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

Docket No: B-200
Date of Examination: February 4, 1947
Date of Report: February 25, 1947

1. NAME AND ADDRESS OF APPLICANT:

Thomas J. Anderson, Fred W. Fickett, Robert S. Tullar dba
Oro Blanco Mines
P. O. Box 2568,
Tucson, Arizona

Correspondent: Fred W. Fickett
P. O. Box 2568
Tucson, Arizona

2. CHARACTER OF PROJECT:

To reopen a gold mine by sinking a winze.

3. LOCATION OF MINE:

In Sections 17, 18, 19 and 20, T. 23 S., R. 11 E., Oro Blanco Mining District, Santa Cruz County, Arizona.

4. APPLICANT:

The applicant is operating the property on a small scale. Mr. Anderson is a miner and has charge of the mine and mill. Mr. Fickett and Mr. Tullar are attorneys in Tucson and know little about mining.

5. LOAN REQUESTED:

Applicant requested a loan of $13,475.00, but after my examination I received a letter from the applicant to change the amount of the loan to $2400.00 to sink a winze where I took a sample that corresponded to the sample they had submitted to the Arizona Bureau of Mines and Geology.

This report will consider only their request for $2400.00.

6. DESCRIPTION OF PROJECT:

A. General Features:

1. There are no mine workings, mill or other 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 unimpeded.

5. No likelihood of surface or sub-surface trespass.

B. Existing Development:

1. Tunnel and shaft mine:

a. A tape and compass survey was made of the 70-foot adit level, and the applicant submits a map of the workings that are inaccessible.

The 70-foot level is entered by a 140-foot adit cross cut from the creek level. Along the vein a drift has been run for 175 feet. The shaft is open on this level, but inaccessible. The applicant's map of the lower workings shows about 1800 feet of drifting and cross cutting and numerous raises.

I have prepared a longitudinal section of the mine from the old map and sampling record, and upon it I have placed all the raises and new work.

b. Sampling and assay data:

The applicant bases its request for the loan on the authority of the sampling data of the Traylor Engineering report. Much of the sampling data are worthless, for they don't outline ore bodies, and what samples were taken don't mean much.

However, I took some samples in the 70-foot level. Some are high grade, others are low. The high grade is within the area or just under the area mined by the Spanish.

Lower down, as indicated by the old Traylor report, the values are low to worthless.

Sample No. 1, cut across 2.2 feet, assayed .58 ounces gold and .80 ounces silver.

Sample No. 2, cut across 3.0 feet, assayed .76 ounces gold and 1.0 ounce of silver.

Sample No. 3, cut across 2.3 feet, assayed .08 ounces gold and .80 ounces silver.

Sample No. 4, cut across 2.1 feet, assayed .44 ounces gold and .80 ounces silver.

Sample No. 5, cut across 4 feet, assayed 1.28 ounces gold and .50 ounces silver.

Sample No. 6, cut across 3.1 feet, assayed .08 ounces gold and .80 ounces silver.

Sample No. 7, cut across 6.2 feet, assayed .06 ounces gold and .80 ounces silver.

Applicant submits two settlement sheets on ore shipped from the property. They are on ore extracted from the Junction Tunnel and shaft shown on applicant's map, and it is doubtful that applicant (T. J. Anderson) ever extracted any ore from the 125-foot level as shown on the map attached to the application and marked in red. This ore, as represented by

the settlement sheets, was extracted near the surface and the place was observed by your engineer.

Shipments

March 1, 1941	36.7285 tons	1.12 oz. Au.	7.20 oz. Ag.	85% SiO_2
Jan. 24, 1942	47.8485 tons	.54 oz. Au.	4.46 oz. Ag.	92% SiO_2

c. Condition and accessibility of mine workings:

Only the 70-foot level workings were accessible. All the other workings are inaccessible.

d. General features of deposit:

Very little could be ascertained concerning the character of the ore. The shear containing the mineralization strikes between N 40° W and N 50° W, and dips steeply NE. It cuts through rhyolite porphyry and can be followed on the surface where it has been open-cut by the early Spanish explorers.

