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Reconstruction Finance Corporation Arizona Records

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Manerza Co.?

RECONSTRUCTION FINANCE CORPORATION
MINING DIVISION
PROGRESS REPORT OF SUPERVISING ENGINEER

Docket No. ND-5186 - Orizaba Mining Co.
Date of Inspection - March 18, 1944
Date of Report - March 23, 1944

The property was visited on March 18. Financial statement as of March 1, production and cost during February, and the present situation at the mine is noted as follows:

Financial Statement - March 1, 1944

Cash in Bank	\$ 4,972.49	
Premium due-balance for Jan.	1,600.74	
Premium due - bal. for Feb.	<u>501.92</u>	\$ 7,075.15
Accounts Payable		
Bills	3,177.63	
Payroll Feb. 16 to 28, incl.	<u>1,463.89</u>	<u>4,641.52</u>
NET POSITION		\$ 2,433.63

FEBRUARY PRODUCTION

<u>Dry Tons Shipped</u>	<u>Av. Copper Assay</u>	<u>Net Value before trucking</u>	
		Total	Per Ton
523.40	3.99%	\$6,381.14	\$12.19

Broken ore in the stopes as of March 1, was estimated at 1200 tons of the above grade. The small amount of broken ore remaining in No. 2 stope was drawn out during February and the balance of the tonnage for the month was derived about equally from No. 1 and No. 3 stopes. Shrinkage stoping was continued in No. 3 stope. Mining in the top of No. 1 stope was discontinued when loose surface material was encountered, and drawing of the stope was begun. There is considerable ore remaining to be mined in the foot wall of the lower part of this stope and in pillars.

February Cost

<u>Item</u>	<u>Total</u>	<u>Per Ton</u>
Payroll	\$ 4,015.74	\$ 7.67
Supplies	852.33	1.63
Repairs & Repair Parts	284.70	.54
Equip. Purchase	54.00	.10
Equipment Rentals (applicable in part against purchase)	860.00	1.64
Fire Insurance	35.00	.07
Indust. Comp. Ins.	271.42	.52
Interest on Loan	120.66	.23
Taxes - Payroll & State Excise	158.27	.30
Miscellaneous	<u>170.16</u>	<u>.33</u>
	\$6,822.28	\$13.03

Brought Forward	Total	Per Ton
	\$ 6,822.28	\$13.03
Trucking	<u>1,646.18</u>	<u>3.15</u>
TOTALS	\$ 8,468.46	\$16.18

Heavy storms in the region of the mine forced a suspension of shipments during the last week of February and the first week in March. Because of the low rate of ore shipments and despite the fact that a part of the crew was laid off during the storm period the February operations resulted in a loss of approximately \$2,100.00.

During February the east drift was advanced several rounds and a chute was built and a chute raise was opened into the No. 3 stope. However, because of the decline in working capital the east drift development was stopped pending a decision upon a petition for an upward revision of 2.6¢ per lb. in the copper premium price accorded the property.

If the petition is granted the additional premium will amount to approximately \$2.00 per ton on the average grade of current ore production, and if the price is made retroactive to December 1, as requested, the project will realize approximately \$4,000 in back premiums and thus be provided with desperately needed working capital.

TRAVIS P. LANE
Supervising Engineer

Mr. Lane's Copy

325 Heard Bldg.
Phoenix, Arizona
December 17, 1943

TULLY - Asst. Chief - Mining Section RPC - Washington

Re: Orizaba Mining Co. - Docket No. ND-5186

Enclosed please find my progress report
covering the above captioned project.

TRAVIS P. LANE
Supervising Engineer

TPL:MMW
Encs.
Progress Report in duplicate

RECONSTRUCTION FINANCE CORPORATION

MINING DIVISION

Report of Supervising Engineer

Docket No. WD-5186 - Grizaba Mining Co.
 Date of Inspection - December 8, 1943
 Date of Report - December 17, 1943

The property was visited on December 8th. Financial statement as of December 1, production during November, and recent mine development is noted as follows:

Financial Statement - December 1, 1943:

Cash in Bank - - - - -	\$20,790.40	
November premium earned and due - -	5,379.37	
Cars in transit - - - - -	<u>1,395.78</u>	
		\$27,565.55

Accounts Payable:

Payroll (estimated)- - - - -	1,500.00	
Supplies, rental etc. (est.) - - - -	<u>6,531.15</u>	
		<u>8,031.15</u>

NET POSITION (Est.) - - - - - \$19,534.40

November Production:

Ore was derived principally from stoping in the foot wall of the east stope. Some ore resulted from development in the east end of the 100 ft. level, and from the west stope immediately above the 100 ft. level. Tonnage and value of November production was as follows:

<u>Dry Tons</u>	<u>% Cu</u>	<u>Smelter Net Value</u>	
		<u>Total</u>	<u>Per Ton</u>
589.55	3.79	\$6709.92	\$11.38

Tonnage of broken ore in the stopes on December 1st, was estimated at 800 tons, most of which was broken down during November.

