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RED OXIDE CLAIM

GILA COUNTY
GLOBE DISTRICT
(COPPER HILL DIST.)

See: BLACK OXIDE MINE (file) Annual Report of SUPERIOR & BOSTON
COPPER COMPANY, p 11, dated Jan. 3, 1908.

See: ARIZONA COMMERCIAL MINE (file) for article in MINES & METHODS, 4-1910

RECONSTRUCTION FINANCE CORPORATION

MINING SECTION

REPORT OF SUPERVISING ENGINEER

Docket No. ND-3852 - - - - -G. E. Garner
Date authorization for
Examination rec'd - June 4, 1943
Date of Examination - - - - June 9, 1943
Date of Report - - - - - June 21, 1943

1. NAME AND ADDRESS OF APPLICANT

G. E. Garner
P. O. Box 47
Phoenix, Arizona

Correspondent: Same

2. CHARACTER OF PROJECT

Development of Manganese Deposit

3. LOCATION OF MINE

The mine is located in the W. 1/2 of Section 14; T. 1 N., R. 15 E., in the Copper Hill Mining District, Gila County, Arizona.

The nearest rail point and supply center, at Globe, is 5 miles westerly by good dirt road from the mine. The property is accessible at all seasons.

4. APPLICANT

The applicant is a middle-aged man whose home is in Phoenix, where he is connected with a Realty Company. His mining experience has consisted principally of handling the sale of small mining properties on a commission basis. He does not appear to have had much experience in actual mining operations.

The applicant requests a loan for the purpose of financing his contract to develop and mine Manganese Ore for a party who operates under lease from the owner of the property.

The applicant has submitted with his application copies of the various lease agreements concerned in the project. Briefly, E. A. Borge, who is the owner of the former Superior and Boston Group of Claims together with a number of additional adjoining claims, leased several of these claims (September 1942) to A. L. Lampton, Lampton assigned his lease to Stovall and Long and these latter parties assigned the lease to J. W. Walker the present owner of the lease. Also, Borge leased (May 1943) the right to mine manganese on all the rest of his ground (47 claims) to J. W. Walker.

Mr. Walker is at present continuing mining operations in the ground obtained by assignment of lease from Stoval and Long. The application under consideration concerns a contract agreement between Walker and Mr. G. E. Garner, the applicant for a Reconstruction Finance Corporation Loan, regarding an area of ground easterly from the Walker workings. Mr. Garner agrees to equip and develop and mine this ground, and is to be paid \$6.00 per ton for each ton of manganese ore of 35% Mn, or better grade, loaded in cars at Globe and 1/2 of the net value after all charges, exclusive of mining, for the mine product which assays less than 35% Mn.

The applicant's ground is described as a portion of the "Red Oxide" claim. The claims in this area are irregular and the claim lines are not exactly known and it is not clear that this is a proper description of the ground. The ground, however, lies within the bounds of the group of claims held by the Lessee (Walker) and its limits are exactly fixed with regard to the Walker workings on the same vein and there would appear, therefore, to be small likelihood of controversy on this point.

5. LOAN REQUESTED

\$5,000.00.

6. DESCRIPTION OF PROJECT

A. General Features

Refer to lease agreements and see heading "Applicant" above.

B. Existing Development

The property is undeveloped except for a shaft 6' deep.

- a. The sketch which accompanies this report shows the location of the sampling and the location of the applicant's ground with respect to the Walker workings.
- b. Samples were cut with pick and maul and gathered on canvas.
- c. The workings were readily accessible.
- d. General features of deposit, etc.

The mine is located in a region of low hills of moderately rugged topography. The manganese ore in the property under discussion occurs in a crushed zone along a contact between limestone and diabase. The vegetation is sparse and the overburden light and the vein outcrop is clearly traceable for a distance of approximately 1,000' in a N 75° E. direction. The vein crops along a hillside and its presence is characterized by manganese mineralization of varying intensity in place and in float material along the course of the vein and on the surface of the hillside below it. The crop-pings on the S.W. end terminate some 100 SW of the

Walker workings and on the N.E. end they appear to dip out about 900' N.E. from these workings. It is believed that the vein on the S.W. end is faulted and that the "Red Oxide" vein some 200 north is a continuation of this same vein. Factors which appear to support this belief are that the croppings of the "Red Oxide" vein show heavy manganese stain along with red hematite and the dump at the Gardner Shaft (435' deep) shows considerable high grade manganese; also, the Red Oxide vein croppings terminate a short distance N.E. from the Gardner Shaft. The Manganese on the dump of this shaft which is inaccessible, is said to have come from the 300' Level in the shaft.

