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Reconstruction Finance Corporation Arizona Records

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Granted

P. H. LUND

August 14, 1942

Globe Mining District

J. S. Coupal

Reconstruction Finance Corporation
Preliminary Development Loan
Field Report

Copper Bell

Docket No.	G-ND-7573 (12)
Date Application Received	July 24, 1942
Date of Field Examination	None
Date of Report	August 14, 1942

1. Name and address of applicant (correspondent):
P. H. Lund, P. O. Box 1925, Globe, Arizona
2. Character of project and estimated cost thereof:
Retimbering and extending 65 foot shaft to 100 foot depth, equipping and producing ore.
3. Location of property:
Globe Mining District, Gila County, Arizona. One mile northeast of Radium siding on Southern Pacific Railroad.
4. Applicant's interest in or ownership of property:
Applicant has bond and lease with option to purchase paying 10 per cent royalty on production from mine - royalties to apply on purchase.
5. Loan requested:
\$5,000.
6. Loan recommended:
\$5,000 loan is recommended.
7. Comments:
The \$5,000 loan is recommended subject to examination after the expenditure of sufficient money to repair collar, retimber and clean out workings on 65 foot shaft. This should not exceed \$1,000 and will call for no costly equipment. There is apparently an ore shoot 150 to 170 feet long of ore which can be roughly sorted to shipping grade. Asked applicant to call and submit the map and additional data and discuss how dump samples were taken.

ARIZONA DEPARTMENT OF MINERAL RESOURCES

J. S. Coupal, Director

NOTE: Attached to the docket are two copies to supplement Exhibits "A" obtained from Mr. Lund by the Department of Mineral Resources.

*Copper Bell Mine
+ Defunct
Gila Co.*

RECONSTRUCTION FINANCE CORPORATION
MINING DIVISION
LIQUIDATION REPORT OF SUPERVISING ENGINEER

Peter H. Lund
Docket No. ND-5861
March 25, 1944

Name and Address of Applicant

Peter H. Lund
Box 1925
Globe, Arizona

2. Location of Project

In the Globe Mining District, Gila County, Arizona, and 1 mile northeast of Radium, a railroad siding.

3. Amount of Loan and Date of Authorization

\$1,000.00 granted on August 28, 1942
\$2,500.00 granted on or about Nov. 16, 1942

4. Purposes for Which Loan was Expended

To clean out and rehabilitate a 60-foot shaft sunk on a copper, lead, zinc vein.

5. Equipment

a. Equipment purchased with loan funds and cost thereof:

1 10HP hoist with 2 cylinder Novo Engine Model LF - 3 1/4 x 5 - No. 2198, and 200' of 1/2" cable	\$300.00
1 500 lb. ore bucket - - - - -	17.00
1 Wheelbarrow - - - - -	10.00
Total - - - - -	\$327.00

b. All of the equipment is still on hand and is located at the mine. The estimated resale value is as follows:

1 hoist, engine and cable - - - - -	\$300.00
1 ore bucket - - - - -	14.50
1 wheel barrow - - - - -	8.50
Total - - - - -	\$323.00

The hoist is in good condition and should have a good resale value.

- c. No equipment has as yet been sold as the applicant has wanted to keep the mine intact with the hope of raising additional finances.

6. Property

Applicant states he has a lease with option to purchase three patented claims, and a copy of this lease has been previously sent to the Washington office.

7. Comments

The property was last visited by the writer on March 25, 1943. Operations terminated at the property in March, 1943.

8. Conclusion

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

9. Recommendation

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

WILLIAM B. MAITLAND
Supervising Engineer

Liquidation Report

Peter H. Lund

ND 5861

(CND 7573)

March 25, 1944

1. Name & Address of Applicant

Peter H. Lund

Box 1925

Globe, Ariz

2. Location of Project

In the Globe Mining District, Gila Co Arizona
and 1 mile northwest of Radium a railroad siding

3. Amount of Loan and Date of Authorization

On ~~Sept 2~~^{Aug 28}, 1942 granted \$1000.00

\$1000 granted on Aug 28, 1942

\$2500 granted on PR about Nov 16, 1942

4. Purpose for which Loan was Expended

To clean out and rehabilitate a
60 foot shaft sunk on a copper, lead, zinc vein

5. Equipment

a. Equipment purchased with loan funds and
cost thereof:

1 - 10 H.P hoist with 2 cylinder ~~Morse~~ Engine

Model LF 3 1/4 x 5 No 2198 and

200' of 1/2" cable

\$ 300.00

1 - 500 lb ore bucket

17.00

1 - Wheel barrow

10.00

Total

327.00

17,000
 85
 85
 136
 14,45

b. All of the equipment is still on hand and is located at the mine. The estimated resale value is as follows.

1 Hoist, engine and cable	300.00
1 ore bucket	14.50
1 wheelbarrow	8.50
Total	\$ 323.00

The hoist is in good condition and should have a good resale value.

c. No equipment has as yet been sold as the applicant has wanted to keep the mine intact with the hope of raising additional ~~finances~~ ^{finances} ~~financing~~.

6 Patents

applicant states he has a lease with option to purchase three patented claims and a copy of this lease ~~is now in the~~ ^{has been previously} sent to the Washington office

7. Comments

The property was last visited by the writer on March 25, 1943. Operations terminated at the property in March 1943

