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RARE METALS CLAIMS

August 18, 1942

Riverside No. 2 Mining District

Earl F. Hastings

Reconstruction Finance Corporation
Preliminary Development Loan

Docket No.	C-ND-PHX (20)
Date Application Received	August 17, 1942
Date of Field Examination	None
Date of Report	August 18, 1942

1. Name and address of applicant (correspondent):
Arnold H. Johnson, 218 South 11th Avenue, Phoenix, Arizona
2. Character of project and estimated cost thereof:
Unwater, repair workings, develop vein, purchase mining equipment and make additions to mill.
3. Location of property:
Riverside No. 2 Mining District, approximately 5 miles west of Kelvin, Pima County, Arizona. *Revised?*
4. Applicant's interest in or ownership of property:
Applicant is owner.
5. Loan requested:
\$5,000.
6. Loan recommended:
None.
7. Comments:
(A) Less than \$1,000 of the above loan would be required to unwater and repair workings. The balance of work outlined could not be covered by a class "C" loan.
(B) The workings are not sufficiently extensive to show any amount of assured ore. A development loan would need to follow.
(C) At the published market price of molybdenite and with a 90 per cent mill recovery the net value of the ore would be \$13.71, less freight. Most sales are made below market f.o.b. eastern centers. Therefore, even if one were developed, the property would be of questionable profit and the ability to repay the "C" and subsequent "B" loan extremely doubtful.
(D) The mill equipment owned by applicant on his adjoining property could be better utilized in production of copper (if he actually has any present) which is stabilized as far as marketing is concerned.

ARIZONA DEPARTMENT OF MINERAL RESOURCES

Earl F. Hastings, Assistant Director
and Projects Engineer

Reviewed and Approved by:

J. S. Coupal, Director

RECONSTRUCTION FINANCE CORPORATION
 MINING DIVISION
 LIQUIDATION REPORT

Per Metal Claims

Borrower: Arnold H. Johnson
 Docket No: C-ND-7691
 Date of Report: July 27, 1945

1. NAME AND ADDRESS OF APPLICANT:

Arnold H. Johnson
 218 South 11th Avenue
 Phoenix, Arizona

2. LOCATION OF PROJECT:

In Sections 7 and 8, T. 4 S., R. 13 E., ^{Grid} Pima County, Arizona, about 5 miles west of Kelvin, Arizona. _{Kelvin Dist.}

3. AMOUNT OF LOAN AND DATE OF AUTHORIZATION:

A loan of \$5000.00 was authorized in October, 1942.

4. PURPOSES FOR WHICH LOAN WAS EXPENDED:

To rehabilitate the underground workings of Borrower's molybdenum property.

5. EQUIPMENT:

a. List of all equipment acquired with loan funds:

1 - Model A - 1929 Ford Truck, Engine No. AA-1171020)	}	\$200.00
Gardner Denver clipper Jackhammer, Model 42		
1 - Ingersoll-Rand Model E.R. 1, 6x6, horizontal air compressor, 67 C.F.M.		100.00
1 - Mine car, 1500 lbs.		25.00
200- feet mine rails		24.28
1 - 800 lbs. capacity mine bucket)	}	27.50
1 - 1600 lbs. capacity mine car		
4 - pieces drill steel		5.91
1 - pc. 1/2" water hose 30' long)	}	11.52
1 - Water needle valve		
2 - Steel nipples		
		<u>\$394.21</u>

b. List of equipment worth salvaging:

Model A - 1929 Ford Truck, Engine No. AA-1171020)	}	\$150.00
Gardner Denver Jackhammer, Model 42		
Ingersoll-Rand Model E.R. 1, 6x6, horizontal air compressor, 67 C.F.M.		50.00

2 - Mine cars	}	
200- feet mine rails		
1 - Mine bucket		
4 - pieces drill steel		
1 - pc. 1/2" water hose 30' long		
1 - Water needle valve		
2 - steel nipples		<u>\$ 50.00</u>
		\$250.00

c. Disposition of items:

No equipment previously sold.

d. Steps taken to liquidate:

For over a year we have been trying to get this loan liquidated. On July 25, 1945, Borrower came in and purchased equipment for \$250.00 on the following terms; \$125.00 paid by Bank Order July 25, 1945, and the remaining \$125.00 to be paid December 1, 1945.

6. PROPERTY:

Borrower holds two unpatented lode mining claims by right of location under state and federal laws.

7. COMMENTS:

Operations apparently ceased in April, 1943. Mr. Frisbie, Supervising Engineer, visited this property last on October 19, 1943, under Docket No. ND-5849. Borrower apparently carried no insurance. There are no refunds as well as gasoline tax refunds. A Bank Order for \$125.00 was sent to Federal Reserve Bank.

8. CONCLUSIONS:

The proposed project failed to develop any material quantity of ore, and the property is believed to have little value. Consequently, the loan should be considered a loss.

9. RECOMMENDATIONS:

It is recommended that this account be closed.

CHARLES A. RASOR
Supervising Engineer

CAR:gmk