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Reconstruction Finance Corporation Arizona Records

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PLANCOR #434

P.O. Box 387
Morenci, Arizona
October 9, 1944

Mr. T.P. Lane, Supervising Engineer
Reconstruction Finance Corporation
325 Heard Building
Phoenix, Arizona

SUBJECT: Plancor No. 1992

Dear Mr. Lane:

There is returned herewith a copy of your report dated September 29 in regard to the operation of Plancor 1992.

Asbestos Limited finally forwarded to us the executed Bill of Sale which we requested and no doubt a payment for the asbestos fiber board will come shortly.

Yours very truly,

N.C. PETERSON
Senior Engineer

NCP:gd
Attach.

Mr. Lane

RECONSTRUCTION FINANCE CORPORATION
MINING SECTION
PROGRESS REPORT OF SUPERVISING ENGINEER

Docket No. ND-5687 - Pine Top Asbestos Co.
Date of Visit: September 27, 28, 1944
Date of Report: September 29, 1944

At Mr. Gohring's request I visited the captioned project on September 20 and 21. The chief purpose of the visit was to determine what steps should be taken regarding possible commitments for handling certain custom ore. Because of this factor it was not deemed advisable to shut down immediately upon receipt of the instructions contained in Mr. Macartney's letter dated September 15 - refer to Mr. Gohring's letter to Mr. Rait dated September 19, 1944. I would comment upon this subject and the situation in general as follows:

A shipper, Mr. Floyd Brown, equipped a property near the Wilson mine and commenced mining upon the assurance that his product would be processed on a custom basis in the mill of the Pine Top Asbestos Co. A lot amounting to 24.7 tons was delivered to the plant bins prior to receipt of the order to shut down. After delivery of this lot the borrower laid off most of his mine crew to await results from the milling of this lot of ore. The agreement to handle whatever ore he delivered was verbal and no contract was entered into regarding further ore deliveries.

Several parties, other than Floyd Brown, had counted upon shipping ore to the plant as soon as they were advised that it would be accepted, and one of these parties delivered 1800 lbs. which was put through the mill for a test run. No contract agreement, however, was entered into with any of these parties and no ore was delivered, except the above test run, and apparently none of the parties has incurred any serious expense looking toward delivery of ore to the mill. All discussions regarding prospective shipments have been on a "when as and if" basis.

It would seem from the above that the only obligation to mill ore would apply to the Floyd Brown ore which was delivered into the mill bins. Normally this ore would be run and settlement made to the shipper but because of the fact that the mill has not yet been able to make a good product and because of the difficulty of appraising the value of such products as are made it would not be possible to reach a settlement figure equitable and agreeable to the shipper. We therefore concluded that the simplest solution of the problem would be to run the ore roughly thru the plant and give the products to the shipper who would then have to take it elsewhere for further cleaning and grading. The mill is now running this material with approximately 15 tons yet to be milled. We expect that the lot will be completed on Monday, October 2nd. The plant will then shut down and we will proceed with liquidation of the project.

The inability of the mill to make a good product at this time is largely due to the necessity for making considerable adjustments throughout, and to the lack of know-how by the operators (whose zeal and industry is not questioned). The principal difficulty of course is occasioned by the removal to the Army of Mr. Michault, who was the prime mover and brains of the whole enterprise.

Following is a statement of the financial position of the project as given to me by S. J. Lane who handles the accounts for the project:

CASH:

Depository Account:

| | | | |
|----------------------------------|-----------------|---------------|----------|
| Balance - 8/31/44 | \$ 3,101.32 | | |
| Deposit to 9/27/44 | 238.87 | | |
| | <u>3,340.19</u> | | |
| Less checks to 9/27/44 | <u>1,219.10</u> | 2,121.09 | |
| Petty Cash Account | | <u>193.46</u> | 2,314.55 |

RECEIVABLE:

| | | | |
|---|-------------|-----------|-----------|
| D. P. C. - Reimbursable expense items | \$ 4,514.54 | | |
| * " " " " " " machinery, etc. | 9,282.87 | 13,797.41 | 13,797.41 |
| | | | <hr/> |
| Total Cash and Receivables | | | 16,111.96 |
| ** Bills Payable (R. F. C. Account) - approx | | | 1,000.00 |
| | | | <hr/> |
| Working Capital, as of Sept. 27, 1944, approx | | | 15,111.96 |

* Due from D.P.C. but not yet released.

** Principally accrued Industrial Insurance and pay roll taxes which have been included in receivable reimbursements from D.P.C. (above)

The local D.P.C. engineer, Mr. N. C. Peterson, informs me that mill expenses other than installation expenses will be considered as mill testing up to and including Sept. 27, and will be borne by D.P.C. Beyond that date mill operating expenses will be R. F. C. items. While the mill is operable in its present condition there are a number of minor installations yet to be made which include a dryer, mechanical feeders (feed is now hand-controlled), etc., and D. P. C. would complete this work if the project were to continue operating.

T. P. LANE, Supervising Engineer

Copy

MEMORANDUM

FROM: J. S. Michault

TO: T. P. Lane, Supervising Engineer.

PRESENT FINANCIAL STATUS

| | |
|---|---------------|
| Account 478 (not including Petty Cash) | \$3,357.37 |
| DPC reimbursable (certificated) | 1,276.77 |
| DPC reimbursable estimated (not certificated & not yet audited) | 500.00 |
| Building materials from Asbestos Limited (certificated) | 3,534.61 |
| Machinery from Asbestos Limited (being processed by DPC) | 5,035.00 |
| Reimbursable freight on above | <u>811.13</u> |
| TOTAL | \$14,514.88 |

ASBESTOS LIMITED DEAL

On February 14, 1944, Asbestos Limited wrote us: "Yes, the equipment for your mill can be shipped by us any time....."

On April 28, 1944, after we had given them instructions to ship the machinery, they wrote us as follows:

"At the time we made the proposal to the government to ship you such surplus machinery as we had in our warehouse, this equipment amounted to between \$15,000.00 and \$20,000.00. A year or more has gone by and some of the equipment we had then we have since used ourselves and this refers particularly to some motors."

As I later had the situation explained to me by Mr. Newman, they needed some of our equipment in connection with their Navy contract and, unable to obtain it in the market (maybe they didn't even try) they took some of the equipment that had been put aside for us. I do not doubt this was done without the full knowledge of Mr. Newman, but however, it is a fact that they didn't completely fulfill their agreement and that court action could be taken against them. However, I think you will agree with me that it wouldn't be advisable to take such an action at the present time on account of our contract with them and, as far as shipments and payments are concerned, I know they have a reputation of fair dealing.

It must also be realized that, although it may not be a valid excuse, the delay encountered in settling this matter with DPC was partly responsible for the situation.

The items missing are as follows: one fiberizer unit - one fan - one cleaning screen - eleven electric motors - cyclone collector piping.

Furthermore, we sent a sample of our mill rock to New Jersey to experiment with the roll crushers included in the deal and we ran a similar experiment here in Arizona with a spring type of roll. We found out that the roll crushers we had in New Jersey were doing a wonderful job on short grades whereas the spring type was much more efficient on crude mill rock. For this reason we did not include two of these machines in the deal and they are in New Jersey now. We have clear title to this machinery as shown by the bill of sale enclosed herewith (the third roll crusher we have in our plant is covered by a separate bill of sale) and we will give RFC a lien on this machinery in form satisfactory to your office and as you may wish to submit.

I am enclosing herewith a complete list of the machinery and equipment as we have now in the plant with the prices as agreed upon by DPC at a Board meeting.

The total of \$5,035.00 represents the final price they are willing to pay for this equipment. To this total has to be added \$3,534.61 for the asbestos boards.

