



CONTACT INFORMATION
Mining Records Curator
Arizona Geological Survey
416 W. Congress St., Suite 100
Tucson, Arizona 85701
520-770-3500
<http://www.azgs.az.gov>
inquiries@azgs.az.gov

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325 Heard Building
Phoenix, Arizona
February 1, 1944

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

Re: Dungan Tungsten Mine - Docket No. MD-5930

I enclose the original and one copy of my report covering the examination of applicant's tungsten property and request for a loan of \$20,000. There is also enclosed the applicant's original copy of application and the following exhibits as supporting data:

Three pages of Exhibit A
Exhibit A 2 (b)-Power of Attorney Affidavit
Exhibit A 3 (b)-Copy of Judgment
Exhibit A 5 (a) (b) (c) A 6 (a) (c) - Abstract
Exhibit A 5 (a) (b) (c) A 6 (a) (c) - Amended
Locations
Exhibit A 5 (a) (b) - Santa Fe Lease
Exhibit A 6 (a) A 8 - History of Property
Exhibit A 6, A 7, A 8 - Maps
Exhibit A 8 (b) - Assays & Sample Maps
Exhibit A 8 (c) - Metallurgical Report
Exhibit A 10 - Elgin B. Holt Report
Exhibit A 11 - Purpose of Loan
Exhibit B
Exhibit B 1 - Shipment Returns - Report
Exhibit B 4
Exhibit B 8 - Applicant's Attorney's Opinion

CAR
CHARLES A. RASON
Supervising Engineer

CAR:dem
Enclosures -
as listed above

RECONSTRUCTION FINANCE CORPORATION
MINING DIVISION
REPORT OF SUPERVISING ENGINEER

Docket No. - MD-5930
Dungan Tungsten Mine
Date Author. Rec'd - Jan. 17, 1944
Date of Examination - Jan. 21, 1944
Date of Report - Jan. 29, 1944

1. NAME AND ADDRESS OF APPLICANT

Dungan Tungsten Mine
P. O. Box 522
Kingman, Arizona

Correspondent

J. H. Dungan
P. O. Box 522
Kingman, Arizona

2. CHARACTER OF PROJECT

To develop and mine tungsten ores by sinking shafts and drifting.

3. LOCATION OF MINE

In Section 29
Township 14-N
Range 12-W
Greenwood Mining District
Mohave County, Arizona

The nearest railway station to property is Yucca, Arizona, approximately 51 miles to the northwest.

A dirt road leads from Yucca to the Leva's Ranch via Signal, Arizona, and is maintained by the county once or twice a year. Between Signal and the Leva's Ranch, the road crosses the Big Sandy River three times. During rain storms, the river cannot be crossed. From the Leva's Ranch a road leads 2.3 miles to the property.

4. APPLICANT

Very little is known about the applicant. Mr. Dungan appears to be the suave promoter type of individual and at present he is the owner of the Spic and Span Cleaners, Kingman, Arizona, and Dungan Tungsten Mine. He apparently knows little about mining.

George Smith is his superintendent. He, also, has had experience with promotional operations, namely, Valdasia Gold Mining Corp. This outfit was placed out of business when its President, Patrick Henry and friend Ezra Gull, former Securities Commissioner of Utah were convicted in Federal Court and sentenced to the Penitentiary.

5. LOAN REQUESTED

\$20,000 - None recommended.

6. DESCRIPTION OF PROJECT

A. General Features

1. No mine workings, mill or other necessary appurtenances which are not confined within applicant's ownership.
2. Project would comply with State compensation or safety-first statutes.
3. No legal discrepancies not covered.
4. Right-of-way facilities are impeded by three fordings of the Sandy River and three range gates to open.
5. No likelihood of surface or sub-surface trespass.

B. Existing Development

- a. The property is a raw prospect with two surface cuts and a cross-cut tunnel 1 1/2 feet long. The two surface cuts were made during the last war and have not been rehabilitated by the applicant. Applicant has been driving a crosscut tunnel to get under the 15 foot shaft and open cut on the 'Lost Mine No. 2 claim. One of the surface cuts, which is on the Santa Fe Lease is about 50 feet long and filled with surface debris. Only one place could be sampled. The other surface cut is about 15 feet deep with a crosscut 10 feet long and a drift 30 feet long (see map). Three samples were taken.

b. Sampling

Applicant submits some assay data in Exhibit A 8 (b). Assay data are similar in grade to that obtained by your engineer. It shows that the values are limited in width and extent.

Sample No. 178 was taken across 15 inches near the face of the 30 foot drift and 15 feet under the surface. Assay gave .02% WO_3 which definitely shows the eastward limit of the ore.

