400

Mr. F. D. Parker
P. O. Box 1276
Globe, Arizona

Re: Docket No. NA 2009X (Manganese)
Ramsdell Mine
Gila County, Arizona

Dear Mr. Parker:

Your application for exploration assistance has been carefully reviewed, together with information obtained by a field examination of your property, and other available data.

This information, while noting a relatively small tonnage of ore on your property, indicates that, geologically, there is little probability of finding additional ore in sufficient quantity to be of importance to the National Defense Program. We regret, therefore, to inform you that your application is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing the property to our attention.

Sincerely yours,

C. O. Mittendorf

Acting Administrator
Defense Minerals Exploration
Administration

TLChapman/FWJohnson/lm/bih
5/7/52
cc to: Docket
Admr's. Reading File
Operating Committee
Field Team, Region IV
Messrs. D.M. Lemon R-5216 GSA Bldg.,
J.H. Hodges R-4604
G.C. Selfridge
T.L. Chapman
Stanley Walker R-2465
F.W. Johnson

402

Acting Administrator, DMEA

May 6, 1952

Iron and Ferro-Alloy Division, DMEA

Denial of project in the amount of $4,000 for an access road and $4,000 for an exploration project.
Docket No. DMA 2008X - Manganese
P. D. Parker
The Ransdell Mine
Gila County, Arizona

The denial of the subject application by this Division is based on the following information.

The manganese oxides in this deposit occur in a brecciated zone from 2 to 2-1/2 feet in width. Within the low grade material of the deposit, relatively high grade lenses occur. The ratio of the higher grade ore to the low grade vein matter is about 1 to 8. This type of deposit is of secondary origin and becomes very low grade at depths of 40 to 60 feet. Hence, there is little possibility of making a significant discovery.

This type of deposit is usually worked by open cuts and does not necessitate or warrant any exploration work. Being 5 miles from a road prevents it from being an economic operation.

During World War II, 17 tons of ore running 49 per cent manganese was packed out to the road and shipped.

The Commodity Divisions of the U. S. Geological Survey and the U. S. Bureau of Mines recommend denial.

G. C. Selfridge, Chief
Iron and Ferro-Alloy Division

TLChapman'lm
5/6/52

cc: Admn. Reading File
Docket
G. C. Selfridge
T. L. Chapman
Stanley Walker
F. E. Johnson

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

APR 10 1952

Mr. J. H. East, Jr.
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA 2009X
(Manganese)
P. B. Parker

Dear Mr. East:

This will acknowledge receipt of your letter of March 26, 1952, concerning the subject application and requesting that a policy determination be made with respect to the action you should take on applications for Government assistance for exploration of submarginal deposits.

Your comments regarding the application of P. B. Parker have been noted. It is also noted in the next to the last paragraph of your letter you state that you have tested a number of shipments of ore to the Deming, New Mexico Purchase Depot, and that these shipments have been stopped because the percentage of lead-zinc in the manganese exceeds the specification limits. However, the Field Team reported that an analysis of a sample of ore from Mr. Parker's Roundell mine indicated only minor amounts of copper, lead and zinc, and that this ore does not have any deleterious elements.

We agree with you that the economic aspects of a proposal should be considered in arriving at a decision with respect to an application. However, an application should not be denied primarily because the immediate economic aspects are unfavorable. Your attention is called to the criteria set forth in the Mineral Order for Exploration Projects. Under these criteria seven factors are considered and weighed in passing on applications, the most important of which, in our opinion, is the geologic probability of making a significant discovery.

The purpose of the Exploration Program is to find strategic and critical minerals for use in National Defense. If the possibility exists to discover or develop a large tonnage of submarginal strategic or critical minerals which can be mined at low cost and there is a possibility of working out the metallurgy so that significant production may be made within ten years from the start of the project, such a project certainly falls within the scope of this program, provided other factors are favorable. On the other hand, where the possibility exists of only discovering or developing a small tonnage of submarginal

material, it should not be classed as falling within the category of making a significant discovery, and hence, it would appear to be in order to deny an application on a deposit of this nature.

You state that you are approving applications in the case of uranium where the average grade of ore is as low as .10% U_3O_8, which is considered 25% below profitable operation. If the possibilities are such that only spotted occurrences of such low grade material could be found or developed, we do not believe that the applicant should be encouraged to spend his money where he obviously has no hope of recovering it. However, if the possibility exists of finding higher grade material which would result in profitable operations on a small scale, we feel that it would be a suitable Exploration Project. Furthermore, if the possibility existed of discovering and developing a deposit of substantial tonnage such as 20,000,000 to 30,000,000 tons of material assaying .10% U_3O_8, and the applicant was competent to carry out such an Exploration Project, we feel it would be in line with the Defense Program. The same type of thinking would apply to oxidized lead-zinc ores where there would not be a suitable project on a small scale; but if the possibility existed to find large deposits and the applicant was competent, such a project should be given careful consideration.

It is impossible to lay down definite rules or policies in these cases as it is purely a matter of judgment wherein honest differences of opinions may exist. Each proposal must be considered on its own merits. We feel that any possibility of adding substantial tonnages to the country's reserves of strategic and critical minerals, even though not considered commercial, at the present time or the metallurgy has not been worked out satisfactorily, should be looked upon favorably. This type of exploration is definitely within the realm of DMEA, and we should furnish assistance for projects of this type where applicants are competent to carry them out and other factors are favorable.