Volume of ore shipped during the month was low because of the necessity for leaving a considerable portion of the newly broken ore in the foot wall stope. Also, four days production was lost because of repairs to compressor equipment.

Development:

The showing in the east end of the 100 ft. level widened to 16 feet above the level. The top of a raise here is 16 feet above the level. The raise is in good ore with ore continuing on three sides of the raise. The north side is barren at the top of the raise, but it cannot be said certainly that the ore is limited in this direction until the side of the raise is broken into for several feet.

Work was discontinued in the west stope for the present because of the limited size of the crew. Ore breaking was begun above the most westerly chute of the east stope where 9 feet of ore trending westerly was left when the stope was being mined last spring. The ore here undoubtedly connects with the large body of ore exposed in the 70 ft. level drift, and in the west stope.

Comments:

The number of working places available in the mine justifies doubling the size of the crew, at least, and when the management is able to provide more housing this will be done. The labor situation has improved considerably, and the management does not anticipate any great difficulty in securing additional miners. Steps are being taken looking toward providing the necessary additional housing, but are delayed at the present time because of the formality of applying for and obtaining permission from the WPB to purchase lumber and hardware for cabins.

TRAVIS P. LANE
Supervising Engineer

TPL:MMW

Supplemental Report

May 14, 1943

Orizaba Mining Co

Docket No. - ND - 5186

28
14

Progress Report
April 14, 1943

Re: Orizaba Mining Co
Docket No. ND-5186

I am attaching herewith two letters dated March 30 and April 14, 1943 received from Mr. Elliott, the secretary of the above-captioned company - known. The letter of April 14th is accompanied by a summary of the cash position as of that date. ^{In reply to} Mr. Elliott's request ~~information~~ regarding the proper procedure to follow in applying for additional funds, I told him that it would ^{be} necessary for him to ~~bring together~~ ^{compare} with the officers of the company and with them formulate a ^{with cost estimates} plan for further operations and submit this together with a formal application for the amount of additional funds needed.

^{HP} Following receipt of ^{this} Mr. Elliott's letter of ~~March 30~~ ^(April 3) I visited the mine and discussed with Mr. ~~Barclay~~ ^{Barclay}, the superintendent, the details of the operations. I found Mr. Barclay restored to comparative good health and that the water situation in the mine was ~~not~~ considerably improved. I found ^{however} that because of the ~~inability~~ ^{inability} to get men, the rate of ore breaking had fallen far ~~well~~ below that which was anticipated at the time of my last visit to the property (Jan 22, 1943) and

see A
next
page

B

that soon a decision would be made whether to apply for more loan funds or abandon ³ stop and begin drawing out the broken ore.

At the time that ~~the~~ letter ^{of Mar 30th} was written ~~Mr. Barclay~~ Mr. Barclay was seriously ill in a hospital and ^{with} affairs at the mine had been going badly and Mr Elliott, ~~who is not an~~ ~~experi~~ ~~enced~~ ~~miner~~ became discouraged and had given orders to discontinue mining and to begin ^{down} drawing the stopes. ^(see B preceding page) Upon examining the

main stope I noted that the ore situation in the back was ~~not~~ ^{quite} favorable, but as ~~the~~ size of the ~~ore~~ body and grade, I did not take any samples because the ground is irregular ^{blocky} and hard ~~and~~ ^{and the grade of} ~~and~~ ^{slippery} and it is ~~apparent~~ ^{indicated in} that recent ~~conditions~~ ^{slipments} which ~~has~~ contained material which ^{that} has cascaded down to the chutes from the top of the muck pile. The ^{roof} top of the stope is fairly level and will average about 70 ft vertically above the 100 Ft. level. The stope ~~however~~

is rising more steeply than was expected and as its top approaches the surface and the edge of the ^{drainage} wash the question of a possible break through becomes serious because of the danger to the workmen in the event of a flash flood in the canyon. The accompanying map and sections were made from a compass survey and illustrate this situation at the top of the stope. The narrow hanging wall stope was discontinued some time ago because of its location directly beneath the wash. I believe that with careful mining the stope could be

The outline of the stope in its low position is only roughly indicated since measurements were not recorded during mining and the stope is now filled with broken ore.

