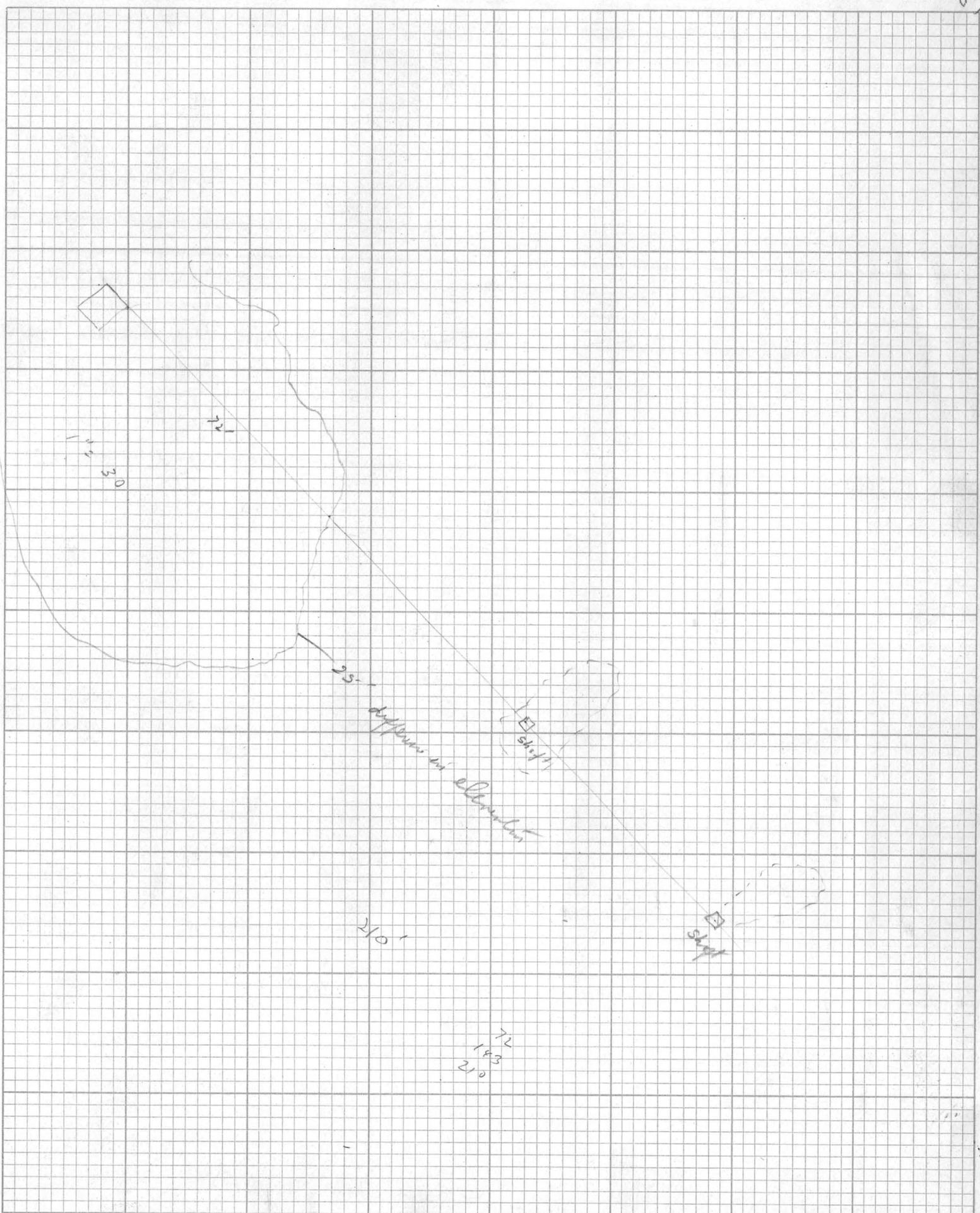
10.500
 7.500

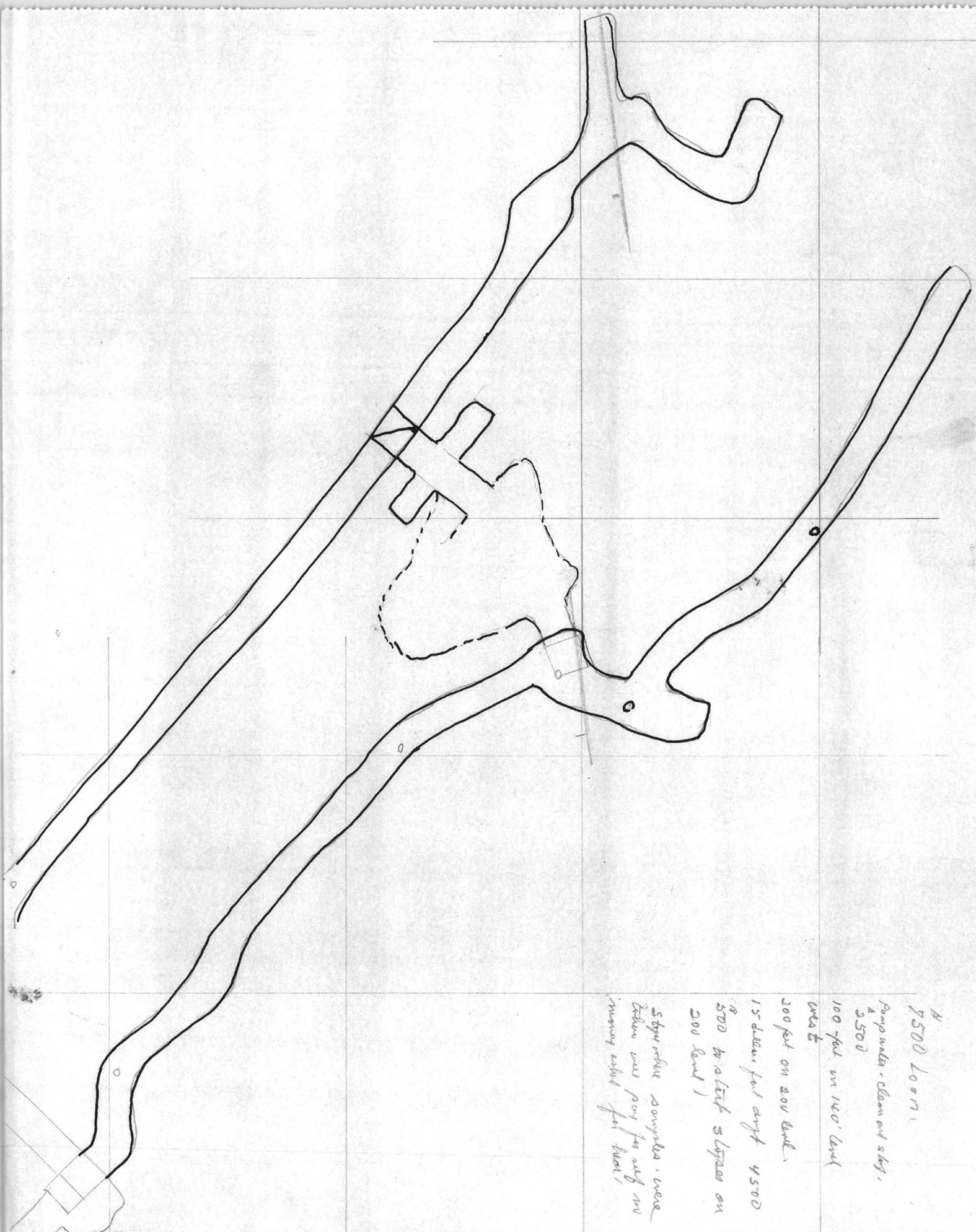


No. 105



08/06/12





7500 Loom 1

Pump water - clean out sky,
A 2500

100 feet in 140' level

WAB

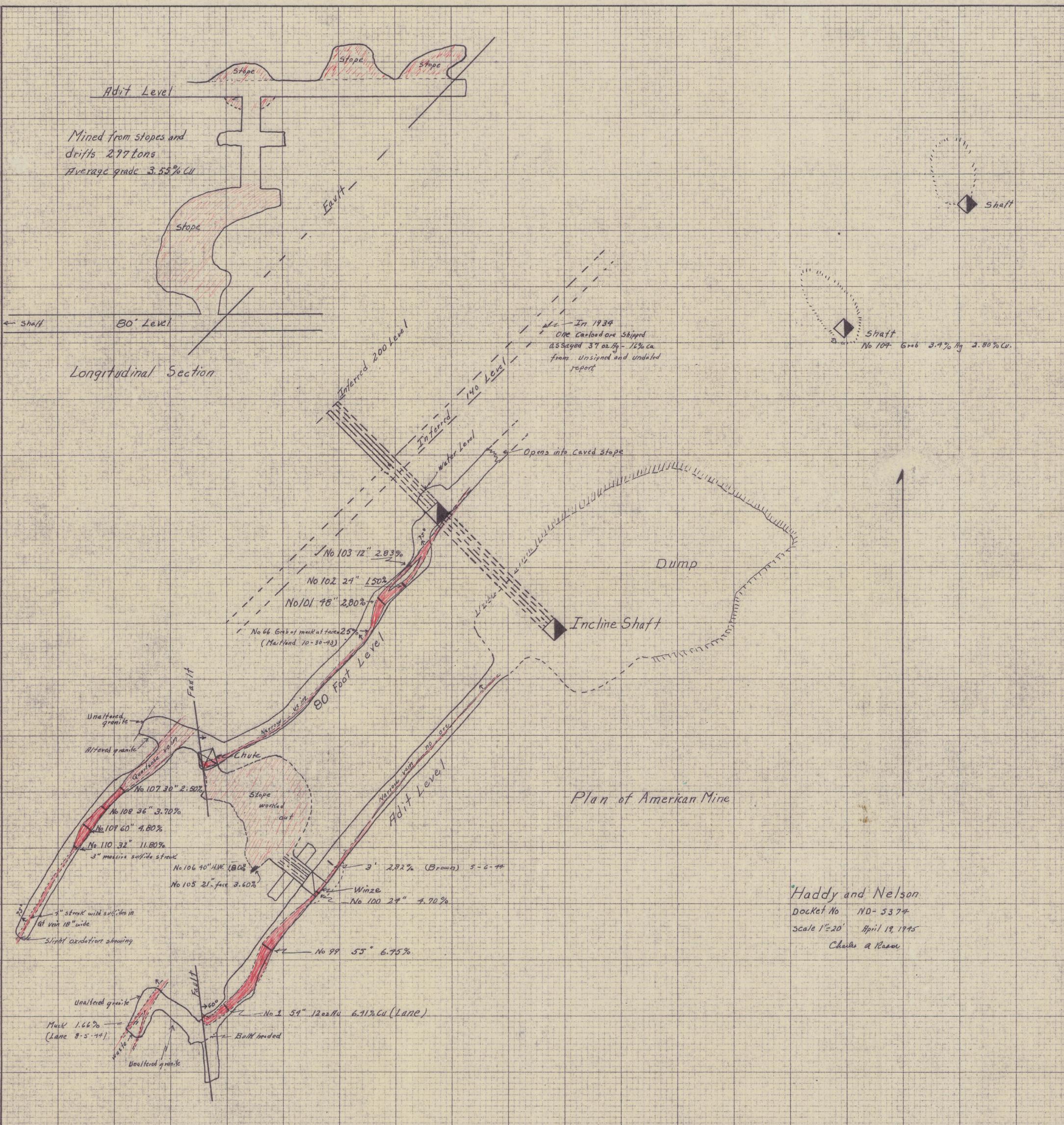
200 feet on 200 level

15' down for drift 4500

500 to a half slope on
200 level

5th phase complete. more
beds will pay for and no
money left for them!

Doc 3 Pg. 34



Mined from stopes and drifts 297 tons
Average grade 3.55% Cu

In 1934
One carload ore shipped
as sagged 37 oz. Ag - 1.6% Cu
from unsigned and undated report

Shaft
No 104 6' x 6' 3.4% Ag 2.80% Cu.

Longitudinal Section

Plan of American Mine

Haddy and Nelson
Docket No. ND-5374
Scale 1"=20' April 19, 1945
Charles A. Reason