8. Conclusion

The proposed project etc

9 Recommendation

It is recommended etc

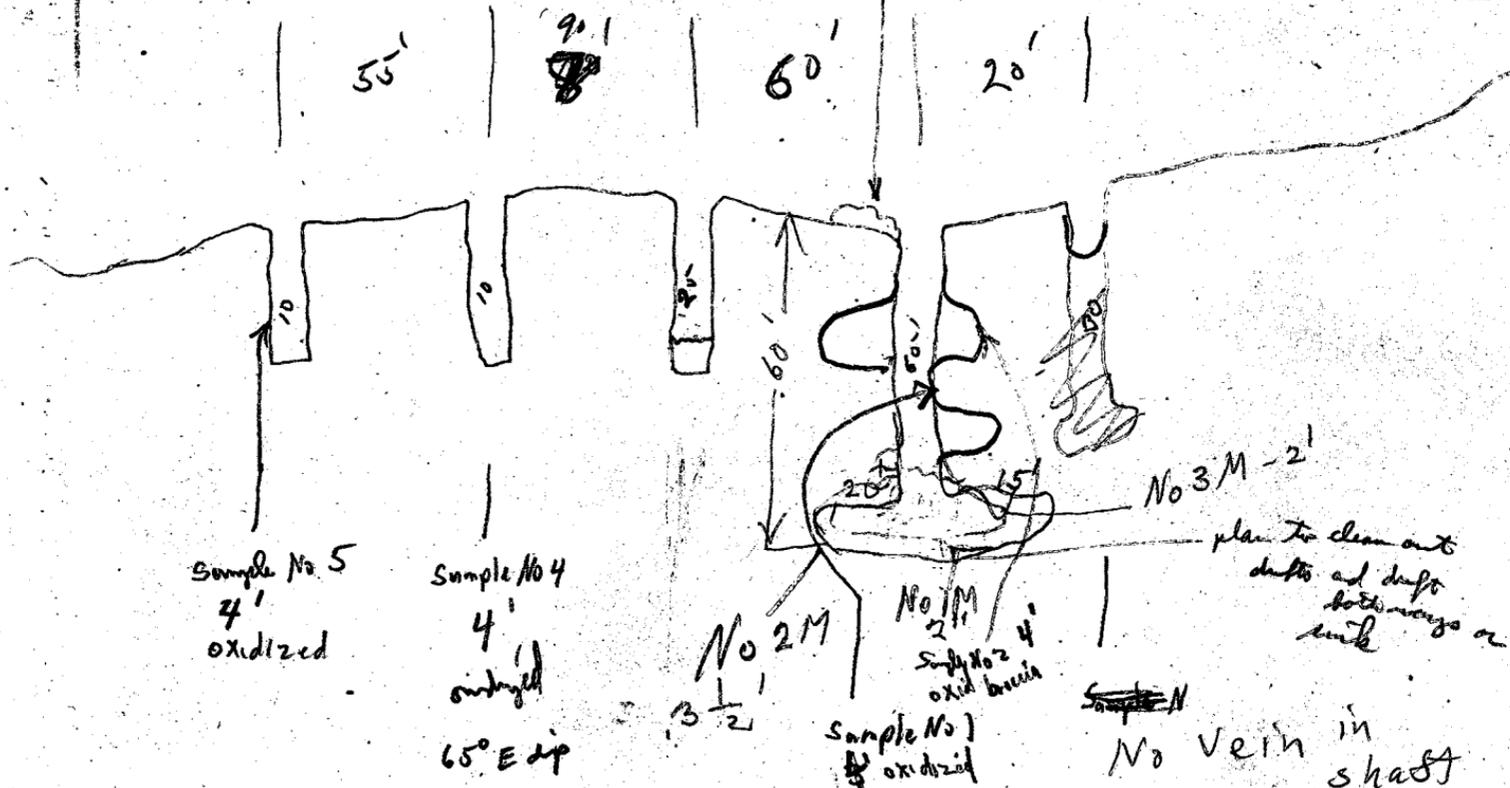
Wm R. Matthews

Dec 21, 22, 1942

Copper Bell

Dump 40 tons picked ore from shaft fill

→ N 28 E



On Sept 2, 1942 the applicant received an accessibility loan of \$1000 under Docket No CND-7573. Later on Nov 16, 1942 this loan was increased by \$2500. This money was spent on the Copper Bell Mine under to clean out a 60 foot shaft. The only equipment purchased was a small gasoline hoist altho the applicant wanted an elaborate hoist, frame and a small bunk house. This shaft should have been cleaned out for \$1000 instead of \$3500.

Docket No CND-7573
Date Authorization for Examination
Received - C Loan
Date of Examination
Dec 21, 22, 1942, Mar 25, 1943
Date of Report - April 9, 1943

3-7
1. Name + Address of Applicant

Name - Peter H. Lund
Address - P.O. Box 1925, Globe, Ariz
Correspondent - Same

2. Character of Project

To develop and build a smelter on a silver, copper, and lead property ^(ND 586) _(ND 7573)

3. Location of Mine - Copper Bell + Defiance Mines ^(ND 5123)

Township, range, section - Sec 3 + 10, T 11N, R 15E
G + S. P. B + M.

County + State - Globe Mining District, Pima Co., Ariz.

Name + distance by road nearest railway station -

The Southern Pacific Railway siding of Radium is one mile west of the mine.

Condition + seasonal accessibility of road, mine to railway - This graded dirt road should be accessible at all times of the year.

4. Applicant

D Mr. Lund the applicant is an elderly man who claims to have had considerable technical and practical experience in oil and mining. It is my information that he is ^{also} a promoter. His methods of sampling

and his statements in regard to costs and methods of mining lead me to believe that little dependence can be placed on his statements or conclusions. I do not believe he is reliable competent to operate a smelter.

5 Loan Requested

The applicant requests a loan of \$49,819.60

6 Description of Project

A General Features

The applicant has not included a copy of his lease altho it is possible that this instrument is on file in Washington with his C-ND-7573 loan application.

In order to clarify the exposition of the data involved in this report it is advisable to divide the project into its two component properties, the Copper Bell and the Defiance.

The Defiance Mine was examined on May 21, 1942 by Supervising Engineer C. A. Rockwood and a report written under Docket No. ND-5123. No loan was granted to develop the lead and vanadium ore found in this mine. This property forms a basis for this application which has been ~~pending~~ on file in the office since last December but was held in abeyance upon the request of the applicant until work was completed on the adjoining Copper Bell Claims. This engineer examined the Defiance Mine on Dec 21, 22, 1943. I concur with the report of C. A. Rockwood and do not believe the Defiance claim warrants a loan as most of the ore sampled by Rockwood in May 1942 has since been

mined by the owner of the mine so at the time of my visit to the 'DeFrance' mine there was practically no ore left, ~~exposed in the mine~~. As a source of vanadium the property has been turned down by the U.S. Vanadium Corp. and as a source of lead ore as shown by my maps and assays the property has been worked out and ~~again~~ a prospecting campaign would be necessary to disclose new lenses of ~~ore~~ galena ore.

The 'Copper Bell' mine consists of a number of small open cuts and one cased shaft that was reopened by the applicant. Neither the applicant nor this engineer could obtain samples that indicated the presence of shipping ^{copper-lead} ore. My map and assays show the conditions prevailing at this group of claims.

The applicant has submitted a number of elaborate and misleading maps. I have checked all of the underground workings shown on his maps and feel confident that ~~all~~ the estimates of ore tonnage and grade have no basis in fact. The applicant's method of computing positive and probable ore is to draw a longitudinal section along the plane of the vein and assume that all rock between levels is positive ore if exposed on three sides and all ~~ore~~ ^{rock} exposed on one side is probable. He does not recognize the fact that if the vein pinches out between levels or will not sample as commercial ore there is no actual mineable ore ^{exposed} ~~mined~~.

The applicant's method of determining the

grade of the "ore" shown on his maps is to sample high grade streaks and pockets of the richest ore in the mine and then assume a width and assume that all the "ore" shown on his map runs the same as his high grade samples. In sampling the dump I watched him pick only ore and ignore the pieces of waste.

I discussed the ^{ore} marketing conditions for the ~~ore~~ thoroughly with the applicant. He admits that the ore is too low grade to ship to a smelter, and the attached mill tests indicate that the ore cannot be milled ~~profitably~~ and concentrated profitably as the ore is very low grade and the percentage extraction not very high. I concur in these conclusions. As a last resort the applicant wishes to construct a "portable" smelter as he believes in that way he can ~~save~~ practically all of the metals in the ore. Such a smelter would cost \$9,300.00 and like ^{most} ~~all~~ ^{small} smelters would be of doubtful value.

I have not presented this as a regular report as I did not feel that the project warranted the time necessary to present all the data involved in such a report.

