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Reconstruction Finance Corporation Arizona Records

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325 Heard Bldg.  
Phoenix, Arizona  
September 9, 1944

TULLY - Asst. Chief - Mining Section RFC - Washington

Re: Otis Mc Vaugh - Docket No. ND-8333

Enclosed please find Liquidation  
Report, in duplicate, on the above  
captioned project.

CHARLES A. RASOR  
Supervising Engineer

CAR:MIW  
Enc.  
Liquidation Report  
in duplicate

RECONSTRUCTION FINANCE CORPORATION  
MINING DIVISION  
LIQUIDATION REPORT

*Crump name file*

Borrower: Otis Mc Vaugh  
Docket No. ND-8333  
Date of Report: September 9, 1944

1. NAME AND ADDRESS OF APPLICANT:

Otis Mc Vaugh -- Route 1, Box 1418 D -- Phoenix, Arizona

2. LOCATION OF PROJECT:

In Sec. 3, T. 6 N, R. 9 E, Sunflower Mining District, Maricopa County, Arizona. About 80 miles north of Phoenix.

3. AMOUNT OF LOAN AND DATE OF AUTHORIZATION:

A loan of \$5,000.00 was authorized in June, 1943.

4. PURPOSES FOR WHICH LOAN WAS EXPENDED:

To unwater and rehabilitate a shaft and underground workings of applicant's copper mine.

5. EQUIPMENT:

- a. No equipment acquired with loan funds.
- b. No equipment on hand worth salvaging.
- c. None.
- d. No equipment to liquidate.

6. PROPERTY:

Borrower was owner of three unpatented lode mining claims by right of location under state and federal laws.

7. COMMENTS:

Borrower apparently was taken into the armed forces shortly after withdrawing last of loan funds. He failed to notify this office of his actions and borrower's engineer has consistently refused to furnish us any information regarding operations or outcome. Attempts have been made to visit the property, but all were unsuccessful because of bad road conditons.

8. CONCLUSIONS:

The proposed project failed to develop any material quantity of ore and with the exception of any remaining equipment worth salvaging, the property is believed to be of no value. Consequently, the loan should be considered a loss.

9. RECOMMENDATION:

It is recommended that this account be closed when remaining equipment acquired with loan funds which is considered worth salvaging has been liquidated and proceeds applied on borrower's indebtedness.

*Car*  
CHARLES A. RASOR  
Supervising Engineer

DEPARTMENT OF MINERAL RESOURCES  
STATE OF ARIZONA  
FIELD ENGINEERS REPORT

Granted  
C

Mine \* CRUMP GROUP Cu. SiO<sub>2</sub> Date May 27, 1943  
District Sunflower Engineer Earl F. Hastings  
Subject: Reconstruction Finance Corporation  
Mine Loan

Docket No. Phoenix C-202  
Date Application Received May 26, 1943  
Date of Report May 27, 1943

1. Name and address of applicant (correspondent):  
Otis McVaugh, Box 1466, Phoenix, Arizona.
2. Character of project and estimated cost thereof:  
Cu., SiO<sub>2</sub>. Reopen and rehabilitate 200 foot shaft to sample, mine and develop silicious copper ores. \$5000.00.
3. Location of property:  
Sunflower Mining District, Maricopa County, Arizona.
4. Applicant's interest in or ownership of property:  
Applicant is owner by location.
5. Loan requested:  
\$5000.00.
6. Loan recommended:  
\$5000.00.
7. Comments:  
(A) Rejected ore on the shaft dump, sample #5, together with minor amounts of high grade selected ore aggregate an appreciable copper content when it is considered that dump material is exclusively from development.

(B) The Packard statements reveal a vein width of 7 feet of which a large portion is leached. Residual values appear in sufficient quantity to give the mineable vein filling an average content of approximately 4.0% Cu. What lateral development would reveal is of course questionable as the leaching is locally erratic and incomplete--the strength of the surface expose as described by Orem would indicate that a general tenor comparable to general dump material would not be unreasonable.

If such is the case and the vein maintains its 7 foot width as reported on the 100 foot level there would be 100 tons of vein material with each lateral foot of development, of which the greater portion would be ore.

(C) Considering the depth attained in the shaft, the samples both selected and general therefrom, the silicious character of the ore, and the geographical accessibility of the property it would appear that the rehabilitation is warranted and that an early production is possible during lateral development.

As the leached vein material is reported to be quite soft it is possible that sloughing has occurred to the extent that the shaft bottom may not be reached with the funds allotted. As the entire shaft, judging from the dump material, is in ore failure to reach the objective would not necessarily ruin the project.

Arizona Department of Mineral Resources

Earl F. Hastings, Projects Engineer