DEFENSE MATERIALS PROCUREMENT AGENCY
WASHINGTON 25, D. C.

JAN 17 1952

Mr. W. B. Moore, President
General Mining and Development Corp.
Box 335
Georgetown, Colorado

In reply refer to
DMA-454

Dear Mr. Moore:

Your application for a loan of $65,000 to develop the Rio Grande Mine, has been reviewed by the Lead-Zinc Branch.

It is the opinion of the field team that indicated ore reserves are very small and do not justify such a loan. We question if further exploration work will develop significant quantities of commercial ore.

Since the ore reserves are inadequate and of low tonnage and values, we regret, therefore, that your application for a loan cannot be approved.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Program Development Division

W.H.K.

J.A.S.

JME

DEFENSE MATERIALS PROCUREMENT AGENCY
WASHINGTON 25, D. C.

Control Center, DMPA January 14, 52

G. E. Johnson, Acting Chief, Lead-Zinc Branch

Denial of Application
DMA-454, Rio Grande Mine
Clear Creek County, Colorado

The subject application was reviewed by the Lead-Zinc Branch.

The denial is based on the recommendation of the USGS, who made and examination of the property. It is their opinion that the ore reserves of indicated and inferred ore are not more than 150 tons.

1- The ore structures seen in the accessible workings are sparsely mineralized, discontinuous, and cannot be projected in any direction for a reasonable distance.

2- Ore mineralization is weak.

3- There is no geologic evidence which suggests that further exploration work will find significant quantities of commercial ore.

It is recommended that the request be denied based upon the field examination report.

The Lead-Zinc Branch concurs with this recommendation, and agrees that this application for a loan be denied.

Gunnard Johnson

G. E. Johnson, Acting Chief
Lead-Zinc Branch

RSButler:ll January 15,52
CC: DMPA Files
Mr. Young
Mr. Feiss
Mr. Douglas
Mr. Lyon
Mr. Johnson room 7010
Field Team, Region III

Approved: W. H. K.

Tom Lyon
Tom Lyon, Director
Program Development Division

[redacted]
[redacted]

[redacted]

[redacted]

To: Executive Secretary, Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: Final Report, DMA Project A56, General Mining and Development Corporation, applicant; Rio Grande Lead-Zinc-Copper Mine, Silver Creek County, Colorado

Enclosed herewith are the original and two copies of the report on the subject project.

In keeping with the conclusions and recommendations of the enclosing report that the development loan of $45,000 be denied.

The inventory is enclosed.

[redacted]

[redacted]

[redacted]

[redacted]

WDM:oj
c: DMA Subject, Chron.
AHKoschmann

Mining Division
Region IV

November 15, 1951

Memorandum

To: DMA Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Final Report, DMA Docket 454, General Mining and Development Corporation, applicant; Ute Grande Lead-Zinc-Copper Mine, Clear Creek County, Colorado

The application of the subject docket was for a development loan of $[illegible].

The purpose of this loan was to drive an intermediate level and exploit lead-zinc-copper-gold-silver ore. The mine has been explored by the Colorado and Ray adits, which are accessible.

Galena, sphalerite, chalcopyrite, and pyrite, with gold and silver, occurs in small lenticular bodies within a brecciated vein structure in Silver Plume granite-gneiss.

Past production from four small stopes on the Colorado adit level and one small stope on the Ray adit level has amounted to 3,977 tons with an average recoverable unit content of 0.05 ounces gold, 0.71 ounces silver and 0.14 percent lead, 0.19 percent zinc and 0.[illegible] percent copper.

Measured, indicated and inferred reserves amount to only 150 tons with an average grade of 0.16 ounces gold and 4.0 ounces silver per ton and 2.5 percent lead and 2.0 percent zinc. The geologic evidence does not indicate that further exploration would result in discovery of appreciable quantities of ore.

The examining team recommends denial of the loan, with which we concur.

Paul Allsman
Paul T. Allsman

J.T.A.

4 subject, chron.
schmann

Mining Division
Region IV

November 19, 1951

Memorandum

To: W. M. Traver, Jr.

From: Chief, Mining Division, Region IV

Subject: DMA Engineering Reports

Reference is made to your memorandum of October 26, on the above subject.