The Manganese minerals are psilomelane and pyrolusite the former predominating. The vein material at the surface is silicified and cemented and contains in places considerable specular hematite. At the Walker shaft this hard material proved to be a crust or capping from 10 to 15' thick and the gangue material of the vein below the capping is a soft limonite clay or ochre with the manganese minerals occurring commonly as hard bands and ribbons and frequently as nodules and disseminated particles. Manganese content of the vein was found generally to be somewhat higher beneath the capping.

The only work which the applicant has done upon this property consists of a 6' shaft at a point on the outcrop which shows a particularly heavy concentration of Manganese. The shaft is wholly within the vein which here appears to be about 10' wide. Samples Nos. 1 and 2 were cut across the vein in each end of the shaft near its bottom and indicate rather low grade Manganese, viz. 16.67% and 19.04% Mn respectively. The shaft, however, is not deep enough to pass through the hard capping and into the soft clay material which is expected to underlie it as in the Walker Shaft.

The possibilities in the situation can be best appraised by examining the results obtained in the near-by Walker workings (on the same vein) and comparing the strength of vein as indicated by the croppings at that point with the surface showing on the ground of the applicant. The Walker shaft is 55' deep and the vein which stands practically vertical, has been partially stoped an average width of 5' on both sides of the shaft for a total strike length of about 60'. All of the material which has been removed from these workings, amounting to approximately 1,000 tons, has been shipped as ore and most of the carload lots assayed over 35% Mn. The ore is continuing good in each end and Mr. Walker is producing regularly. Just east of the shaft near the surface an area of lower grade material (assaying 20 to 25% Mn) is being mined. This is a clayey material which is sold to a party in Globe who washes it and mixes it with the ore from his property which ordinarily contains zinc in excess of the acceptable limit. The washing is done in a small crude trammel plant and the grade is raised without difficulty to 40% Mn or better.

The vein croppings east of the Walker shaft and on the ground of the applicant show Manganese mineralization at many points equal in intensity to that existing at the location of the Walker workings. It appears quite probable therefore that the performance in the Walker workings can be duplicated at a number of places on the property of the applicant. Further, it seems possible that with an efficient washing plant installation the vein will be economically mineable throughout a large part of its extent. The occurrence of Manganese on the dump of the Gardner shaft together with reports regarding a manganese vein on the 300' level in that shaft suggests that manganese in this area extends well below the surficial zone.

G. Proposed work

The applicant proposes to equip the property and to sink 100' and explore the vein laterally at depths of 50' and 100'.

7. COMMENTS OF SUPERVISING ENGINEER

While the property is practically undeveloped and such samples as were taken indicate material of sub-profitable grade there is good reason to believe that its development would result in the production of a substantial amount of Manganese. This statement is based upon the similarity of the surface aspect of the vein on this property and on the adjoining Walker ground and upon the satisfactory results being obtained in the Walker workings.

The application which is based upon a mining and development contract between the applicant and Mr. Walker is, in this engineer's opinion, unsound for the following reasons:

- (1) The applicant as contractor, counts upon income at a fixed schedule of prices for delivery of ore not yet proven to exist.
- (2) The term of the agreement is short and the applicant as contractor is required to equip, explore and develop the property. It seems extremely unlikely that the schedule of payments would allow a profit to even a most aggressive type of contractor, which the applicant is not.
- (3) The agreement does not provide any security whatever for the Reconstruction Finance Corporation Loan beyond the deposit of the contract price for mining and delivering of ore, and in effect, would guarantee to the grantor of the contract a profit on every pound of commercial material produced by the contractor.

If the application were presented under a sound ownership

ND-3852

and lease agreement, and despite the fact that it would be somewhat exploratory in nature, this engineer would be inclined to favor granting a loan. In the event that the Washington Office, Reconstruction Finance Corporation, concurs in this opinion, it is suggested that the applicant be consulted with a view toward the possibility of his submitting an application for a loan based upon a workable lease agreement.

T. P. LANE
Supervising Engineer

No. 144 La.

Phoenix, Arizona,

CHAS. A. DIEHL

JUNE 14 1943.