Sample No. 179 across 2 1/4" of vein in floor gave 2.18% WO_3 .

Sample No. 180 was taken in roof across 18 inches of vein material and midway between Samples 178 and 179. Assay value 4.25% WO_3 . Applicant shows value along here of 10.13% WO_3 .

Sample No. 181 was taken in a surface cut 3 feet by 4 feet across 18 inches. Assay gave 9.77% WO_3 . Both scheelite and wolframite were noted.

Sample No. 182 was taken in old surface cut on Santa Fe property across 36 inch exposure. Assay gave 3.43% WO_3 .

Although these samples assay high in tungsten, the extent is too limited for serious consideration.

- c. All openings were accessible, but the vein was covered by surface debris on the Santa Fe property and could not be sampled continuously.

d. General features of deposit, ore distribution

The area, in which this ore deposit occurs, has been described by Eldred D. Wilson, Geologist for the Arizona Bureau of Mine and Geology, in Bulletin No. 148. Although the amount of data are scant, it is noted that the deposits are prospects and only a small amount of information could be ascertained. Wilson states:

"On these claims a glassy quartz vein 1 to 1.5 feet wide strikes S. 83° W., dips 60° N, and is traceable intermittently for a length of some 600 feet. Locally, at least, it strikes and dips conformably with the gneiss and has been offset minor amounts by faulting.

"The principal development consists of a shallow pit with a 30-foot adit. As shown by these workings, the vein contains irregular disseminations and bunches of wolframite and straw-colored scheelite, together with sparse fine-grained chalcopyrite. Near the surface iron and copper stains are locally abundant.

"According to Mr. Madril, these workings yielded a few hundred pounds of tungsten ore during the World War and again in 1937."

About the nearby Santa Fe Railway ground, Wilson says:

"About 1/8 mile west of the Levas-Madril claims..... are two claims leased by Frank Olea from the Santa Fe Railway.

"Here a glassy quartz vein 1 to 2-1/2 feet wide strikes S. 20° E and dips 45° to 60° NE. It has been mined by an open cut to depths of 5 to 20 feet for a length of some 60 feet. Like the Levas-Madril vein it contains irregular disseminations and masses of wolframite and scheelite and some fine-grained chalcopyrite. Much iron and some copper stain appears near the surface."

Except for the 142 foot crosscut adit, which the applicant has driven, there is nothing new of interest. Examination of the crosscut adit revealed only the barren granite. A few samples were taken from the open cuts where the vein was exposed to indicate the strength of mineralization and outline the vein. However, examination of the surface between open cuts did not reveal a continuous vein. On the contrary, the examination revealed that the vein did not extend beyond the places opened.

Rocks of the area are prevailing granitic and gneissic with dikes of pegmatite and aplite. Locally, the quartz-wolframite veins parallel the strike of the jointing in the granite and are lenticular in shape.

Originally the small amount of ore shipped consisted of wolframite for a few fragments remained in the dump rocks, but the present operators intend to mine the scheelite which was not previously recognized. By resorting the dump rocks with a mineral-light lamp, the applicant shipped a ton of material to E. Farnstrom and Co. of Tucson, Arizona. Milling of this ore resulted in a recovery of 152 pounds of concentrate assaying 60.1% WO₃. Thus the ore mined from a vein less than two feet thick averaged 4.56% WO₃.

A point to consider is whether or not the scheelite is primary or an oxidation product of the wolframite. As there were no yellow stains indicating tungstite, it is assumed that the wolframite on oxidizing released the tungsten to form the scheelite. If such is the case, the scheelite will not extend far beneath the surface cuts and will not be exposed by shafts or long crosscuts. Previous experience of loans granted on similar occurrences has been discouraging.

C. Proposed Development

Applicant proposes to sink two 100 foot shafts and drift 100 feet both directions at bottom of each shaft.