PROSPECTIVE SUPPLIERS

As you probably can realize from your several inspections in the field, it is difficult to make any estimate at the present time of the quantities of mill rock independent operators will bring to the mill as they have, as a rule, little operating capital to work with and are waiting for the mill to be ready before going in production as they will have to get their money as soon as they bring their ore to the mill. However we can right now reasonably depend on the following suppliers; Loyd Brown - is now producing a ton and one half a day with three men and has 25 tons immediately available. He has 2 compressors on the Wright and Maxwell property and can step up his production to 5 tons a day by putting more men to work.

George Wright - is also operating part of the Wright and Maxwell property under an agreement by which Loyd Brown supplies him the air from his compressors. I do not expect him to produce more than a couple of tons a day.

John D. Reid - he is ready to go on production on the Wilson property under contract with us by which we will furnish him a small compressor and the necessary tools and he agrees to keep at least 5 men busy. We can expect between 2 and 3 tons a day from him.

William Wills - he has taken a lease on the Bear Canyon property for the recovery of the dumps. He claims he can bring 20 tons a day of low grade mill rock, but I would not take this figure seriously. However, either from him or his partner, Duncan, we can probably expect a few tons of graded dump ore.

ANTICIPATED PROGRAM

Canadian Mines

We will recover from this property all the available dump ores and pillars which can be mined at a low price.

Wilson Property

We are ready to put a full mining crew on this property and mine from "Tony's Claims" which you have inspected last week. As you have noticed the camp is about ready to accommodate a mining crew and after a few weeks we can produce sizeable quantities of ore from this property. Furthermore, as you have noticed, there is a sizeable quantity of good grade mill ore already broken in the mine which we will mill immediately. We estimate the quantity of the broken ore available at approximately 100 tons.

MILL

The fiberizing unit is now ready and we are starting to fiberize the low grade ore we have stock piled from the Canadian Mines. The crude department will be ready in approximately two weeks. We plan on running first the ore from Loyd Brown who will have approximately 40 tons by that time and also the broken ore from the Wilson property. This and the low grade pile will keep us busy long enough while mining operations are resumed and mill rock is trucked to the mill.

However, before we resume mining operations and for the reasons I have already explained to you it will be necessary for us to raise additional operating capital. I am not going into details regarding this angle as you are already familiar with same.

8-10-44

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Plans to pay at Mkt Price

Less 10% less cost of handling
adjustable per mo.

| | |
|------|-----|
| no 1 | 750 |
| 2 | 325 |
| 3 | 100 |
| 4 | 25 |

Pay on test basis pay each

Must profit in ^{quantity of} No of grades

~~Might~~ run consistent shippers
on batch runs (held in bin)

will work in his address

9/7/44

Probably both machines can be
made reimbursable by D.P.C.

Call Peterson in about 10 days
or write

Pay Roll

Cozy

Bill Andrews

2 watch

steno

6 operators. (reimb.)

Above are all on D.P.C., until
end of week (Sept 11th) After

that all will be on R.F.C. w/
possible of 2 watchmen

Pam Bill \$100/mo

Plant Insurance \$150/yr.

Fred. Ins. (97% of payroll).

Saw fare \$50/mo from now
on \$100 mo (?)

Est 400

270 tons on site

$\frac{270}{2}$

500 + tons reserve, dump on

① at 20% = 100 ton fiber @ 50[¢]
but double a paper stock

② at 30% = 150 tons @ 27⁰⁰
fiber ~~res~~
Cement stock

③ at 30% = 150 tons ad. at 18⁰⁰

Price on FOB globe

① asbestos ftd will take all of this

② J.E. Ireland, L.R. will take
all of this as requested
by wire from him. Not
firm but practically so.
(He got from Kyle.)

③ J.E. Ireland will take
this also as above.

10 Tons Floyd Brown in bin
30 ✓ on ground in Town

30.00 @ # 40 = 1200

Value @ # 75 = 35

$\frac{13}{22}$ profit

(= 660)

will run dump out then
both rolls then into fibrous
side of mill

Sam Lane as chief clerk
Castle Dome mill supervisor
bookkeeping ^{2 items} on both RFC
and D.P.C. account

Bill Andrews is in charge

D.P.C. has agreed to let
mill operate for a time

| | | |
|---|--------|-------|
| ① | 5,000 | 15 |
| ② | 4,050 | 27 |
| ③ | 2,700 | 13.50 |
| | <hr/> | <hr/> |
| # | 11,750 | 40.50 |

3.50 to haul in mine stock
 piled material x 250 tons
 = \$875

13.00 ton Milling (D.P.C. 3.65) incl. (path
 \$3.00 nail)
 Milling Exp't at 4% not calculated
 (to the completion of mill)

| | | |
|------|-------|---------|
| haul | 875 | 11750 |
| mill | 6500 | 7375 |
| | <hr/> | <hr/> |
| | 7375 | # 4,375 |

(# 13.00 cost at present. Expect to
 have w/constant operation

Goes in Army 9th at
San Pedro (Fort McArthur)
Signal Corps division.

Cash Position

2088 Depositor Acct
1070 Approx Receipt Items
(no question re: them)
1 mo.
9380.74 Due as reimbursable
from D.P.C. (Mach.
ask board 2/14)
12468.74 This has been long stand
should be cleared soon?
Has been certificated
and approved but not
cleared.

Expects to produce 8-10 tons
day fiber.

Should have a ^{40 ton} case of ~~1~~ ¹
by end of mo. # 2000
and 3 cases other grades

4730 1/2 stock 2'365

| |
|--------------|
| 16.00 |
| 10.00 |
| <u>27.00</u> |

2365 + 2000 = 4365

①
Progress Report

Docket No. 20-5687 Run Top Asbestos Co

Date of examination Aug 16, 17, 18, 19.
Start Report Aug

I report several days recently, beginning on Aug 16, inspecting the operation of the company of days inspecting the business operation at his mill and mine properties.

~~Aug 21st. The trip was made in the company of W.P.B. officials from the~~
~~and from Salt Lake City, offices of the~~
W.P.B. These officials were: S.L. Matheson, Deputy Director of the Asbestos, Cork and Fibrous Glass Division of the War Production Board; Utley Smith, Chief of Asbestos Section of the above division of W.P.B.; and C.M. Heron, Consultant for the Mining Division of W.P.B. (Salt Lake City Office). The party was joined in Globe by J. H. Hedges, Arizona District Engineer, U.S. Bureau of Mines.

The purpose of the visit was to investigate the current operation of the project ~~and~~ and attempt to appraise the potentialities of the ~~district~~ ^{region} as a supplier of custom over to the borrower's mill with particular emphasis upon certain types of asbestos fiber ~~now~~ ^{of which there} ~~presently~~ ^{urgently} needed in the war effort; and the visit was ~~initiated~~ ^{instigated} by the receipt of a request addressed to the W.P.B. by the borrower for additional financing to provide working capital for the enterprise, ^{and} also, because of the imminent entry of the borrower into the military service after ✓

several periods of deferment,

by the need to judge whether ^a the request for ^a further period of deferment ~~is~~ ^{is} justified.

During the course of the investigation the party visited the Larson's mill at Globe and his Wilson mine in the Sierra Ancha district. They also visited ^{near the} the Phillips mine and Cobbin mill ~~in~~ the John Man Salt River district and the John-Manville mill in that same district, and Kyle's ~~at~~ mill in Globe.

P Mr. Hedys returned to Tucson after visiting the Wilson mine and Mr. ^{Matheys} Smith and Mr. Smith, later, returned with me to Phoenix, on August 19, whence they took plane for Washington. Mr. Horn whose assignment was to prepare an engineering report to his division head of the W.P.B. remained in the field another two days. He arrived in Phoenix yesterday evening and will write ^{and forward} his report from here within the next several days.