ARIZONA ASSAY OFFICE

Phone 3-4001

815 North First Street

P. O. Box 1148

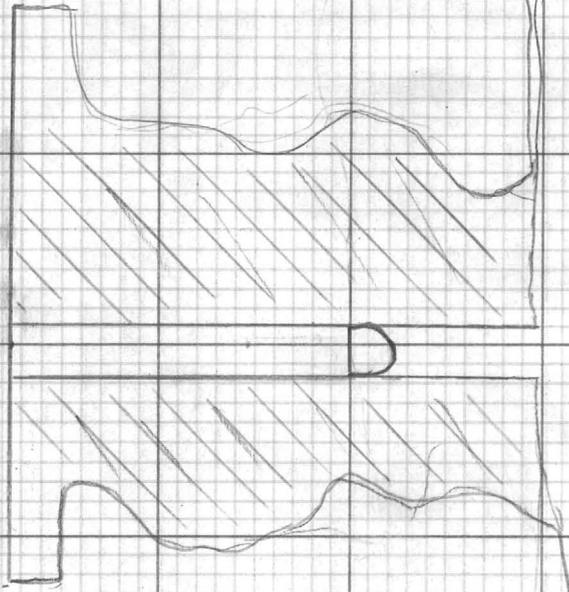
This Certificate That samples submitted for assay by MR. T. P. LANE.

contain as follows per ton of 2000 lbs. Avair.

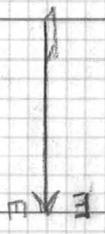
G ARSEN MARKS	SILVER		VALUE (Oz.)	GOLD		VALUE (Oz.)	TOTAL VALUE	PERCENTAGE				REMARKS	
	Ounces	Tenths		Ounces	Hundths		Of Gold and Silver	Manganese					
No. 1.	6'						16.67						
No. 2.	6'-9"						19.04						

Charges \$ 4.00

Assayer ARIZONA ASSAY OFFICE.



Walker Workings (Approx)
Scale: 1" = 20'



Garner Shaft
Scale: 1" = 200'

DOCKET NO. ND-8352

G. E. GARNER
June 9, 1943
Samples: ① ②

Width	% Mn
① 7.2"	16.67
② 8.1"	19.04



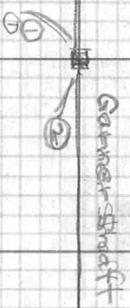
Walker Shaft

Scale: 1" = 100'

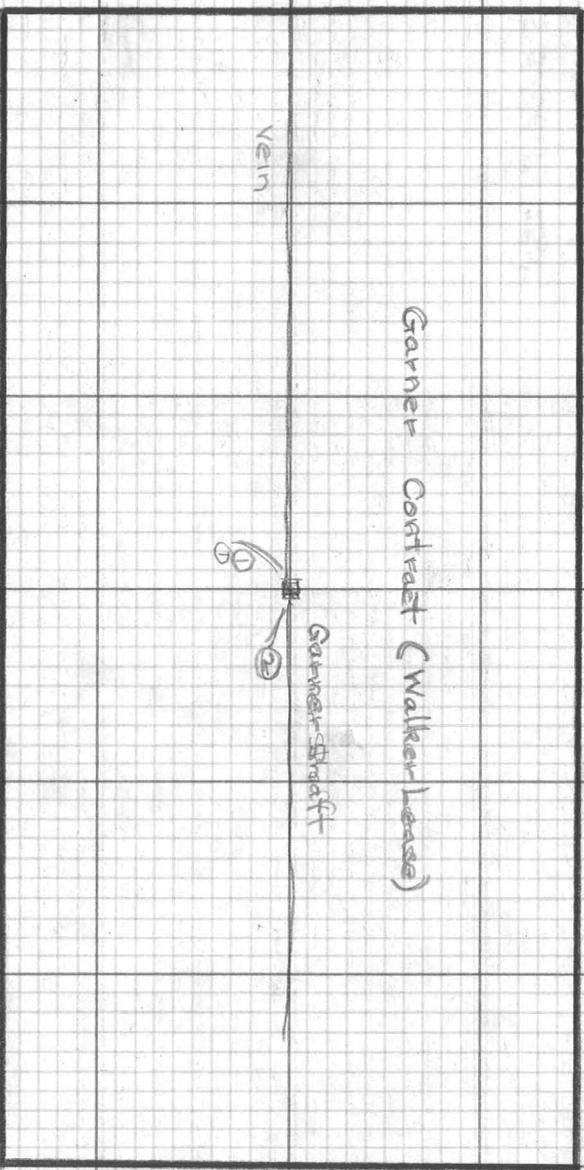
3

Vein

Garner Contact East (Walker Lease)