We have reviewed the shortened reports on DMA 454, General Mining and Development Company; DMA 1477, Charles N. Bell, II, and DMA 2023, M. L. Ferrick and Tom Pinello.

As these are all denial reports, the shortened form used is adequate, with a material reduction in the section "Project Proposals with Costs", and elimination of the sections on "Production Plan" and "Summary, Cost of Project".

Please continue, however, to keep the engineering data in your files.

P. T. Allsman

MPM:bd

cc: DMA docket 454, 1477, 2023, shrem.
Kaufmann
Wilson
Stearns

WMT/amh
Mining Division
Date Rec'd.
OCT 31 1951
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20
Denver Federal Center
Denver 14, Colorado

October 30, 1951

Mr. William B. Moore
General Mining and Development Company
P. O. Box 335
Georgetown, Colorado

REFERENCE: DMA-454, Rio Grande Mine, Clear Creek County, Colorado

Dear Mr. Moore:

Under separate cover we are sending you the following material loaned the examiners in connection with the above Defense Minerals Administration investigation:

7 Assay reports
2 Smelter settlement sheets
1 Mine report by W. F. Moenke
1 Copy of your letter to J. H. East, Jr.
1 Photostat claim map
1 Print of map of Silver Plume, Georgetown district, by W. F. Moenke; scale 1300 feet = 1 inch; R. G. No. 3
1 Print of map of Rio Grande mine, by W. F. Moenke; scale 100 feet = 1 inch; R. G. No. 2

The use of this material is appreciated. One additional map is still in use by Mr. T. H. Kuhn, U. S. Geological Survey, and it is presumed he will return it to you direct after he has completed his report.

Wmt

W. M. Traver, Jr., Chief
Colorado Branch, Mining Division

cc PTAllsman
THKuhn
DMA 454
DMA Chron.

August 21, 1951

Memorandum

To: W. M. Traver, Jr. (with brochure)

(Through Chief, Mining Division)

A. H. Koschmann

From: DMA Field Team, Region IV

Subject: DMA Docket 454, General Mining and Development Corp., Rio Grande Lead-Zinc-Copper Mine, Clear Creek County, Colorado

Enclosed is the subject brochure with application on Form MSRB-146 for a development loan of $65,000.00 on the Rio Grande Mine.

This application was originally denied by the Lead-Zinc Branch, and an exploration project was suggested for the purpose of driving an adit to cut the downward extension of reported ore 150 feet higher. The company claims they have developed ore, but the report by Mr. Meeks and accompanying maps were apparently lost.

The examination of this application should be done jointly by the U. S. Geological Survey and the U. S. Bureau of Mines.

J. H. East, Jr.

A. H. Koschmann

Enclosure

WDM:oj

cc: DMA files
Subject
Chron.

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

REGIONAL DIRECTOR'S
OFFICE 350
REGION IV
AUG 20 1951
BUREAU OF MINES
DENVER, COLORADO

Aug 14 1951

Re: Docket DMA-454
General Mining and
Development Corporation

Mr. J. H. East, Jr.
Bureau of Mines
224 New Customhouse
Denver 2, Colorado

Dear Mr. East:

Mr. William Moore, president of the General Mining and Development Corporation, maintains that the subject property should be considered for a direct loan rather than coming under a fund matching basis. As the engineer's report and maps to which Mr. Moore makes reference were not received by this office, it is impossible to evaluate his claims that the mine has some ore which may be considered as proven reserves.

In the light of the available information on this property it appears that the proposed 400 foot crosscut must be considered as exploration. However, because of the applicant's opinion that he has proven ore in quantity and the absence of maps and reports in this office to verify or contradict this opinion, the Lead-Zinc Branch recommends that a geological examination be made of the property to determine whether or not the ore reserves justify further consideration of the applicant's request for a direct loan. If so, it is recommended that the Field Team's report be based upon the "Outline for Report and Recommendation of Commodity Committee on Application for Government Assistance".

Very truly yours,

Tom Lyon

Tom Lyon, Chairman
Coordinating Committee

East ME
DMA file

Box 335
Georgetown, Colorado

June 25, 1951

Mr. Otto Herres, Chief
Lead-Zinc Branch
U. S. Department of the Interior
Defense Minerals Administration
Washington 25, D. C.