~~Reports and opinions by this office~~

P ~~The investigation was done in a W.P.B. office and~~ Since ^{P.F.C.} reports and opinions on the situation were ^{originally} submitted to a director of W.P.B. ~~which~~ ^{the} based upon urgency of need for adobas rather than the usual requirements of ~~a project~~ ^a ~~project~~ ^{promise} for developing a self-sustaining operation through the use of government loan

~~Personnel~~

funds my part in the investigation was confined to making available such data and opinions as had been ^{already} gathered and expressed by R.F.C. Mr. Hedger, who ~~had~~ prior to the inception of the project, ^{had} recommended the establishment of a custom mill, contributed the data which his Bureau had gathered during an extended survey and exploratory development program in the region.

At the time of the ~~survey~~ ^{survey} it was ~~found~~ ^{found} that the ^{main} properties of the ~~business~~ ^{business} could ~~provide~~ ^{provide} only a ^{small} ~~part~~ ^{portion} of the ~~requirements~~ ^{requirements} of the proposed mill, and offerings of custom ores in the district were counted upon to provide the bulk of the mill feed and ^{cover the bulk of} ~~the~~ ^{the} ~~requirements~~ of the asbestos which was so urgently needed for the ~~most~~ ^{most} ~~our~~ ^{our} effort - by the ~~Man~~ ^{Man} in particular. It has long been recognized that the fibre resources of the district ~~based upon~~ are potentially large and that the fibre is ~~at least~~ ^{at least} generally of exceptional quality - claimed by some, and with apparently ^{some} ~~good~~ ^{good} reason, "the world's best fibre". It ~~is~~ ^{is} recognized also ~~that~~ ^{that} the ~~deposits~~ ^{deposits} ~~are~~ ^{are} small and ~~widely scattered~~ ^{widely scattered} ~~and~~ ^{and} ~~generally~~ ^{generally} ~~in~~ ⁱⁿ ~~so~~ ^{so} ~~remote~~ ^{remote} ~~as~~ ^{as} ~~to~~ ^{to} ~~be~~ ^{be} ~~very~~ ^{very} ~~difficult~~ ^{difficult} of access. ^{Mr. P} The erratic nature of the deposits does not permit the blocking out and retention of reserves in a deposit in the usual manner, and ~~the~~ ^{the} amount of material ^{therefor} which would be offered to a custom mill is an intangible factor which I do

~~that the fibre occurs in many small widely scattered deposits in rugged country so remote as to be generally very difficult of access.~~
that the occurrence of the fibre is in many small widely scattered deposits in rugged country so remote as to be generally very difficult of access.

only

not believe ^{could} be definitely arrived at by any amount of preliminary runs and examinations. It could be known only when the availability of a custom mill, ^{with your hat} ~~and~~ stimulated ^{activity} ~~development~~ ~~and~~ on a ~~great~~ ~~amount~~ of ~~properties~~ showing now considered ~~meritorious~~ but upon ^{many of} ~~which~~ development would not be undertaken without the assurance of a market for the ^{or products} ~~of~~ ^{the} ~~Horizon~~.

judged by the past performance of the region ~~the~~ ~~argument~~ ~~with~~ ~~some~~ ~~reason~~ that a substantial amount of ore will ^{eventually} be offered to such a mill. ~~doesn't appear~~ ~~reasonable~~ ^{to be unreasonable} ~~for~~ ~~any~~ ~~extent~~ ~~the~~ ~~of~~ ~~the~~ ~~situation~~ ~~is~~ ~~certainly~~ ~~not~~ ~~less~~ ~~uncertain~~ ~~than~~ ~~at~~ ~~the~~ ~~time~~ ~~the~~ ~~project~~ ~~was~~ ~~begun~~, and in fact, ~~considering~~ that the Wilson project, and ~~as~~ ~~the~~ ~~one~~ ~~near~~ ~~it~~ ~~which~~ ~~is~~ ~~now~~ ~~developing~~ ~~as~~ ~~a~~ ~~series~~ ~~of~~ ~~small~~ ~~plants~~ ~~and~~ ~~is~~ ~~counted~~ ~~upon~~ ~~as~~ ~~a~~ ~~firm~~ ~~rather~~ ~~firmly~~ ~~as~~ ~~a~~ ~~possible~~ ~~supplier~~ ~~of~~ ~~a~~ ~~small~~ ~~but~~ ~~reliable~~ ~~amount~~ ~~of~~ ~~ore~~ ~~to~~ ~~the~~ ~~mill~~ ~~will~~ ~~not~~ ~~be~~ ~~considered~~ ~~in~~ ~~passing~~ ~~surveys~~, ~~of~~ ~~the~~ ~~potentialities~~ ~~of~~ ~~the~~ ~~district~~, it might be said that the situation is ~~not~~ ~~more~~ ~~uncertain~~ ~~than~~ ~~at~~ ~~the~~ ~~time~~ ~~the~~ ~~project~~ ~~was~~ ~~begun~~.

The W.P.B. is now confronted with the need for more capital.

The situation is not a mine uncertainty that at the time the project was begun, and there is little or no information available regarding the quantity of ore reserves known and contained in previous reports and summaries.

The situation is not a mine uncertainty that at the time the project was begun, and there is little or no information available regarding the quantity of ore reserves known and contained in previous reports and summaries.

W.P.B. is now confronted with the need for more capital.

The W.P.B. is now confronted with the need for securing a new director to R.F.C. to loan

The D.P.C. does not provide ~~and~~ ~~the~~ ~~R.F.C.~~ ~~funds~~ ~~which~~ ~~are~~ ~~loaned~~ ~~to~~ ~~the~~ ~~project~~ ~~for~~ ~~mining~~ ~~and~~ ~~development~~ ~~and~~ ~~have~~ ~~been~~ ~~largely~~ ~~expended~~ ~~in~~ ~~the~~ ~~past~~ ~~year~~. The

W.P.B. is therefore confronted with the need for issuing a further directive to the R.F.C. to provide necessary working capital if the enterprise is to be continued. I believe that its decision will be largely dependent upon the findings and recommendations of Mrs. Heron.

Page 1 (3 spaces)

Following is a description of the operations at the time of ~~My~~ visit.

The mill is divided into a crude fiber section and a fiberizing section. ~~At the time of my visit~~ the crude section was not yet in operation and probably would require another 2 weeks for completion. The fiberizing section has been in operation ^{on fine dump material} and ~~was making a~~ satisfactory ~~finished product~~ although some changes in screens ~~are~~ ^{are} indicated. The finished ^{short fiber} product was generally satisfactory. I am attaching a photograph, and a diagram showing front and side elevations of the mill. The floor plan is described as follows:

~~Full~~

Visited the applicant in the captioned
district in Globe on August 2 and inspected
his mill construction job ^{at Globe} that afternoon and
discussed the project in detail with him
that afternoon. Next day I visited the Wilson
mine and camp in company with
the applicant and his mine superintendent
and Mr. Peterson, Supervisor in Charge of
D.P.C. of the ^{the} present D.P.C. project in the Miami-
Globe-Morenci region.