"A" "expe" "#

"B"

several thousand tons ^{of additional} ~~and~~ one could be broken in the top of the ^{main} slope and, in fact, it might be possible in its central portion to ^{carry the} slope up into the bank of the wash without endangering the workings. It would be regrettable to leave this location in the mine now that the project is fully equipped and ~~with the mechanical difficulties overcome~~ in routine operation. However ~~as pointed out above~~

(Mr P)

Costs however ^{will be} prohibitive unless ~~the~~ ~~manpower situation is a solution of the~~ ~~manpower situation is found.~~ The equipment rental, ~~expense~~ top expense and overhead are altogether too ~~great~~ ^{great} a burden to be carried by ~~the~~ ~~company~~ only one or two machine shifts underground. ~~The~~ ~~managerial direction of the enterprise~~ ^{does not seem to} ~~be particularly efficient.~~ and I suggest that any future ^{of operation} plans the company might ~~should include~~ ^{should include} closer attention to the project by ~~Mr. Hoover~~ ^{the president and general} ~~the president manager of the~~ ~~principal share holder company.~~

60387
12/15/11
233

Recent shipments have ^{returned as} ~~been~~

as follows:

	Date	Tons	% Cu	Smelted	Net	Bonus	Total value	per ton
6478	April 2	57.68	5.77	317.20		178.14	495.34	8.59
4747	April 6	56.26	4.35	179.48		130.54	310.02	5.51
5284	10	59.34	4.59	214.76		145.31	360.07	6.07
11042	14	115.68	4.92	482.33		303.66	785.99	6.79

^(not included above)
Trenching charge, in the past has been \$2.50 per ton but the company has ^{just} been notified that in future the charge will be \$3.00 per ton.

4
Marginal

Mr. Elliott has applied for an additional bonus for copper citing the marginal nature of the operation and pointing out that the additional bonus would permit mining ^(immediately west of the shaft) one of lower grade ~~would be taken from the mine (west of the shaft)~~.

I understand that the company plans to hold a meeting here within the next few days and at that time ^{will} ~~will~~ decide whether to continue mining or draw the stopes ~~drawing the stopes empty~~. As previously noted the outline of the lower portions of the stopes is not accurately known and ~~and~~ ^{and} close calculation of broken ore ^{available} ~~in the stopes~~ is not possible. The reserves however are estimated at ~~and~~ around between 8000 ~~to~~ 8000 tons of broken ore.

T. P. R.

Re: Arizona Mining Co.

Tully

I am enclosing herewith a progress report on the above-captioned project.

6 24 37
10

Re: Arizaba
Zorhit ^{Mr} ND - 5186

D M Rait

Chief, Mining Section, RFC
811 Vermont Avenue, NW
Washington, D. C.

I am enclosing herewith ~~a~~ ^{a supplemental} ~~Supple-~~
~~mental~~ Supervision Engineers Report under
the above captioned project, ~~together with~~ also
an application for additional loan to the
project accompanied by a letter addressed
to Mr. D. M. Rait.

Yours truly

Enclosures.
Application for loan
Supplemental Report
Letter to D. M. Rait

Raid
~~Full~~

~~Fair enclosing herewith 2 copies of an application for an additional loan in the amount of 30,000 under the captured project. together with My Progress Report of April 19, 1943 describes the situation at the mine as of that date.~~

The project is in production, operating under a General Mining Loan in the amount of \$36,000. The loan fund is nearing exhaustion and the applicant has submitted an application requesting an additional loan to the project in the sum of \$30,000. The loan is to be used for the purpose of continuing mining in the main shrink stopes and to develop additional ^{36,000} tonnage there in the event that the project is granted an increased price for copper.

My Progress Report dated April 19, 1943 described the situation at the mine as of that date. Since ^{the} ~~that~~ ^{of my visit} time, progress at the mine has been satisfactory and the difficulties mentioned in ^{my} ~~that~~ report have ^{largely} cleared up. Mr. Elliott's letter outlines the proposed program and summarizes the situation in a clear fashion.

undoubtedly is a good tonnage of ore yet remaining to be mined in the top of the main east slope. While the possibilities elsewhere in the mine are difficult to appraise because of the irregularity of the ore deposition there

seems to be good reason to expect that a small amount of development will open up a substantial ^{body} amount of ore at one or more places. ^{In making this statement} I have in mind that from present indications this ore would be somewhat lower in grade than that now being mined, ~~also, that the development would be undertaken~~ and that the development would be undertaken only if the project ^{were} granted an additional bonus for copper which would permit of handling ~~a grade of ore~~ ^{run} ~~run~~ ^{run} around 3.5% copper.

In requesting a loan in the sum of \$30,000 Mr. Elliott suggests that ~~the~~ ~~the~~ funds be disbursed in amounts of \$10,000 each ~~disbursement to be~~ ^{an original} disbursement be made ^{with the sum of \$10,000} and that succeeding disbursements would be made contingent upon ^{obtaining a better price for copper, and upon} favorable results ^{in the mine} and ^a recommendation ^{by} a Superintending Engineer.

I believe that ~~the~~ an additional loan to the project is justified.

— T. P. L.

Some tonnage was drawn from the east
slope (No 3), and also from the main (No 1)
slope ~~with~~ (See accompanying sketch map
and sections).

