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Reconstruction Finance Corporation Arizona Records

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## RECONSTRUCTION FINANCE CORPORATION MINING SECTION LIQUIDATION REPORT 李泰瑞泰水南南南南北南南水南南南

Borrower: Docket No. Date of Report:

Richard E. and Daniel G. Chilson C-ND-7972 April 25, 1946

#### 1. NAME AND ADDRESS OF APPLICANT:

Richard E. and Daniel G. Chilson Ruby Star Route, Box 60 Tueson, Arizona

#### LOCATION OF PROJECT: 2.

In Sec. 2 and 3, T. 17 S., R. 12 E., Pima mining district, Pima County, Arizona, about 13 miles from Sahuarita, Arizona.

#### AMOUNT OF LOAN AND DATE OF AUTHORIZATION: 30

A loan of \$5,000 was authorized in December, 1942.

## PURPOSES FOR WHICH LOAN WAS EXPENDED:

Although the loan was approved in December 1942, Borrower was unable to obtain the money until certain requirements were fulfilled. The first withdrawal request dated March 28, 1943 took the full \$5,000. Equipment was purchased to open the lower levels. The record does not show how much underground work was done, but it does show the shipping record. The Borrower shipped ore from January 1943, to April 1943, amounting to 1850 tons the proceeds of which were not deposited in the account. Beginning in September 1848 to the termination of operations in April 1945, a total of 2553 tons were shipped. The account shows the Borrower received \$6339.42 in net smelter returns and \$22,886.17 in net Bonus returns. for a total of \$20,225.59 or \$11.45 per ton for mining and profit. Borrower did some diamond dulling and geophysical prospect but developed only low grade ore.

#### EQUIPMENT: 5.

a) Equipment bought with loan and operation funds.

1	T-6000 C.P. 34 stopes 1" Hex Chuck 24"	
	Feed Leg Rotation Release Ser. No. 291	\$365.00
1	Made up Receiver 4º x 14º with 1/2"	
	Boiler Plate	173,00
1	Used Water Tank 7* x 8*	125.00
1	Chicago Pneumatic Hothead Compressor	
	309 CF, Semi-Diesel MSOL	450.00
1	Pump	109.50
1	Hoist Loyd-Tripp	250.00
1	Air Hammer	102.00
	Pipe and fittings	200.00
1	Small Air Compressor air cooled Garffner	
	3 x 35	40.00
1	Starting Receiver	20.00
1	Motor for Pump	34.68
1	Mine Car	26,50
1	Electric Generator	60.00
		\$1985.68

b) List of equipment worth salvaging, resale value and location.

<u>Mat</u>	Location E	stimated Resale Value
T-6000 C.P. 34 Stopes 1 Made up Boiler Plate	Elgin Mine	\$250.00
Receiver	San Exavier Mine	50,00
1 Used Water Tank	San Xavier Mine	50.00
1 C.P. Hothead Compressor	San Xavier Mine	225.00
1 Pump	San Xavier Mine	50.00
1 Hoist	San Xavier Mine	100.00
l Air Hammer	San Xavier Mine	25.00
1 Small Air Compressor	San Mavier Mine	20,00
1 Starting Receiver	San Xavier Mine	10.00
1 Motor for Pump	San Xavier Mine	30.00
1 Mine Car	San Mavier Mine	15.00
1 Electric Generator	San Xavier Mine	45.00
Pipe and fittings	San Xavier Mine	30.00
		\$900.00

- NO equipment disposed of.
- d) Explain what steps have been taken to liquidate equipment.

  In answer to Mr. Gohring's letter Borrower states in letter of February 24, 1946.

"Referring to your letter of the 19th, all of the equipment of which you inquire is at the San Xavier mine except the stopes which I am using at the Elgin mine.

"This machinery is being cared for and protected and maintained on a standby basis and is not strictly abandoned.——this project may be said to have folded up-----

"..... have hesitated to implement the sale of this equipment either for or by the RFC, even though this sale price would then be withdrawable by the operators against our operating deficite of \$4841.30".

## 6. PROPERTY:

Borrower has a leasehold interest in three patented lode mining claims. The owner, Mr. R. K. Shelton, has asked for a cancellation of the lease.

### 7. COMMENTS:

Operations terminated in April 1945. Bryan R. Frisbie, Supervising Engineer, visited the property last on January 26, 1945. Borrower has mined out all the ore, has prospected for additional ore and found none. Last shipments reflect grade of ore found around stopes. Lease has probably been cancelled and if the equipment is sold

will ask for return to offset operating deficit. Borrower has collected refunds on gas and insurance. There is \$1.11 in the Business Account which should be recaptured.

# 8. CONCLUSIONS:

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

# 9. RECOMMENDATIONS:

It is recommended that this account be closed when the remaining equipment acquired in whole or in part, with lean or operation funds which is considered worth salvaging has been liquidated and proceeds applied on Borrower's indebtedness.

CHARLES A. RASOR Supervising Engineer

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