Refer to: DMA-454

Dear Mr. Herres:

In reply to your letter of April 12, 1951, which assigned us the number DMA-454, would beg to present the following data:

While it might not be conceded by some that we have proven reserves of strategic materials, both we in the company and the registered engineer (Mr. Moenke), who examined the property and made the report which accompanied our application, do feel that we have evidence equivalent in value to such a classification. We have four veins exposed in our present workings on which we have spent a total of $25,000.00 to date and which can be accounted for. All four veins show values and widths that can be mined at a profit but we are near the surface and the bulk of the ore is below us.

We do not consider that the cross cut tunnel which will open up these four veins, should be classed as exploratory, since, the tunnel is to be 150 feet below present exposed ore, and one of the veins has been cut in a former operation 300 ft. below present exposures, which places proven ore 150 feet below the proposed tunnel. Therefore with ore of the values shown in the application, exposed both above and below the level of the projected tunnel, and at least 300 ft. away along the strike of the vein, it seems to us that we are merely opening up proven ore bodies.

As will be apparent from the map, we will cut the first vein approximately 125 ft. from the portal and will start producing ore from it at once. This vein where exposed approximately 400 feet to the northeast, shows values high in lead and zinc and has moderate amounts of the precious metals to help amortize the loan. All four of the veins will be cut by the 400 ft. cross cut and each vein shows sufficient amounts of the strategic metals to justify such an operation. Vein #3 at the upper level has produced copper ranging from 7% to 9% and as we sank on it for a short distance the copper values increased and the width of the high grade portion of the vein also increased.

As you in the Bureau of Mines, with mining experience, are aware, there are known instances where apparently solid bodies of ore, blocked out on all four sides, have proved to

be hollow shells. The expected safety in calculations was thus missing. We feel that with our true fissure veins of great length we are at least equally as safe as some deposits which are considered sure due to such blocking out.

We also feel that this operation should be classified as a "production" operation since we could immediately sink today on the exposed ore. However, there would be the factor of pumping water and capital expenditure for hoisting equipment which if done for any reasonable sized operation would cost at least as much as driving in under the ore. The actual cost of subsequent mining is of course so much lower when hoisting and pumping are eliminated, that there would seem to be no question as to which is the better method.

Therefore, we would respectfully ask and in fact urge that you request the local branch of the Bureau of Mines under the supervision of Mr. East, to make a thorough examination as to the reasonableness of considering this a production operation.

In reference to the last paragraph in your letter, we would be quite willing to provide a share of the funds if we had such funds available. However, as mentioned above, we have already spent $25,000.00 in exploration work which in the opinion of engineers adequately proves up the probability of ample ore bodies to justify the operation. The road to the proposed site of the new portal has been surveyed and roughed in and we can produce fast action as soon as funds are available.

The portion of the program which deals with the cross-cutting to the veins (4), was figured on its cost when done as a part of the entire program. Pro-rating various expenses, such as supervision, equipment, buildings, timbering, track, etc., gave the estimated figure of $10,250.00. To make such portion of the program carry all its own expense as a single operation, would at today's prices for labor, equipment and supplies, cost appreciably more than if done as planned as a part of the whole project conducted simultaneously.

We sincerely feel that a field examination will justify our claim that we can produce large quantities of strategic metals that would otherwise be lost to the Defense program.

Very truly yours,

GENERAL MINING AND DEVELOPMENT CORP.

By

Wm. B. Moore, President

WBM/ao

REGIONAL DIRECTOR'S
OFFICE
REGION IV
AUG 20 1951
BUREAU OF MINES
DENVER, COLORADO

AUG 15 1951

Re: Docket DA-454

Mr. A. S. Moore, President
General Mining and Development Corporation
Box 535
Georgetown, Colorado

Dear Mr. Moore:

Your application for a loan to develop a mining property has been referred to Mr. J. H. East, Jr., Executive Officer of the Field Team, Region IV, 224 New Customhouse, Denver 2, Colorado, for further information and advice.