The anticipated volume of production fell
considerably below expectation partly because
of car shortages but principally because of
a shortage of labor during the last half
of the month. Grade of ore ^{was expected to be somewhat} higher than

Mr ~~P~~ ^{had} ~~W~~ ^{indicated} much samples in the
west slope, indicated a considerably better
than average grade in that slope. The
ore body here pinched a short distance
above the 70 foot level and it is probable
that some dilution was caused by
overbreaking in the narrow width of ore at
the top of the slope. Also, some low grade
material resulted from clearing up ~~the~~ a
bench in the bottom of the No 1 slope.
Shipments to date in Feb have averaged about
47% Cu, the last lots shipped ~~as~~ as
follows:

Dry ton 7% Cu

Present shipments are coming from the
No 1 slope south and No 3 slope, and
to date ~~since~~ ⁱⁿ February have averaged slightly
47% Cu, ~~with~~ the last three lots ~~as~~ as
follows:

that shipped during December but was
as against 3.96% Cu in December.
- actually lower: 3.7% Cu

under

56.50
 785.00
 7500

Dry Tons % Cu

Supplies of rail road cars are adequate at the present time but labor shortage is handicapping production. February production is expected to be about _____ tons.

x

x

During January the borrower company paid to RFC interest in the amount of \$ _____ and also a partial payment of \$ _____ against a \$12,000 note due Jan 1st. The making of this ^{note} payment would result in a substantial reduction in working capital the then favorable situation at the mine appeared to assure sufficient

~~of the~~

Although this ~~making of this~~ ^{note} payment resulted in a substantial reduction in working capital the operators felt that the then favorable situation at the mine would continue and that remaining ^{working} capital would be sufficient to carry the operations. However ~~actually~~ the ^{operating expense} ~~production~~ ^{production} during January ~~was~~ disappointing ~~and~~ and resulted in a loss for the month of approximately \$ _____ and results for February promise ^{to be} about the same. While a substantial amount of ~~ore~~ was added to reserves ^{during January} ~~in~~ ^{strike} ~~in~~ ^{strikes} No 1 and 3, the ^{existing} ~~reserves~~ ^{strikes} in ~~strike~~ ^{strikes} No 2 were ~~almost~~ almost completely drawn out. At the present

time withdrawals from No 1 stope south
are limited by the fact that this ~~part~~
~~part of the newly broken ore must be~~
~~left for the present in~~ is a skinkage
stope and a large part of the newly
broken ore must be left in the stope ~~for the~~
~~present.~~ Ore derived from slabbing and
bending the foot wall portion of the main No
1 stope can be largely drawn as broken.

Main

~~Plan~~ No. 3 stope has been stopped while
the drift ~~is~~ ^{is} advanced to permit
raising into the ~~ore~~ body install
additional additional chutes and
thus mine the ore body in an orderly
fashion
and resumption of ^{work} ~~mining~~ will have to
wait upon advancing the ^{main} drift eastward
and installing chutes and raises which
will permit ~~mining~~

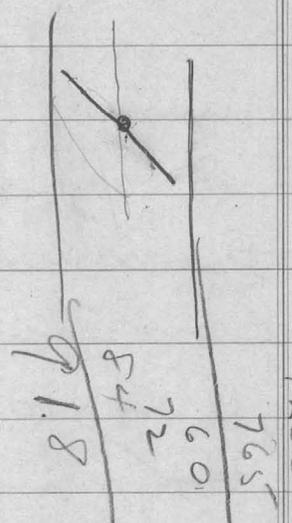
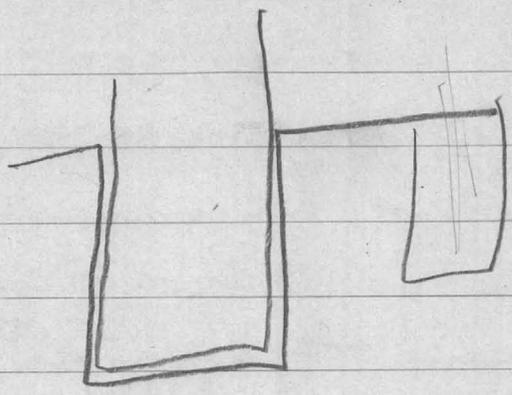
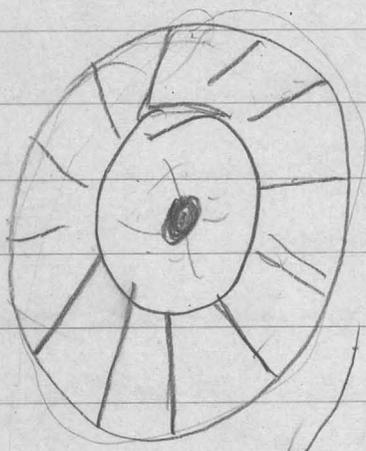
No 3

Main in No 3 stope has been stopped
pending the advancing of the main drift
eastward and the installation of chutes
and chute raises which will permit
~~stopping~~ the ground ^{above} in an orderly fashion.
The ^{bottom of this ore body} ~~ore body~~ here occurs a short distance
above the back of the drift and the work
~~preparatory work preparatory~~ on the level, ^{now in}
~~the stopping~~ is being done in non-productive
ground.