Garner Shaft

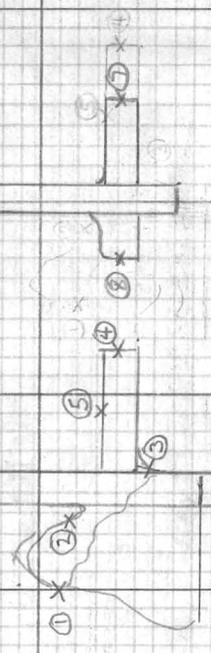


Scale: 1" = 250'

Section of Vein

North shaft

Linda shaft



Docket No.

ND-8352

Date ~~App~~ ~~for~~ ~~exam~~ Rec'd.

June 4, 1943

Date of Exam.

June 9, 1943

Date of Report.

1. Name and Address of Applicant

Name G. E. Garner

Address P.O. Box 47

Phoenix, Arizona

Correspondent: same

2. Character of Project

Development of Manganese deposit

3. Location of Mine

The mine is located in the W¹/₂ of sec. 14; T. 1N; R. 15E, in the Copper Hill Mining district, Pinal Co., Arizona. The nearest rail point and supply center, at Globe, is 5 miles ^{westerly} by good dirt road from the mine. The property is accessible at all seasons.

4. Applicant.

The applicant is a middle-aged man. His home is in Phoenix where he is connected with a Realty Co. His mining experience has consisted principally of handling ~~small~~ the sale of small mining properties on a commission basis. He does

does not appear to have had as much experience in actual mining operations.

~~Copies of the various lease agreements concerning the land are included with the applications.~~ The applicant requests a loan with for the purpose of financing his contract to develop and mine ^{managers} ~~ore~~ for a party who operates under lease from the ~~owner~~ ^{lessee} of the property.

The applicant has submitted with his application copies of the various lease agreements concerned in the project.

~~Mr. P.~~ Briefly, E. A. Borge who is the owner of the former Superior and Boston group of claims ^{together with} ~~and~~ a number of additional adjoining claims leased ~~several~~ ^(SPT 1942) of these claims to A. L. Hampton. Hampton assigned his lease to Storall and Long and these latter parties assigned the lease to J. W. Walke. The present owner of the lease ^(May 1943) also, Borge leased the right to mine manganese on all the best of his ground (47 claims) to J. W. Walke.

Mr. Walke is at present is continuing mining operations in the ground obtained by assignment of lease from Storall and Long. The application under consideration concerns ^{a contract} ~~an~~ agreement between Walke and ^{Mr. G. E. Garner} ~~the applicant~~ ^{for} B. F. C. Loan, regarding an area of ground easted from the Walke workings. Mr. Garner agrees to equip and develop

and mine this ground, and is to be paid #6⁰⁰ per ton for each ton of manganese ore of 35% Mn, or better grade, loaded in cars or globe, and 1/2 of the net value after all charges, exclusive of mining, for the mine product which assays less than 35% Mn.

The applicant's ~~described~~ ground is described as a portion of the "Red Oxide" claim. The ^{in this area} claims are ~~irregularly~~ and the claim lines are not exactly known, and it is not ~~certain~~ ^{clear} that this is a proper description of the ground. The ground however lies within the bounds of the group of claims held by the Lessee (Walker) and its limits are exactly fixed with regard to the Walker claims on the same vein, and and there would appear therefore to be small likelihood of controversy ~~on this point~~ on this point.

5. Loan Requested
5,000

6. Description of Project.

A. General Features

Refer to lease agreements and see heading "Applicant" above.

B. Existing Development

The property is underdeveloped except for a shaft 6 feet deep.

- a. The sketch which accompanies this report shows the location of the sampling and the location of the ^{applicants} ground mill ~~respect~~ to the Walker workings.
- b. Samples were cut with pick and shovel and gathered on canvas.
- c. The workings were readily accessible.
- c. General features of deposit etc.