Very truly yours,

SIGNED

Tom Lyon, Director
Supply Division

FWE

FWO 8-21-51

ABCampbell:jr
G: 3/30/51

Copies to: Chief, Lend-Lease Branch
R. F. McKnight
B. M. Rote
Reports and Records Unit
Dir. Reading, Rm. 4212
Dr. Reading, Rm. 4212
Files
J. H. East, Jr. (2)

Form 6-95

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REFERENCE SLIP

DATE 8/20/51

REFERRED TO:

1. ~~Allsman~~ PT
2. McMillan
3.
4.

Letter to field for Team

FOR:

..... Action	..... Recommendation
..... Approval	..... Record
..... Comment	of .....
..... Conference	..... Referring
..... Consideration	to .....
..... Filing	..... Reply for signa-
..... Instructions	ture of .....
..... Investigation	..... Rewriting
..... Initials	..... Signature
..... Mailing	..... Suggestions
..... Previous correspondence	..... Your information

REMARKS: Please have and engineer and geologist examine---DMA 454, General Mining & Devel. Corp.

Check (X) before the items needing attention.

JHE
Initials of sender.

GPO 16—51162-1

Allaman
per Hiam
engineer geologist
JHC

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

APR 12 1951

In reply please refer to [illegible]-454

Mr. [illegible] Moore, President
General Mining and Development Corp.
Box 335
Georgetown, Colorado

Dear Mr. Moore:

One of the purposes of the Defense Production Act of 1950 is the encouragement of exploration, development and mining, of strategic minerals and metals. Where an applicant has proven reserves of strategic materials, Federal aid in mining can be given through procurement contracts for such materials as are in short supply. On the strength of these contracts, the applicant can obtain private financing in most instances.

The program recently approved for encouragement of exploration of strategic materials calls for participation on the part of the applicant. For zinc, lead and copper deposits it will be necessary to match Government funds on an equal basis. Funds advanced by the Government will be considered a loan, to be repaid if the exploration is profitable, but to be canceled if unsuccessful. The details of the plan, explaining the projects that will be eligible for assistance, the terms and schedules of financing, repayment, and other pertinent information, are enclosed.

A review of your application ([illegible]-454) for financial aid in exploring, developing and bringing your property into production indicates that part of your proposal may be considered under this exploration program. Details concerning expenditures that will be considered chargeable to exploration aid will be subject to a final determination by negotiation, but as a preliminary appraisal we believe that the program will apply to that part of your application dealing with crosscutting to the vein, for which you estimate the cost at $10,250.00.

Before we can proceed further with consideration of your application, which may or may not require a field examination, please indicate your willingness to provide your share of the funds needed to carry out the proposed exploration. Any modification of your original proposal that you may wish to make will be considered, but you should be specific concerning the work you wish to undertake.

Very truly yours,

Otto Herres

[illegible], Chief
Lead-Zinc Branch

ABGriggs:emp G 3-21-51
Copies to: 2 copies to Exec. Officer
J. H. East, Region IV
Chief, Lead-Zinc Branch
Enclosures McKnight 4204 GSA
L. B. Moon

R. H. Mote
L. F. Strobel
C. O. Mittendorf
Files

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

OFFICE OF
REGIONAL DIRECTOR

Mining Division
Date Rec'd.
JAN 16 1951
BUREAU OF MINES
Denver, Colorado

January 16, 1951

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

Mr. Wm. B. Moore, President
General Mining & Development Corp.
Box 335
Georgetown, Colorado

Dear Mr. Moore:

This will acknowledge receipt of your Application for Government Loan, Form NSRB-146, in quadruplicate.

Your application will be forwarded to the Defense Minerals Administration, Washington, D. C., for their consideration.

Sincerely yours,

J. H. East, Jr.
Regional Director

/vt

cc: PT Allsman

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

OFFICE OF
REGIONAL DIRECTOR

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

January 5, 1951

Mr. William B.Moore
P. O. Box 335
Georgetown, Colorado

Dear Mr. Moore:

This will acknowledge receipt of your application for Government assistance for the Rio Grande mine near Silver Plume, Colorado, dated January 2, 1951.

Since forwarding you the outline of information required, we have received the official application Form NSRB-146. We enclose five copies of this form and request that you forward four copies of the completed form to this office. We will hold your application until the forms are received.

Very truly yours,

J. H. East

J. H. East, Jr.
Regional Director

Enclosures 5

CC: WH Traver
PT Allsman

JHEast:fta