From the above it will be seen that

unless the volume of production or grade,
 of use, ^{or both,} show an immediate improvement
 the working capital on hand will not be
 sufficient to continue ^{the} operations. In this
 a decision will have to be made soon and if
 the mine is to be discontinued

~~In the event that this improvement is~~
 and it will be necessary ^{soon} to discontinue ~~the~~
~~or banking and to have~~ ^{reasons of} ~~the~~
~~mine~~ ^{and} ~~pulling the broken ore~~ and abandon
 the project. ~~The alternative would be alter-~~
~~native~~ The alternative to this would be to



1200

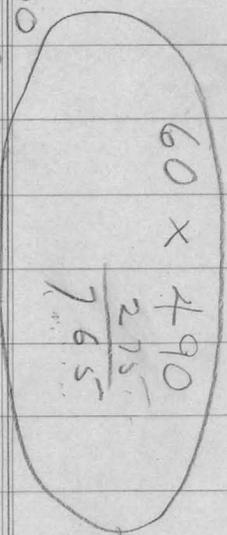
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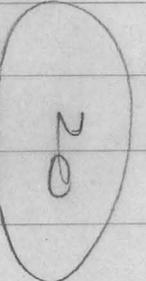
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60 x 490
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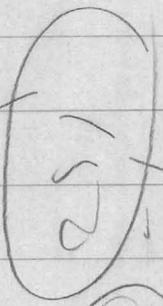
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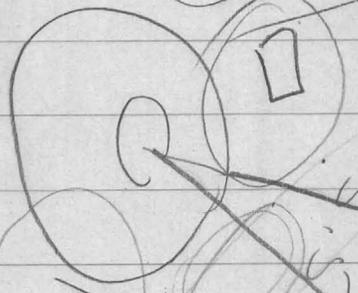
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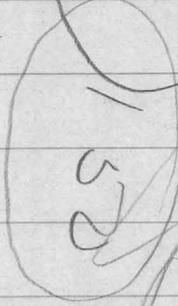
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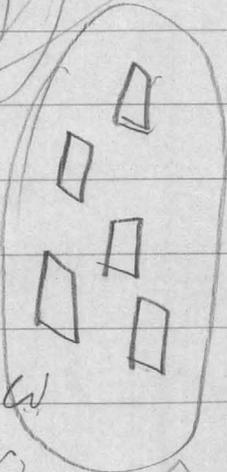
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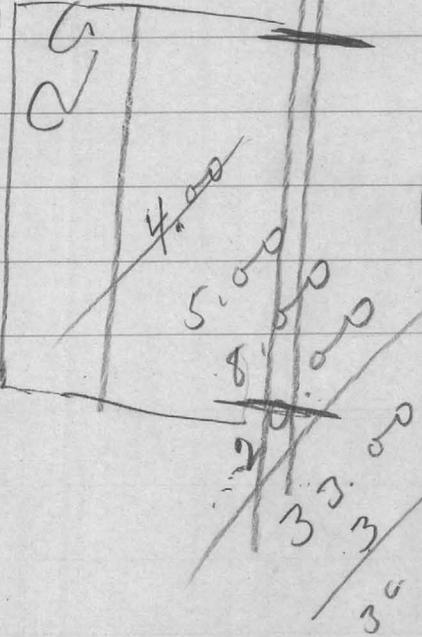
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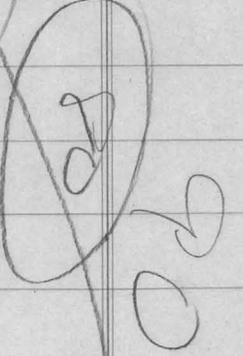
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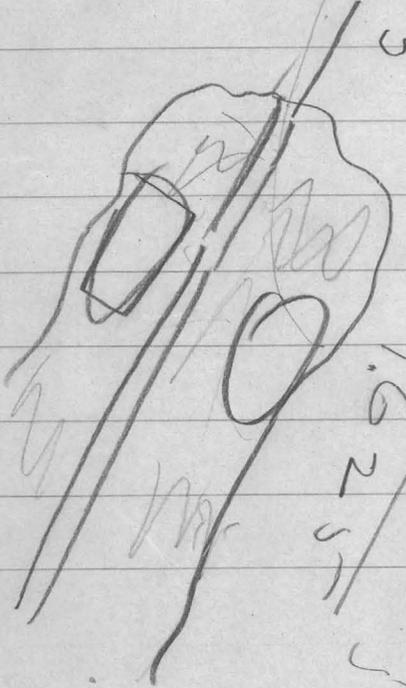
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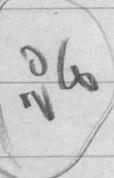
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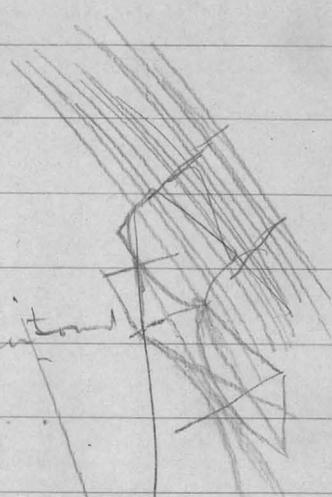
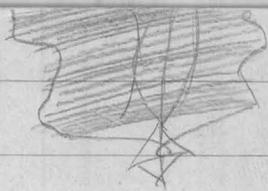
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825 68000 4.00