The mill was near completion at the
time of my visit and it was expected
that the fiberizing side would be processing
fine dump ^{material} within the next few days.
The applicant has just advised me that by
telephone that the fiberizing section is now in
operation and is making a satisfactory finished
product. The crude section will require
another 2 to 3 weeks to complete. I am
~~attaching~~ ^{attaching} a sketch, and a diagram showing front and side
~~attaching~~ ^{attaching} a floor plan and elevations of the
mill, which is described briefly as follows:

R The incoming ore is dumped from a ~~mine~~ into
a receiving bin whence it is fed to a
jaw crusher and the crushed product is
conveyed to ^{the} 3 mill bins with provision
for ~~spouting~~ ^{discharging} into any one of 3 bins ^{at}
~~when~~ ^{when} the head of the crude section
of the mill, or, when the material is
fine and contains a preponderance of short
fiber as ^{in the dump ore now being used,} ~~as is the case in the present~~

~~took place during~~ ~~as was~~ ~~been~~ ~~mill~~ ~~and~~ it is discharged ^{from the conveyor} into ~~the~~ a bin at the head of the fibrizing section of the mill.

Material from the crude ore bins passes successively through 2 jaw crushers, a dryer, 2 sets of rolls and finally to grading screens which take off No 1 ~~grade~~ ^{crude} fibre and No 2 ~~grade~~ ^{crude} fibre, the undersize falling into a bin. ~~where it is elevated to the bin at the head of the fibrizing section.~~ ^{M.P.} Screens between the crushers and between the rolls and at the head of the dryer and ^{P.T.} crude screens remove fine sand and dust which is discarded.

The undersize product from the crude screens ~~is~~ ^{is} elevated to the ^{bin at the} head of the fibrizing section, ^{where it} is fed to a Chilean mill along with ^{any} ^{mill feed} fine material which might have been ~~discarded~~ discharged into that bin from the conveyor above the bin. The Chilean mill product passes onto screens above a compartmented bin and is separated into 3 grades of short fibre. A fourth compartment receives ^{screen} ~~the~~ fibre dust which is removed from the circuit and is stock piled for use in making ~~as low grade fibre material for~~ ^{as low grade fibre material for} ~~making cement~~ ^{making} ~~minim~~ ^{minim} with cement. The short fibre in the compartments is fed ^{by screw conveyors,} in the desired proportions for the various specifications of short fibre stock, to a hammermill

present in the first place to recommend that it be given additional money to request an extension of his military deferment. Representatives of W.P.B. and the Bureau of Mines plan to meet in this office tomorrow with to arrive at a decision regarding the further prosecution of the rule.

As regards the ~~rented~~ equipment which was ~~in~~ ^{purchase} from Asbestos Limited ~~by~~ ^{the} ~~the~~ ^{proceeds} ~~deposited~~ ^{deposited} in the ~~operating~~ ^{R.F.C.} account, this matter has not developed satisfactorily. The Asbestos Limited ~~Co. has~~ ^{originally} ~~not~~ ^{used} some of this equipment and it is not available for sale to D.P.C.

~~The Asbestos Limited Co. used some of the equipment~~

No. 11

Since the time of the original agreement ~~the~~ ~~Asbestos~~ ^{and} before receipt ^{of request} ~~of~~ ^{for} delivery ^{of the equipment} the Asbestos Limited Co. ~~used~~ ^{used} ~~some~~ ^{some} of this equipment elsewhere and it is ~~not~~ ^{is} ~~not~~ ^{not} available to the Bureau. Also the D.P.C. now holds to an appraised price on the equipment which is lower than their original appraisal. Further, ~~the~~ a change in the flow plan of the mill required the substitution of crusher rolls in place of 2 of the 3 Chilean rolls which were listed in the Asbestos Limited equipment. The 2 Chilean rolls are valued at approximately \$5000 and while

~~this material~~

the brown holds clear title to this ^{part of the} equipment
the ~~anticipated~~ ^{expected} proceeds from its ^{anticipated} sale ^{to D.P.C.} are not
available as working capital for the project.

~~I requested~~ ^{after report} the brown ^{has} supplied me with
with ~~some notes~~ ^{a memorandum} regarding this ~~above~~ matter
and send it ~~with~~ ^{with} ~~the~~ ^{attached} ~~memorandum~~ ^{memorandum} and I
am ~~forwarding~~ ^{attaching} ~~the~~ ^{the} ~~memorandum~~ ^{memorandum}
as ~~follows~~ ^{shown} ~~below~~ ^{here} ~~with~~.

T. P. Lane

3 carbons

Reconstructions Finance Corp.

Main Section

Report of Supervising Engineer

Docket No ND-5687

Date of Examination Mar 24, 1944

Date Report

Equipment

The applicant was granted a loan in the amount of \$25,000 on Oct 30, 1943 for the purpose of ~~developing~~ ^{mining} ~~and developing~~ ^{and developing} asbestos in the project known as the Canadian Mine. The mining loan program is related to a larger Defense Plant Corporation project which is to provide a custom asbestos mill for the district country upon the production from the Canadian Mine as a backlog supplier of the ^{major} ~~principal~~ ^{most} ~~principal~~ tonnage. The ~~original~~ Supervising Engineer's report upon the Canadian Mine was generally unfavorable and stated ~~pointed to the~~ that only a small tonnage of low grade material was ^{available} ~~indicated~~ in the quite fairly extensive workings and ^{that there appeared to be little} ~~that~~ the possibility of supplying even a small part of the 400 to 500 tons monthly capacity of the proposed mill. The ^{mining loan} ~~loan~~ was granted however at the specific request of the W P B ^{made} ~~upon~~ in view of the urgent war need of the Navy for asbestos. This same urgency of need prompted the setting up of the Defense Plant custom mill project. Arizona ^{Christie} ~~asbestos~~ is of exceptional quality and very much desired for strategic war needs. Production ^{with the past} ~~has~~ has been quite limited because of the fact that ~~the~~ although the occurrence of

11

The applicant was granted a loan in the amount of \$5,000 on October 30, 1948 for the purpose of mining and developing asbestos in the Canadian mine, and for conducting milling operations for this ore and custom ores of the region in a mill to be constructed with funds ~~obtained~~ supplied by the Defense Plant Corporation and loaned to the applicant. The Canadian mine was ^{originally} counted upon as a ~~supplier of the~~ ~~for the~~ ~~major tonnage~~ ^{capacity} ~~of the mill~~, major ^{source} ~~supply~~ of the mill tonnage.

asbestos is quite wide spread the ore
shorts are small and erratic. 5

N.P. No particular deposit with the exception of
the mine of the Johns-Manville Co. has
developed a sufficient certainty of ore
ore supply to induce private capital to
~~enter the field and~~ build a refined
plant making all grades of
fibre, nor has the prospect for handling
custom ore ~~seemed~~ ^{seemed} sufficiently attractive to induce
custom mill ~~warrant~~ the construction of a
custom mill. Such plants as exist now
or have existed in the past, with the exception
of the Johns-Manville plant, have been
crude cobbling plants without facilities
for handling the large amount of short
fibre which accompanies the large grades.
Also, the

application requesting permission to use \$10,000 of the ~~sum~~ allotted mining loan for the purpose of conducting mining operations and development upon a property in the Cherry Creek district. The property was examined recently and the following report, preceded by ~~a summary of work~~ ^{commitments in progress at} the Canadian mine, contains a description of the property with ^a recommendations regarding the application.