Sincerely yours,

(Signed) FRANK E. JOHNSON

Chairman, Operating Committee
Defense Minerals Exploration
Administration

APPROVED:

J. H. Hedges
Member, Bureau of Mines

T. P. Thayer
Member, Geological Survey

FEJohnson/bih
cc: Docket
Admr's. Reading File
Operating Committee
Messrs. Selfridge - Houk - Ellis
Moulds - F. E. Johnson

REGIONAL DIRECTOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

You're 2

March 26, 1952

Memorandum

To: Frank E. Johnson
Chairman, Operating Committee

From: Regional Director, Region IV

Subject: Docket DMA-2009X - P. D. Parker

Referring to your letter dated January 31, regarding docket DMA-2009X, manganese, P. D. Parker, Ramsdell mine, Gila County, Arizona: We have re-examined the report as submitted by the field examiners, and we are in accord with the examining team in that the application should be denied.

The denial is based on the improbability of securing a significant tonnage of manganese ore. You will note that the report states "that this type of deposit is generally very shallow, extending only from 40 to 60 feet. This depth would not give a significant tonnage in our opinion".

It is noted in the third paragraph of your letter that you state "primary emphasis should not be placed on the economic aspects of the proposal; but rather the unlikelihood of making a discovery or development of ore of significant importance should be stressed".

We have advised our field examiners that an application should not be turned down entirely on the economic aspects of the proposal.

In this connection, we would like to have your policy determination of the action that we should take on applications for Government assistance in opening mineral deposits of obvious submarginal grade, as for example:

(1) In the case of uranium, a cut-off .13 U_3O_8 is considered commercial ore. We are approving applications where the average grade of ore is indicated as low as .10, which is 25 percent below profitable operation.

(2) Another case in point is Potter and Sims, docket DMA-1387, where a large tonnage of tungsten ore is probably present, but the sample submitted to Tucson for testing was too low grade to even test.

(3) A deposit in Utah to explore zinc carbonate was denied because there was no method of treatment of the ore that we knew of other than the direct shipment to a zinc smelter.

It seems to this field team that economics in these cases must come into the judgment of the application.

In the fourth paragraph of your letter regarding the purchase program for domestic manganese ore at Deming, New Mexico, we have tested several shipments of ore from the Globe district and in every instance, shipments have been stopped because of the percentage of lead-zinc in the manganese, which exceeds the specifications and the stockpile would not accept it.

We would like for the Operating Committee to give us the policy determination regarding submarginal deposits, such as we have indicated above.

J. H. East, Jr.

J. H. East, Jr.

400's — file 400

Mr. Kellogg
Room 3538

JAN 31 1952

AIR MAIL

Mr. J. H. East, Jr.,
Executive Officer, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA 2009I (Manganese)
F. D. Parker
Ramadell Mine
Gila County, Arizona

Dear Mr. East:

The field team report, dated November 26, 1951, on the subject property is being reviewed, and we find it necessary to request your further attention in this respect.

The "summary, conclusions, and recommendations", pages 1 and 2, recommend denial on the basis that the mine cannot be operated at a profit, and note that a loan might not be amortized.

We feel that in recommending a denial, primary emphasis should not be placed on the economic aspects of the proposal; but rather the unlikelihood of making a discovery or development of ore of significant importance should be stressed. This procedure is in keeping with the declared purposes and intent of DMEA as expressed in MO-5, MF-100, MF-103, MF-200 and "Questions and Answers on the Mineral Exploration Program" (Departmental Release of May 14, 1951). Your attention is directed to the recurring use of the words "contribution", "aid", "grant" and the fact that the operator is not required to mine, even if profitable ore is found (see MF-200, clause 14, final sentence).

Your attention is further directed to the fact that manganese ores need not contain a minimum of 40 percent manganese to be sold to the Deming, New Mexico, ore-purchasing depot. The criterion in this respect is the efficiency of concentration. It will be noted in the "Manganese Regulation", "Purchase Program for Domestic Manganese Ore at Deming, New Mexico" that, if ore from the Ramadell mine is amenable to concentration, the mine-run ore containing 25.83 percent manganese will be purchased at $24.70 per long dry ton.

A supplementary report clarifying the above noted points is requested. In this connection, please comment on the possibility of discovering or developing a significant quantity of low grade manganese ore that could be sold to the Deming Purchase Depot.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee
Defense Minerals Exploration
Administration

APPROVED:

J. H. Hedges

Member, Bureau of Mines

J. P. Thayer

Member, Geological Survey

CLBrewer/FEJohnson/lm/bih
1/29/52
cc to: Admr's Reading File
Docket
N. B. Melcher, USBM
M.D.Crittenden, USGS
G.C.Selfridge
OGGentry
Field Team, Region IV(2)

400

George C. Selfridge January 9, 1952

M. D. Crittenden

DMA 2009 P. D. Parker

The Field Team report on this property indicates that the prospects for a significant discovery as a result of this exploration are poor. The breccia zone to be prospected is already exposed and can be mined without further exploration. The amount of ore indicated to date is not sufficient to warrant the expense of the access road. On this basis both forms of assistance should be denied.

MDCrittenden:gt

Copies to: Director's read. file
Branch read. file