The mine is located in a region of low hills of moderately rugged topography. The ~~to~~ manganese ore in the property under discussion occurs in a crushed zone along ~~the~~ a contact between limestone and diabase. The vegetation is sparse ^{and the underbrush is light} and the vein outcrop is clearly traceable for a distance of approximately 1000 feet in a N 75° E direction. The vein ~~is~~ ^{is} exposed along a hillside and its presence is ~~and is~~ characterized by manganese mineralization of varying intensity ⁱⁿ place and in float material lying along the course of the vein and ~~blow~~ ^{blow} on the surface of the hillside below it. The outcrops ~~outcrop~~ ^{sw end} terminate some 100 SW of the Walker workings and ~~approximately~~ ^{they appear to die out} on the NE end ^{about 200 feet} NE from

these ~~the~~ workings. It is believed that the vein on the SW end is faulted north and that the "Red Oxide" vein some ~~200~~ 200 north is a continuation of this same vein. Factors which apparently support this belief are that the

- ~~The~~ ~~cr~~ ~~oppings~~ of the Red Oxide vein show heavy manganese stain along with red hematite and the dump at the Gardner shaft (435' deep) shows considerable high grade manganese; Also, the Red Oxide vein ~~cr~~ ~~oppings~~ terminate a short distance SW from the Gardner shaft. The manganese on the dump of this shaft, which is inaccessible, is said to have come from the 300 Ft. level in the shaft.

Since the applicant has performed practically no work on his ground the ~~situation must be an~~ ~~approx~~ ~~of~~ ~~the~~ ~~situation~~ ~~must~~ ~~depend~~ ~~upon~~ ~~the~~ ~~appearance~~ ~~of~~ ~~the~~ ~~cr~~ ~~oppings~~ and the sample in the shallow shaft, which does not penetrate the crust

Manganese content of the vein was found generally to be somewhat higher than in the cap rock.

6

The manganese minerals are psilomelane and pyrolusite, the former predominating. The ~~material~~ ^{material} at the surface is silicified and cemented and contains in places considerable specular hematite.

at the shaft ~~walker~~ shaft this hard material ~~was~~ ^{is} proved to be a crust or capping ~~from 10 to 15 feet thick~~ ^{from 10 to 15 feet thick} and the gangue material of the vein below the capping ~~is~~ ^{is} a soft limonitic clay or ochre with the manganese minerals occurring ^{commonly as hard} bands and ribbons and sometimes ~~as~~ frequently as modules and disseminated particles.

~~Since work upon the property has been done, an attempt of its~~
~~is~~
The only work which the applicant has done upon this property ~~is~~ consists of ~~sinking~~ ^{sinking} a ^{6 foot} shaft in at a point on the outcrop which showed a particularly heavy concentration of manganese. The shaft is wholly within the vein which here this point appears to be about 10 feet wide. ~~shaft does not penetrate the hard crust and samples Nos. 1 and 2 indicate rather low grade ore: viz 16.67% and 19.04% Mn respectively.~~

No. 1 Samples Nos. 1 and No. 2 were cut across the vein in each end of the shaft near its bottom and indicate rather low grade manganese, viz 16.67% and 19.04% Mn respectively. The shaft ~~has~~

~~does not~~

is not deep enough to pass through the hard capping and into the soft underlying clay, making ~~the~~ ~~Walker shaft~~, which is expected to underlie it as ~~a~~ in the Walker shaft.

~~The possibilities in the ^{situation} ~~situation~~ can be best appraised by examining the results obtained in the near-by Walker shaft (on the same vein) and comparing the ~~surface~~ ~~appearance~~ of the ~~croppings~~ on the ground of the applicant.~~

The possibilities in the situation can be best appraised by examining the results obtained in the near-by Walker workings (on the same vein) and comparing the strength of vein as indicated by the croppings at that point with the surface showings on the ground of the applicant. The Walker shaft is 55 feet deep and the vein, ^{which stays partially vertical,} has been partially stopped ^{as a rule} for an ~~width~~ ^{width} of 5 feet ~~for~~ on both sides of the shaft for a total strike length of about 60 FT. All of the material which has been removed from these workings, amounting to approximately 1000 tons, has been shipped as ore and most of the ^{lots} ~~assayed~~ ^{assayed} over 35% Mn. The ore is containing ^{good} in each end and Mr. Walker is

