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Ed Leo Jungsten

RECONSTRUCTION FINANCE CORPORATION

MINING DIVISION

SUPPLEMENTAL REPORT OF SUPERVISING ENGINEER

Docket No. B-ND-3860
Paul J. & H. Grady Harrison
Payson, Arizona

The borrowers have expended practically all of the \$20,000.00 loan which was granted the project and work was suspended on March 31.

Mr. Paul Harrison, representing the borrowers, has submitted an application for an additional loan in the sum of \$27,000.00 for the purpose of further developing the property and the construction of a mill. The loan application with accompanying letter, is enclosed herewith, as well as a statement by Mr. Harrison covering the financial status of the project as of April 26, 1943 and an Inventory of equipment, tools and supplies now at the property.

An expenditure of \$19,745.41 has accomplished some 440 lineal feet of underground work, together with a small amount of surface cutting. Distribution of expenditure has been roughly as follows:-

Camp	\$ 330.00	
Machinery	3850.00	
Supplies and misc.equip.	6585.00	
Payroll.	7062.64	
General (int. taxes, etc.). . .	<u>1917.77</u>	
		\$19,745.41
Balance on hand, April 26, 1943		<u>254.59</u>
		\$20,000.00

Following is a review of the situation to date, with comments on the new loan application.

The property is in a difficult-of-access location, near the top of a large mountain mass (Four Peak Mountain) and progress of the work has been handicapped throughout by the problem of transportation. It was necessary to establish a camp on the mountain at the end of a steep road which connects with the Apache Trail Highway at the base of the mountain, four (4) miles below the camp. From this camp, known as the "lower camp," all machinery, supplies, etc., have been transported approximately 8 miles by burro train over a steep trail to the mine. The camp at the mine consists of a number of test houses, corral, etc. The past winter was milder than usual and the trail was impassable for only short periods during several heavy storms.

A development loan was granted to the project in May,

1942 and work was begun in June, 1942. The project was visited a number of times during the progress of work and summary reports were sent to the Reconstruction Finance Corporation, Washington, D. C. on September 18 and December 21, 1942 and on April 15, 1943.

The original examinations disclosed appreciable amounts of WO_3 in numerous scattered openings on the surface and development by a crosscut tunnel was undertaken to explore an area at depth beneath a grouping of favorable surface exposures. It was hoped that this work would prove the persistence of values to the depth of the tunnel, 120' below the most important showing and that there would thus be made available at an early date a sufficiently large tonnage of ore to justify building a road to the property and the construction of a mill either on the mountain or at its base.

The tunnel development and the sampling in it were described in the Progress Reports referred to above, and the assays obtained in the tunnel workings and on the surface above it are shown on the accompanying composite sketch. Assays obtained from other places on the property are also shown on this sketch. As was pointed out in the report of April 15, 1943, the tunnel sampling was disappointing and revealed only erratic distribution of tungsten with the most favorable places showing only mediocre WO_3 content and an indication of a run-of-mine grade in the west end of the workings of not over .2% WO_3 .

Assays of surface showings ranged from .08% WO_3 , to 4.89% WO_3 , the latter from a particularly high grade spot. Dump material from shallow shafts and from cuts at the most favorable points on the surface assayed from .38% WO_3 to 1.16% WO_3 . The dump material represented some selection of the material removed. Values in the bottom of the shafts and in the lower part of the cuts were in all cases lower than those obtained at the top.* This fact, together with the disappointing results obtained in the tunnel, suggests that tungsten mineralization in appreciable amounts in the area is only surficial.

The surface sampling indicates the possibility that a limited tonnage of material assaying around .5% WO_3 could be produced by mining to a shallow depth in the various promising surface showings on the property. Material of this grade would need to be concentrated to make a marketable product. In the event of further development of the property, consideration might be given to the installation near the mine of a crude concentrator of about 10 tons daily capacity to serve as a means for bulk sampling of ores from the subject property and from other properties whose development might be stimulated by the availability of such a plant. It does not seem likely that such an operation would produce economical results, except on the chance that some high grade ore was opened by further development.

