JAN 23 1952

Control Center, DMPA January 21, 1952

Through: Tom Lyon, Director, Program Development Division

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

Denial of Application for a loan of $34,224.00 for
Exploration, rehabilitation and equipment.
DMA-187, Columbus Rexall Consolidated Mines Co.
625 Eccles Building
Ogden, Utah

The applicant requested a direct loan for the Columbus Rexall Mines, for the purpose of driving drifts and sinking winzes to open a lead-zinc ore body.

After careful study of this project, we are forced to conclude that the work must be considered to be of an exploratory character and for that reason cannot qualify for a production loan.

We have, therefore, notified the applicant to the effect, and have suggested to him to apply for an exploration contract to the Defense Minerals Exploration Administration.

Gunnard Johnson

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

Approved:

Tom Lyon

Director, Program Development Division

RSButler:ll January 21, 1952
CC: DMPA Files
Mr. Young
Mr. Feiss
Mr. Douglas
Mr. Johnson 7010
Mr. Mittendorf Room 4640
Mr. Lyon
Field Team, Region IV

W.H.K.

J. H. East, Jr.
Region IV

April 26, 1951

Memorandum

To: Production Expansion Division

From: Lead-Zinc Branch, D.M.A.

Re: Docket DMA-137

Subject: Mining Loan

Commodity: Zinc-lead

A. Carl Stahle, President
Columbus Rexall Consolidated Mines Company
310 Kearns Building
Salt Lake City 1, Utah

B. Columbus Rexall Mine
Alta District
Salt Lake County, Utah

C. (1) This property has a potential production capacity, under the proposed method of mining, of 50 tons of 15% zinc and 15% lead ore per day. The annual production would approximate 2,250 tons of zinc and 2,250 tons of lead. A property that can contribute 1,000 tons of metal is considered pertinent to the zinc program.

(2) The crude ore is shipped to a smelter capable of handling the separation and smelting of oxidized lead and zinc ores.

(3) Presumably the availability of the materials required for this expansion program has been considered by the applicant.

(4) Financing the capital requirements for the project is based on securing a Government mining loan. Proposed repayment of the loan will be prorated between lessees and company according to royalty schedules.

(5) Past production from the mine indicates good operating efficiency. The applicants are essentially same officers guiding the operations of Park City Consolidated Mines Company. This company was one of the few to repay their R.F.C. loan during World War II.

JHE
[illegible]

D. Recommendations:

The Lead-Zinc Branch recommends that the applicant be granted a direct mining loan in the amount of $34,224.00. Although the company does not estimate measured ore reserves, the documents submitted in support of the application are in sufficient detail to allow the assumption that the estimated rate of production can be reached. The geology of the deposit has been carefully analyzed by competent geologists of the U. S. Geological Survey and their conclusions regarding the ore potentialities of the property substantiate those made by the applicant.

E. The applicant requests a loan of $34,224.00 to purchase needed equipment and do certain development work before resuming production.

Breakdown:

(1) No. 11 Ore Zone:	
Drive 60 ft. shaft and 150 ft. tunnel to get into ore body	$4,300.00
Drive 80 ft. tunnel to undercut ore	1,600.00
Purchase 5,000 feet air pipe	3,500.00
(2) Breakell Ore Zone:	
Drive 100 ft. shaft in ore	6,000.00
Drive 150 ft. raise to tap ore	4,500.00
Purchase air-operated pump	500.00
(3) Rehabilitate main transportation tunnel	4,424.00
(4) Drive 230 ft. tunnel, buy air hoist, repair sub-level	3,900.00
Total	$34,224.00

Funds given to applicant company would be used by different sets of lessees to facilitate mining of the ore. Repayment of loan by the applicant will be based on royalty schedules prorated among the lessees and the company.

G. Summary:

Future potential production is estimated at 15,000 tons of ore per year containing approximately 15% zinc and 15% lead. This production will make a significant contribution to the zinc supply. Past production from this mine has exceeded a million dollars in lead-zinc-silver values. The mine is well equipped, except for the items for which funds are requested. It is estimated that a normal production rate of 50 tons per day can be reached in thirty days.

