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XXXXXXXXXXXXXXXXXXXX  
325 Heard Building  
Phoenix, Arizona  
February 26, 1947

*Hilltop Mine  
Cochise Co.*

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

Re: G. T. Humphries - Docket No. 6166

I made an inspection trip to project on February 12, 1947, during a recent examination of another property in the same range of mountains.

The applicant has completed the road work from the camp to Hands Pass, a distance of approximately five miles. As you may recall, there was an old road there at one time but it had become impassible. The applicant has a contractor with heavy equipment and with the aid of a bulldozer cleaned out the road to the pass. From the pass to the ore pile where I took a grab sample on my first visit the road is .3 mile long and in good shape. The contractor has his compressor set up a short distance beyond the ore pile, and with two men, is drilling the limestone rock preparatory to blasting a road to the Blacksmith tunnel, a distance of approximately one-half mile.

The applicant was not at the property as he had previously gone to Los Angeles, California, to have an operation on his eye. However, it appears that the work is progressing satisfactorily. The applicant could ship the 100-ton pile of ore now that the road is finished to there.

CHARLES A. RASOR  
Supervising Engineer

CAR:gmk

EXHIBIT  
U.S. DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON, D.C. 20535

TO: SAC, NEW YORK  
FROM: SAC, NEW YORK  
SUBJECT: [Illegible]

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XXXXXXXXXXXXXXXXXXXX

325 Heard Building  
Phoenix, Arizona  
October 18, 1946

TULLY - Acting Chief - Mining Section, RFC - Washington 25, DC

Re: G. T. Humphries - Docket No. ND-6166

I enclose original and one copy of my report on the above docketed application. I also enclose duplicate application from the applicant, plus two maps and one ore settlement sheet. Under separate cover I am sending a map of the California Mining District, which locates the applicant's claims.

CHARLES A. RASOR  
Supervising Engineer

CAR:gnk

Enc:

2c - Report of Sup. Engr.  
w/supporting data

RECONSTRUCTION FINANCE CORPORATION  
MINING DIVISION  
REPORT OF SUPERVISING ENGINEER  
\*\*\*\*\*

Docket No: ND-6166  
Date Receiving of Application: September 10, 1946  
Date of Examination: September 23 to 26, inclusive, 1946  
Date of Report: October 17, 1946

1. NAME AND ADDRESS OF APPLICANT:

G. T. Humphries  
1321 East Tenth Street  
Tucson, Arizona

Correspondent: Same

2. CHARACTER OF PROJECT:

To build a road and crosscut 300 feet to develop a lead property.

3. LOCATION OF MINE:

In Sections 32 and 33, T. 16 S., R. 30 E., and Sections 3 and 4, T. 17 S., R. 30 E., California Mining District, Cochise County, Arizona. The nearest railroad shipping point is Rodeo, New Mexico, approximately 25 miles from the mine. The roads are unimproved dirt, but are open the year around. The County Supervisors send a grader over the roads once a year.

4. APPLICANT:

Applicant is an individual and is probably competent to handle the proposed project. He is a professional promoter, and has been active in two operations on which the RFC has made examinations in Arizona.

Applicant was the promoter that started the Patagonia Metal Mines, Inc., Docket No. ND-5299, but apparently was bought out by the time the RFC made the examination.

Later the applicant took a lease and option on the Lookout Mine in Yavapai County, Arizona, and applied for a loan to unwater the property. Unfavorable action was taken September 13, 1943, but later was retracted when important Congressional leaders made statements regarding applicant's ability and reputation. A loan of \$2500.00 was approved and disbursements were started in December, 1943. Work ceased on February 8, 1944, as unwatering showed values too low grade for further development. Applicant returned \$413.02 of unexpended funds.

5. LOAN REQUESTED:

A loan of \$10,000.00 is requested.

6. DESCRIPTION OF PROJECT:

A. General Features:

1. There are no other mine workings or appurtenances which are not confined within applicant's ownership.

*Lookout Mine*

2. The proposed project will comply with state compensation and safety-first statutes.
3. No legal discrepancies not covered in engineering reports.
4. No impeded right-of-way facilities.
5. No likelihood of surface or sub-surface trespass during project.

B. Existing Development:

1. Tunnel mine:

a. Maps and sections:

A map of the California Mining District locates the Hilltop Mine claims. Maps submitted by applicant show claims under lease and general location of tunnels.

Attached is my map and section of the Blacksmith tunnel, the only portion of these large underground workings which applicant proposes to operate.

b. Sampling:

Sampling was limited to the Blacksmith tunnel and underground workings and the dump ore taken from the Blacksmith workings: F. H. Lerchen, in his examination of the Hilltop workings, took some samples from this tunnel when he sampled the entire Hilltop mine back in 1937 and 1938. Applicant has submitted these samples. However, since then R. H. Sutton has mined some ore from the northwest face of the Blacksmith tunnel. A copy of the settlement sheet is submitted.