Comments of Supervising Engineer:

(4)

I do not feel that this project ~~and~~ justifies a loan as requested by the applicant for the following reasons:

1. The applicant does not seem competent to operate this project

2. The applicant demands that a smelter be constructed on the property in spite of the fact that the ~~successful~~ operation of a small smelter for low grade ore has not proven successful on other properties

3. The place samples of ^{both} the applicant and this engineer indicate that ~~any~~ commercial ore is not ^{now} exposed on this property

4. Part of the applicants property has been already examined for a loan and such a loan was denied

5. This project would require a large amount of critical material and scarce skilled labor in order to construct and operate a smelter

6. ~~The~~ The ore is complex and too low grade to support a profitable or continuous operation

7. The owner (not the applicant) has already mined and shipped to the smelter all available galena ore ~~from~~ in this mine

8. The geology does not indicate that prospecting for new ore bodies is justified

9. I do not believe the operation of this project would be of value to the War Effort

10. The applicants work under the present accessibility loan has ~~been~~ not been done in a miner-like manner and the cost of the work accomplished has been excessive

Wm B Mantel
Simp Eng

Dump Sample No 6
500 Tons

Definance

- oil raised
- Sullivan 8x6 1/2 compressor
- " " drill chaper
- oil furnace
- headframe
- 3- jackhammers
- 1- stoper
- 1- hoist house
- 1- conveyor house
- 1- 30 ton ore bin
- 1- lung house

No 7 Vanadium
in quartzite
750 tons

Dump Sample
No 8
500 Tons

ore with quartz fido
1 10 1/2 P. Conditine No 8 hoist

no ore

no ore
off stream

150' shaft

No ore!
this level
goes 220'
to NE in
sandstone
stoped above

stoped

Stope

100'

Stope

45'

185'

1st Level

70'

Stope

plan to
drift at

No 10-2' outcrop
" "

pick ore 6"

Stope

70'

Stope

no ore

plan to
drift ahead

plan to
connect
in shaft

145'

chased
ore

2nd level

50'

85'

20' slope

2.5'

No 9-1' siliceous
water

no ore

35'

35'

35'

35'

No. 324 Na

Phoenix, Arizona,

CHAS. A. DIEHL

Mar. 27, 1943.

ARIZONA ASSAY OFFICE

Phone 3-4001

815 North First Street

P. O. Box 1148

This Certificate That samples submitted for assay by

Mr. Wm. B. Maitland.

contain as follows per ton of 2000 lbs. Avoir.

No.	MARKS	Width	SILVER		VALUE (Oz.)	GOLD		VALUE (Oz.)	TOTAL VALUE Of Gold and Silver	PERCENTAGE			REMARKS
			Ounces	Tenths		Ounces	Hundths						
1M	GND 7573	2'		.4		Trace				.71	2.50	2.39	
2M		3 1/2'		.4		.03	\$1.05			.25	.30	1.40	
3M		2'		.5		Trace				.53	.81	1.40	

Charges \$ 13.50

Assayer ARIZONA ASSAY OFFICE

ARIZONA TESTING LABORATORIES

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

ASSAY CERTIFICATE

PHOENIX, ARIZONA December 26, 194 2

Mr. W. M. Hattland, Supervising Eng., 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

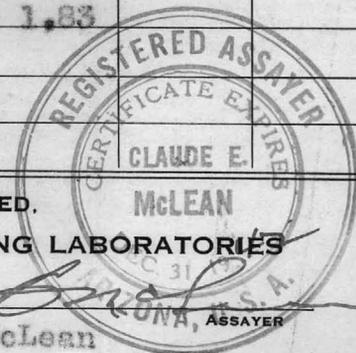
LAB. NO.	SAMPLE CND-7573	GOLD		SILVER		PERCENTAGES (V ₂ O ₅)		
		OZ. PER TON	VALUE	OZ. PER TON	VALUE	COPPER	LEAD	Vanadium
46062	#1	0.04	\$1.40	None	None	0.40%	1.63%	
46063	#2	0.02	0.70	None	None	0.50	1.15	
46064	#3	0.02	0.70	2.40	\$1.68	4.55	16.38	
46065	#4	0.01	0.35	None	None	0.10	0.75	
46066	#5	0.01	0.35	None	None	1.50	0.40	
46067	#6	0.12	4.20	None	None	1.55	3.60	
46068	#7							0.27%
46069	#8	0.06	2.10	1.20	0.84	2.70	14.00	
46070	#9	0.06	2.10	2.80	1.96	2.40	18.83	
46071	#10	0.04	1.40	1.20	0.84	0.50	1.83	

RESPECTFULLY SUBMITTED.

ARIZONA TESTING LABORATORIES

BY

Claude E. McLean
Claude E. McLean



CHARGES \$ 30.00

Small Custom mill

September 3, 1943

Mr. P. H. Lund
P. O. Box 1925
Globe, Arizona

Dear Mr. Lund:

I have just received a copy of the letter written to you by D. L. Bouse, District Manager for the Smaller War Plants Corporation. He also showed me the application you had submitted to Mr. L. W. Dalby, Regional Loan Agent, Smaller War Plants Corporation, Los Angeles.

The last time I talked with you regarding the custom mill I tried to impress upon you the fact that you have got to show a substantial tonnage of ore, either definitely blocked or reasonably in sight. A mere statement that you have this tonnage of ore does not carry any weight.

You should submit plans, assays and definite engineering data before a proposal such as yours will receive intensive consideration. The same will apply to any other properties which you figure would send ore to this custom mill.

To get assistance from the Smaller War Plants Corporation I believe you will have to submit detailed engineering data and if this is done you can get action. If your application just deals in generalities, I question whether or not they will go into the field and make the examinations required so as to permit them to pass sound judgment on the merits of your proposal.

I would like to see the Smaller War Plants Corporation take up some of these projects but we do want them to be sound and in order to be sound they must have engineering data to substantiate the representations made.

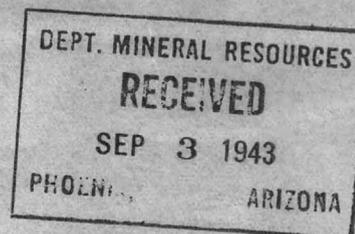
Yours very truly,

J. S. Coupal, Director

JSC:LF

CC: Mr. D. L. Bouse

September 2, 1943



Mr. P. H. Lund
Post Office Box 1925
Globe, Arizona

Dear Mr. Lund:

This office has just been advised by Mr. L. W. Dalby, our Regional Loan Agent, of your pending application for financial assistance. He stated that he has written you direct requesting operating figures to apply to schedule 19 of this application.

We note that you have indicated a stock pile of 5000 tons of ore upon which you have set a valuation of \$616,055.00. What basis did you use in arriving at this figure, what does the ore consist of and who made the examination? I notice the blue print attached shows potential ore reserve of the Independence Group mines is figured at 245,000 tons. Please furnish maps to justify this amount of ore blocked out.

We would like to know whether or not this Independence Group is a part of the old McDonald-Apache-Vanadium Group, and your proposed mill site location as respects to the Old Dominion mill site.

Finally, please advise us as to whether or not this application, as a whole or a part, has been presented to RFC so that we may check results of prior examinations. Has the Bureau of Mines made an examination?

Thanking you in advance for full and detailed reply to the points in question, and any other information which may have a bearing, I am,

Yours very truly,



D. L. Bouse
District Manager

DLB:es

P. S. In the event that a customs mill was put into operation, just how many and who are the present operators who would patronize your mill without they, themselves, having to be refinanced before they could produce? This might develop into an endless chain proposition.

cc: Mr. Dalby
Mr. Coupal

July 26, 1943

Mr. Kenneth W. Whitaker
Box 174
Globe, Arizona

Dear Mr. Whitaker:

I have today received the following memorandum from W. C. Broadgate, Assistant Director, in Washington:

"Subject: P. H. Lund, Custom Mill.

"You can tell Lund that WPB is asking the Bureau of Mines to make an investigation of the feasibility of this project.

"At the same time, there is great hesitancy in approving such a project unless Lund can prove labor readily available without interfering with other production."

