1/10/51 Proceedings of Operating Committee Meeting

DMA 170 - Bisbee East Orebody Project, Phelps Dodge Corp
Operating Committee approved the recommendation of the
Copper commodity committee that the Production Expansion
Division proceed at once to draft an agreement and initiat
negotiations with the co; Committee suggests that Govt
offer a purchase contract of the type requested, but to
apply only to amounts of copper wanted by the Govt., and
provide a suitable cancellation or suspension clause.
The Copper committee's recommendation is being referred
to the Production Expansion Div. for approp. action.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

REGIONAL DIRECTOR'S
OFFICE
REGION IV
FEB 13 1951
BUREAU OF MINES
DENVER, COLORADO

RWN (1) Koontz
(2) DMA files

February 7, 1951

Memorandum

To: Executive Officer, DMA Field Team, Region IV
224 New Customhouse, Denver, Colorado

From: Chairman, Copper Commodity Committee, DMA

Subject: Report on Bisbee East Ore Body - DMA-170

This acknowledges receipt of your report on the above named project. The report is very satisfactory indeed as to coverage and method of presentation, taking into account the company's preference for furnishing cost data through its New York Office.

If I have not done so previously, I wish to call your attention now to the questions that a Commodity Committee is required to deal with in reporting on applications. With respect to items checked on the enclosed outline, we are in most cases dependent on information furnished by the Field Teams' reports. The outline may serve you as a guide in directing the work of your field men on DMA investigations, and in reviewing their reports. It is expected that in the near future an Appendix or other supplement to the application forms will be approved and put into use, which should result in getting more of the needed information from the applicants in the first place.

Tom Lyon for

J. K. Richardson, Chairman
Copper Commodity Committee

Attachment

Copy to Executive Secretary
Copper Commodity Committee
Files

ME

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

February 7, 1951

randum

To: Executive Officer, DMA Field Team, Region IV
224 New Customhouse, Denver, Colorado

From: Chairman, Copper Commodity Committee, DMA

Subject: Report on Bisbee East Ore Body - DMA-170

This acknowledges receipt of your report on the above named project. The report is very satisfactory indeed as to coverage and method of presentation, taking into account the company's preference for furnishing cost data through its New York Office.

If I have not done so previously, I wish to call your attention now to the questions that a Commodity Committee is required to deal with in reporting on applications. With respect to items checked on the enclosed outline, we are in most cases dependent on information furnished by the Field Teams' reports The outline may serve you as a guide in directing the work of your field men on DMA investigations, and in reviewing their reports. It is expected that in the near future an Appendix or other supplement to the application forms will be approved and put into use, which should result in getting more of the needed information from the applicants in the first place.

/S/ Tom Lyon for
J. K. Richardson, Chairman
Copper Commodity Committee

Attachment

CHJohnson:ba

Copy to L. F. Strobel
Copper Commodity Committee
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
Washington 25, D. C.

January 26, 1951

Memorandum

To: Commodity Committees

From: Director, Supply Division
Through: Operating Committee

Subject: Outline for Report and Recommendation on Application

In order to assure uniformity and adequacy of reports and recommendations on applications which are to be passed on to the Production Expansion Division, you are requested to prepare your reports according to the attached outline. We want to strike a balance between unnecessarily long discussions and too sketchy presentations. The outline is designed to present to the Production Expansion Division the information needed in finalizing contracts without the necessity of reviewing the entire file.

The application and accompanying data, including Bureau or Survey data and field reports if any, should be attached for background and to preserve the file intact.

Director, Supply Division

Approved:

Acting Chairman, Operating Committee

Member, Bureau of Mines

Member, Geological Survey

(For Government Use Only)

DEFENSE MINERALS ADMINISTRATION

Outline for
Report and Recommendation of Commodity Committee
on Application for Government Assistance

Docket No. _____

Commodity _____

A. Name and address of Applicant

B. Location of deposit, mine, or facility

C. Conclusions as to:

1. Pertinence of this proposal to commodity program
2. Technical feasibility
3. Availability of requirements
4. Financing
5. Competence of applicant

D. Recommendations

Recommendations should be specific.
If a purchase contract is recommended, the quantity, delivery schedule, term, suggested price, and any special conditions are to be indicated. If a loan is recommended, pertinent data should be stated.

E. Brief description of applicant's proposal, including type and amount of Government assistance requested.

F. Statement as to how the proposal fits into the program for expansion of production of this commodity.

G. Statement, including summary of supporting data, on technical feasibility as to:

1. Reserves (if exploration proposal, give geologic opinion as to possibilities and basis for it)
2. Rate of production
3. Mining method and costs
4. Milling practice and costs
5. Marketing
6. Time schedule

H. Statement on availability of project requirements as to:

1. Equipment and facilities already installed
2. New equipment and facilities needed
3. Transportation, including access roads
4. Manpower
5. Power

(check availability with Requirements Division if necessary)

I. Statement on proposed financing as to:

1. Proposed method or alternatives
2. Adequacy of requested amount (of loan) or price (in procurement contract)
3. Security (if loan)
4. Repayment provisions (if loan or advance)
5. MSRB criteria for loans and procurement contracts

(check with Production Expansion Division if necessary)

J. Statement as to applicant's competence to carry out proposal and source of information

K. Synopsis of correspondence, conversations, or negotiations with:

1. Applicant or his agent
2. Other interested people or agencies

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REGION IV

OFFICE OF
REGIONAL DIRECTOR

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

January 25, 1951

Registered Mail

Memorandum

To: J. K. Richardson, Chairman, Copper Commodity Committee

From: Field Team, Region IV

Subject: DMA Docket 170 - Phelps Dodge Corporation

We are transmitting to you today, registered, the original and one copy of our report on DMA Docket 170 "An Accelerated Program for Developing the Last Ore Body by Open Pit, Copper Queen Branch, Phelps Dodge Corp., Bisbee, Arizona."

J. H. Earl Jr.
J. H. Earl, Jr.

A H Koschmann
A. H. Koschmann

cc: JH Hedges
Director's Reading File
AH Koschmann
FT Allaman

Enclosures 2

JHEjla

Mining Division
Date Rec'd.
JAN 24 1951
BUREAU OF MINES
Denver, Colorado

January 22, 1951

Mr. C. A. Anderson
District Supervisor
Geological Survey
Box 633
Prescott, Arizona

My dear Andy:

Enclosed is your copy of the report on DMA Docket No. 170, An Accelerated Program for Developing the East Ore Body by Open Pit, Copper Queen Branch, Phelps Dodge Corp., Bisbee, Ariz.

We finished this in a hurry and sent it to Denver Saturday, so had no chance to let you see it before now. Hope it meets with your approval.

Sincerely yours,

Walter R. Storms, Chief
Arizona-New Mexico Branch

CC P. T. Allsman
462.1 DMA-170
DF

WRStorms:nlp

COPY

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF MINES
Mining Division
Region IV

Ariz.-New Mexico Branch
Box 4097
University Station

Tucson, Arizona

January 20, 1951

Memorandum

To: Paul T. Allsman, Denver, Colorado

From: Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject: DMA Report on Copper Queen Branch, Phelps Dodge Corp., Bisbee, Ariz. - D.M.A. Docket No. 170

Enclosed are original and one copy of the above report. Four more copies are being sent by ordinary mail.