D. Equipment

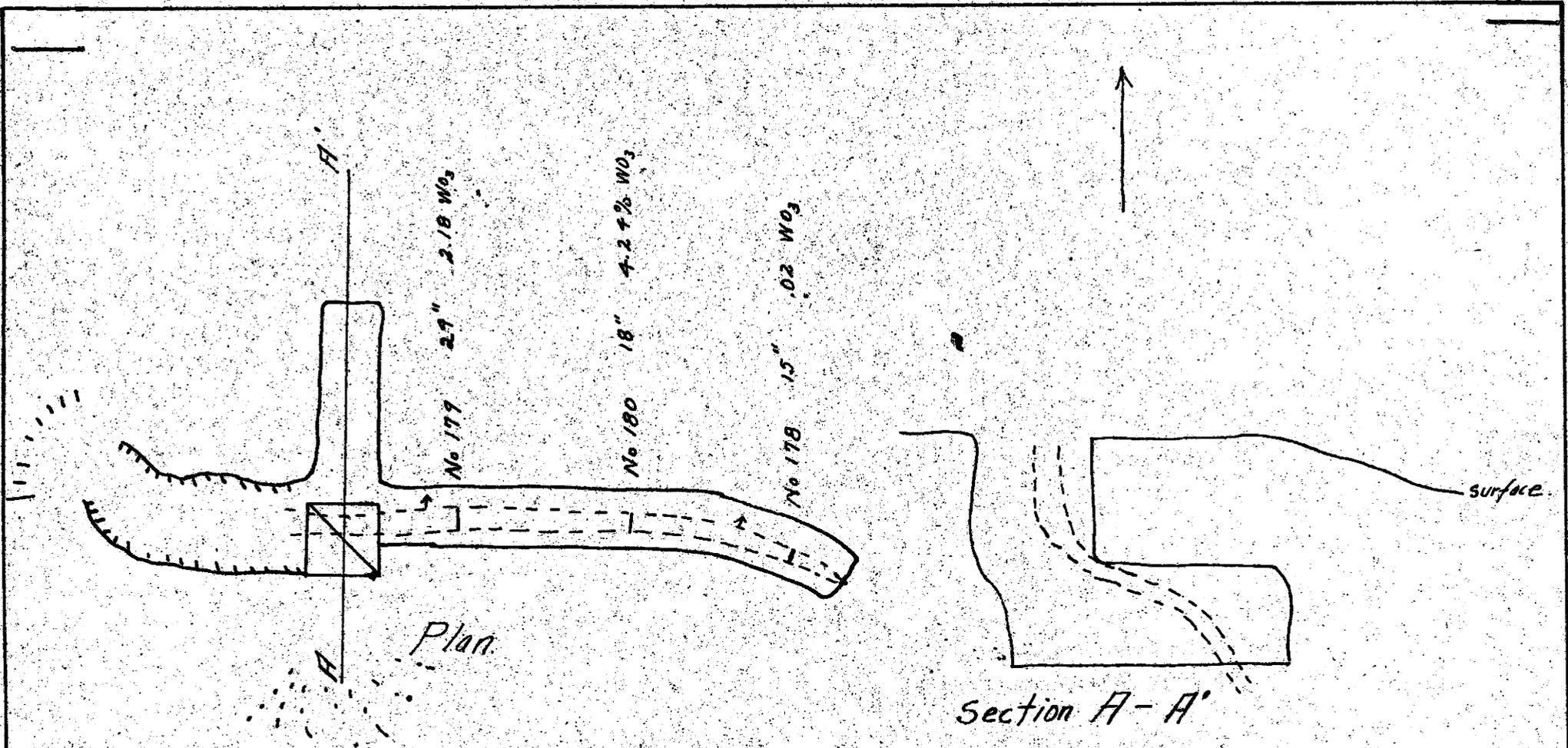
Applicant has no equipment for a sustained mining operation.

COMMENTS OF SUPERVISING ENGINEER

The high grade assay of the ton sample of dump material sent to Fernstrom of Tucson, and the high assays of the samples taken from the cuts, does not indicate an extensive deposit of tungsten ore or that its general characteristics are most pleasing. The facts to be considered are as follows:

1. Tungsten mineral originally mined apparently was wolframite, but there were no exposures presently showing.
2. Tungsten mineral under consideration by applicant is scheelite previously overlooked.
3. Width of quartz vein proposed for development is less than two feet in thickness and of unknown extent. However, the examination did not reveal the vein extending beyond the open cuts.
4. If the scheelite is an oxidation product of wolframite, vertical extent of the ore is limited and, therefore, of little value.
5. Accessibility of the deposit, even if large in extent, is discouraging. The deposit is located in an isolated section of the State, and would be completely isolated during rain storms for the Big Sandy River would be impossible of fording.
6. The applicant knows very little about mining, except possibly mining the public. Please note Exhibit A § (e) for the opinion of W.L. Cummings, regarding columbite and the newspaper clipping regarding the same element. This is the type of material that the gullible public likes to read and invest money.

All the data point to the property as a prospect and under circular No. 14, revised January 1943, loans are not made for prospecting. The property has not produced any large amount of tungsten and under the proposed plan of development cannot be expected to increase its total production very much. Measured in the amount of ore to be recovered and the cost of labor and materials to equip this property in a desolate region, this project does not appear advantageous to the national defense and not worthy of a loan. Therefore, I do not recommend a loan be granted.