The applicant is convinced that there is now available on the property a large volume of commercial ore and the

* Except in the shaft on "El Oso" No. 4 Claim.

application for an additional loan envisages an extensive development program and the immediate construction on the mountain of a 40 ton mill. In commenting upon the proposals contained in the application, attention is directed to the facts that:

1. There is no proven body of ore on the property and the expenditure of \$20,000.00 to date has not improved the outlook for one and in fact, the underground development has resulted unfavorably. The properties listed by the applicant as probable suppliers of custom ore for the mill have not been developed and their work is based upon float specimens and surface scratchings and is vouched for by local cowmen who have had no mining experience.
2. The proposed mill and the supplies would have to be packed eight (8) miles by burro train from the nearest road. The ore would have to be packed 1-1/2 miles from the mine to the mill site. The outlying properties mentioned as suppliers of custom ore are all from two to seven or eight miles by pack trail from the proposed mill site.
3. The area of the upper part of the mountain is particularly arid during the greater part of the year and in my opinion, the water resources would not support continuous operation of a mill of the capacity proposed by the applicant. In any event, there is no site closer than 1-1/2 miles by steep trail from the mine and since possible future development would eventually require a road to the mine, it would be logical to plan to haul the ore down to a location where an adequate water supply would be assured.

In conclusion, I would say that the plan submitted by the applicant is not feasible in the present state of development of the property, or of the outlying district. In view of the transportation handicaps, I believe that consideration of further development of the project should be contingent upon the building of a road into the district. The Forest Service has for some time recognized the need of a road into the area for its own use and has expressed a willingness to co-operate with the applicant in any sound proposal.

T. P. LANE
Supervising Engineer

TPL:MJ

Supplemental Report.

Docket No B-ND3860 Harrison

May 3, 1943

The Borrowers have expended practically all of the \$20,000 loan which was granted to this project and work was suspended on Mar 31st.

Mr Paul Harrison, representing the borrowers has submitted an application for an additional loan in the sum of \$27,000 for the purpose of further developing of the property and the ~~immediate~~ construction of a mill. The loan application with accompanying letter is enclosed herewith, as well as a statement by Mr. Harrison covering the ~~present~~ financial status of the project as of April 26, 1943 and an inventory of equipment, tools and supplies now at the property.

An expenditure of \$19,745.41 has accomplished some 440 linear feet of underground work together with a small amount of surface cutting. Distribution of expenditure has been ^{roughly} as follows:

Camp	\$ 330.00
Machinery	3850.00
Supplies and Misc. Eqpt	6585.00
Pay Roll	7062.64
General (int. taxes etc.)	1917.79
	<hr/>
	\$ 19745.41

Balance on Hand, Apr. 26, 1943

254.59

20,000.00

~~1975.89~~
~~1917.79~~

Following is a review of the situation to date with comments on the new loan application.

The property is in a difficult, accessible location near the top of a large mountain mass (Four Peak Mountain) and progress of the work has been handicapped ^{throughout} by the problem of transportation. It was necessary to establish a camp ^{on the mountain} at the end of a steep road which connects with the Apache Trail Highway at the base of the mountain 4 miles below the camp. From this camp, known as the lower camp, all machinery, supplies etc. have been transported approximately 8 miles by burro train over a steep trail to the upper camp ~~at the mine~~. This camp at the mine consists of a number of tent houses, corral etc. The past winter was milder than usual and the trail was impassible ^{for} during only short periods during several heavy storms.