As per the Regional Director's telegram of January 18, regarding an estimate of direct operating costs per ton and per pound of copper, I visited Bisbee yesterday for Mr. Pullen to check our report. While there I asked him about these costs, but he did not have them, and as Mr. Lavender was not in Douglas, Mr. Pullen could not obtain them. However, Mr. Pullen called me last night and reported that Mr. Page had these costs in New York, and would turn them over to Washington on January 22.

In studying this report, it should be remembered that all cost estimates were made last fall. Since that time, Phelps Dodge Corp. has granted a 10-cent an hour wage increase.

The East ore body project has not been approved by the Phelps Dodge directors and probably will not be approved unless the Government makes certain concessions as per report.

Clemmer wrote the sections on milling, leaching, smelting, and power and water; Anderson wrote most of the section on geology; while I tried to complete the report.

Mr. Pullen has approved this report.

/s/

Walter R. Storms

cc: P. T. Allsman
DMA - 170
DF

1-1027
(April 1946)

UNITED STATES
DEPARTMENT OF THE INTERIOR

129278

AGENCY MINES

Originator: CHJohnson
Ext.: 3526 Room: 3425

TELETYPE

Appro.:
Date: January 18, 1951
Time:
No.:
To: J. H. East, Jr., 224 New Customhouse, Denver, Colorado

Subject:

In reporting to Defense Minerals Administration on Risbee copper project DMA-170 please furnish detailed estimate direct operating cost per ton and per pound copper.

DIRECTOR'S
OFFICE
RECEIVED
JAN 19 1951
BUREAU OF MINES
DENVER, COLORADO

J. K. Richardson, Chairman
Copper Commodity Committee

SENT
JAN 18 1951
Clerical Service Section

CONFIRMATION COPY

Authorized:

Sign original message and transmit to Room.....in duplicate

V OPR DN 235 TO TS 2841 VETS ADM PLS OK VVEP

TS PLS OK V

TS 2841 PLS SY DN WILL HOLD PLS OKN

BUSY WILL CALL U OK THX

DN 235 DUR MINES CA PLS

RDY WITH TS CA PLS TSN 2841 CA PLS

TSN PLS ANNCE

DN 235 DUR MINES

WILL YOU PLS RELAY FOLLOWING MSG OUR OFFICE TUCSON OK WILL DO

THX

DN 235 DUR MINES 4.00PM 1-18-51

U R STORMS DUR MINES PHONE 3-1602

IN REPORTING ON DEFENSE MINERALS ADMINISTRATION ON BISBEE COPPER PROJECT DMXXX DMA-170 PLEASE FURNISH DETAILED ESTIMATE DIRECT OPERATING COSTPER TON AND PER POUND COPPER.

J W EAST JR

END ECH PLS LM AND THX

RECD NR 1 DU MINES

DN 235 BUR MINES GA PLS

WASH DC BU MINES 310 1-18-51 12PM

J H EAST, JR.

IN REPORTING TO DEFENSE MINERALS ADMINISTRATION ON BISBEE COPPER PROJECT DMA-170 PLEASE FURNISH DETAILED ESTIMATE DIRECT OPERATING COST PER TON AND PER POUND COPPER.

J K RICHARDSON, CHAIRMAN
COPPER COMMODITY COMMITTEE

MIN PLS

END MSG ACK PLS CW

RECD OK LM

Mining Division
Data Bank
JAN 17 1951
BUREAU OF MINES
Denver, Colorado

January 15, 1951

Mr. J. B. Pullen
Manager, Copper Queen Branch
Phelps Dodge Corporation
Bisbee, Arizona

My dear Mr. Pullen:

Thank you very much for the data for determining additional costs of accelerating your preparatory program for the East Ore Body. This material was received this morning by registered mail.

When our report is completed I would like to bring it to Bisbee and have you and Mr. Smith check it with me. We hope to have it completed within a week. When it is finished I will contact you by phone regarding a date for this conference.

Sincerely yours,

Walter R. Storms, Chief
Arizona-New Mexico Branch

CC P. T. Allsman
4621 - DMA Docket 170
DF

WRStorms:nlp

page

December 29, 1950

Mr. J. H. East, Jr.
Regional Director, Region IV
Bureau of Mines
224 New Customhouse
Denver, Colorado

Dear Mr. East:

In answer to your letter of December 26, regarding your and Mr. Allsman's trip to Tucson and Bisbee on January 7, we have reserved rooms at the Copper Queen Hotel in Bisbee for Sunday night, January 7.

We will pick you both up at the Tucson airport and will take you directly to Bisbee from here.

Sincerely yours,

Walter R. Storms, Chief
Arizona-New Mexico Branch

CC P. T. Allsman
462.1
DF

WRStorms:frj

Mining Division
Data Recd.
JAN 2 - 1951
BUREAU OF MINES
Denver, Colorado

PTA

December 29, 1950

Copper Queen Hotel
Bisbee, Arizona

Gentlemen:

Please reserve four single rooms with baths for Sunday night, January 7, for Messrs. J. H. East, Jr., Paul T. Allsman, L. A. Stewart, and me. We expect to arrive by car from Tucson some time Sunday evening.

I believe Mr. J. B. Pullen of Phelps Dodge Corporation has made reservations for three rooms for Monday night, January 8. However, we find that we will need four rooms, starting Sunday night, January 7.

I would appreciate it very much if you would confirm these reservations.

Sincerely yours,

Walter R. Storms, Chief
Arizona-New Mexico Br.

CC J. H. East, Jr.
P. T. Allsman
J. B. Pullen
462.1
DF

WRStorms:frj

Mining Division
Data Bank
JAN 2 - 1951
BUREAU OF MINES
Denver, Colorado

pk

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
ROCKY MOUNTAIN REGION
REGION IV

OFFICE OF
REGIONAL DIRECTOR

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

December 26, 1950

Mr. W. B. Storms
Bureau of Mines
Tucson, Arizona

Dear Mr. Storms:

Mr. Allsman is on annual leave this week, and I am not sure whether he advised you that he and I will arrive in Tucson, January 7, on Flight #499, American Air Lines. So you will be informed: Mr. Allsman, yourself, and I have an appointment to meet with J. D. Pullen, manager of the Copper Queen Branch at Bisbee, starting Monday, January 8.

Mr. Lavender has requested Mr. Pullen to make reservations for the three of us at the Copper Queen Hotel starting January 8.

Since we are to arrive in Tucson about 2:36 p.m. on the 7th, it seems logical to proceed direct to Bisbee so as to start work the first thing Monday morning. Will you, therefore, please make arrangements to go to Bisbee Sunday afternoon, and also, will you please arrange for our reservations at the Copper Queen Hotel for Sunday night.

Mr. Allsman and I plan to leave Bisbee on Tuesday, the 9th, returning to Denver, and it will be necessary for you to arrange for what assistance you will need.

In case Mr. Allsman has not notified you, we are to investigate the proposal for the new pit at Bisbee, and the report should be more or less completeand an early preparation of the report is urgent. We can discuss details when we arrive at Tucson.

It will be necessary for you to arrange transportation for Mr. Allsman and me both ways, so it might be better to have two cars.

Sincerely yours,

J. H. East, Jr.

J. H. East, Jr.
Regional Director

JHE:lm cc-Allsman

Mr Phillips WOM
file

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Date Rec'd.
DEC 22 1950
BUREAU OF MINES
Denver, Colorado

224 New Customhouse
Denver 2, Colorado

December 22, 1950

Memorandum

To: P. T. Allsman DMA Docket no. 2

From: Field Team, Region IV

Subject: Phelps Dodge Corporation

The Phelps Dodge Corporation and the Defense Minerals Administration in Washington are negotiating for governmental assistance in developing a new pit at Bisbee, Arizona.