Seven samples were taken from the Blacksmith workings.

Sample No. 1 was taken from the bottom of the 50-foot winze. A cut of 48" across the hang wall part of the vein was made. It assays .80 ounces silver, 9.52% lead and 9.6% zinc.

Sample No. 2 is an extension of sample No. 1 across the middle 48 inches of the vein. It assays .40 ounces silver, 13.63% lead and 14.3% zinc.

Sample No. 3 is the footwall portion of the vein exposed in the bottom of the 50-foot winze. Across 48 inches the sample assays .40 ounces silver, 15.69% lead and 17.20% zinc.

Samples could not be taken up the winze, for there were no supports from which to stand and cut samples, but from all appearances ore extended from the bottom of the winze to the tunnel level.

Sample No. 4 was cut across 38" of ore that showed in east end of drift. It assays 1.2 ounces of silver, 13.91% lead, and 4.45% zinc.

b. Sampling: contd:

Sample No. 5 was cut across 24 inches of ore remaining along the drift and represents only a part of the ore which was exposed when Mr. Lerchen sampled. It assays .80 ounces silver, 26.92% lead and 8.1% zinc.

Sample No. 6 was cut across 20 inches of ore remaining on the other wall across from sample No. 5. It assays 1.60 ounces silver, 24.93% lead and 7.95% zinc.

Sample No. 7 was cut across face of vein exposed in raise 12 feet above floor of tunnel and directly above samples Nos. 5 and 6. Across 67 inches it assayed 1.7 ounces silver, 19.25% lead and 3.95% zinc.

Sample No. 8 is a grab of ore taken from a pile of about 100 tons which represents that taken from the surface. It assays 5.2 ounces silver, 22.67% lead and 5.5% zinc.

c. Condition and accessibility of mine workings:

The Blacksmith adit workings are accessible except for a raise in the east end of the ore shoot and a short crosscut south of the ore shoot. Your engineer walked through the Kasper tunnel which is approximately 450 feet below the Blacksmith adit. This tunnel extends through the mountain and is about one half mile long. By road from one end to the other it is 27 miles.

d. General features of deposit, ore distribution, etc.:

The Blacksmith tunnel of the Hilltop Mine lies a few hundred feet below the top of the Chiricahua Mountains and crosscuts steeply dipping limestone beds of Pennsylvanian or Permian age. This tunnel is one of a number of tunnels that extend into the mountain side, but is the only one which this examination considers.

The Blacksmith tunnel, approximately 130 feet long, cut a lense of oxidized lead ore approximately 50 feet below the outcrop. The length of the ore shoot is 35 feet along the strike. It may be longer beyond the fault, for it is believed that the fault is post mineral. A winze was sunk down on the ore for 50 feet. In the bottom of winze the vein was measured 12 feet thick. In the tunnel level the vein varies from 5 to 11 feet in thickness.

The strike of the ore shoot is approximately N 50° W and dips 65° to 67° southwest. These directions are parallel to the strike and dip of the limestone beds.

The ore is a mixture of lead carbonate and lead sulfide from the surface down. There was more lead sulfide exposed in the winze bottom than near the surface. Zinc ore is present in variable amounts, is also a mixture of oxides and sulfides. A small amount of silver is present.

d. General features of deposit, ore distribution, etc.: contd.

The ore appears to have replaced a certain bed in the limestone series; one which appears to contain more clay and shale than the others. Although the ore deposit does not have great length along the strike, it apparently goes down as far as the Kasper tunnel, approximately 450 feet below.

C. Proposed Development:

1. Recommended plan of development:

Applicant proposes to drive an adit one hundred feet below the Blacksmith adit to undercut the 50-foot winze approximately 50 feet. This adit will be 310 feet long.

2. Recommendations concerning applicant's mining method:

None.

3. Expected capacity of operations:

- a. Mining - 20 tons per day.
- b. Drift development - 5 feet per day.
- c. Crosscut development - 5 feet per day.
- d. Local wage scale - \$6.00 per day with cabins and fuel furnished.

D. Equipment:

- 1. Applicant has the necessary equipment for this project.
- 2. Applicant will purchase the necessary supplies, powder, fuel and timber with loan funds.
- 3. Applicant has good housing facilities.