~~the~~ Progress at the Canadian Mine

The camp was rehabilitated and compress, air pipe lines, and mining equipment placed upon the property. Development in the mine has consisted of driving ~~drives~~ ^{drives} ~~into the roof of~~ ^{into the roof of} ~~the~~ ^{the} ~~stope~~ ^{stope} described in Mrs. Mitchell's original report to R.F.C. The objective was the exploration of ~~the~~ ^a serpentine band in the limestone lying some 12 feet above the ^{main production} ~~bed~~ ^{bed} ~~which was mined in the main stope~~. The results were negative and work in the mine now consists of mining and ~~stochpiling~~ ^{stockpiling} the material ~~down~~ ^{from} in pillars in the outer or upper part of the stope. ~~Because of the sporadic occurrence of~~ ~~fine rock in the stope and waste~~ ~~regarding the~~ ^{MP} A great deal of waste material must be hauled in mining the narrow fibre band in the ~~low~~ ^{low} face of the stope and for this reason, and because of the

No 11

It is believed that the availability of such a custom plant ~~market~~ mill outlet will stimulate the further development of the very large number of ~~productive~~ ~~now~~ ~~idle~~ which small deposits, now idle, which ~~produced~~ ^{in the past time} made a substantial production of high grade material, and ^{will also stimulate} the prospecting for and discovery of new deposits. The plans for construction of the plant and purchase of machinery have been approved by D.P.C. and as soon as the mill site purchase ^{of the mill site} for the city of Globe has been approved ~~to take the construction of the plant will begin as soon as approval, expected momentarily,~~ of the mill site purchase of the mill site from the city of Globe has been received. At the time of granting of the mining lease the applicant discussed with the R.F.C. engineers in Wollington the ~~probable~~ possibility for directing a portion of the loan funds to ~~the~~ ~~development~~ the development of other asbestos properties in the region and he was advised that ~~such~~ ^{an} amended application ~~must~~ be submitted for this purpose and that a decision would be dependent upon a field examination ^{and, this has} report ~~and~~ ^{approval} by the ~~mill~~ ^{multi} ~~office~~ ^{office} R.F.C. ~~on outside property other than that~~ following submission of an amended application ~~requesting permission to divert funds for this purpose.~~ Accordingly, and in view of the probable early completion of the D.P.C. mill and the realization that the Canadian mine will not be able to furnish any considerable portion of the mill capacity, the applicant has submitted an amended

Start

at the

11

erratic nature of the occurrence and uncertainty regarding the results which will be obtained in milling the material, it is ~~generally~~ ^{deemed} not practical to mine in advance of actual milling, ~~and work of this nature~~ ^{Mining of new amount} therefore has been postponed pending completion of the mill. Meanwhile those ^{portions}

~~of the~~ ^{of the} dumps which ^{were the result of} resulted from cobbing of ore to produce long fibre. ^{are} During previous operations ^{are} being reclaimed.

The dumps lie on extremely steep slopes or at the base of cliffs below the workings. The material is sorted closely, ^{to a mill grade of fibre} and ^{up} ~~is~~ ^{is} pushed ~~to~~ ^{to} a stockpile at the ^{camp} ~~plant~~. At the time of

my visit ^{about} ~~some~~ 150 tons had been reclaimed in this manner and it is expected that the the dumps will produce at least this much more. It is estimated that the material will mill out at about 25% ^{total} marketable fibre.

It is further estimated that the fibre will grade ^{into} about 1/3 No 3 and 2/3 No 4, and, at values of \$100 per ton for No 3 and \$40 for No 4, the mill rock will be worth \$60 per ton.

The crew consists of 6 men including a foreman and the contract packers.

~~The mining work is as good as the pulping work completed with this.~~

~~The applicant is ^{directly} ~~contracting~~ the work of mining, made in an efficient ^{and} intelligent manner.~~

see 5 a

Proposed
Report on project and Amended
Application.



1. Name and Address of Applicant

J. S. Michault
P.O. Box 1574
Globe Arizona
Correspondent Same

2. Character of Project:

Develop an asbestos property.

3. Location of Mine.

The property consists of ~~several~~ ^{five} groups of claims located in the Florine Mining District (Cherry Creek Area), Pinal County, Arizona.

The nearest rail point and supply center is ^{at} Globe, Arizona, and the ^{Defence Plant, Capital} ~~D.P.~~ mill

to which the mine product will be shipped is ^{at} ~~that place~~ ^{to Holtzville} ~~at that place~~. The ^{center of the property} ~~mine~~ is approximately 115 miles distant ^{to Holtzville} ~~northerly~~ by road from

Globe. 85 miles of this road from Globe is a well maintained dirt county road ^{portion of} which ^{contains} ~~is~~ ^{fairly} steep mountain grades. The balance of the road is ~~rough~~ ^{rough} poorly maintained ~~rough~~ ^{rough} road on ~~the~~ ^a mountain table land. The last 2 miles to the property is ^{in places so} ~~quite~~ ^{quite} rough and steep ~~in places and~~ ^{as to be} ~~places~~ ^{places} barely passable. The ~~applicant~~ ^{applicant} has

arranged with the county to repair much of the ranch road and this work is now in progress. The county has agreed to lend a bulldozer. Also, the county has agreed to lend the applicant a bulldozer with which to improve the last ^{seven miles} ~~part~~ of the road at his own expense. The ^{highway} ~~road~~ on the mountain top (approx. 60 miles) is ~~closed~~ ^{is blocked off} ~~by~~ ^{shut} ~~by~~ ^{intensely} ~~by~~ snow ~~for~~ ^{for} periods during storm periods in the winter, and the ranch road is often ~~closed~~ ^{closed} ~~for~~ ^{for} impassable for periods of several weeks. With a steady mining operation in progress at the ~~the~~ ^{has been} when the ranch road is improved and operations are progressing at a steady rate at the subject property it will ~~be~~ no doubt be possible, with county help, to keep the roads open ~~except for~~ ^{except} ~~for~~ ^{for} short ~~through~~ ^{through} most of the winter.

4.

Applicant

The applicant is a ~~working~~ ^{working} man ~~of~~ ^{of} Belgian citizenship. He has been drafted by the U.S. army but has been deferred at the request of the Navy because of the essential character of ~~this~~ ^{his} ~~present~~ ^{present} ~~asbestos~~ ^{actinide} ~~project~~. He has successfully ~~operated~~ ^{operated} ~~asbestos~~ ^{producing} ~~operations~~ ^{operations} in the ~~district~~ ^{Army region} during the past several years and in this work has shown good business judgment and executive ability. He ~~has established~~ ^{has} ~~established~~ ^{established} a valuable

contractual association with the Asbestos Limited Co of New Jersey looking toward the marketing of Arizona asbestos. His superintendent Mr. William Andrews is a reliable competent operator with many years of experience in mining asbestos in Arizona.

Loan Requested

The project has been granted a mining loan in the amount of \$25,000 ~~for the~~ ^{development of the Canadian mine} applicant and the applicant has ~~has~~ ^{the proceeds from the sale of} agreed that certain mining equipment now located at the mill of the Asbestos Limited Co in New Jersey will be made available ~~for~~ ^{for the} project. ~~for~~ This equipment valued at approximately \$19,000 will be sold to the D.P.C. In the present amended application the borrower requests permission to divert \$10,000 of the above ~~\$25,000~~ loan toward the development of a property, ~~in the~~ described hereinafter, located in the Cherry Creek Area about 100 miles north of the Canadian mine.

~~The above loan was granted for the purpose~~

6 Description of Project

A. General Features

1. There are no mine workings, mill or other appurtenances upon the property.
2. The proposed project will comply with State compensation or safety-first statutes.