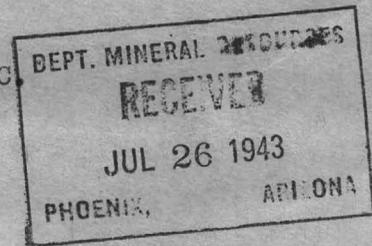
Yours very truly,

J. S. Coupal, Director

JSC:LP

CC: Mr. P. H. Lund

Washington, D.C.
July 23, 1943



SUBJECT: P. H. Lund
Custom Mill

You can tell Lund that WPB is asking the Bureau of Mines to make an investigation of the feasibility of this project.

At the same time, there is great hesitancy in approving such a project unless Lund can prove labor readily available without interfering with other production.

Bill Broadgate

Independence Group

July 19, 1943

Mr. P. H. Lund
P. O. Box 1925
Globe, Arizona

Dear Mr. Lund:

Many thanks for your letter of July 12 returning the questionnaire on the power survey.

Regarding the magnetite ore deposit, I would suggest that you write to George D. Ramsey, c/o Henry Kiser Inc., P. O. Box 217, Fontana, California.

Very truly yours

J. S. Coupal, Director

JSC:ach

P. H. LUND ENGINEERING CORPORATION

**MINING ENGINEERING AND PETROLEUM GEOLOGY
REPORTS ON OIL, GAS AND MINING PROJECTS**

SUPERVISORS OF MINING, OIL AND GAS FIELD DEVELOPMENT

~~MINNEAPOLIS, MINNESOTA~~

P. H. LUND, PRESIDENT
PETROLEUM GEOLOGIST
AND MINING ENGINEER

Globe, Arizona Office
P.O. Box 1925.

ASSOCIATED OFFICES AND
CORRESPONDENTS IN
PRINCIPAL MINING
CENTERS AND OIL AND
GAS PRODUCING
LOCALITIES

DEPT. MINERAL RESOURCES
RECEIVED
JUL 14 1943
PHOENIX ARIZONA

July 12, 1943.

Mr. J. S. Coupal
Department of Mineral Resources,
413 Home Builders Bldg.,
Phoenix, Arizona.

Dear Mr. Coupal:

Herewith find questionnaire form for electric power to be used on our mining properties and the proposed mill filled out as per your request of recent date.

Could you give us information as to where we might contact the mineral buying division of the Kiser interest? We want to submit a large magnetite iron deposit here in Arizona for their consideration of obtaining iron ore for their western plant.

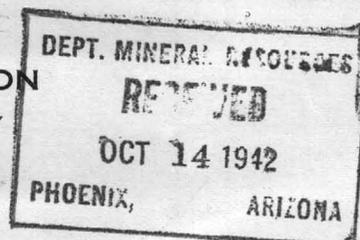
Yours very truly,

P. H. Lund
P. H. Lund,

*Sam pls note
COB*

*He is operating the "Independence" Group
address 1925 Globe.*

P. H. LUND ENGINEERING CORPORATION
MINING ENGINEERING AND PETROLEUM GEOLOGY
REPORTS ON OIL, GAS AND MINING PROJECTS
SUPERVISORS OF MINING, OIL AND GAS FIELD DEVELOPMENT



P. H. LUND, PRESIDENT
PETROLEUM GEOLOGIST
AND MINING ENGINEER

Globe, Arizona Office
P.O. Box 1925.

ASSOCIATED OFFICES AND
CORRESPONDENTS IN
PRINCIPAL MINING
CENTERS AND OIL AND
GAS PRODUCING
LOCALITIES

Handwritten initials, possibly "J.S.C." or similar, in dark ink.

October 10, 1942.

Mr. J. S. Coupal
413 Home Builders Bldg.,
Phoenix, Arizona.

Dear Mr. Coupal:

I haven't forgotten about the vanadium samples and will have some of the ore just as soon as I can have time to go out to the mine. I am very busy with development on the Copper Bell mine and short handed so I am not getting along as fast as I would like. However, we are making good progress but the work is slow on account of having to do so much timbering in the old shaft.

The Copper Bell mine is the one on which we obtained the RFC loan. We found some fine ore in the old shaft and have had assays as high as \$114.50 per ton.

We have completed about 36 feet of the old workings and have about 30 feet further to go. But as said, the going have been slow. The old shaft was caved near the surface 16 feet by 20 feet and all that space had to be timbered and back filled.

Called at your office a few days ago but you were out. Nothing of urgent important only a social call.

Yours very truly,

Handwritten signature of P. H. Lund in dark ink.

P. H. Lund,

September 30, 1942

Mr. P. H. Lund ✓
P. O. Box 1925
Globe, Arizona

Dear Mr. Lund:

I hope you have not forgotten about the vanadium samples or specimens you were going to send me.

I imagine you have been busy with the work on the preliminary development loan and would be glad to know of the results when you get the workings accessible.

With best wishes, I am

Yours very truly,

J. S. Coupal, Director

JSC:LP

August 6, 1942

Mr. Peter H. Lund
P. O. Box 1925
Globe, Arizona

Dear Mr. Lund:

Your application for a preliminary development loan on the Copper Bell Center Lode and Emily Claims has been submitted to this office for review. The evidence submitted is vague and indefinite and it seems to me as though additional information is necessary before a proper review can be submitted by me on this application.

Under Item A on appendix to Exhibit B you state that ore samples taken from the ore piles at the collar of the old shafts contain mineral values as follows. You furthermore state that these ore piles are still on the property and can be examined and tested at any time.

In this application you are asking the government to put up development money and I do believe your application can be substantiated and has a good chance of being approved if you could do the examination and testing of these ore piles and submit the results of your work as evidence to justify the loan.

I believe the tonnage of ore on the dumps could be very closely estimated by proper measurements, and the values in the dump could be determined by a very careful sampling of them. With the figures of the tonnage and assay on either of the dumps you could readily check the tonnage with the stated depths of the shaft and possible drifts and at least estimate the cubic content which had been excavated, and get a very good check on the reported four foot width of vein in the old workings stated by the owner.

I do believe that the asking of a loan to do this work justifies presenting all of the substantiating evidence and I do not feel as though your presentation covers this phase. Heresay evidence is of value when it is not possible to check it, and the suggestion above would in a general way check the statement as to the width of ore.

Mr. Peter H. Lund

-2-

August 6, 1942

I realize that the proper sampling from an engineering
viewpoint of the dump is rather difficult, but the obtaining of a
\$5,000 loan on a prospect is also difficult unless you submit all of
the possible substantiating evidence.

I will hold your application until I hear from you, and hope
that I may be advised that you will sample the dumps not by mere grab
samples, but by proper trenching or pits and let me know the results.
I will attach your statement to the application and can then be in
position to readily review the whole application and hope you get
quick action.

With best wishes and kindest regards, I am

Yours very truly,
J. S. Coupal, Director

JSC:LP

Dear Mr. Lund,
B. O. Box 1432
Mr. Peter H. Lund

August 6, 1942

August 5, 1942

Mr. P. H. Lund
P. O. Box 1925
Globe, Arizona

Dear Mr. Lund:

In reply to your letter of July 31 I note that on July 18 you made application for a preliminary development loan. The procedure in handling these preliminary loans has been modified and it will not be necessary to contact Mr. Broadgate regarding this.

The procedure is for Washington to refer these to the RFC office in Phoenix. They are then immediately referred to this office for review and we report direct to the RFC office here in Phoenix our comments, which in turn are forwarded to Washington and then receive final action. As soon as this application is received here I will see that it gets prompt attention.