All the ore is oxidized, but apparently the gold, alloyed with a little silver, occurred originally with tiny quartz seams and pyrite. The solutions entered along the shear and formed sufficient silicification along the walls to make it appear as a vein. Altered wall rock and vein look alike except for the slight silicification.

C. Proposed Development:

The amended request proposes that a winze be sunk 4' x 8' in the clear from the 70-foot level to the 125-foot level. The place is directly over an old winze (see map).

7. COMMENTS OF SUPERVISING ENGINEER:

Applicant submitted the Traylor Engineering report of 1907, with accompanying map as proof that there are three large ore bodies of gold ore on the 125-foot level that can be milled profitably. This ore is inaccessible and the reports are submitted as proof of grade of ore and tonnage.

I have prepared a map showing the longitudinal sections of all three stopes, and I have plotted the samples as given in the report. It is inconceivable how the engineer that prepared the Traylor report arrived at some of his figures and how he was able, with only four or five samples, to arrive at an average grade for such large tonnages. For example, the ore width of all three stopes is given as 5 feet, whereas there is only one sample in each of the three stopes that measures 5 feet. The other samples are considerably under this width. Distance between samples varies between 30 and 50 feet, and as all three stopes only have four samples each to represent the average grade of thousands of tons of ore, it is believed that the engineer who prepared the report did not use good engineering practices. Although the engineer stated that it was doubtful that the ore could be extracted at a profit, he has misled others (applicant, who has no engineering ability) as to the grade and tonnage of ore.

I took seven samples along the 70-foot level and they are plotted on the map. The old stope probably is not plotted correctly, but it indicates that ore in the old days was extracted here. As also noted on the map, I have plotted samples taken from the report and they show only traces of values below the stope and the remains of some high grade ore on the 70-foot level. Along a length of 130 feet, 6 samples averaged 2.78 feet in width and .60 ounces gold and .76 ounces silver.

The applicant has a small mill on the property, and the recovery is probably not more than 60%. This is proven by the mill test of the Arizona Bureau of Mines and Geology report where, in one of their tests, they have duplicated the milling process used by the applicant.

Actually what the applicant proposes is to borrow money to reopen a gold mine and make the ore accessible for examination, a purpose not acceptable under the regulations. I attempted to point this out, but the applicant believes the report accurate, and I could not say that it was misleading.

Although one member of the applicant claims to have mined ore from the 125-foot level, no records have been submitted, and the possibility of the level being caved in various places, in addition to the one stated by the applicant, should be considered.

I cannot recommend a loan to the applicant based on the data available. It would seem that if the applicant was sincere in its request for a loan, a little more work would open up one of the old raises so that access could be had for sampling the old stopes.

CHARLES A. RASOR
Supervising Engineer

CAR:gmk

Attachments:
Assay certificate
Map

CLAUDE E. McLEAN
P. O. BOX 1888

ARIZONA TESTING LABORATORIES

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

TELEPHONE 3-6272

ASSAY CERTIFICATE

PHOENIX, ARIZONA, February 6 1947

Mr. C. A. Rasor, Supervising Engineer RFC.,
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 $0.90 PER OUNCE.

LAB. FORM 2

LAB. NO.	SAMPLE	GOLD		SILVER		PERCENTAGES			
		OZ. PER TON	VALUE	OZ. PER TON	VALUE	COPPER	LEAD		
63268	#1 2.2 ft	0.58	$20.30	0.80	$0.72				
69	#2 3 ft cut	0.76	26.60	1.00	0.90				
70	#3 2.3 ft cut	0.08	2.80	0.80	0.72	32 ft from face			
71	#4 2.1 ft cut	0.44	15.40	0.80	0.72	At X-cut			
72	#5 48" cut	1.28	44.80	0.50	0.45				
73	#6 3.1 ft. cut	0.08	2.80	0.80	0.72				
74	#7 6.2 ft cut	0.06	2.10	0.80	0.72				
	Oro Blanco Property								

REGISTERED ASSAYER
CERTIFICATE EXPIRES
CLAUDE E. McLEAN
DEC. 31, 1947
ARIZONA, U. S. A.

RESPECTFULLY SUBMITTED,
ARIZONA TESTING LABORATORIES
BY Claude E. McLean ASSAYER

CHARGES $ 7.00