~~was~~ purchased, regularly, just ~~at~~ ^{at} ~~the~~ ^{the} ~~end~~ ^{end} of
 the shift near its surface on one of
 lower grade material (occurring 20 to 25% Mn)
 in heavy mineral. This is a clayey
 material which is sold to a part, in
 place where material is used since it
 will ~~be~~ ^{be} from fine ^{grit} ^{grit} which
 ordinarily ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind}.
~~allow~~ ^{allow} ~~the~~ ^{the} ~~material~~ ^{material} in ~~the~~ ^{the} ~~same~~ ^{same} ~~place~~ ^{place}
 small scale ~~tr~~ ^{tr} ~~action~~ ^{action} ~~and~~ ^{and} ~~the~~ ^{the}
 grade is raised without difficulty to
 40 to 50 Mn or better. ~~from the plant~~

The remaining ~~is~~ ^{is} ~~the~~ ^{the} ~~material~~ ^{material} ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind}
 on the ground of the applicant ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind}
~~as~~ ^{as} ~~the~~ ^{the} ~~material~~ ^{material} ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind}
 many points ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind}
 at the location of ~~the~~ ^{the} ~~material~~ ^{material} ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind}
~~appears~~ ^{appears} ~~quite~~ ^{quite} ~~possible~~ ^{possible} ~~that~~ ^{that} ~~the~~ ^{the} ~~material~~ ^{material} ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind}
~~performing~~ ^{performing} ~~in~~ ⁱⁿ ~~the~~ ^{the} ~~material~~ ^{material} ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind}
~~duplicate~~ ^{duplicate} ~~at~~ ^{at} ~~the~~ ^{the} ~~same~~ ^{same} ~~place~~ ^{place} ~~as~~ ^{as} ~~the~~ ^{the} ~~material~~ ^{material} ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind}
 purport of the applicant. Further it seems
 possible that in the ~~same~~ ^{same} ~~place~~ ^{place} ~~as~~ ^{as} ~~the~~ ^{the} ~~material~~ ^{material} ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind}
 plant material the vein will be

~~the~~ ^{the} ~~material~~ ^{material} ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind}
~~as~~ ^{as} ~~the~~ ^{the} ~~material~~ ^{material} ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind}
~~the~~ ^{the} ~~material~~ ^{material} ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind}
~~the~~ ^{the} ~~material~~ ^{material} ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind}

without a large part of its ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind} the
 occurrence of manganese on the
 dump of the operation ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind} with
 the reports regarding ~~the~~ ^{the} ~~material~~ ^{material} ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind}
 vein on the 300 FT. E. P. in that ~~the~~ ^{the} ~~material~~ ^{material} ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind}
 suggests that ~~the~~ ^{the} ~~material~~ ^{material} ~~is~~ ^{is} ~~not~~ ^{not} ~~of~~ ^{of} ~~the~~ ^{the} ~~same~~ ^{same} ~~kind~~ ^{kind} in this area

extends well below the superficial zone. (9)

Proposed Work

The applicant proposes to equip the property, and to sink 100 Ft. and ~~to~~ explore the vein ^{laterally at depths of} 50 Ft. and 100 Ft.

Comments of Sup. Eng.

While the property is practically underlain and such samples as were taken indicate material of sub-profitable grade there is good reason to believe that ^{its} development of ~~the property~~ ^{would} result in the production of a substantial amount of manganese. This statement is based upon the similarity ~~found~~ of the surface aspect of the vein on this property and on the adjacent ^{under} ground and upon the satisfactory results being obtained in the ^{under} workings, ~~on that point~~

one block of the
in this

The application which is based upon a mining and development contract between the applicant and Mr. Walker is, in my opinion, unsound for the following reasons:

1. The applicant contracts to deliver ore not yet proven to exist.
2. The requirement of equipment and development the property

- ~~1. The price to be paid the contractor~~
- ~~2. The duration of the agreement and the price to be paid the contractor~~

2. The requirement that the contractor

1. The applicant owns or income

- 1. The applicant as contractor owns upon income at ^{fixed} ~~fixed~~ schedule ^{of prices} for the delivery of ~~no~~ ^{no} real ~~estate~~ ^{estate} to exist.
- 2. The term of the agreement is short and the applicant as contractor is required to equip, ~~and~~ ^{explore and} develop the property. ~~The rate of payment is not likely to result in a profit to even the most aggressive type of contract, which the applicant is not sufficiently large to~~

Mr P It seems extremely unlikely that the schedule of payments would allow a profit to even a most aggressive type of contract, which the applicant is not.