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Appointed

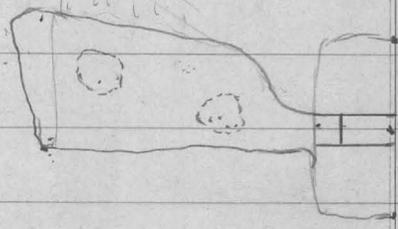
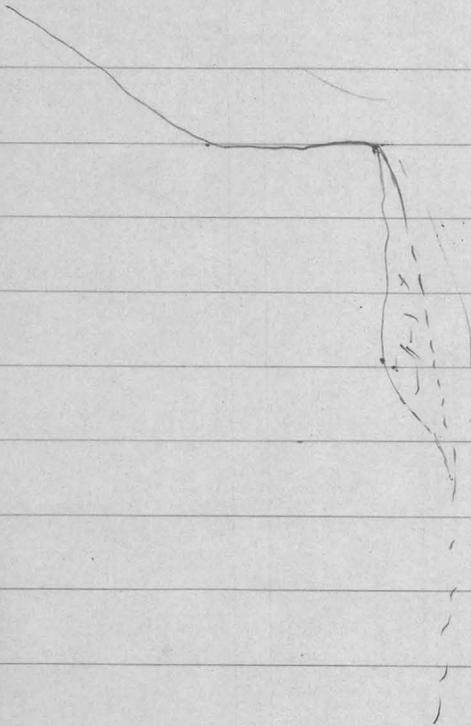
Pay Roll
 Supplies
 Equip exp.
 Patent
 Part m from
 Insurance
 Trucking
 Misc.

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 51,000

total

Anticipated Total cost approx

2300



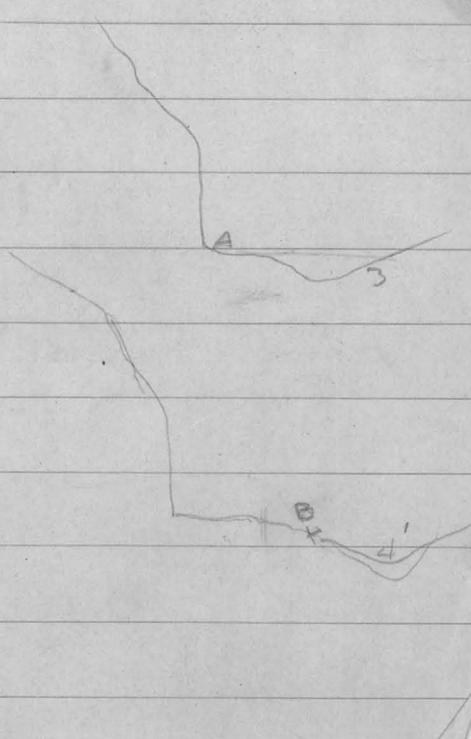
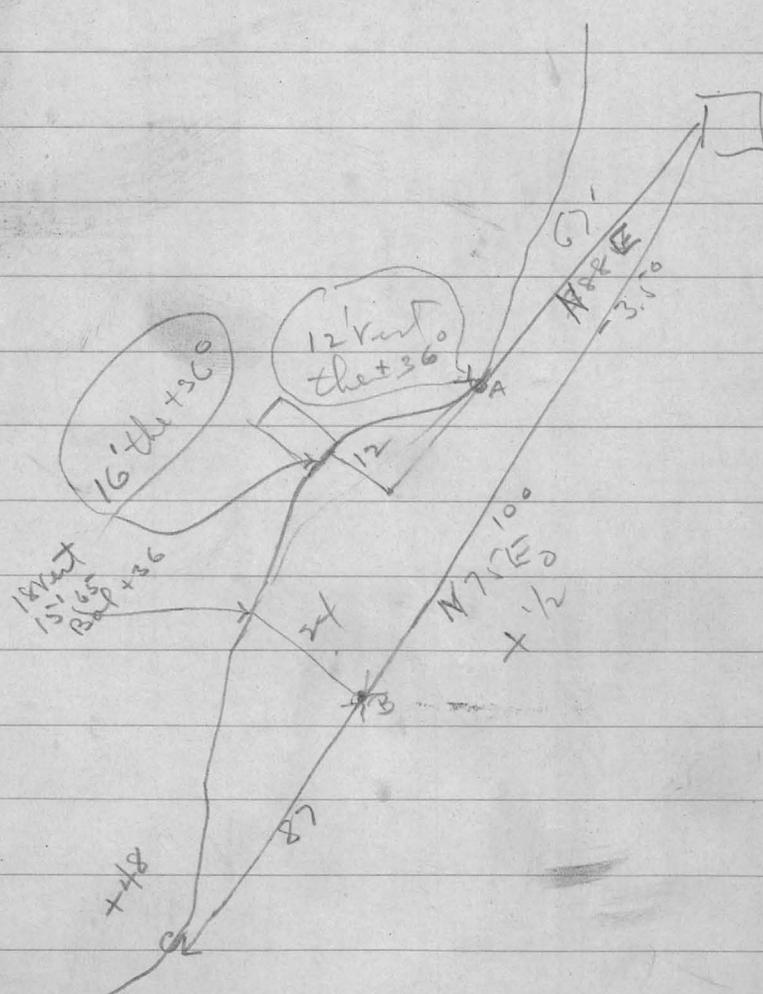
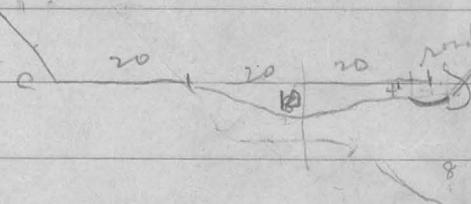
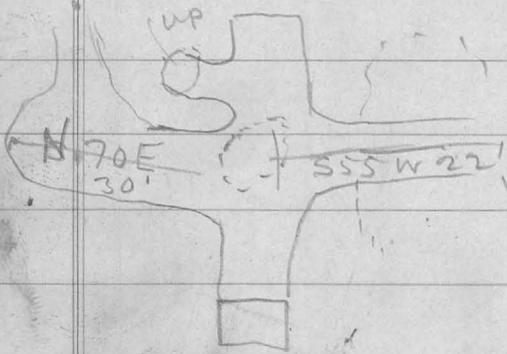
70 Level