No 181 18" 9.77% WO₃ Open pit 300' east of this shaft
 No 182 36" 3.43% WO₃ open cut 1/4 mile west on Smith's ground.

Dungan Tungsten Mine
 Docket No ND-5930
 Scale 1" = 10' Jan 21, 1944
 Charles A. Run
 Levas - Madrid claims

No. 257 Ra

Phoenix, Arizona,

CHAS. A. DIEHL

Jan. 24, 1944.

ARIZONA ASSAY OFFICE

Phone 3-4001

815 North First Street

P. O. Box 1148

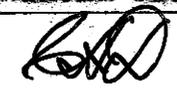
This Certifies That samples submitted for assay by **Dr. G.A. Rasor.**

contain as follows per ton of 2000 lbs. Avoir.

DUNBAR & ASSOCIATES No.	MARKS Width	SILVER		GOLD		TOTAL VALUE Of Gold and Silver	PERCENTAGE			REMARKS										
		Ounces	Tenths	Value (Oz.)	Ounces		Humdths	Value (Oz.)	Wt Oz											
178	15"																			
179	24"																			
180	18"																			
181	18"																			
182	36"																			

Charges \$ 15.00

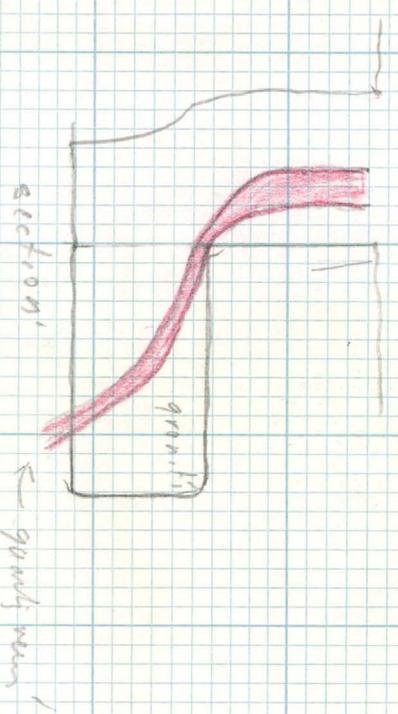
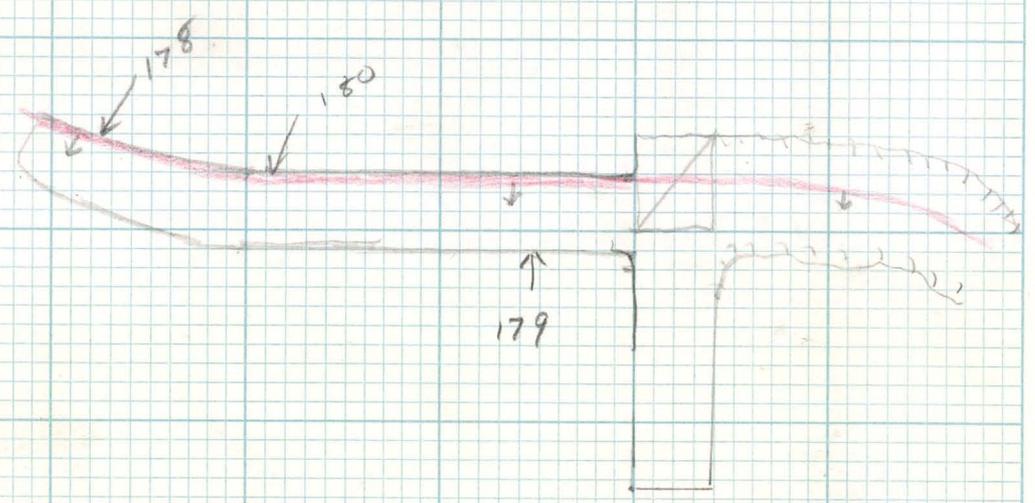
Assayer ARIZONA ASSAY OFFICE



on ridge - ground mark

9 ft. also not ground on surface - mark along cut slope.
 these marks average .55 elevation, 100 yds
 Nov 182

Open cut 2' foot long 2' cent - find dip point after some work - especially plain where
 ground was deep and cut 25' present part 11 deep 30' east



East of Greenwood Park
 ground? Brown creek & big sandy

Dungan & Associates
 Jan 21, 1944

Scale 1" = 20'

Early topography 800
 No. 2 watermarks were for
 100' on dump low level
 2 watermarks were
 especially marked on
 tiny surveying
 reduced in 1944

watermark - reduced
 ground mark
 watermarks are to
 mark ground brown
 and red which is
 in the old
 red line
 to accuracy
 ground mark
 probably