I note that your application on the Apache Vanadium mine was rejected. I also know that there was some question by the representatives of the U. S. Vanadium Corporation on this same property and they believed that the profitable operation was somewhat questionable. Your two shipments may possibly prove that the ore can be handled at a profit and I would suggest that you take this matter up again with Mr. G. Donald Enigh, 68 East Congress Street, Tucson.

We have been definitely informed that the whole RFC mine loan program is being streamlined in Washington so as to get quicker action. Most of the delays on mine loan applications are due more to a lack of specific and accurate information on the mine loan application than to red tape and delays in Washington.

One must bear strictly in mind the fact that a mine loan application is a definite salesmanship talk and you must convince the man in Washington that such information and data is available and presented to justify the loan from a hard headed business viewpoint. I believe we will all find that there is much less delay if complete details are submitted with any application and from an engineering viewpoint I believe you will understand the need of complete reliable information in the same manner that a private individual who is at all mining minded would require all this information before making a decision to even authorize an examination.

With best wishes and kindest regards, I am

Yours very truly,

J. S. Coupal, Director

JSC:LP
CC: W. C. Broadgate

P. H. LUND ENGINEERING CORPORATION

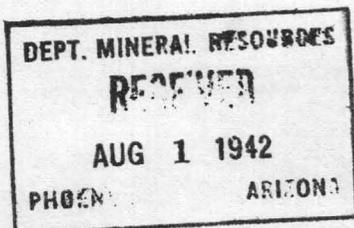
**MINING ENGINEERING AND PETROLEUM GEOLOGY
REPORTS ON OIL, GAS AND MINING PROJECTS**

SUPERVISORS OF MINING, OIL AND GAS FIELD DEVELOPMENT

Globe, Arizona Office
P. O. Box 1925.

P. H. LUND, PRESIDENT
PETROLEUM GEOLOGIST
AND MINING ENGINEER

ASSOCIATED OFFICES AND
CORRESPONDENTS IN
PRINCIPAL MINING
CENTERS AND OIL AND
GAS PRODUCING
LOCALITIES



July 31, 1942.

Mr. J. S. Coupal
Director, Arizona Department of Mineral Resources,
413 Home Builders Bldg.,
Phoenix, Arizona.

Dear Mr. Coupal:

On July 18th I forwarded application for a preliminary development loan to the Reconstruction Finance Corporation, 811 Vermont Ave., N.W. Washington, D. C. That application was made in accordance with Circular 14, Revised (June 1942) but to date have had no acknowledgment of it receipt by the R.F.C.

I would like very much for you to write our Washington Representative, Mr. W. C. Broadgate, and ask him if he will take the trouble to call the R.F.C. and find out if the application has been received and about how soon we could expect action on the loan if granted.

The property involved in this application is the Copper Bell Group, consisting of three patented mining claims. The location is about one mile northeasterly from Radium Siding, Gila County,

My mining loan application on the Apache Vanadium mine, Docket No. ND-5123 was rejected. Also my application for a development loan, Docket No. B-ND-4087, was rejected. In spite of the fact that we are shipping ore from the Vanadium mine that brings over \$2000.00 per car load, the last car brought over \$2500.00, at the El Paso Smelter, the loan was rejected on the grounds that the ore was too low grade to make mining profitable. The development loan covered a good prospect having plenty of ore in surface outcroppings but the R. F. C. didn't send an engineer to examine the property.

It seems that the small mine owner will have a pretty hard time getting financial relief from the R. F. C. in spite of the inducement the Corporation sets out in their circulars. Please have Mr. Broadgate find out why the small mine owners of Arizona can not receive prompt attention on loan applications. If the R.F.C. office

Mr. J. S. Coupal,

Page 2.

7/31/42.

is short of engineering help suggest that they employ more help.

There is many small mining properties in this locality that could be made to produce plenty of stratigic mineral if the R.F.C. would be a little more liberal in granting loans and act more expeditously in passing on applications.

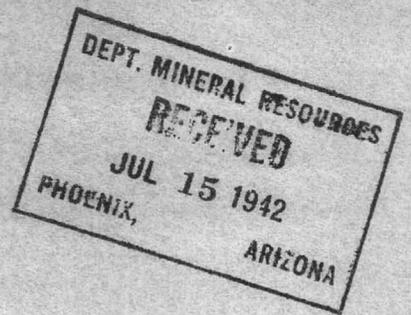
Thanking you for any curtisis you may care to extend to me in this matter, I am

Yours very truly,



P. H. Lund,

Washington, D.C.
July 13, 1942



SUBJECT: Mine Loan, Class B
P. H. Lund.

Notification will go out to Lund in the next couple of days on his B loan, and without it being official, I believe I can judge that it will be a turndown.

Bill
Bill Broadgate

Washington, D.C.
July 6, 1942

SUBJECT: Mine Loan
B, Lund Property

I am glad to note that you came to the same conclusion that I did regarding the Lund application for a General Mine Loan on his alleged vanadium property.

The Examining engineer was very gratified that we found the findings of the RFC mine loan department satisfactory in the case.

Regarding Lunds application for a development loan, it may be two weeks before the matter is finally decided. You will realize that all the applications must go before the Board for final action, regardless of what the situation may be.

As a matter of fact, I am afraid that there is nothing to this application either, although you may check it if you want.

I don't know what is the matter with this man Lund, but he writes some mighty screwy letters.

He certainly is in a hurry these days to complain that an application filed May 22nd has not been acted upon.

Will keep this in the active file and check in two weeks if you do not notify me that Lund already has heard from the RFC.

I am ~~hesitant~~ hesitant to push items that don't look so good for fear of weakening my case with those that may have real merit and need reasonable action. That is why the Culver case bothered me.

Bill
Bill Broadgate

July 3, 1942

MEMORANDUM

MINE LOAN
LUND PROPERTY

To: W. C. Broadgate

From: J. S. Coupal

I have received a letter dated July 1 from P. H. Lund stating that the application had been refused and that he "supposed there is nothing further we can do about it".

I have discussed the Apache Vanadium property with A. L. Flagg, representing the U. S. Vanadium Corporation in their present work on vanadium in Arizona and can see why the application was rejected. I have also visited the property and know the occurrence.

Lund writes as follows:

"However, I have an application filed with the RFC for a development loan under Docket No. B-ND-4087. That application was filed on May 22nd and we haven't heard from it since. I wish you would call Mr. Broadgate's attention to that and urge him to find out why so much delay with actions on that class of loans."

I do not know what development loan this refers to nor do I know the property. I do know, however, that Lund is very much of a promoter and probably does not stick straight to engineering figures which resulted in the 50,000 tons of ore which he stated being questionable.

I am enclosing a reply to Lund.

July 3, 1942

Mr. P. H. Lund
Terminal Hotel
Globe, Arizona

Dear Mr. Lund:

I have just received your letter of July 1 and also a letter from W. C. Broadgate in Washington stating that the application on the Apache Vanadium had been rejected.

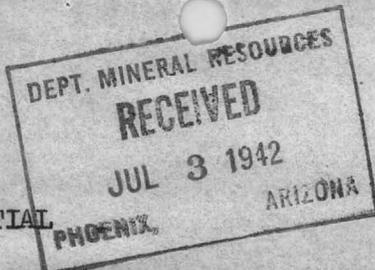
I have no further information on your application Docket No. B-ND-4087 but have called this to Mr. Broadgate's attention and will undoubtedly hear from him regarding it.