A development loan was granted to the project in May 1942 and work was begun in June of 1942. ~~original and supplementary examinations and the granting of a development loan in May 1942.~~ The project was visited a number of times during the progress of the work and summary reports were sent to RFE, Washington on Sept. 18 and Dec 21, 1942 and on April 15, 1943

X

The original examination disclosed appreciable amounts of WO_3 in numerous scattered openings on the surface and development by a crosscut tunnel was undertaken to explore an area ^{at depth} beneath a grouping of favorable surface exposures. It was hoped that this work would prove the persistence of values to the depth of the tunnel, 170 feet below the most important showing, and that there would thus be made available at an early date a sufficiently large tonnage of ore to justify building a road to the property and the construction of a mill either on the mountain or at its base.

The tunnel development and the results of sampling in it ~~are~~ ^{was} described in ^{the} Progress Reports referred to above, and the assays obtained in the tunnel workings and on the surface above it are shown on the accompanying composite sketch. Assays obtained from other places on the property are also shown on this sketch. As was pointed out in the report of April 15, 1943 the tunnel sampling ^{was disappointing} revealed only erratic distribution of tungsten with the most favorable places showing only moderate WO_3 content and an indication of a run-of-mine grade ⁱⁿ the west end of the workings of not over 2% WO_3 .

M.H.

Assays of surface showings raised from .08% WO_3 to 4.89% WO_3 the latter from being a particularly high grade spot. ~~Assays~~
 * Dump material from the shallow shafts and from cuts at the most favorable points on the surface assayed from .38% WO_3 to 1.16% WO_3 . The dump material represented some selection of the material removed. Values in the bottom of the shafts and in the lower part of the cuts were in all cases lower than those obtaining at the top. This fact together with the disappointing results obtained in the tunnel suggests that the tungsten mineralization in appreciable amounts in the area is ^{only} superficial.

The surface sampling indicated the possibility that a limited tonnage of material assaying around .5% WO_3 could be produced by mining to shallow depth in the various promising ^{surface} showings on the property. Material of this low grade would need to be concentrated to make a marketable product. In the event that of further development of the property consideration might be given to the installation near the mine of a crude concentrator of about 10 tons daily capacity to serve as a bulk means for bulk sampling of ores from the subject property and from other properties whose development might be stimulated by such a the availability of such a

plant. It does not seem likely that such an operation would produce economical results except on the chance that some high grade ~~spots~~^{ore} were opened by further development.

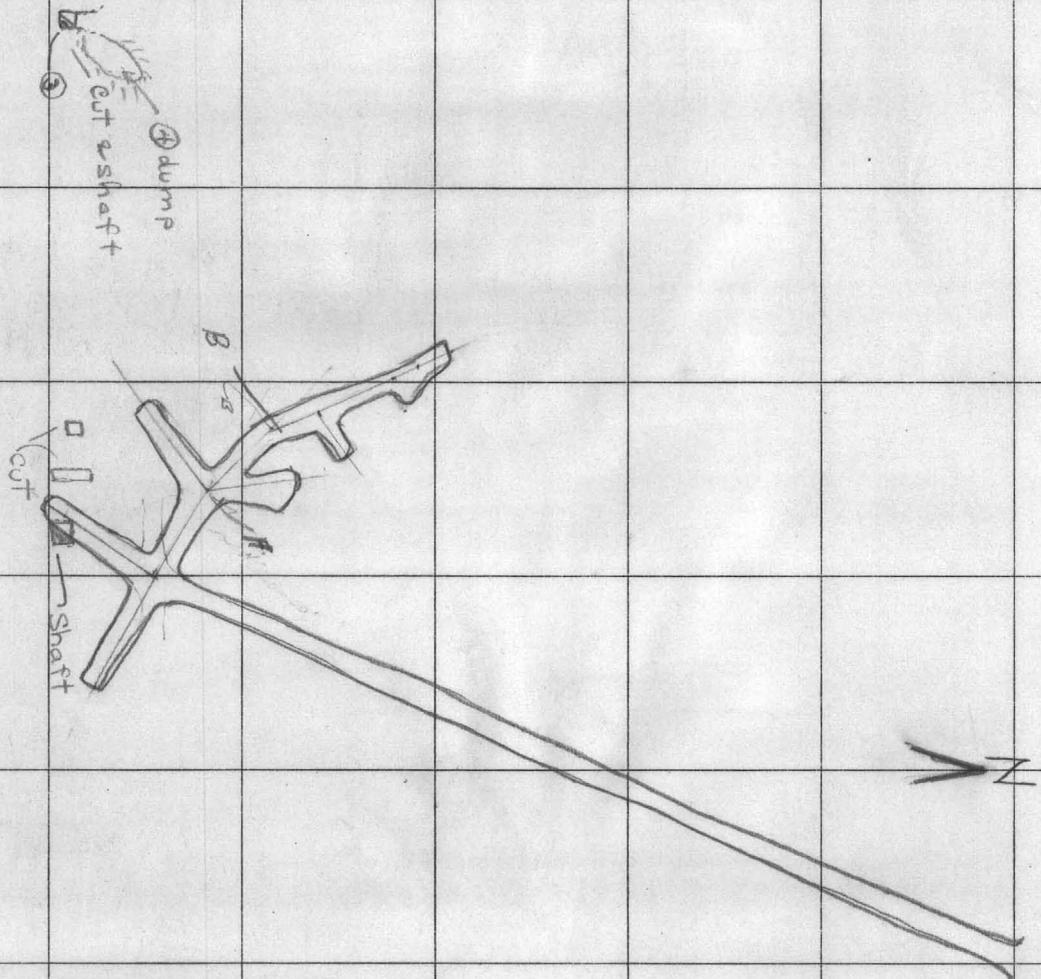
The Applicant is convinced that there is now available on the property a large volume of commercial ore and the application for an additional loan envisages an extensive development program and the immediate construction on the mountain of a 40 ton mill. In commenting upon ^{the properties contained in the application} attention is directed to the facts that:

1. There is no proven body of ore on the property and the expenditure of \$20000 to date has not improved the outlook for ore, and in fact the underground development has resulted unfavorably. The properties listed by the applicant as probable suppliers of custom ore for the mill have not been developed, and their worth is based upon float specimens and surface scratching, and is vouchered for by local cornermen who have had no mining experience.
2. (see page 6) The area of the upper part of the mountain is particularly arid during the greater part of the year and in my opinion the water resources would not support continuous operation.

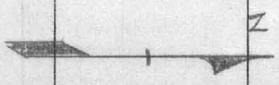
of a mill of the capacity ~~of~~ proposed by the applicant. In any event there is no site closer than $1\frac{1}{2}$ miles by steep trail from the mine, by ~~steep trail~~, and since possible future development would eventually require a road ^{to the mine} it would be ~~logical~~ ^{logical} to ~~build~~ ^{plan to} haul the ore down to ~~an~~ a location ^{where} ~~an adequate~~ ^{an adequate} water supply would be assured.

put this
in
pos. 5

2. The ~~proposed~~ mill and ~~the~~ supplies would have to be packed by 8 miles by burro train from the nearest road. The ore would have to be packed $1\frac{1}{2}$ miles ^{from the mine} to the mill site. The outlying properties mentioned as suppliers of custom ore ~~are~~ are all from 2 to 7 or 8 miles by pack trail from the proposed mill site.



E1 030 - Harrison
 1" = 40'
 2/27/43
 Lower Tunnel
 TP book - GARDNER BRANTON
 B 186
 R-40
 B-M.D. 3860



TUNNEL WORKINGS
 DOCKET NO. B-NO-3860

E1 DSO MINING CO.
 Gila Co., ARIZ.
 Scale: 1" = 40'
 Samples ③ ④

Sample	Width	% WO ₃
N.D-1	36"	.67
D-2	Dump	.44
D-3	24"	.75
D-4	Dump	1.16
D-5	66"	.13
D-6	32"	.73
D-7	36"	.41
D-8	Car	.11
D-9	Car	.32
D-10	Dump	.19
D-11	Dump	.38

Cut on El Oso No. 4
(North View)

Cut on El Oso
(West view)