If the ^{application} ~~project~~ were presented ^{under a} ~~unstable~~ ^{unstable} ownership and lease agreement, and despite the fact that it would be somewhat exploratory in nature, this engineer would be inclined to favor granting a loan. ~~Little credit~~ that the Washington office, R.F.C., concurs in this opinion it is suggested that the ~~proper~~ applicant be consulted with a view toward the possibility of ~~his~~ ~~submitting~~ an application for loan based upon ~~unstable~~ ^{unstable} ~~project~~ ^{lease} agreement, ~~the possibility of his submitting an app.~~

T. P. Lane
 Sup. Eng.

R. G. E. Gorman

Tully

Enc. enclosing herewith my
 Sup. Eng. Report upon the above captioned
 project

Encl.

- Sup. Eng. Report w/support data
- Sketch
- Assay Cert

TITLE 32A - NATIONAL DEFENSE, APPENDIX
CHAPTER XIV - GENERAL SERVICES ADMINISTRATION

MANGANESE REGULATIONS

PURCHASE PROGRAM FOR DOMESTIC MANGANESE ORE
AT WENDEN, ARIZONA

Sec.

1. Basis and Purpose.
2. Definitions.
3. Participation in the Program.
4. Deliveries.
5. Duration of the Program.
6. Price schedule for ores.

AUTHORITY: Sections 1 to 6 issued under sec. 704, 64 Stat. 816, as amended, Pub. Law 96, 82d Cong., 50 U.S.C. App. Sup. 2154. Interpret or apply sec. 303, 64 Stat. 801, as amended, Pub. Law 96, 82d Cong., 50 U.S.C. App. Sup. 2093; E.O. 10281, Aug. 28, 1951, 16 F.R. 8789-8791.

Section 1. Basis and Purpose. This regulation interprets and implements the authority of the Administrator of General Services to purchase manganese ore of domestic origin at Wenden, Arizona, pursuant to delegation of authority from the Defense Materials Procurement Administrator of even date with this regulation, and outlines the attendant responsibilities and functions of the Administrator of General Services in purchasing such manganese ores for Government use and resale. In accordance with the program set forth herein, as authorized by the Defense Production Administration on May 9, 1952, the Administrator will buy domestically produced manganese ore containing not less than fifteen percent (15%) manganese, in accordance with the specifications contained in this regulation.

Sec. 2. Definitions. As used in this regulation:

(a) "Administrator" means the Administrator of General Services.

(b) "Program" means the purchase of manganese ore as set forth in this regulation.

(c) "Depot" means the purchase depot of the Government at Wenden, Arizona.

(d) "Manganese ore" means crude ore containing not less than fifteen percent (15%) manganese, mined in the United States, its territories and possessions.

(e) "Long ton unit of manganese" means 22.4 pounds of manganese contained in a long dry ton of manganese ore.

A. E. Johnson J.S.A. -1-
G.M. Hanson B.M.

Sec. 3. Participation in the Program. Any person may participate in the Program by notice given to the General Services Administration Regional Office, 49 Fourth Street, 4th Floor, San Francisco 3, California, in the form of a letter, postcard or telegram postmarked or dated by the telegraph office not later than August 31, 1953. Such notice shall state that the writer desires to participate in the Program and will deliver manganese ore to the depot. Such notice must be signed and a return address given. Any person participating in the Program will promptly be sent a certificate authorizing him to deliver ore meeting minimum specifications.

Sec. 4. Deliveries. Manganese ore to be purchased by the Government under the Program is to be delivered f.o.b. depot. Delivery of less than five (5) long tons of ore at one time will not be accepted. Participants in the Program must give the Government reasonable notice with respect to deliveries of ore. Each delivery will be sampled and assayed by the Government at the depot and payment on an estimated recovery basis will be made in accordance with the analysis of such sample and as provided in section 6 below. Deliveries not conforming to the minimum specifications will be rejected, and expenses in connection therewith will be borne by the seller.

Sec. 5. Duration of the Program. This Program shall terminate and be of no further force or effect when six million (6,000,000) contained long ton units of manganese have been delivered to the depot and accepted by the Government under this Program, or at the close of business June 30, 1956, whichever first occurs.

Sec. 6. Price schedule for ores. The following prices per long dry ton will be paid for manganese ore delivered f.o.b. depot. Where the fractional manganese content is 0.5 percent (0.5%) or below, payment will be made as though no fractional content were involved. Where such fractional content is 0.51 percent (0.51%) or above, payment will be made at the next higher figure.