Yours very truly,

J. S. Coupal, Director

JSC:LP

CC: W. C. Broadgate



Washington, D.C.
July 2, 1942

CONFIDENTIAL

SUBJECT: Mine Loan,
Lund Property

The rejection of Lunds applications was mailed to him June 29th.

Please refer again to my memo re this matter dated June 25th.

I talked with the engineer who handled this case.

There is something very strange about the whole thing, ~~between~~ between verbal leases and other monkey business. As one might have expected from the fact that U.S. Vanadium turned it down, the property is found to be lacking in vanadium. We cannot give this out, but 0.2% is not a good enough showing.

On the Lund lead application, I understand that it was based on some highgrade showings which have been chlorided out as high-grade cobbed shipments from little streaks. Also, the 50,000 tons of calculated open ground does not show up as represented, in the vanadium end.

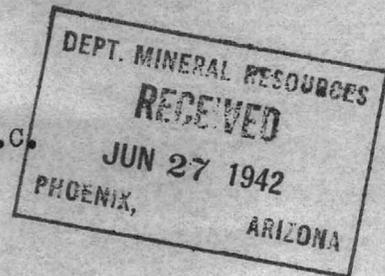
I do not believe we ought to do anything with this unless our engineer has very good reason to believe the R.F.C. and the U. S. Vanadium people are badly mistaken.

Information I received from the RFC is not to be quoted.

Should like your further comment.

Bill
W. C. Broadgate

Washington, D.C.
June 25, 1942



SUBJECT: Mine Loan
Lund Property

The copy of the letter to Lund arrived. You say you are forwarding a copy of Lund's letter to me. Was not enclosed.

Please don't send me the reports, maps, etc., on these cases, unless for some reason you think it advisable. Better, a digest made at your office, including, in marginal cases, an opinion from our engineer in the section involved, unless the reports are concise. Even then, I would only have what the RFC has, unless an opinion from our office to me, allows me to speak authoratively about the job, independently from the owners data, which may or may not be OK. You probably know that Lund was turned down flatly on the basis that his ore is not commercial, by the U.S. Vanadium people.

You may not know that he has been carrying on a long correspondence with Senator Hayden-on tires,-a job with the government,-protesting against his turndown. Lund claims that a private expenditure of \$30,000 spent on development exposed 50,000 tons of ore running from 2% to 17% V2O5. It seems strange U. S. Vanadium cannot find it. He also states that \$7.00 per ton will be his costs. It is for such reasons that I want the opinion of the Department, which then becomes my opinion, to quote. There is no point in saying Lund (or his application) says this or that. They know that already. But if I can say "we believe this should be reopened for the following reasons, your men must have been mistaken, or conditions have changed", we stand a real chance of getting these cases reopened where there is merit.

I have covered this in a former report.

Bill
Bill Broadgate

(1944)

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine 'Defiance Lead Mine Date February 23, 1945
District Globe Mining District Engineer Earl F. Hastings
Subject: R.F.C. Mine Loan

Docket No. C-290
Date Application Received February 19, 1945
Date of Field Examination (Macfarlane) August 16, 1944
Date of Report February 23, 1945

1. Name and address of applicant (correspondent):
Henry B. Morton and Frank E. Chisum, 140 South Devereaux Street, Globe, Arizona.
2. Character of project and estimated cost thereof:
Install pump to unwater second level (150 ft. level) and maintain water level below station, minor shaft repairs and timbering. \$1500.00.
3. Location of property:
Globe Mining District, Gila County, Arizona, 1-1/4 miles east of railroad siding of Radium.
4. Applicant's interest in or ownership of property:
Applicants hold lease and option to purchase. Total purchase price is \$35,000.00 payable at 12-1/2% of value of ores mined after deducting the cost of hauling and freight from net smelter returns.
5. Loan requested:
\$1,500.00.
6. Loan recommended:
None.
7. Comments:
 - (A) Practically all commercial ore in the levels available for examination has been removed.
 - (B) The ore bodies have been irregular as to width, metallic content and continuity. While high grade lead ore has been mined in the past, the ratio of produced tonnage to amount of development is not in a favorable ratio.
 - (C) Future operation is predicated upon 4 samples. Assay certificate attached covers samples taken by the applicants in 2 winzes below the first level in shaft No. 1. These assays indicate ore of mineable width and of commercial value, although they do emphasize the irregularities above stated.

The 4th sample is alleged to represent 4 feet of vein material in a cross cut on the 150 foot level, now under water. The content of this ore is stated in the affidavits of Frank E. Chisum and Ralph Castaneda. The first affiant refers to this sample as having been cut by himself while the second affiant received his information verbally from Mr. McDonald;

now deceased, the former owner of the mine. The presence of ore at this point is thus not definitely substantiated.

- (D) Assuming ore between the first and second levels north of No. 1 shaft, there is still doubt as to the economic feasibility of extraction. Some 400 tons could exist in the block, although deposition habits might limit this estimate. The returns from this ore would not cover extraction costs, royalty, loan liquidation, and reserve for development. Following extraction considerable further development would be required and more funds need be found for the purpose.
- (E) It is concluded that the maximum quantity of metal to be gained in the area in question and the future prospects of the property are insufficient for the risk involved. This loan cannot, therefore, be recommended.

ARIZONA DEPARTMENT OF MINERAL RESOURCES

Earl F. Hastings, Projects Engineer

RECONSTRUCTION FINANCE CORPORATION
MINING SECTION
PROGRESS REPORT

Defiance R.

Borrower: Frank E. Chisum
Docket No: ND-8762
Date of Visit: July 8 & 22, 1947
Date of Report: July 24, 1947

I made a visit to Borrower in the afternoon of July 8, 1947, but had been unable to write the report due to making a trip to Kingman on "End Production". On returning, I read in the Phoenix paper of July 19 that the Borrower was killed in an automobile accident. Monday, July 21, his nephew, Mr. M. A. Burke, called the office and subsequently Mr. Gohring sent me to Globe on July 22.

Attached to this report is a map of the mine as of July 8, 1947. Mr. Chisum had run out of ore and was preparing Shaft No. 2 to mine some old fill by moving it down a raise to the 150 foot level where it could be hoisted. He had crosscut in two places to pick up the faulted segment of ore on which he was mining on the 50 level. He was unsuccessful in finding any ore. An examination of the 150 foot level revealed that ore was not present in commercial amounts. Merely a fault fissure was noted cutting the quartzites.

On the 50 foot level, where the Borrower had been mining all his ore, another fault cut off the ore.

Borrower told me he shipped another car on June 30, 1947, returns of which have not been received.

My trip to Globe on July 22, 1947, was to ascertain if any money was in his account at Globe, and to see that the mine was closed. I contacted the bank and found that the money which Mr. Chisum obtained by withdrawals from the Phoenix bank was placed in his personal account and that there was only \$212.00 left. I contacted Mr. M. A. Burke, the Borrower's nephew, and he told me he paid off all the men from his own personal funds and would have to pay for any outstanding bills against the property. He also did not know how many checks there were outstanding against the account.

The only equipment the RFC has on the property is a compressor which Mr. Chisum moved from Docket No. 8462.

A final liquidation report will be prepared when the final returns are accounted for on the shipment now at the smelter, plus silver and premium payments and the sale of the compressor. All this will probably amount to over \$3000.00.