E. Cost Estimation:

1. Lode mine:

- a. Mining - \$10.00 per ton
- b. Drifting - \$15.00 per foot
- c. Crosscutting - \$15.00 per foot
- d. Hauling mine to Rodeo, New Mexico, 25 miles - \$3.10
- e. Freight & tax - \$1.75
- f. Smelter treatment - \$3.89
- g. 10% royalty on net of 16.94 is \$1.69
- h. Total cost per ton - \$11.75

F. Ore Reserves:

From the samples cut it is estimated that the ore to be developed will have an average assay of .98 ounces silver, 16.5% lead and 9.4% zinc. This grade of ore is in line with the shipment made

F. Ore Reserves: contd:

by R. H. Sutton from this tunnel which assayed 17.9% lead, 4.4 ounces silver and 4.5% zinc. On the basis of the above average grade, the ore will have the following value at the El Paso Smelter of the A. S. & R.:

Silver  
.98 ounces minus .5 ounce = .48 x .88625 = \$ .43

Lead  
16.5% minus 1.5% = 15.0% or 300 lbs.  
300 lbs. x 90% = 270 lbs. x .0665 = 17.95  
Gross value \$ 18.38

Base charge \$3.50 ÷ 10% (18.38 - 15.00) =	\$ 3.84	22.14
Bullion freight tax	.05	17.95
Zinc penalty 9.4% minus 5.0 = 4.4 x 304 =	1.32	\$ 18.38
Freight ÷ tax	1.75	22.58
Hauling ÷ tax	3.10	9.57
Royalty 10% net	.83	13.01
	<u>\$10.89</u>	10.89
Net to Shipper	9.57	7.49

Premiums

It is assumed that the applicant will be granted at least the A premiums. He has applied.

16.5% = 330 lbs.  
330 lbs. x 95% = 313.5 lbs. x .0275 = 8.62  
Total value before mining costs \$16.11  
Mining 10.00  
Profit \$ 6.11

From the surface to the depth of the proposed crosscut it is estimated that approximately 2100 tons of ore will be developed. Also, there is approximately 100 tons lying around on dumps which averages 22% lead that will bring approximately \$3000.00. Thus it is believed that there will be developed sufficient ore to repay the loan.

7. EMPLOYMENT:

- A. Applicant has one man employed at present.
- B. Applicant proposes to employ between 5 and 6 men on the project, exclusive of the contract on the road.
- C. Applicant plans to work one shift per day.

8. OBJECTIONS TO PROJECT:

- A. None
- B. Lead is critical.

9. TIME SCHEDULE:

- A. It will take the applicant about four months to complete the project.

- B. Operating season is 12 months.
- C. To repay the loan will take about one year. Depends on the amount of premiums that applicant will receive.

10. ESTIMATED COST OF PROJECT:

A. Total development	\$4500.00
B. Road construction (contract)	5000.00
C. General expense	500.00
	<u>\$10000.00</u>

11. NATURE AND SOURCES OF REVENUE:

Loan should be repaid from proceeds of proposed development.

12. COMMENTS OF SUPERVISING ENGINEER:

Applicant is a professional promoter and as such probably has not had much operating experience. However, it is thought that if he can obtain the services of a good miner-foreman, he can make a success of this operation.

There appears sufficient evidence to warrant recommending a loan of \$10,000.00 to the applicant, and I make such a recommendation. However, since one-half of the loan funds are to be used in rehabilitating a road and building one-half mile more or less of new road, it is recommended that a condition be stated that the applicant use no more than \$5000.00 for this purpose. The other \$5000.00 will be small enough as it is to drive the 300-foot crosscut.

Lead is still a critical metal and is needed. This mine, it is believed, will produce more than that estimated under proper supervision.

*CAR*  
CHARLES A. RASOR  
Supervising Engineer

CAR:gmk

Attachments:

Map  
Assay Certificate

CLAUDE E. McLEAN  
P. O. BOX 1888

TELEPHONE 3-6272

**ARIZONA TESTING LABORATORIES**

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

**ASSAY CERTIFICATE**

September 30

194 6

M F. C. A. Rasor, Supervising Engineer, R.P.O.,  
525 Heard Building,  
Phoenix, Arizona

PHOENIX, ARIZONA,

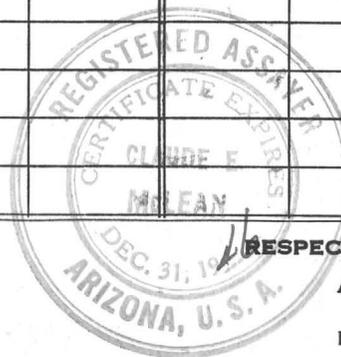
WE HAVE ASSAYED THE SAMPLES RECEIVED FROM YOU AND FIND THE RESULTS AS FOLLOWS:

GOLD FIGURED AT \$ \_\_\_\_\_ PER OUNCE.

SILVER FIGURED AT \$ 0.90 PER OUNCE.