- 3. There are no apparent ~~legal~~ legal discrepancies in the proposed project
- 4. There are no impeded right-of-way facilities =
- 5. There would be no likelihood of surface or sub-surface trespass during the project. =

B Existing Development

C The property comprises a great many claims in widely separated groups. The large number of scattered workings consists for the most part of cuts on the faces of cliffs or very steep slopes, ~~and~~ ~~no~~ ~~particular~~ workings is ~~very~~ extensive with the exception of the Buckeye mine. This property is worked out and was not visited. Several of the few number of short tunnels on the property are open and others are cored.

after
next page

1. General Features

~~No~~ The applicant presents with the application a claim map showing the blocked outline of the ~~several~~ groups of claims, also a rough sketch showing the topographic outline of the portion of the "Cross Trails" group of claims upon which it is proposed to perform the first work. No detailed map or sketch of any of the workings is available. The sketch which accompanies this report was made by ~~tape~~ ~~and~~ compass and tape survey, with some distances paced and others estimated.

b. No samples were taken. ~~Appraisal of asbestos rock in place in the field is~~
~~Relative amounts and lengths and quality of~~
 fibre is ~~estimated~~ ^{lengths are} ~~Grades and amount of fibre~~
 (return to a) return to c? ^{are estimated.}

d. General Features of deposit etc.

unpatented

The property comprises 5 groups of ^{lying within an area approximately 2 miles long by 4 miles wide} claims and totals 78 claims. The claims are all located on a large ranch holding known as the Wilson ranch and are leased by the ranch owner to the applicant for a period of ten years. A copy of the lease agreement is included with the application.

The property is located in a tableland or mesa region in the Sierra Ancha mountains of central Arizona. The terrain is ~~area~~ ^{less rugged than} in the area south and east of this locality but the mesas are ~~not~~ nevertheless cut by ^{numerous} ~~many~~ shallow steep sided ^{and canyons} ravines. The rocks of the region are flat ~~and~~ or nearly flatly bedded. principally quartzites, sandstone ^{and} limestone, with some shale and conglomerate. These rocks have been intruded by diabase sills and dikes ^{whose upper surfaces} ~~which~~ generally parallel the stratification of the enclosing rocks.

1708

Mr P in the present examination the first most attention was directed toward the areas in which the applicant purports to be engaged in mining, and ~~some~~ other areas considered to be most important. were examined in a cursory manner.

P As noted above, the property concerned in the present amended application is quite ~~extensive~~ ^{large}. ~~It would not be possible to~~ Because ~~one~~ of the large area and the absence of detailed mapping a thorough study of all the ground would be a ^{task} of considerable magnitude ^{and} beyond the scope of this office. The diabase ~~lies~~ ^{lies} sill ~~lies~~ ^{lies} near the top of the meso ~~land~~ and the limestone ~~is~~ because of the sharp indentation of the mesa by many sharp ravines and canyons the limestone ~~and~~ diabase contact ~~is discernible for~~ ^{on the property} presents a discernible trace many miles in total length ~~upon the property~~. The sides of the ravines are generally ~~sufficiently~~ quite steep ~~and it is therefore possible in many places to view the contact though~~ is at many places ^{is} not ^{covered} obstructed by detrital material and can ^{there} be freely inspected. Except when ^{deeply} broken into however the weathered condition of the surface exposures permits only the determination of the presence or non-presence of fibre ~~and~~ ~~rather than~~ and ~~seeds~~ affords only uncertain indication of the quality or ~~extent~~ of amount of fibre which might be ^{made} ^{by deeper work} available at those places. This is a common characteristic of the deposits and in all of the limestone - diabase contact areas in this and other districts in the state. Exploration

see sketch

and mining of the deposits is carried on from shelves in the bluff faces. Work is begun in an area of favorable fibre exposures ^{and} as the serpentine and fibre band is broken into ~~and~~ the from an advancing shelf. ~~at~~ these where the fibre band is found to continue into the hill ~~in~~ it is opened by tunnels and stoped out in rooms of sufficient height to provide head room for the workmen. The deposits ~~are~~ ^{all} flat or dip at low angles and ^{as much as possible -} since ~~the~~ the ~~large~~ part of the material broken is waste broken waste material, often in a ratio of 20 tons to 1 ton of fibre rock, is piled back from the working face. =

The applicant proposes to begin mining on a portion of the Cross Trails Group of claims at a place known as the Wilson mine, where a number of surface workings and a slope ~~has~~ resulted in a considerable production of asbestos a number of years ago, and where a good showing of fibre is exposed ^{at a number of points} along a ravine face and in cuts ~~of~~ ^{or} tunnel (See Applicant's claim map, also sketch and photos which accompany this report). The ~~first exposure of fibre~~ ^{at this locality} ~~is noted near the base of the ravine~~ ^{in float material} and is opened by a tunnel ~~and~~ ^{cuts} begins ~~some 100 feet from it.~~ ^{quite well} ~~The~~ ^{diagonal} ~~place~~ ^{occurs} ~~occurs~~ ^{limestone} ~~contact~~ ^{has} ~~occurs~~ ^{occurs} on the slope of the ravine ~~some 30 to~~

~~The diabase contact is gently rolling~~

(13)

TP

~~below the top of the mass.~~ The first evidence of fibre ~~mass~~ is noted in float material ~~at the~~ head of the ravine, and ~~some~~ at some 100 ~~east~~ feet east from here a tunnel and several cuts have ^{been} opened ~~to~~ on the contact. ~~The~~

~~good band of fibre in tunnel is~~ driven ^{is} 25 feet ^{maximum} into ~~down~~ slope ^{of strike 3°} which parallels the dip of the diabase-limestone contact. The tunnel is largely in diabase with the contact exposed in its upper part. (~~section~~)

The diabase is directly overlain by serpentine band averaging about 24 inches in thickness which in turn is overlain by limestone. The serpentine contains a ^{continuous} fibre band which varies from 6" to 12" ~~in~~ thickness. The fibre band is ~~banded veins and~~ is estimated to contain

50-60% recoverable fibre about 1/4 of which would grade out as No. 2 (and some No. 1). ^{is all cut from fibre} The balance of the fibre would be No. 3 with only a small amount of shorter fibre. Actually much of the fibre measures No. 1 length but because of a certain amount of weathering it is not thought wise to count upon a great deal of recoverable No. 1 at this shallow depth.

At 80 feet east from the tunnel a 20 foot ~~shuff~~ ^{and a} small entry has been opened ~~above~~ ^{above} been opened upon ~~outcrop~~ ^{contact} of the ~~diabase~~. The ~~serpentine~~ serpentine band is on the floor of these workings and is so covered with debris that ~~no diabase is~~ ~~app~~ ~~visible~~

and only ~~the top of~~ ^{the} serpentine is visible and consequently no fibre ~~is~~

TP

them at present contains little or no fibre.
 just beyond the slope the contact ~~is~~ ^{is} ~~upward~~ ^{upward} ~~east~~ ^{east} of the ~~serpentine~~ ^{serpentine} hills ~~east~~ ^{east} of the ~~slope~~ ^{slope} and ~~where~~ ^{where} it descends again,
 some 200 feet east of the slope a number of
 small cuts have been made on the contact, and
 in ~~some~~ ^{several} of these an attractive showing of
 fibre is present. ~~None of the openings~~ ^{East from} ~~east~~ ^{Beyond this} ~~point~~ ^{point} the overburden conceals the contact and no
 exploratory work has been done.

The area described above has been indicated
 in blue on ~~enclosed~~ ~~and~~ ~~marked~~ ~~on~~ the applicant's
 sketch of the locality. ==

A showing on the end of the mesa south
 of the above described ^{area (noted in red on applicant's map)} was visited and ~~a~~ ^a ~~700~~ ⁷⁰⁰ feet
 exposure ~~of~~ ^{of} ~~serpentine~~ ^{serpentine} and fibre in
 a cliff face was examined. The
 fibre here is of similar quality as that noted
 above and occurs in a fibre zone 4 to 6"
 thick and is of similar quality to that described
 above. ~~Practically no work beyond surface scratches~~
 and it is impossible from ~~that~~ ^{the} ~~work~~ ^{work} ~~has~~ ^{has} ~~been~~ ^{been} ~~done~~ ^{done}
 to determine ~~the~~ ^{the} ~~contact~~ ^{contact} ~~type~~ ^{type} ~~or~~ ^{or} ~~extent~~ ^{extent} of a
 deposit ~~at~~ ^{at} ~~this~~ ^{this} ~~place~~ ^{place} ~~the~~ ^{the} ~~probable~~ ^{probable} ~~occurrence~~ ^{occurrence}
 of a valuable deposit here. The showing deserves
 further development.