CHARLES A. RASOR
Supervising Engineer

CAR:gnk

Attachment:
Maps

RECONSTRUCTION FINANCE CORPORATION
MINING SECTION
PROGRESS REPORT OF SUPERVISING ENGINEER

Borrower: Frank E. Chisum
Docket No: ND-8762
Date of Visit: May 5, 1947
Date of Report: May 9, 1947

Borrower's Withdrawal Request No. 7, of April 29, was for \$1200.00, which again has practically exhausted the funds. However, the borrower has a car of ore at the smelter which he thinks will assay around 30 percent lead. Based on previous estimates and actual returns, the ore will probably assay around 20 percent lead with the usual gold and silver values.

The borrower was preparing to drift ahead on the ore and was also planning to unwater the shaft with part of the exploration premium which he gets on his lead ore. Water is only about 4 feet up in the drift on the 150 foot level and he estimates that approximately \$150.00 will unwater the drift. Then by crosscutting over 15 feet the faulted segment of the vein will be found and much additional ore will be found.

Only two men were working at the time of the visit.

CHARLES A. RASOR
Supervising Engineer

CAR:gmk

RECONSTRUCTION FINANCE CORPORATION
MINING DIVISION
PROGRESS REPORT

Borrower: Frank E. Chisum
Docket No: ND-8762
Date of Examination: October 21, 1946
Date of Report: November 6, 1946

Borrower's Withdrawal Request No. 4 was for \$800 which practically exhausted his funds. Before approving this withdrawal, it was thought best that an examination should be made in order to determine whether or not the progress made would warrant approving that amount.

The Borrower was at work with two Mexican miners stoping out the vein. Borrower had progressed laterally along the drift only 5 feet; but had practically stoped to the drift level. (See Engineer Brown's Longitudinal Section.) The waste was being used to fill up this stoppe to drift level so that track could be laid and drift pushed forward.

Borrower showed me two bills of lading on cars of ore shipped to the smelter. One was sent out on October 7, 1946, and the other on October 17, 1946. At that time we had not received any word from the smelter.

Recently we have received returns on the first car shipped. It contained 50 tons and assayed .2675 ounces gold, 2.15 ounces silver, 16 percent lead and .79 percent copper. Net paid to the Borrower was \$852.76. Premiums will amount to almost \$600.00. Borrower's next car may not assay as high as this one in lead.

Borrower intended to have another car ready for shipment by November 1, 1946. The Borrower made the mistake in the beginning of the operation of having too many men, and in operating two shifts. He used up \$3500.00 quickly and had nothing to show for it. It is believed that he realizes now that he can get more done with two men.

Three samples were taken to indicate what may be expected on further drifting and stoping.

Sample No. 1 was taken in the face of the stoppe. A cut across 12 inches assays .28 ounces gold, 2.5 ounces silver and 49.16 percent lead.

Sample No. 2 was cut from the roof, 10 feet back from the face, across 20 inches. It assays .42 ounces gold, 1.4 ounces silver, and 20.67 percent lead.

Sample No. 3 was cut in the roof, 10 feet from No. 2, across 14 inches. It assays .14 ounces gold, 3.4 ounces silver and 19.58 percent lead.

These samples indicate that Borrower should develop some more very good ore. Based on what he has done to date, it is likely he will be given due consideration on all future withdrawals.

CHARLES A. RASOR
Supervising Engineer

CAR:gnk
Attachment:
Assay Certificate

Nov 1, 1946

Frank E. Chisum

P.O. Box 1453

Islet Arizona

Re. Frank E. Chisum

Order No ND-8762

The returns from your first shipment have arrived and we are pleased with them. However, the lead did not come up to your expectations.

It appears that your A + B premium are only 3.75 cents whereas they should be 6.5 cents. You know the A premium is only 1 cent now, the B is 2.75 cents but by applying for a spent B premium of 2.75 cents you could increase your net returns.

I am enclosing a copy of the assays on the samples which I took. You know where they were taken - also, I am enclosing your receipts that you submitted with your last withdrawal.

I hope you are getting out that way all.

Best of luck

Yours very truly
Charles A. Ross
C.A.

1800
900
1050

3750

94
8

102

59097
58958

139

66
58

8

90
42

138

59360
9131

229

285
95

381

245
9

254

52
285

3

537

139
227

3

4 1/2 days

3 1/4
1 1/4

368

Chusini *Lifime*

PRODUCTION REPORT

Field Office
Date

Period covered
From to

Project	Docket No.	Name Smelter or Mill	Ship-ment Lot No.	Dry tons shipped (ore or conc.)	Settlement Assay					Net pay. less Frt & treat-ment	M.R.C. bonus	Total Payment	Metal Content					Are more Shipments Expected?
					Au	Ag	Pb	Cu	Zn				Ozs.Au	Ozs.Ag	lbs.Pb	lbs.Cu	lbs.Zn	
1	ND-8762	as R	2074	49.9655	.2675	3.15	160	.79	3.9	852.76		13.366	107.4	15989	789			
2	10-17-46		2183	40.6775	.16	1.7	8.9	.60	.6	252.48		6.508	69.2	7241	488			
3	11-25-46		2527	42.838	.22	2.7	16.7	.90	3.0	1115.50	169.67	9.424	115.7	14308	771			
4	3-18-47		709	49.5105	.13	1.5	11.5	.30	2.3	795.99	129.82	6.436	74.3	11387	—			
5	4-23-47		1075	45.4705	.40	4.4	27.0	.77		1891.56								
6	6-10-47		1573	50.748														
7																		
8																		
9																		
10																		
11																		

Note: Pertinent remarks concerning any project may be made on the reverse side and identified by referring to line number.

Signed:

Supervising Engineer

RECONSTRUCTION FINANCE CORPORATION
MINING SECTION
PROGRESS REPORT

Borrower:	Frank E. Chisum
Docket No.	ND-8762
Date of Examination:	August 14, 1946
Date of Report:	August 23, 1946