LAB. FORM 2

LAB. NO.	SAMPLE	GOLD		SILVER		PERCENTAGES		
		OZ. PER TON	VALUE	OZ. PER TON	VALUE	COPPER	LEAD	ZINC
61677	#1 48" out H.W.			0.30	\$0.72		9.52%	9.60%
78	#2 48" out Middle of vein			0.40	0.58		15.63%	14.30%
79	#3 48" out P.W.			0.60	0.56		15.69%	17.20%
80	#4 38" out E. end of drift			1.20	1.08		15.01%	4.45%
81	#5 24" out Wall			0.30	0.72		26.92%	8.10%
82	#6 20" out			1.60	1.44		24.93%	7.95%
83	#7 27" out in raise			1.70	1.53		19.26%	3.95%
84	#8 20 ton dump			5.20	4.68		22.67%	5.50%
	Hill Top Mine							

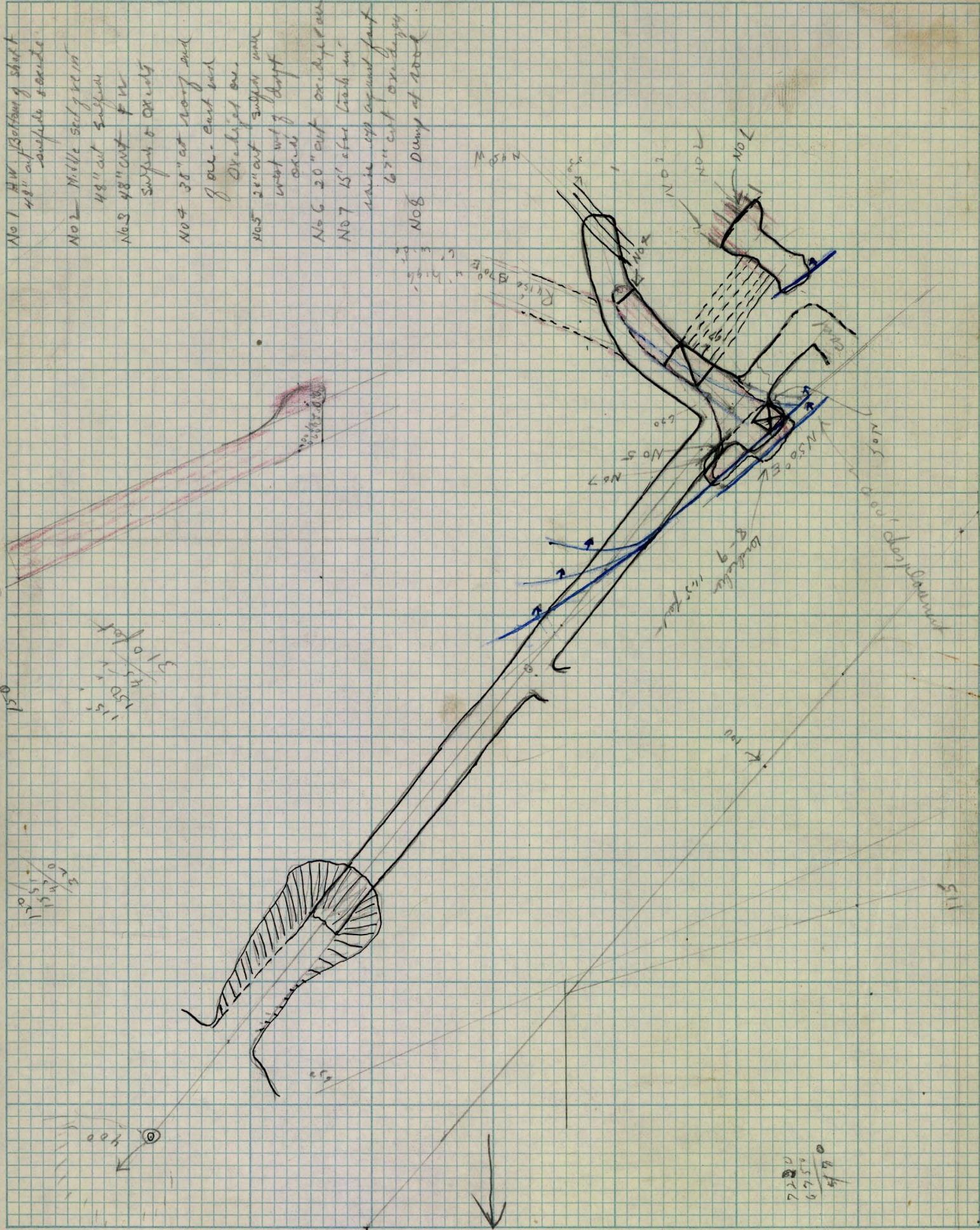


RESPECTFULLY SUBMITTED,

ARIZONA TESTING LABORATORIES

BY Claude E. McLean ASSAYER

CHARGES \$ 24.00



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