The Phelps Dodge Corporation desires a shortened period for amortization, and the Defense Minerals Administration wishes the program speeded up.

Please arrange with Mr. Storms to be actively in charge of the investigation for the Bureau of Mines; Mr. Koschmann will make the arrangements for Mr. Anderson of the Geological Survey to participate actively.

In a telephone conversation with Mr. H. M. Lavender, General Manager of Phelps Dodge, we arranged for the first meeting to take place on January 8 in Bisbee, Arizona. Please make the necessary arrangements. During the start of the work, at least, you should plan to be present.

J. H. East, Jr.
J. H. East, Jr.

A. H. Koschmann
A. H. Koschmann

cc: AH Koschmann
JH East, Jr.
WR Storms
C. Anderson

c
o
p
y

December 13, 1950

Dr. James Boyd
Acting Deputy Administrator
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Dr. Boyd:

As agreed at our last conference, this letter is written to outline our projected development of the so-called Bisbee East Ore Body and the help which we will have to have from the Government if the project is to be carried through.

1. The East Ore Body Project

The essential facts as to the projects are the following, based upon the information presently available:

(a) Reserves. 40,000,000 x tons of concentration ore with an average grade of 1.14% copper and 31,000,000 x tons of leach material averaging .42% copper. The over-all waste ratio of waste and leach material, combined, to concentrating ore should not exceed 2½ to 1.

(b) Projected Rate of Operation. 12,000 tons of concentrating ore per day to produce 65,000,000 pounds of recoverable copper per year. In addition it is expected that 11,500,000 pounds of recoverable copper per year will be obtained from leaching the leach material.

(c) Total Production. Estimated life 11 years x

from concentrating ore	715,000,000 lbs. x
from leach material	126,500,000 lbs. x
total	841,500,000 lbs. x

I should point out that drilling is being continued and that it is not impossible that the above estimates of reserves and total production may be somewhat exceeded.

(d) Commencement of Production. If the orebody were developed on a purely commercial basis, it is estimated that production could not be obtained before about January 1, 1955. It is presently estimated that by making certain expenditures which could not be justified on a commercial basis, production could be obtained a year or more earlier, i.e., say, in late 1953 or January 1, 1954. The total added expense is currently estimated at roughly $2,000,000, made up as follows:

Additional pit equipment	$ 765,000
Additional cost of advanced waste removal, including overtime due to 7-day work week and other increased costs.	613,000
Additional cost of construction of concentrator and other facilities due in part to 7-day week.	472,000
Contingencies	150,000
Total	$ 2,000,000

(e) Cost of Project. It is estimated, on the basis of current costs, that the total cost of equipping and bringing the project into production will be $25,000,000, or $27,000,000 if the accelerated program mentioned in (d) above is adopted. This figure includes advanced waste removal cost in the amount of $8,000,000, or on the accellerated program $8,613,000.

(f) Equipment, Etc., Required. The principal items of buildings and equipment required are estimated as follows:

(1) 5 5-yd. Electric Shovels	994,000
(2) 21 - 25-yd. Dump Trucks	770,000
(3) Rail haulage -- waste disposal: 2 - 1200 HP Diesel Electric Switches 20 - 40-6d. Dump cars Shop. Trackshifter, etc.	1,020,000
(4) Grading equipment, air drill and churn drill equipment, miscellaneous trucks, cranes.	331,000
(5) Mine buildings, offices, shops, etc.	377,000
(6) Concentrator Building and Equipment, including crushing plant, etc.	8,557,000

(7)	Increased power facilities	582,000
(8)	Water System and Supply	690,000
(9)	Housing	578,000
(10)	Miscellaneous expenditures	3,101,000
	* Very rough estimate	$ 17,000,000
(11)	Advanced waste removal	8,000,000
	Total	25,000,000

For the accelerated program mentioned above, $2,000,000 should be added to the above estimated figure.

In several important respects, the total estimated cost has been kept down by providing for the use of second-hand buildings and equipment available at the Company's other branches. These include:

(1) Use, as the concentrator building, of the concentrator building at Nacozari, Mexico.

(2) Reconditioning and use of two turbo-electric generators at Clarkdale, Arizona.

(3) Provision of 29-T churn drills from other branches.

(g) Manpower Requirements - Operating. On the basis of a three-shift operation of the open-pit mine and concentrator, manpower requirements, including salaried payroll, are estimated at 450 men. This does not include some additional labor required at smelter and refinery.

II. Arrangements with Government

To justify going ahead with this project under present conditions, we would want to provide by agreement with the National Production Authority, or other appropriate means,

(a) An arrangement under which the added cost of the accelerated program (if the Government wishes us to proceed with the accelerated program) will be borne in toto by the Government.

(b) Under present conditions we are unwilling to bear the cost of advanced waste removal unless we know that we cana amortize it for tax purposes under a certificate of necessity. As you know, there was a ruling against this under the last Excess Profits Tax law. A photostat of this ruling is enclosed for your information. If that ruling still holds, some other solution will have to be found. This tax aspect of the problem seems to us the most serious one and we would appreciate what ideas your people can develop.

(c) A contract under which for a period of years after production begins we can sell the production to the Government at the average E&MJ price, but with a floor which would move with some escalator clause.

After hearing from you of the urgent need for copper, we have not only continued our engineering studies and drilling but have initiated certain of the preliminary steps toward the carrying out of this project. Therefore, for the immediate present no time is being lost. However, the time is not far away when failure to have worked out our problems will mean an ultimate delay in getting the project into production, so that I hope we can work them out quickly.

Sincerely yours,

President

Enclosure

cc: Mr. Lyons
Mr. Hawkins
Mr. Drysdale

V CPO DU DDD TO TS 8081 VETS ADV PLS CH VUCD

TS PLS CH V

TS ECO1 PLS CV DU WILL HOLD PLS CHK

BUSY WILL CALL U CH TYE

DU DDD TOR LINES CA PLS

DY WITH TS CA PLS DUT 8041 CA PLS

DUT PLS ADVICE

DU DSD DUR LINES

WILL YOU PLS RELAY FOLLOWING MSG OUR OFFICE SUBSCI CH WILL BE

TYE

DU DDD DUD LINES 0.00PO 1-10-51

U D STOCKS DUR NEWES PINGIE 5-1600

IN REPORTING ON DEFENSE MINERALS ADMINISTRATION ON DIGEST COPPER PROJECT DUNNI D M-170 PLEASE FURNISH DETAILED ESTIMATE DIRECT OPERATING COSTS TOT AND PER POUND COPPER.

J T DAGT JR

DUD ICH PLS LD AND TYE

DECD CD 1 DD LINES

DN 235 BUR MINES GA PLS

WASH DC BU MINES 310 1-18-51 12PM

J H EAST, JR.

IN REPORTING TO DEFENSE MINERALS ADMINISTRATION ON BISBEE COPPER PROJECT DMA-170 PLEASE FURNISH DETAILED ESTIMATE DIRECT OPERATING COST PER TON AND PER POUND COPPER.

J K RICHARDSON, CHAIRMAN
COPPER COMMODITY COMMITTEE

MIN PLS

END MSG ACK PLS CW

RECD OK LM

copies to Albrecht Richardson 1/18/51 lm.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

MAGNESIUM DEFENSE ADMINISTRATION
OFFICE
REGION IV
JAN 2 - 1951
BUREAU OF MINES
DENVER, COLORADO

January 2, 1951

Re: Docket No. DMA-170
Bisbee East Ore Body

Mr. Robert C. Page, Pres.
Phelps Dodge Corporation
40 Wall Street
New York 5, N. Y.