S 42 E

11
21 14
27 22 1/2
34.5

19

72	72	72
72	74	72
69	74	72
68	73	72



12.4

824.97

107 107

91

315
9
5

107

Expenditure

Cost
Applicable
to Jan.

107 74.40

9016.37

1758.03

or 10.00 =
11.00 per ton

824

825

Anticip

Prod. Jan 9016.37 Prod Feb

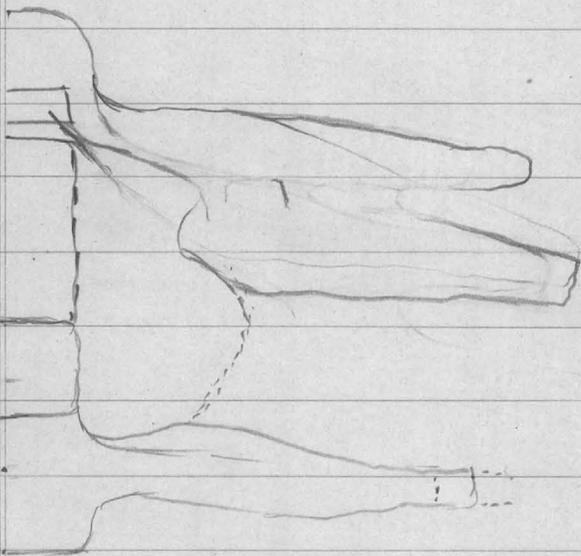
10587.20

Cost Jan 10774.40 Cost Feb

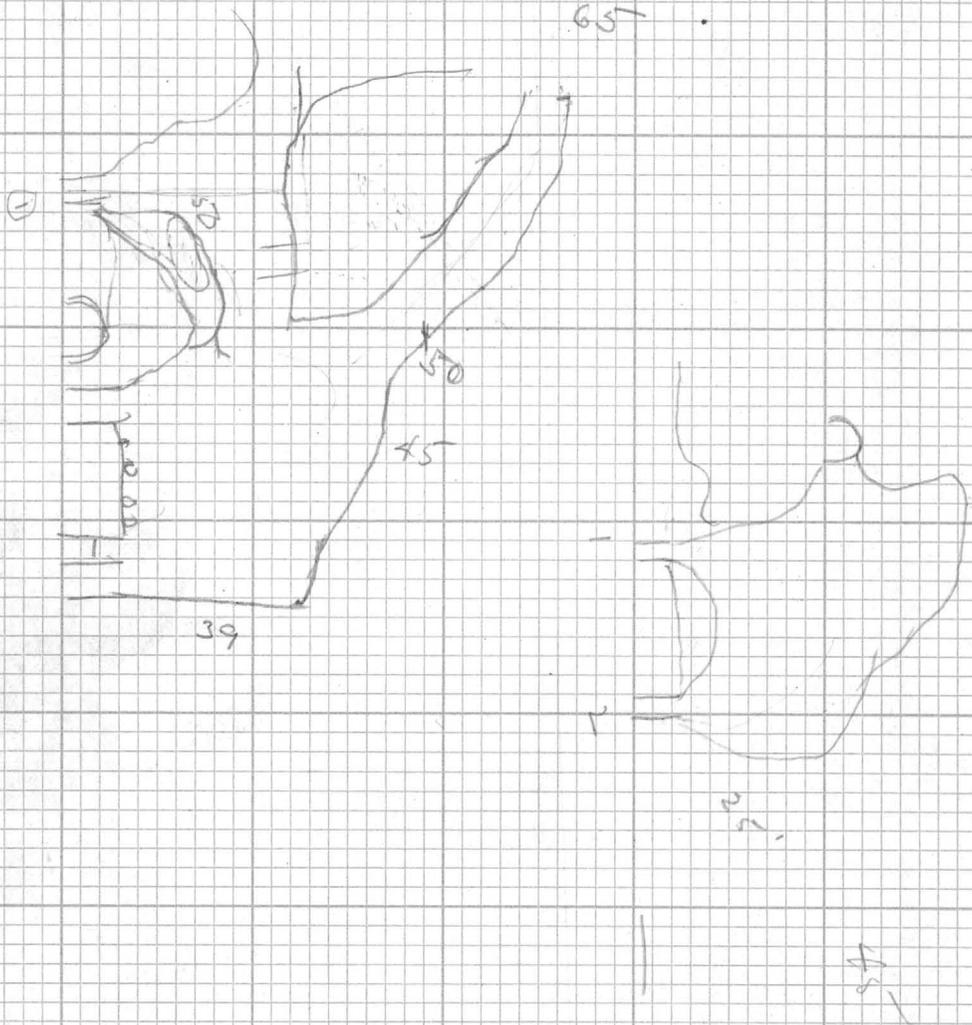
10270.00

1758.03

31720



24
- 9
- 20
- 52