~~and~~ ~~value~~ ~~of~~ ~~the~~ ~~showing~~
 the ~~fact~~ ^{fact} ~~of~~ ^{of} ~~continuity~~ ^{continuity} ~~and~~ ^{and} ~~value~~ ^{value} ~~of~~ ^{of} ~~the~~ ^{the} ~~deposit~~ ^{deposit}, ~~valuable~~ ^{valuable}
 deposit. The showing deserves further develop-
 ment.

A location known as Tony's mine ^(noted in green on applicant's map)
~~some~~ ^{some} ~~3 1/2~~ ^{3 1/2} miles east of the Wilson mine was
 visited. ~~The~~ ^{the} ~~deposit~~ ^{deposit} ~~at~~ ^{at} ~~this~~ ^{this} ~~place~~ ^{place}

~~has some objects~~

A number of trenches ~~and cuts~~ ~~in~~ the top of
 the mesa ~~has~~ ~~been~~ ~~made~~ to have produced
 some fibre rock and several tons of very
 good fibre rock is present in small dumps.
 The surface of the diabase here lies at
 a depth of 4 to 5 feet below the top of
 the mesa. The cuts ~~has~~ been made
 into the surface material and apparently
 the diabase was reached but the cuts are
 so badly sloughed ⁱⁿ that no exposure of
 serpentine or diabase was visible.
 The quality of the fibre on the dumps and the
 fact that some production was made from
 the workings suggests the possibility that on
 further development ^{valuable}
 a deposit of asbestos will be found to exist
 at this place.

Among the large number of ~~the~~ workings
 not visited on this group of claims is a
 tunnel ^(noted in yellow on applicant's map), 140 feet in length ~~and~~ near the
 top of a bluff ~~on the~~ opposite the Wilson
 mine. The tunnel is caved but is
 reliably reported to have developed a
~~continuous~~ band of fibre 6" to 12" thick
 which is continuous throughout the length
 of the tunnel.

As previously mentioned in this
 report the property is very large in extent
 with ~~a great number of~~ and contains
~~a large number of~~ ^{many scattered} workings (mostly shallow).
~~The~~ ^{the more interesting} only a portion of one group of the

groups of claims was examined. ~~Development~~

P The ~~occurrence~~ of asbestos deposits of the diabase-limestone contact type are extremely erratic and their extent is unpredictable and can be determined only by actually mining the ground. A ~~feasible~~ ^{reasonable} appraisal of the value of the subject property, ^{therefore} must be based largely ~~therefore~~ upon consideration of the following factors:

1. While actual figures are not available regarding the amount of ^{the} past production ~~as yet available~~ it appears to have been substantial - probably upwards of 300 tons of No 1 and No 2 grade fibre. A considerable portion of this production was derived from the ~~Buckhorn Mine~~ ^{Buckhorn group of claims,} and ^{and} from the ~~stope~~ in the Wilson mine (both worked out). A large amount also appears to have resulted from ^{the} many minor workings scattered over all the property.

2. ~~During~~ the ~~early~~ exploration and development of the ^{portion of the} district, ^{in which the subject property is located} was handicapped by the lack of roads, and work was confined to only the richest deposits. The long fibre material was closely hand cobbled and packed out. ^{Most of} the region is ~~now~~ now readily accessible by roads, ~~at the B~~

3. ~~Because of transportation problems and~~ ~~throughout the whole past~~ ~~more more recently~~ the lack of a satisfactory ~~market outlet for~~ ~~customer~~

Mo P

Because of the former transportation problem and, ~~in recent years~~, ^{until the present time} because of the lack of suitable and satisfactory milling facilities ~~and~~ ^{with} and satisfactory marketing schedules ~~the~~ only the best of the fibre was ~~sent~~ shipped out. A ~~very~~ considerable amount ^(probably several hundred tons) of mill rock material of mill rock grade is available in the scattered dumps.

3. The resumption of work in many of the old openings appears to be justified, and since many places along the very extensive exposure of the diabase-limestone contact are equally as attractive as those places which have been mined in the past the prospect for developing new deposits appears to be quite ~~good~~. The applicant has been approached by two parties who ~~wish~~ ^{wish} to sub-lease ^{portions of} the property, furnishing their own equipment, and it is probable that when ~~the company~~ ~~is~~ ~~on~~ a camp has been built and the company operations are under way, consideration will be given to sub-leasing at various points on the property.

4. An excellent grade of fibre is exposed in the tunnel and adjoining cuts ~~on~~ ^{at} the Wilson mine ~~as~~ ^{with} described ~~in~~ ~~the~~ earlier in this report. The ~~anticipated~~ ~~results~~ anticipated results of mining at this point are discussed in the following paragraph.

Tonnage, grade
Probable Value and Costs (Wilson Mine):

In the absence of a performance record the following estimates ~~and of value and costs~~ are largely a matter of judgment shared by the applicant, his ~~former~~ superintendent, and this engineer, ~~but~~ and are believed to be reasonable ~~and~~

A tonnage ~~figure~~ ^{estimate} must necessarily be somewhat conjectural.

Because of the irregular and erratic ^{this type of asbestos} nature of the deposits, the tonnage figure must necessarily be somewhat conjectural.

No. 9 The length of the surface exposure indicates a probable length of ~~one~~ ^{one sheet of at least 150 feet.} ~~sheet~~ ^{Good} fibre ^{is seen to} extend ^{to a depth of 25 feet} in the tunnel to a depth of ~~25 feet~~ and if ^{it is assumed that} the ^{vertical} depth of the ~~assumed~~ ^{assumed} ore shoot will continue to a depth comparable to that shown in the slope east of this place there would be available at this place a block of ore some 150 feet by 100 feet. The fibre gone will average ^{about} 9" in thickness. ~~at~~ ^{these figures the} ^{indicated} tonnage available would be as follows:

125
75
50
62
75
93
75
30
37
50

4
45
9
405

12

$$\frac{100 \times 100}{150 \times 100 \times .75} = \frac{937}{12} \text{ tons fibre rock (millable)}$$

It is estimated that the fibre rock will mill out at ^{about} 40% fibre, or ~~at~~ 375 tons of fibre in the above ore block. Grade and value of the mill product is estimated as follows:

~~an amount~~, at present indeterminate, but ^{with the aggregate} probably ~~very~~ ~~an amount~~ ~~a large aggregate amount~~ quite substantiated in the aggregate. The old dumps also are counted upon to yield an immediate ~~total~~ ~~mill rock~~ 300 tons plus of mill rock.

Proposed expenditures

~~It is~~ ~~Equipment~~ ^{items} ~~will be~~ ~~D.P.C. item~~ ~~expense~~ and will be the project will furnish by ~~D.P.C. and~~

The Defense Plant Corporation will furnish all ~~item~~ of machinery and other equipment items and ~~will~~ ^{make} ~~charge~~ a rental charge for the items against the project for ~~these~~ items.