Dear Mr. Page:

This is merely to make formal acknowledgement of your letter of December 13, 1950 addressed to Dr. Boyd, with reference to the projected development of the Bisbee East Ore Body, and to inform you that the project has been assigned Docket No. DMA-170.

Gone to Tucson 1/7/51

Very truly yours,

J. K. Richardson, Chairman
Copper Commodity Committee, DMA

CHJohnson:bal

Copy to: J. H. East, Jr., Exec. Off., DMA
Field Team, Denver 2, Colo.
Operating Committee - Room 3612
J. K. Richardson - Room 3612
C. H. Johnson
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Arizona-New Mexico Branch
SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

MINING DIVISION
REGION IV

TUCSON, ARIZONA

December 29, 1950

REGIONAL DIRECTOR'S OFFICE
REGION IV
JAN 2 - 1951
BUREAU OF MINES
DENVER, COLORADO

Mr. J. H. East, Jr.
Regional Director, Region IV
Bureau of Mines
224 New Customhouse
Denver, Colorado

Dear Mr. East:

In answer to your letter of December 26, regarding your and Mr. Allsman's trip to Tucson and Bisbee on January 7, we have reserved rooms at the Copper Queen Hotel in Bisbee for Sunday night, January 7.

We will pick you both up at the Tucson airport and will take you directly to Bisbee from here.

Sincerely yours,

Walter R. Storms

Walter R. Storms, Chief
Arizona-New Mexico Branch

CC P. T. Allsman
462.1
DF

JHE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
ROCKY MOUNTAIN REGION
REGION IV

OFFICE OF
REGIONAL DIRECTOR

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

Open to Bisbee

December 26, 1950

Mr. W. R. Storms
Bureau of Mines
Tucson, Arizona

Dear Mr. Storms:

Mr. Allsman is on annual leave this week, and I am not sure whether he advised you that he and I will arrive in Tucson, January 7, on Flight #499, American Air Lines. So you will be informed: Mr. Allsman, yourself, and I have an appointment to meet with J. B. Pullen, manager of the Copper Queen Branch at Bisbee, starting Monday, January 8.

Mr. Lavender has requested Mr. Pullen to make reservations for the three of us at the Copper Queen Hotel starting January 8.

Since we are to arrive in Tucson about 2:36 p.m. on the 7th, it seems logical to proceed direct to Bisbee so as to start work the first thing Monday morning. Will you, therefore, please make arrangements to go to Bisbee Sunday afternoon, and also, will you please arrange for our reservations at the Copper Queen Hotel for Sunday night.

Mr. Allsman and I plan to leave Bisbee on Tuesday, the 9th, returning to Denver, and it will be necessary for you to arrange for what assistance you will need.

In case Mr. Allsman has not notified you, we are to investigate the proposal for the new pit at Bisbee, and the report should be more or less completeand an early preparation of the report is urgent. We can discuss details when we arrive at Tucson.

It will be necessary for you to arrange transportation for Mr. Allsman and me both ways, so it might be better to have two cars.

Sincerely yours,

J. H. East

J. H. East, Jr.
Regional Director

cc - Allsman

JHE:lm

FOR VICTORY
BUY UNITED STATES WAR BONDS AND STAMPS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
221 New Customhouse
Denver 2, Colorado

December 22, 1950

Memorandum

To: F. W. Allsman

From: Field Team, Region IV

Subject: Phelps Dodge Corporation

The Phelps Dodge Corporation and the Defense Minerals Administration in Washington are negotiating for governmental assistance in developing a new pit at Bisbee, Arizona.

The Phelps Dodge Corporation desires a shortened period for amortization, and the Defense Minerals Administration wishes the program speeded up.

Please arrange with Mr. Storms to be actively in charge of the investigation for the Bureau of Mines; Mr. Koschmann will make the arrangements for Mr. Anderson of the Geological Survey to participate actively.

In a telephone conversation with Mr. [illegible] Lavender, General Manager of Phelps Dodge, we arranged for the first meeting to take place on January 8 in Bisbee, Arizona. Please make the necessary arrangements. During the start of the work, at least, you should plan to be present.

J. H. Eaut, Jr.
J. H. Eaut, Jr.

A. H. Koschmann
A. H. Koschmann

cc: A. Koschmann
J. Eaut, Jr.
W. Storms
C. Anderson
J. Pike

FOR VICTORY
BUY
UNITED STATES
WAR
BONDS
AND
STAMPS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
224 New Customhouse
Denver 2, Colorado

December 22, 1950

Memorandum

To: P. T. Allsman

From: Field Team, Region IV

Subject: Phelps Dodge Corporation

The Phelps Dodge Corporation and the Defense Minerals Administration in Washington are negotiating for governmental assistance in developing a new pit at Bisbee, Arizona.

The Phelps Dodge Corporation desires a shortened period for amortization, and the Defense Minerals Administration wishes the program speeded up.

Please arrange with Mr. Storms to be actively in charge of the investigation for the Bureau of Mines; Mr. Koschmann will make the arrangements for Mr. Anderson of the Geological Survey to participate actively.

In a telephone conversation with Mr. M. A. Lavender, General Manager of Phelps Dodge, we arranged for the first meeting to take place on January 8 in Bisbee, Arizona. Please make the necessary arrangements. During the start of the work, at least, you should plan to be present.

J. H. East, Jr.
J. H. East, Jr.

A. H. Koschmann
A. H. Koschmann

cc: AH Koschmann
JH East, Jr.
WR Storms
C. Anderson
JH:lm

PHELPS DODGE CORPORATION

OFFICE OF GENERAL MANAGER

DOUGLAS, ARIZONA.

December 22, 1950

REGIONAL DIRECTOR'S
OFFICE
REGION IV
DEC 26 1950
BUREAU OF MINES
DENVER, COLORADO

Mr. J. H. East, Jr.
Regional Director - Region 4
United States Bureau of Mines
Denver, Colorado

Dear Mr. East:

With reference to our telephone conversation, I have made arrangements with Mr. J. B. Pullen, Manager of the Copper Queen Branch at Bisbee, to meet with you and your party starting Monday, January 8, 1951. He is making reservations at the Copper Queen Hotel in Bisbee for you, Messrs. Storms and Allsman.

Very truly yours,

H. M. Lavender

Vice President and
General Manager

HMLavender/L
cc:JBPullen

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

REGIONAL DIRECTOR'S OFFICE
REGION IV
DEC 26 1950
BUREAU OF MINES
DENVER, COLORADO

December 22, 1950

Air Mail

Re: Docket No. DMA-170
Bisbee East Ore Body

Memorandum

To: Executive Officer, DMA Field Team, Region IV, Denver, Colo.

From: Copper Committee, DMA

Subject: Field Investigation of Bisbee East Ore Body Project

In accordance with Mr. Hedges' telephone call to you of this morning, we are sending you herewith two copies of a letter from Mr. Robert G. Page, President, Phelps Dodge Corporation, to Dr. Boyd, setting out the essential features of the above project. It is our understanding that Mr. Page has arranged with Mr. Lavendar to facilitate your investigation.

Your report will be an important factor in the final decision upon this proposal and will be awaited with the greatest interest. However, it is likely that preliminary discussions of a possible contract or agreement between DMA and the Corporation will be started as soon as possible without waiting to hear from you about the technical features of the project.