<u>Percent Mn in ore</u>	<u>To be paid for 1 long dry ton</u>
15	\$ 8.54
16	10.24
17	12.00
18	13.71
19	15.48
20	17.20 — 20%
21	19.13
22	21.06
23	23.05
24	24.99
25	26.94 — 25%
26	29.64
27	32.40
28	35.11
29	37.88
30	40.60 — 30%

31	44.73
32	46.86
33	50.00
34	53.14
35	56.29
36	60.74
37	65.15
38	69.61
39	74.03
40 fines	78.00
40 ore	88.00

The above price schedule applies to lots received from individual shippers aggregating less than 200 tons during any 30-day period, and shall constitute the final and definite price for such lots.

For lots received from individual shippers aggregating 200 tons or more during any 30-day period, the above price schedule shall serve as a basis for preliminary settlement pending laboratory tests. The preliminary settlement shall be adjusted up or down, as the case may be, as a result of tests for laboratory-determined recoverability. Final settlement shall be calculated on the basis of \$2.30 per long ton unit of manganese determined from the laboratory tests to be recoverable from the ore, subject to a charge of \$10 per ton of ore (the estimated cost of sampling, milling, and handling) and to the specifications, premiums, and penalties set forth below.

SPECIFICATIONS

	<u>Percent</u>
Manganese	48.0
Iron	6.0
Silica plus alumina	11.0
Phosphorous	.12

PREMIUMS

Manganese content above 48.0 percent (dry basis): 1/2 cent for each 1.0 percent.

Iron content below 6.0 percent (dry basis): 1/2 cent for each 1.0 percent.

PENALTIES

Manganese content below 48.0 percent (dry basis): 1 cent for each 1.0 percent, down to and including 44.0 percent. Below 44.0 percent: 4 cents, plus 1½ cents for each 1.0 percent down to 40.0 percent minimum. Iron content above 6.0 percent (dry basis); 1 cent for each 1.0 percent, up to and including 8.0 percent. Above 8.0 percent: 2 cents plus 3/4 cent for each 1.0 percent up to 16 percent maximum. Silica plus alumina content above 11.0 percent (dry basis): 1 cent for each 1.0 percent up to 15 percent maximum. Phosphorous content above 0.12 percent (dry basis): 1/3 cent for each 0.01 percent up to 0.3 percent maximum.

The Government will reject any lot which, on the basis of the laboratory testing, cannot be beneficiated to a product the chemical analysis of which falls within the following limits in all respects. The Government reserves the right to dispense with laboratory testing of shipments aggregating less than 200 tons over a 30-day period.

	By Weight (Dry Basis) <u>percent</u>
Manganese (Mn)	40.0 min.
Iron (Fe)	16.0 max.
Silica plus alumina (SiO ₂ plus Al ₂ O ₃)	15.0 max.
Phosphorous (P)	0.30 max.
Copper plus lead plus zinc (Cu plus Pb plus Zn)	1.00 max. *

* of which not more than 0.25 percent may be copper.

JESS LARSON
Administrator of General Services

Date: June 27, 1952

GENERAL SERVICES ADMINISTRATION
Office of Public Information and Reports
EXecutive 4900, Branch 4511

GSA-178

FOR IMMEDIATE RELEASE, TUESDAY, SEPTEMBER 23, 1952

The Government will accept shipments of manganese ore at its purchase depots at Wenden, Arizona, and Deming, New Mexico, with a high lead and zinc content, provided such ore can be nodulized and upgraded to meet specifications, the General Services Administration announced today.

Government specifications call for ore with a maximum copper-lead-zinc content of 1.0 per cent, of which not more than 0.25 may be copper. Under amended regulations issued today, ores with a higher lead and zinc content will be accepted if such ores can be nodulized and up-graded to meet these specifications. The shipper will be charged \$2.25 per long ton for high lead and zinc ores to cover costs of nodulization, GSA said.

Purchasing of manganese is handled by the Emergency Procurement Service of GSA for the Defense Materials Procurement Agency. EPS also operates manganese depots at Butte and Philipsburg, Montana, as well as a Nation-wide program under which producers may deliver specification ores in carload lots at any rail point.

5) 17.05% $\frac{\$12.00}{67.05} \times 15.19^{\text{km}} \times 12 \text{ ft} = 67.05$

28.0% 35.11 $\times 5.52 = 195.21$

33.0% 50.00 $\times 13.35 = 667.50$