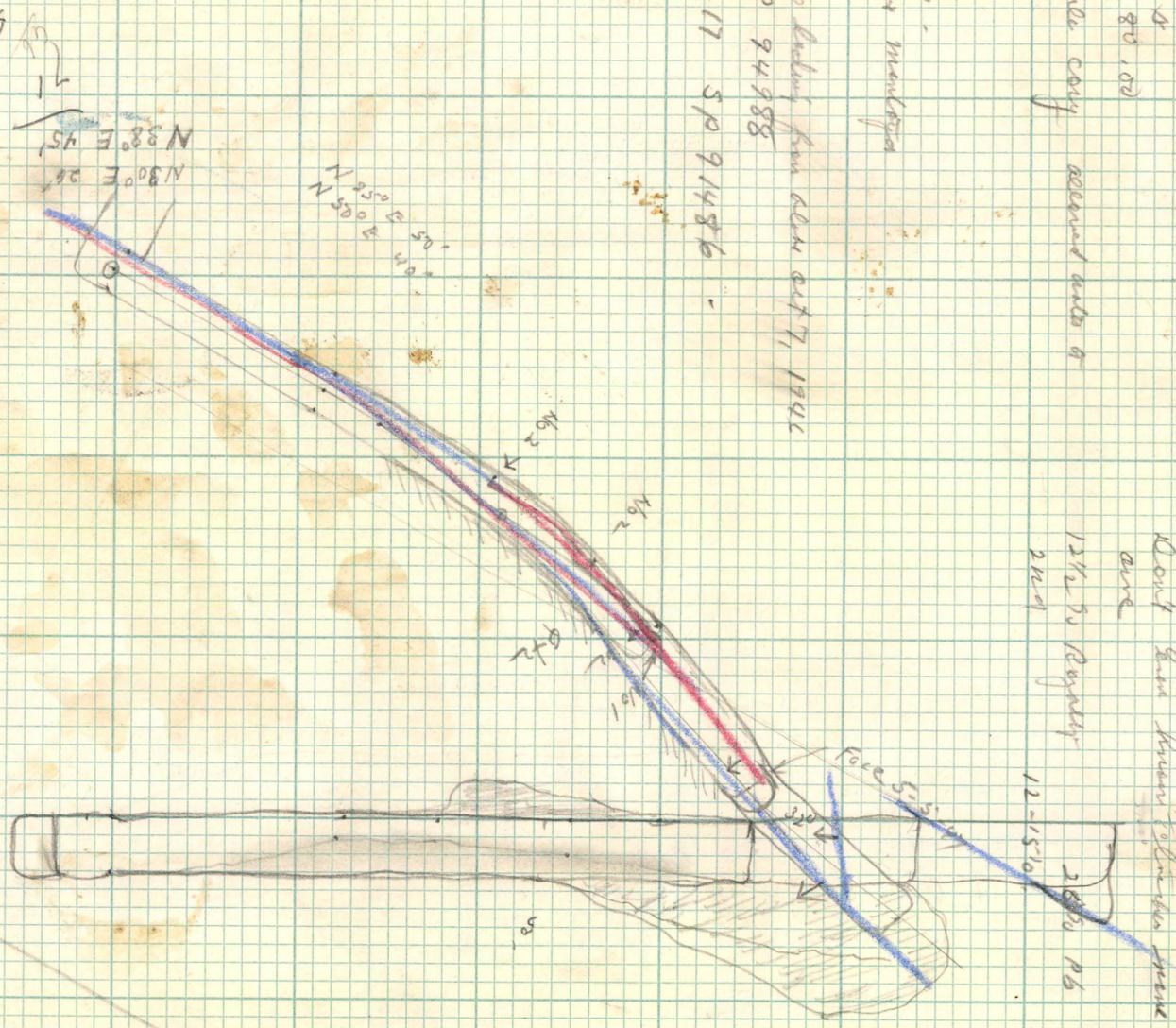
The above docketed project was visited during the afternoon of August 14. One other person and the Borrower were working underground. In two weeks, since Supervising Engineer, Walter F. Brown, had visited the property, the Borrower had progressed only 7 feet in the drift which he was driving. Although lead carbonate could be seen in a small lense back from the face, no ore of that character was visible in the face. However, there was considerable material on the hanging wall that consisted of abundant crystal of vanadinite and descloizite which the Borrower does not consider as ore.

Borrower gave no reason for his slowness in pushing the project. He seems confident that he will get some ore and start shipments. The odds seem much against him.

CAR
CHARLES A. RASOR
Supervising Engineer

CAR:el

Frank Chisum
 Oct 21, 1946
 Scale 1" = 20'



Perford Motor
 Union Steam Pump Co
 4875
 Our 80.00
 Charles Cary received into a

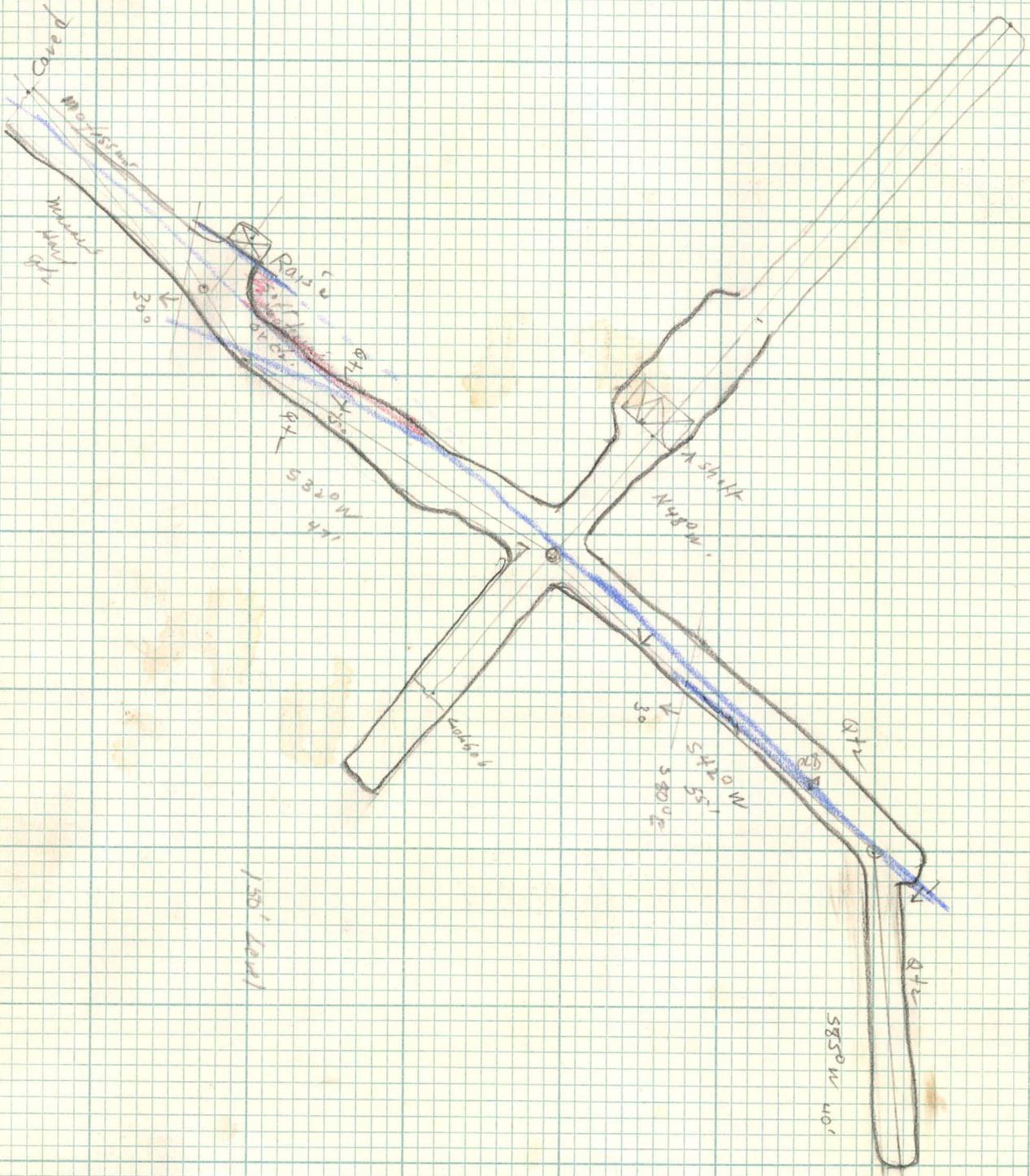
Receipt of company
 own in August 80.00
 Making of our 85.00
 Don't seem known for the price.

12/25 Report
 2000 75
 12-15-10

gully -
 slow movement

road looking from NW Oct 7, 1946
 SP 94988
 Oct 17 SP 94986

Some today dipping and section dip of 18 degrees, an can be 94988 and
 can easily find an, 2 dead spruce stands, mainly 4 - marks the survey -
 outlet cory, 13 p. 6, Kennedy part of private to the valley, marked
 Bank show, out 4 K Cuddy & P.P.C. stream no 8712



150' (100')

385' (200')

Funk & Schwan
 1" = 20'
 July 8, 1947