The \$10,000 requested for use on the project will be spent approximately as follows:

| | | |
|----------------------------------|-----------------|---------------|
| Camp, roads etc | 2000 | \$ 2,000 |
| Min. development and exploration | | 7,500 |
| | | <u>10,000</u> |

7 Comments of Supervising Engineer

~~In view of the consideration~~
~~in view of the~~
~~presence of~~ ^{indicated} ~~an amount~~ ^{deposit}
of commercial value in the Wilson mill together with the other considerations enumerated above ^{I would recommend} ~~I believe~~ that the ~~granting~~ ^{granting} of the applicant's request for ~~decision~~ ^{permission} to apply ~~a~~ ^{all} ~~at~~ ^a portion of the funds already allotted to the project ~~him~~ ^{be} undertake the work ^{expressed in the present application} ~~be~~ granted.

that the applicant be granted permission to ~~use~~ undertake the work proposed in the present amended application

~~7 Com~~

7 Comments of Sup^r. Engr

In view of the indicated presence of an asbestos deposit of commercial value in the Wilson Mine ~~together with~~ ^{and} the other considerations enumerated above, I would recommend that the applicant be granted permission to use ~~expended~~ \$10,000, of the funds ^{now} already allotted to him, for the development of the subject property.

An important consideration beyond those already cited is ~~that~~ ^{definitely} ~~that~~ the ~~new~~ ~~applied~~ mill which is soon to be constructed with D.P.C. funds will require considerably larger tonnage of mill feed than is now in sight throughout the region and if ~~this~~ the full requirement can be met only by the aggressive development of additional sources of asbestos as contemplated in ~~development~~ ~~proposed~~ project proposed in this amended application.

The applicant is conducting his present operations in an intelligent and efficient manner.

Sup Engineer

T. P. Lane

Pine Top Asbestos
9/22/44

Floyd Brown. ^(hersh) Mar miller; 8 ton lot. 16 ton
lot, ^{semi-hersh} better mat is in bin.

Has 2 compressors on prop. and is in production
stopped decision re miller; his project.

He can produce 15 to 30 tons/week w/ 3 or 4 men

His lessee can produce about same or

little less. Fibre is poor grade because
of hushness and too much lime.

Robinson is planning to ship dumps at
Bear Canyon Mine - semi-hersh somewhat
weathered. Expects to ship 5 to 10 tons
per day. Total of several thousand tons
available 2 blocks long $\frac{1}{3}$ block wide 15'
deep to be sorted & picked. Dump is
fairly consistent 30 to 40% will be
shipped. Dump is on San Carlos Reservoir
10%. He hopes to mine one semi-hersh
@ night to be able to mine 5 tons per
day for year good grade semi-hersh.
Prop. has produced some soft fibre
but present fines are mixed and would
make semi-hersh product. @ night
to get 37% No 2 & 3 balance No 4.
5-10% Dust & spill.

Phillips approached Andrews to fiberize
3 carloads of his No 4 in containers, run
to fill from Newnan (120 tons finished
paper stock & shute). Andrews
quoted \$15/ton to do fiberizing. This
agreeable to Phillips and he wanted to
truck in immediately but Andrews

was told him to await on decision at mill.

Reynolds Falls ^{Enders} took several tons to Phoenix because of uncertainty here. ~~took~~ Stopped mining. He sold to Hill Chemical or Gladis McBean (log fibre in LA)

Floyd Brown

24 tons

24) 600 [#] 25

10

24
192
24
432
24
138
102

| | | | |
|-----|------------------|--------|----------------------|
| 18% | 4.3 tons @ 60 | 258.00 | shingle stock (9.1) |
| 20% | 4.7 tons @ 45 | 211.50 | paper stock 20-10-6 |
| 12% | 3.0 ✓ @ 30 | 90.00 | shuts |
| | 10.2 ✓ @ 20 | 204.00 | fibre sand - plaster |
| | 1.2 dust & spill | | |

763.50
10% 76.35
697.15

Cost 360.00
24) 337.15 [#] 14.14

15.00

24
120
24
360

8.69 tons 1st Mitch product

16 1/2
12) 29
120
11

2900 # No 3 (17.00)
9400 # No 4
500 Cleanup etc

17386
12000
4586

12800
4586 not accounted for spill dust etc 20% +

4.3 tons No 3 @ 100 = \$432
4.4 ✓ No 4 @ 18 = \$79.2
\$511.2

→

- ① Feeder from Bin into Conveyor. Part list made up but not yet ordered
- ② Installation of dryer nothing ordered Shell is on hand. Fuel tank & piping on hand.
#2000
- ③ (screen) Conveyor is on ground ~~most~~ parts needed.
- ④ Will be built on ground. Not big job.
- ⑤ Fan motor etc for transporting mat. from crude tail to head of fibering. All ordered except motor(?)

Crude Screen is tilted ^(too flat) many angles and capacity is far lower than possible capacity of rolls and guide. Screen is not built to be adjusted & should be longer.

Present cap. crude sect. about 5 tons/day (?)

At least \$2000 more to be spent and 3 or 4 weeks

Quinn Top Asbestos Mine

Cash Position as of 9/27/44

Cash:

Depository Account #

Balance 8/31/44 → 3,101.32
 Deposit to 9/27/44 → 238.87
3,340.19
 Less checks to 9/27/44 1,219.10 2,121.09

~~3,101.32
 238.87

 3,340.19
 1,219.10

 2,121.09~~

Petty Cash Account

193.46 2,314.55

Receivables

Receivables:

D.P.C. expense item
 D.P.C. - Reimbursable ~~Account~~ 4,514.54

* " " ~~machinery etc.~~ ~~Reimbursement~~ 9,282.87 13,797.41

Total Cash and Receivables 16,111.96

** Bills Payable (D.P.C. Account) - approx. 1,000.00

Investor Capital, as of Sept 27, 1944 - approx. 15,111.96
 (cop)

* ~~Reimbursable items - not released~~
 Due from D.P.C. but not ^{yet} released.
 by D.P.C.

** Principally accrued Industrial Insurance
 and payroll taxes which have been
 included in receivable reimbursements
 from D.P.C. (chm).

✓

Ashest
Sect } Smith
Matheson liaison M.P. & Am
Heron S.L. WPB
Hedges

Call for Smith Math in Phoenix today Adams
Smith ✓ - tomorrow

Apple S.L. (Michael) don he want to see
Don Message for Matheson 320 W

| | | |
|------------------|-----------------|----------------------------|
| Cash | 2594.36 | |
| Reimb items | 5690.56 | |
| Dev. | 5566.46 | 2000000 miles 1000 |
| Mining Can | 3984.00 | all at Can 400 tons |
| Adm. | 4575.21 | 2250 Mich. Adm. |
| Automobile exp | 1005.41 | 262.34 offered |
| etc | | 34.70 legal & acctg |
| Deposits Private | 1584.00 | 329.92 Sat & Supplies |
| | <u>25000.00</u> | 276.20 Tel & Tel |
| | | 270.00 office rent |
| | | 31.57 Util |
| | | 463.54 Int on loan |
| | | 209.02 Int |
| | | 90.48 Tax |
| | | 391.82 Misc |
| | | <u>4575.21</u> |

Mich. Reimb since ~~May~~ 1st 75%

Bill 100

Cony all always on mill
Util now all reimb.

3 ft. error in plan 2 weeks

Errs delay. Opinion on Title
abstract from not satisf.

50% int on mineral rights @.c. deep on M. Rights



2070-25
 #
 shingle stock 60.00
~~rest~~ less fibre now being made

2700 certified last month mostly reimbursable

2594 July 31st \$3,134 \$1,500

Administrative rda 3420.35
 salaries

4575.21

Taxes in rda 1186.18
 Balance 3420.35

Anderson on DPC since April

Board 3534.61 est. June 8 not yet run
 Mech 5846.13 ✓ ✓ ✓ ✓ with approval Wash.
 Dump Ore 80 finished prod at \$60 = \$5000 cost to run \$6000

Ready to start Dec. 15th delay because of Mech. deal
 Act. started Jan 17
 abstr on hand presented Mon & approval April 12