The tons of reserves of the mine are not stated in the application but the estimate by the applicant of possible production is based on a thorough knowledge of the mine's possibilities. The rehabilitation of the Rexall tunnel would give access to the ore in No. 11 stope, in addition, ore being mined by the Cardiff Company on an adjacent property, could be transported through this tunnel. The Cardiff mine is inaccessible during the winter months but if this tunnel were rehabilitated this mine could operate on an all-year basis. Production from the mine during 1948-49 indicates that the grade of ore is relatively high. The method of mining is probably a factor in keeping the grade well above average. The mining methods, block leasing to individuals or groups of miners, is an accepted practice in the district.

H. Transportation and access roads are adequate.

Skilled lessers are available.

Thom Lyon

Thom Lyon, Director
Supply Division

ALBrokaw:emp 6/26/51
Copies to: J. H. East, Jr. (2)
Region IV
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
L. B. Moon
R. H. Mote
L. F. Strobel
C. O. Mittendorf
Files

No Lead File

REGIONAL DIRECTOR'S
OFFICE
REGION IV
FEB 1 0 1951
BUREAU OF MINES
DENVER, COLORADO

February 9, 1951

Re: Docket LMA-187

Mr. Carl Stehle
39 Broadway
New York 6, New York

Dear Mr. Stehle:

Your letter of January 30 relative to Docket LMA-187 has been referred to me by Mr. Strobel.

The application of the Columbus Rexall Company is being reviewed by the Washington office of the Defense Minerals Administration. In many instances an application can be processed completely without referring it to the field offices. It is possible that this application can be reviewed in this manner.

If I can be of further service to you at any time, please do not hesitate to call upon me.

Yours very truly,

OTTO HERRES

OTTO HERRES, Chief
Lead-Zinc Branch
Defense Minerals Administration

ALBrokaw:jeb
G-2/9/51

copy to: Chief, Lead-Zinc Branch
Geological Survey - McKnight
J. W. Hodges
E. H. Mote
2 copies to Executive Officer,
Regional Field Team, Region IV
Strobel
Mittendorf
Files

February 9, 1951

Memorandum

Docket No. DMA-187

To: Production Expansion Division
Through the Operating Committee

Commodity: Zinc-lead

From: Lead-Zinc Branch, DMA

A. Name and address of applicant:

Carl Stehle, President
Columbus Rexall Consolidated Mines Company
310 Kearns Building
Salt Lake City, 1, Utah

B. Location:

Columbus Rexall Mine
Alta District
Salt Lake County, Utah

C. Conclusions:

1. This property has a potential production capacity, under the proposed method of mining, of 50 tons of 15% zinc and 15% lead ore per day. The annual production would approximate 2,250 tons of zinc and 2,250 tons of lead. A property that can contribute 1,000 tons of metal is considered pertinent to the zinc program.

2. The crude ore is shipped to a smelter capable of handling the separation and smelting of oxidized lead and zinc ores.

3. Presumably the availability of the materials required for this expansion program has been considered by the applicant.

4. Financing of the capital requirements for the project will be by private capital, based on a government purchase contract guaranteeing to the company a minimum price for zinc. The purchase contract does not cover the lead.

5. Past production from the mine indicates good operating efficiency. The applicants are essentially same officers guiding the operations of Park City Consolidated Mines Company. This company was one of the few to repay their R.F.C. loan during World War II.

D. Recommendations:

The Lead-Zinc Branch, DMA, recommends that the applicant be granted a purchase contract for two years, based on the current market price for zinc. The company shall deliver to the Government or to its agent, a minimum of 2,000 tons of zinc per year. Delivery and time schedule to be determined by the date upon which the company reaches the normal production rate of 50 tons of ore per day. If the company cannot operate under this proposed contract then contract negotiations should be terminated.

It should be noted that the capital requirements requested by the applicant are for zinc development work and equipment. A purchase contract is recommended to enable the applicant to borrow the needed capital through other sources

E. Applicant's proposal:

The applicant requests a loan of $34,224.00 to purchase needed equipment and do certain development work before resuming production.