C. H. Johnson
for J. K. Richardson, Chairman
Copper Commodity Committee

Attachment

gfte

December 13, 1950

COPY

Dr. James Boyd,
Acting Deputy Administrator
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Dr. Boyd:

As agreed at our last conference, this letter is written to outline our projected development of the so-called Bisbee East Ore Body and the help which we will have to have from the Government if the project is to be carried through.

1. The East Ore Body Project

The essential facts as to the projects are the following, based upon the information presently available:

(a) Reserves, 40,000,000 x tons of concentration ore with an average grade of 1.14% copper and 31,000,000 x tons of leach material averaging .42% copper. The over-all waste ratio of waste and leach material, combined, to concentrating ore should not exceed 2½ to 1.

(b) Projected Rate of Operation. 12,000 tons of concetnrating ore per day to produce 65,000,000 pounds of recoverable copper per year. In addition it is expected that 11,500,000 pounds of recoverable copper per year will be obtained from leaching the leach material.

(c) Total Porduction. Estimated life 11 years x

from concentrating ore	715,000,000 lbs. x
from leach material	126,500,000 lbs. x
total	841,500,000 lbs. x

I should point out that drilling is being continued and that it is not impossible that the above estimates of reserves and total production may be somewhat exceeded.

(d) Commencement of Production. If the orebody were developed on a purely commercial basis, it is estimated that production could not be obtained before about January 1, 1955. It is presently estimated that by making certain expenditures which could not be justified on a commercial basis, production could be obtained a year or more earlier, i. e., say, in late 1953 or January 1, 1954. The total added expense is currently estimated at roughly $2,000,000, made up as follows:

Additional pit equipment	$ 765,000
Additional cost of advanced waste removal, including overtime due to 7-day work week and other increased costs.	613,000
Additional cost of construction of concentrator and other facilities due in part to 7-day week	472,000
Contingencies	150,000
Total	$ 2,000,000

(e) Cost of Project. It is estimated, on the basis of current costs, that the total cost of equipping and bringing the project into production will be $25,000,000, or $27,000,000 if the accelerated program mentioned in (d) above is adopted. This figure includes advanced waste removal cost in the amount of $8,000,000, or on the accelerated program $8,613,000.

(f) Equipment, Etc., Required. The principal items of buildings and equipment required are estimated as follows:

(1) 5 5-yd. Electric Shovels	994,000
(2) (2) 21 - 25-yd. Dump Trucks	770,000
(3) Rail haulage -- waste disposal: 2 - 1200 HP Diesel Electric Switches 20 - 40-6d. Dump cars Shop. Trackshifter, etc.	1,020,000
(4) Grading equipment, air drill and churn drill equipment, miscellaneous trucks, cranes	$, 1,331,000
(5) Mine buildings, offices, shops, etc.	377,000
(6) Concentrator Building and Equipment, including crushing plant, etc.	8,557,000

(7)	Increased power facilities	582,000
(8)	Water System and Supply	690,000
(9)	Housing	578,000
(10)	Miscellaneous expenditures	$ 3,101,000
	* Very rough estimate	$ 17,000,000
(11)	Advanced waste removal	8,000,000
	Total	25,000,000

For the accelerated program mentioned above, $2,000,000 should be ad ed to the above estimated figure.

In several important respects, the total estimated cost has been kept down by providing for the use of second-hand buildings and equipment available at the Company's other branches. These include:

(1) Use, as the concentrator building, of the concentrator building at Nacozari, Mexico.

(2) Reconditioning and use of two turbo-electric generators at Clarkdale, Arizona.

(3) Provision of 29-T churn drills from other brnahces.

(g) Manpower Requirements - Operating. On the basis of a three-shift operation of the open-pit mine and concentrator, manpower requirements, including salaried payroll, are estimated at 450 men. This does not include some additional labor required at smelter and refinery.

II. Arrangements with Government

To justify going ahead with this project under present conditions, we would want to provide by agreement with the National Production Authority, or other appropriate means,

(a) An arrangement under which the added cost of the accelerated program (if the Government wishes us to proceed with the accelerated program) will be borne in toto by the Government.

(b) Under present conditions we are unwilling to bear the cost of advanced waste removal unless we know that we canamortize it for tax pruposes under a certificate of necessity. As you know, there was a ruling against this under the last Excess Profitw Tax Law. A photostat of this ruling is enclosed for your information. If that ruling still holds, some other solution will have to be found. This tax aspect of the problem seems to us the most serious one and we would appreciate what ideas your people can develop.

(c) A contract under which for a period of years after production begins we can sell the production to the Government at the averagge E&MJ price, but with a floor which would move with some escalator clause.

After hearing from you of the urgent need for copper, we have not only continued our engineering studies and drilling but have initiated certain of the preliminary steps toward the carrying out of this project. Therefore, for the immediate present no time is being lost. However, the time is not far away when failure to have worked out our problems will mean an ultimate delay in getting the project into production, so that I hope we can work them out quickly.

Sincerely yours,

President

Enclosure

bc; Mr. Lyons
Mr. Hawkins
Mr. Drysdale

Pending report
receipt of
JME

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

December 22, 1950

Air Mail

Re: Docket No. DMA-170
Bisbee East Ore Body

Memorandum

To: Executive Officer, DMA Field Team, Region IV, Denver, Colo.

From: Copper Committee, DMA

Subject: Field Investigation of Bisbee East Ore Body Project

In accordance with Mr. Hedges' telephone call to you of this morning, we are sending you herewith two copies of a letter from Mr. Robert G. Page, President, Phelps Dodge Corporation, to Dr. Boyd, setting out the essential features of the above project. It is our understanding that Mr. Page has arranged with Mr. Lavendar to facilitate your investigation.

Your report will be an important factor in the final decision upon this proposal and will be awaited with the greatest interest. However, it is likely that preliminary discussions of a possible contract or agreement between DMA and the Corporation will be started as soon as possible without waiting to hear from you about the technical features of the project.

J. K. Richardson, Chairman
Copper Commodity Committee

Attachment

JME

December 13, 1950

COPY

Dr. James Boyd,
Acting Deputy Administrator
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Dr. Boyd:

As agreed at our last conference, this letter is written to outline our projected development of the so-called Bisbee East Ore Body and the help which we will have to have from the Government if the project is to be carried through.

1. The East Ore Body Project

The essential facts as to the projects are the following, based upon the information presently available:

(a) Reserves, 40,000,000 x tons of concentration ore with an average grade of 1.14% copper and 31,000,000 x tons of leach material averaging .42% copper. The over-all waste ratio of waste and leach material, combined, to concentrating ore should not exceed 2½ to 1.

(b) Projected Rate of Operation. 12,000 tons of concetnrating ore per day to produce 65,000,000 pounds of recoverable copper per year. In addition it is expected that 11,500,000 pounds of recoverable copper per year will be obtained from leaching the leach material.

(c) Total Porduction. Estimated life 11 years x

from concentrating ore	715,000,000 lbs. x
from leach material	126,500,000 lbs. x
total	841,500,000 lbs. x

I should point out that drilling is being continued and that it is not impossible that the above estimates of reserves and total production may be somewhat exceeded.