- 34
- 1

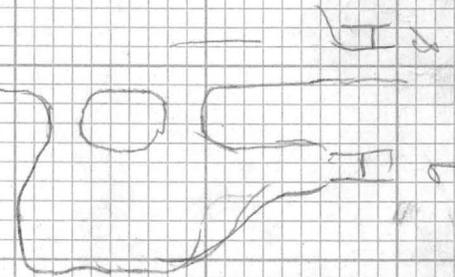
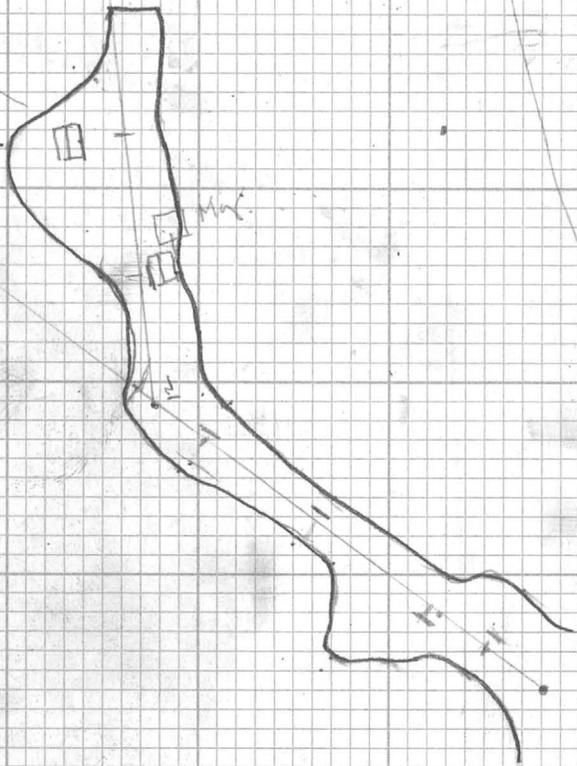


53

N34E 50.0
N84E 40.5

2-12
Pm 12-13

Shut 9



A.S.D.
12-13
P.M.

26.4 N 47 1/2 E 447 5' Cape Camp 00

X-1	S 71° W	21
X-2	S 84° E	69
①-3	S 14 1/2° W	22
3-4	S 5 1/2° W	26
4-5	S 25° W	29
1-6	S 63° E	36
X-7	S 38° E	24
7-8	S 62° E	40
8-9	S 37° W	46 1/2
9-10	S 34° W	36 1/2
8-11	N 49° E	3 1/2
2-11	S 20° E	14

June

SSSE 69

~~SSSE~~