Breakdown:

1. No. 11 Ore Zone:	
Drive 60 ft. shaft and 190 ft. tunnel to get into ore body	$4,800.00
Drive 80 ft. tunnel to undercut ore	1,600.00
Purchase 5,000 feet air pipe	3,500.00
2. Maskall Ore Zone:	
Drive 100 ft. shaft in ore	6,000.00
Drive 150 ft. raise to tap ore	4,500.00
Purchase air-operated pump	500.00
3. Rehabilitate main transportation tunnel	4,424.00
4. Drive 230 feet tunnel, buy air hoist, repair sub-level	8,900.00
Total	$34,224.00

Funds given to applicant company would be used by different sets of lessees to facilitate mining of the ore. Repayment of loan by the applicant will be based on royalty schedules pro-rated among the lessees and the company.

F. At the present time there is no provision under the present program for granting a loan of the type proposed by the applicant.

G. Summary statement:

Future potential production is estimated at 15,000 tons of ore containing approximately 15% zinc and 15% lead. This production will make a significant contribution to zinc supply. Past production from this mine has exceeded a million dollars in lead-zinc-silver values. The mine is well equipped, except for the items for which funds are requested. It is estimated that a normal production rate of 50 tons per day can be reached in thirty days.

The tons of reserves of the mine are not stated in the application but the estimates by the applicant of possible production is based on a thorough knowledge of the mines possibilities. The rehabilitation of the Recall tunnel would give access to the ore in No. 11 stope, in addition, ore being mined by the Cardiff Company on an adjacent property, could be transported through this tunnel. The Cardiff mine is inaccessible during the winter months but if this tunnel were rehabilitated this mine could operate on an all year basis. Production from the mine during 1948-49 indicates that the grade of ore is relatively high. The method of mining is probably a factor in keeping the grade well above average. The mining methods, block leasing to individuals or groups of miners, is an accepted practice in the district.

H. Transportation and access roads are adequate.

Skilled lessers are available.

copy to: Chief, Lead-Zinc Br.
Geological Survey - McKnight
J. H. Hedges
R. M. Nute
2 copies to Executive Officer
Regional Field Team, Region IV
Strobel
Mittendorf
Files

OTTO HERRES

OTTO HERRES, Chief
Lead-Zinc Branch, DMA

Approved:
DMA Operating Committee

J. H. Hedges, [illegible]
for

C. O. MITTENDORF
Chairman

J. H. Hedges

Olaf N. Rove

ALBrokaw:jeh
G-2/9/51

February 9, 1951

Memorandum

Docket No. DMA-187

To: Production Expansion Division
Through the Operating Committee

Commodity: Zinc-Lead

From: Lead-Zinc Branch, DMA

A. Name and address of applicant:

Carl Stahle, President
Columbus Rexall Consolidated Mines Company
310 Kearns Building
Salt Lake City, 1, Utah

B. Location:

Columbus Rexall Mine
Alta District
Salt Lake County, Utah

C. Conclusions:

1. This property has a potential production capacity, under the proposed method of mining, of 50 tons of 15% zinc and 15% lead ore per day. The annual production would approximate 2,250 tons of zinc and 2,250 tons of lead. A property that can contribute 1,000 tons of metal is considered pertinent to the zinc program.

2. The crude ore is shipped to a smelter capable of handling the separation and smelting of oxidized lead and zinc ores.

3. Presumably the availability of the materials required for this expansion program has been considered by the applicant.

4. Financing of the capital requirements for the project will be by private capital, based on a government purchase contract guaranteeing to the company a minimum price for zinc. The purchase contract does not cover the lead.

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D. Recommendations:

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It should be noted that the capital requirements requested by the applicant are for mine development work and equipment. A purchase contract is recommended to enable the applicant to borrow the needed capital through other sources

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F. At the present time there is no provision under the present program for granting a loan of the type proposed by the applicant.

G. Summary statement:

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2 copies to Executive Officer, Regional Field Team, Region IV

OTTO HERRES

OTTO HERRES, Chief
Lead-Zinc Branch, DMA

Strobel
Mittendorf
Files

Approved:
DMA Operating Committee

C. O. MITTENDORF
Chairman

J. H. Hedges
J. H. Hedges

Olaf H. Beck

ALBreckaw:jeh
G-2/9/51

Form 6-98

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

U. S. GOVERNMENT PRINTING OFFICE 16—53493-2