(d) Commencement of Production. If the orebody were developed on a purely commercial basis, it is estimated that production could not be obtained before about January 1, 1955. It is presently estimated that by making certain expenditures which could not be justified on a commercial basis, production could be obtained a year or more earlier, i. e., say, in late 1953 or January 1, 1954. The total added expense is currently estimated at roughly $2,000,000, made up as follows:

Additional pit equipment	$ 765,000
Additional cost of advanced waste removal, including overtime due to 7-day work week and other increased costs.	613,000
Additional cost of construction of concentrator and other facilities due in part to 7-day week	472,000
Contingencies	150,000
Total	$ 2,000,000

(e) Cost of Project. It is estimated, on the basis of current costs, that the total cost of equipping and bringing the project into production will be $25,000,000, or $27,000,000 if the accelerated program mentioned in (d) above is adopted. This figure includes advanced waste removal cost in the amount of $8,000,000, or on the accelerated program $8,613,000.

(f) Equipment, Etc., Required. The principal items of buildings and equipment required are estimated as follows:

(1) 5 5-yd. Electric Shovels	994,000
(2) (2) 21 - 25-yd. Dump Trucks	770,000
(3) Rail haulage — waste disposal: 2 - 1200 HP Diesel Electric Switches 20 - 40-6d. Dump cars Shop. Trackshifter, etc.	1,020,000
(4) Grading equipment, air drill and churn drill equipment, miscellaneous trucks, cranes	$, 1,331,000
(5) Mine buildings, offices, shops, etc.	377,000
(6) Concentrator Building and Equipment, including crushing plant, etc.	8,557,000

(7)	Increased power facilities	582,000
(8)	Water System and Supply	690,000
(9)	Housing	578,000
(10)	Miscellaneous expenditures	$ 3,101,000
	* Very rough estimate	$ 17,000,000
(11)	Advanced waste removal	8,000,000
	Total	25,000,000

For the accelerated program mentioned above, $2,000,000 should be ad ed to the above estimated figure.

In several important respects, the total estimated cost has been kept down by providing for the use of second-hand buildings and equipment available at the Company's other branches. These include:

(1) Use, as the concentrator building, of the concentrator building at Nacozari, Mexico.

(2) Reconditioning and use of two turbo-electric generators at Clarkdale, Arizona.

(3) Provision of 29-T churn drills from other brnahces.

(g) Manpower Requirements - Operating. On the basis of a three-shift operation of the open-pit mine and concentrator, manpower requirements, including salaried payroll, are estimated at 450 men. This does not include some additional labor required at smelter and refinery.

II. Arrangements with Government

To justify going ahead with this project under present conditions, we would want to provide by agreement with the National Productinn Authority, or other appropriate means,

(a) An arrangement under which the added cost of the accelerated program (if the Government wishes us to proceed with the accelerated program) will be borne in toto by the Government.

(b) Under present conditions we are unwilling to bear the cost of advanced waste removal unless we know that we canamortize it for tax pruposes under a certificate of necessity. As you know, there was a ruling against this under the last Excess Profitw Tax Law. A photostat of this ruling is enclosed for your information. If that ruling still holds, some other solution will have to be found. This tax aspect of the problem seems to us the most serious one and we would appreciate what ideas your people can develop.

(c) A contract under which for a period of years after production begins we can sell the production to the Government at the averagge E&MJ price, but with a floor which would move with some escalator clause.

After hearing from you of the urgent need for copper, we have not only continued our engineering studies and drilling but have initiated certain of the preliminary steps toward the carrying out of this project. Therefore, for the immediate present no time is being lost. However, the time is not far away when failure to have worked out our problems will mean an ultimate delay in getting the project into production, so that I hope we can work them out quickly.

Sincerely yours,

President

Enclosure

bc; Mr. Lyons
Mr. Hawkins
Mr. Drysdale

c
o
p
y

December 13, 1950

Dr. James Boyd
Acting Deputy Administrator
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Dr. Boyd:

As agreed at our last conference, this letter is written to outline our projected development of the so-called Bisbee East Ore Body and the help which we will have to have from the Government if the project is to be carried through.

1. The East Ore Body Project

The essential facts as to the projects are the following, based upon the information presently available:

(a) Reserves, 40,000,000 x tons of concentration ore with an average grade of 1.14% copper and 31,000,000 x tons of leach material averaging .42% copper. The over-all waste ratio of waste and leach material, combined, to concentrating ore should not exceed 2½ to 1.

(b) Projected Rate of Operation. 12,000 tons of concentrating ore per day to produce 65,000,000 pounds of recoverable copper per year. In addition it is expected that 11,500,000 pounds of recoverable copper per year will be obtained from leaching the leach material.

(c) Total Production. Estimated life 11 years x

from concentrating ore	715,000,000 lbs. x
from leach material	126,500,000 lbs. x
total	841,500,000 lbs. x

I should point out that drilling is being continued and that it is not impossible that the above estimates of reserves and total production may be somewhat exceeded.

(d) Commencement of Production. If the orebody were developed on a purely commercial basis, it is estimated that production could not be obtained before about January 1, 1955. It is presently estimated that by making certain expenditures which could not be justified on a commercial basis, production could be obtained a year or more earlier, i.e., say, in late 1953 or January 1, 1954. The total added expense is currently estimated at roughly $2,000,000, made up as follows:

Additional pit equipment	$ 765,000
Additional cost of advanced waste removal, including overtime due to 7-day work week and other increased costs.	613,000
Additional cost of construction of concentrator and other facilities due in part to 7-day week.	472,000
Contingencies	150,000
Total	$ 2,000,000

(e) Cost of Project. It is estimated, on the basis of current costs, that the total cost of equipping and bringing the project into production will be $25,000,000, or $27,000,000 if the accelerated program mentioned in (d) above is adopted. This figure includes advanced waste removal cost in the amount of $8,000,000, or on the accellerated program $8,613,000.

(f) Equipment, Etc., Required. The principal items of buildings and equipment required are estimated as follows:

(1) 5 5-yd. Electric Shovels	994,000
(2) 21 - 25-yd. Dump Trucks	770,000
(3) Rail haulage -- waste disposal: 2 - 1200 HP Diesel Electric Switches 20 - 40-6d. Dump cars Shop. Trackshifter, etc.	1,020,000
(4) Grading equipment, air drill and churn drill equipment, miscellaneous trucks, cranes.	331,000
(5) Mine buildings, offices, shops, etc.	377,000
(6) Concentrator Building and Equipment, including crushing plant, etc.	8,557,000

(7)	Increased power facilities	582,000
(8)	Water System and Supply	690,000
(9)	Housing	578,000
(10)	Miscellaneous expenditures	3,101,000
	* Very rough estimate	$ 17,000,000
(11)	Advanced waste removal	8,000,000
	Total	25,000,000

For the accelerated program mentioned above, $2,000,000 should be added to the above estimated figure.

In several important respects, the total estimated cost has been kept down by providing for the use of second-hand buildings and equipment available at the Company's other branches. These include:

(1) Use, as the concentrator building, of the concentrator building at Nacozari, Mexico.

(2) Reconditioning and use of two turbo-electric generators at Clarkdale, Arizona.

(3) Provision of 29-T churn drills from other branches.

(g) Manpower Requirements - Operating. On the basis of a three-shift operation of the open-pit mine and concentrator, manpower requirements, including salaried payroll, are estimated at 450 men. This does not include some additional labor required at smelter and refinery.

II. Arrangements with Government

To justify going ahead with this project under present conditions, we would want to provide by agreement with the National Production Authority, or other appropriate means,

(a) An arrangement under which the added cost of the accelerated program (if the Government wishes us to proceed with the accelerated program) will be borne in toto by the Government.

(b) Under present conditions we are unwilling to bear the cost of advanced waste removal unless we know that we cana amortize it for tax purposes under a certificate of necessity. As you know, there was a ruling against this under the last Excess Profits Tax law. A photostat of this ruling is enclosed for your information. If that ruling still holds, some other solution will have to be found. This tax aspect of the problem seems to us the most serious one and we would appreciate what ideas your people can develop.

(c) A contract under which for a period of years after production begins we can sell the production to the Government at the average E&MJ price, but with a floor which would move with some escalator clause.

After hearing from you of the urgent need for copper, we have not only continued our engineering studies and drilling but have initiated certain of the preliminary steps toward the carrying out of this project. Therefore, for the immediate present no time is being lost. However, the time is not far away when failure to have worked out our problems will mean an ultimate delay in getting the project into production, so that I hope we can work them out quickly.

Sincerely yours,

President

Enclosure

cc: Mr. Lyons
Mr. Hawkins
Mr. Drysdale

FOLD HERE FOR FILING

8. OUTPUT OF FACILITIES SOUGHT TO BE CERTIFIED WILL BE USED FOR THE FOLLOWING PURPOSES

a. FOR THE FOLLOWING PRINCIPAL PRIME CONTRACTS WITH THE UNITED STATES GOVERNMENT

DATE OF CONTRACT (a)	CONTRACTING GOVERNMENT AGENCY (b)	PROGRAM SYMBOL (2 DIGITS) OR OTHER CONTRACT IDENTIFICATION (c)	MATERIALS OR SERVICES (d)	DELIVERY DATE(S) (e)	AMOUNT *(Dollars)* (f)

b. FOR THE FOLLOWING SUBCONTRACTS WITH U.S. GOVERNMENT PRIME CONTRACTORS

DATE OF CONTRACT (a)	MATERIALS OR SERVICES (b)	SUPPLIED TO *(Give Name and Address of Firm)* (c)	DELIVERY DATE(S) (d)	(e) GOVERNMENT AGENCY RECEIVING END PRODUCTS OR SERVICES (f) PRIME CONTRACT IDENTIFICATION	AMOUNT *(Dollars)* (g)
				(e) (f)	
				(e) (f)	
				(e) (f)	
				(e) (f)	

c. FOR THE FOLLOWING CLASSES OR TYPES OF CUSTOMERS OTHER THAN THE UNITED STATES OR ITS PRIME CONTRACTORS (WHEREVER POSSIBLE, ALSO INDICATE FINAL PRODUCT USE AND ITS RELATION TO NATIONAL DEFENSE PURPOSES)

9. ESTIMATE PERCENTAGE OF THE MAXIMUM DESIGNED PRODUCTION OF THE FACILITIES SOUGHT TO BE CERTIFIED WHICH WILL BE USED FOR NATIONAL DEFENSE PURPOSES (EXPLAIN BASIS FOR ESTIMATE)

10. HAS APPLICANT NEGOTIATED WITH AGENCIES OF THE GOVERNMENT AS TO FINANCING THE COST OF THE FACILITIES FOR WHICH CERTIFICATION IS SOUGHT?

☐ YES ☐ NO. IF YES, GIVE DETAILS

11. THE FOLLOWING STATEMENTS ARE MADE WITH RESPECT TO THE LAND DESCRIBED IN APPENDIX A

a. NAME AND ADDRESS OF SELLER OR PROPOSED SELLER TO APPLICANT

b. APPLICANT'S RELATIONSHIP, FINANCIAL OR OTHERWISE, WITH SUCH SELLER

c. USE OF LAND BEFORE ACQUISITION BY APPLICANT

d. ESTIMATED VALUE OF LAND AFTER FIVE (5) YEARS

e. WHY DOES APPLICANT CHOOSE PURCHASE AS METHOD FOR OBTAINING USE OF LAND?

12. THE FOLLOWING STATEMENTS ARE MADE WITH RESPECT TO THOSE BUILDINGS DESCRIBED IN APPENDIX A WHICH HAVE BEEN OR WILL BE PURCHASED

a. NAME AND ADDRESS OF PERSON FROM WHOM BUILDINGS WERE OR WILL BE PURCHASED

b. APPLICANT'S RELATIONSHIP, FINANCIAL OR OTHERWISE, WITH SUCH SELLER

c. USE OF BUILDINGS BEFORE ACQUISITION BY APPLICANT

d. INCREASED USEFULNESS FOR DEFENSE PURPOSES RESULTING FROM ACQUISITION

e. ESTIMATED VALUE OF BUILDINGS AFTER FIVE (5) YEARS

f. WHY DOES APPLICANT CHOOSE PURCHASE AS METHOD FOR OBTAINING USE OF BUILDINGS?

13. THE FOLLOWING STATEMENTS ARE MADE WITH RESPECT TO ALL OTHER FACILITIES DESCRIBED IN APPENDIX A WHICH HAVE BEEN OR ARE TO BE ACQUIRED SECOND-HAND; OR WHICH HAVE BEEN OR WHICH ARE PRODUCTIVE ASSETS OF A GOING CONCERN *(Give Appendix A number in each case)*.

a. NAMES AND ADDRESSES OF SELLERS OR PROPOSED SELLERS TO APPLICANT

b. APPLICANT'S RELATIONSHIP, FINANCIAL OR OTHERWISE, WITH SUCH SELLERS

c. USE OF FACILITIES BEFORE ACQUISITION BY APPLICANT

d. INCREASED USEFULNESS FOR DEFENSE PURPOSES RESULTING FROM ACQUISITION

FOLD HERE FOR FILING

14. LIST BELOW, BY NUMBER IN APPENDIX A, THE FACILITIES SOUGHT TO BE CERTIFIED WHICH ARE REPLACEMENTS DESCRIBING (a) THE REPLACED FACILITY, (b) ITS AGE, (c) THE ANNUAL RATE OF DEPRECIATION THEREON, (d) THE DISPOSITION WHICH HAS BEEN OR WILL BE MADE OF THE REPLACED FACILITY, AND (e) THE REASON FOR REPLACEMENT.

15. THE FOLLOWING STATEMENTS ARE MADE BY APPLICANT EVALUATING THE AVAILABILITY OF MANPOWER, HOUSING, TRANSPORTATION, COMMUNITY FACILITIES, AND OTHER ELEMENTS OF PRODUCTION IN THE AREA WHERE THE FACILITIES DESCRIBED IN APPENDIX A ARE USED OR TO BE USED

16. INDICATE POSSIBLE USES OF THE FACILITIES (FOR WHICH CERTIFICATION IS SOUGHT) FOR OTHER THAN DEFENSE PURPOSES AT THE END OF FIVE (5) YEARS, AND THE NATURE AND EXTENT OF THE CONVERSION WHICH WOULD BE REQUIRED, IF ANY

17. THE FOLLOWING APPLICATIONS FOR NECESSITY CERTIFICATES FOR THIS PLANT AT THIS LOCATION HAVE BEEN FILED SINCE JANUARY 1, 1950

DATE OF APPLICATION (a)	GOVERNMENT FILE NUMBER (b)	(ESTIMATED) TOTAL OF FACILITIES IN DOLLARS ON EACH APPLICATION (c)	IF FINAL ACTION HAS BEEN TAKEN, GIVE DATE OF (d)	
			ISSUANCE	DENIAL

FOLD HERE FOR FILING

FOLD HER FOR FILING

3. MAXIMUM DESIGNED PRODUCTION

LIST SEPARATELY MATERIALS OR SERVICES IDENTIFIED IN ITEM 1 (a)	UNIT OF MEASURE (b)	MAXIMUM DESIGNED PRODUCTION WITHOUT FACILITIES SOUGHT TO BE CERTIFIED (c)	AVERAGE PERCENTAGE OF MAXIMUM DESIGNED PRODUCTION USED IN QUARTER PRECEDING FILING OF APPLICATION (d)	MAXIMUM DESIGNED PRODUCTION WITH ADDITION OF FACILITIES SOUGHT TO BE CERTIFIED (e)

4. EMPLOYMENT

SHIFT	EMPLOYMENT AND WORK HOURS WITHOUT FACILITIES SOUGHT TO BE CERTIFIED (FOR PAY PERIOD ENDING NEAREST 15TH OF MONTH PRECEDING FILING OF APPLICATION)				ESTIMATED EMPLOYEES AND WORK HOURS WITH ADDITION OF FACILITIES SOUGHT TO BE CERTIFIED	
	ACTUAL		CAPACITY			
	TOTAL PRODUCTION WORKERS (b)	TOTAL MAN HOURS PER WEEK (c)	TOTAL PRODUCTION WORKERS (d)	TOTAL MAN HOURS PER WEEK (e)	TOTAL PRODUCTION WORKERS (f)	TOTAL MAN HOURS PER WEEK (g)
(a)						
FIRST						
SECOND						
THIRD						
SWING						

5. PRODUCTION OR SERVICES BEGAN OR WILL BEGIN WITH THE FACILITIES SOUGHT TO BE CERTIFIED ON THE FOLLOWING DATE (ON GRADUALLY EXPANDING FACILITIES, GIVE SCHEDULE OF OUTPUT)

6. IF APPLICANT OWNS OR HAS AVAILABLE IDLE FACILITIES WHICH MAY SERVE SAME PURPOSE AS THOSE FOR WHICH CERTIFICATION IS SOUGHT, GIVE REASONS FOR NOT USING FOR SUCH PURPOSE

7. CAN APPLICANT SUBCONTRACT FOR ALL OR PART OF THE MATERIALS OR SERVICES PRODUCED OR TO BE PRODUCED BY THE FACILITIES SOUGHT TO BE CERTIFIED? ☐ YES ☐ NO

IF YES, WHY DOESN'T APPLICANT SO SUBCONTRACT? IF NO, WHY NOT?

FORM NSRB-140
(OCT. 1950)

UNITED STATES OF AMERICA
EXECUTIVE OFFICE OF THE PRESIDENT
NATIONAL SECURITY RESOURCES BOARD

APPLICATION FOR A NECESSITY CERTIFICATE PURSUANT TO PROVISIONS OF SEC. 124A (AMORTIZATION DEDUCTION) OF INTERNAL REVENUE CODE

FORM APPROVED
BUDGET BUREAU NO. 25-R001

TOTAL COST OF FACILITIES SOUGHT TO BE CERTIFIED

DATE OF APPLICATION

FOR NSRB USE ONLY

FILE NO. TA—

(DATE RECEIVED)

COMM.

AGRIC.

INT.

I.C.C.

TO: National Security Resources Board
Executive Office Building
Washington 25, D.C.

NAME AND ADDRESS OF APPLICANT *(Street, City, Zone, State)*

INSTRUCTIONS - Submit three (3) signed copies of the application and six (6) copies of the Appendix A. When a question is inapplicable, this should be so stated on the form. Additional sheets may be attached in answering any questions or in providing other supporting information. A separate set of forms is required for each plant location.

1. IDENTIFY THE MATERIALS AND SERVICES PRODUCED OR TO BE PRODUCED WITH FACILITIES, DESCRIBED IN APPENDIX A, FOR WHICH CERTIFICATION IS SOUGHT. DO NOT USE GENERAL DESIGNATIONS SUCH AS "AIRCRAFT PARTS" OR "RADAR PARTS." IN THE CASE OF SERVICE FACILITIES SUCH AS CAFETERIAS, OFFICES, OR PLANT PROTECTION, LIST PRINCIPAL MATERIALS AND SERVICES OF THE PLANT FACILITY SERVED.

2. GIVE REASONS WHY THE FACILITIES FOR WHICH CERTIFICATION IS SOUGHT ARE NECESSARY IN THE INTEREST OF NATIONAL DEFENSE. THE APPLICANT SHOULD APPLY CAREFULLY THE CRITERIA FOR DETERMINATION OF NECESSITY AND OF PORTION ATTRIBUTABLE TO DEFENSE PURPOSES SET FORTH IN SEC. 600.2 OF THE REGULATION GOVERNING THE ISSUANCE OF NECESSITY CERTIFICATES PRESCRIBED BY THE CHAIRMAN OF THE NATIONAL SECURITY RESOURCES BOARD.

18. PERSONS AUTHORIZED TO REPRESENT APPLICANT FOR THE PURPOSE OF THIS APPLICATION

NAME	TITLE	ADDRESS *(Street, City, Zone, State)*

CERTIFICATION - The undersigned, hereinafter referred to as the applicant, represents that the facilities listed in Appendix A are necessary in the interest of national defense during the emergency period, and requests the issuance with respect thereto of a necessity certificate as provided under Section 124A of the Internal Revenue Code, and in support thereof submits the information contained in this application, and certifies that the facts herein set forth, or appended, are true and correct to the best of his knowledge and belief.

CORPORATE SEAL

NAME OF APPLICANT

ATTEST _____ SECRETARY

BY _____ SIGNATURE OF AUTHORIZED OFFICIAL

DATE

TITLE

Applicant check one ☐ INDIVIDUAL ☐ PARTNERSHIP ☐ CORPORATION

THE UNITED STATES CRIMINAL CODE, 18 U.S.C., SEC. 1001, MAKES IT A CRIMINAL OFFENSE TO MAKE A WILLFULLY FALSE STATEMENT OR REPRESENTATION TO ANY DEPARTMENT OR AGENCY OF THE UNITED STATES AS TO ANY MATTER WITHIN ITS JURISDICTION.

CUT HERE

Items 1 to 3 inclusive are to be typed in by applicant. This portion of application will be returned to applicant as a receipt.

Receipt is acknowledged of the application for a Necessity Certificate, filed on the date stamped hereon. Further communications with respect to this application should bear the Government file number indicated hereon.

1. Total facilities, this application, $_____

2. Date of application _____

3. Name

Address *(Street, City, Zone, State)*

LEAVE THIS SPACE BLANK

GOVERNMENT FILE NO. TA- _____

1-1027
(April 1946)

UNITED STATES
DEPARTMENT OF THE INTERIOR

AGENCY Bureau of Mines
TELETYPE

Originator:
Ext.: 3308 Alan Probert 2759

Appro.:
Date:
Time: December 28, 1951
No.:
To:
J. Bruce Clemmer, Bureau of Mines, Tucson, Ariz.
Subject:

Following wire received from Robert Page, President of Phelps Dodge Corp:.

"Retel glad to have gentlemen mentioned visit Morenci. When they know approximate date proposed visit, please ask them check with Earl Moore of our Douglas office to make sure no conflicts exist."

REGIONAL DIRECTOR'S OFFICE
REGION IV
JAN 4 1952
BUREAU OF MINES
DENVER, COLORADO

ALAN PROBERT

ALAN PROBERT
Assist Regional Director
Foreign Minerals Region

Copy to John East, Regional Director, Denver, Colo.

Authorized:

Sign original message and transmit to Room ..... in duplicate

U. S. GOVERNMENT PRINTING OFFICE 16—50915-1