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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 10 1954

November 10, 1954

Memorandum

To: W. R. Griswold, DMEA

From: O. M. Bishop, USBM, Reviewed by Walter E. Lewis

Subject: Docket No. DMEA-3354 (Lead, Zinc, Copper), Paragon Mines, Inc., Favorite group, San Miguel County, Colorado

We have reviewed the subject application and note that the field team was unable to obtain geological data on which to evaluate the ore potential of the Favorite vein at depth. We concur in the field team recommendations that the application be denied without prejudice. We also recommend that the project be reconsidered if the Favorite workings are made accessible for examination.

The applicant proposes to explore the Favorite vein at depth by extending the West Branch tunnel approximately 400 feet to intersect the vein, and by drifting 400 feet on the vein. The total estimated cost is $24,000.

The old workings on the Favorite vein are caved at the portal, and the vein could not be seen. At the time of the examination, snow covered the surface, which prevented examination of outcrops of the vein.

The ownership of the claims of the Favorite group is complicated and involved, and there is some doubt that the required subordination agreements could be obtained.

O. M. Bishop

O. M. Bishop

Copy to: Minerals Division
Edward L. Newcomb, Room 5227
O. M. Bishop
Files

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

Griswold
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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November 10, 1954

Memorandum

To: W. R. Griswold, DMEA

From: O. M. Bishop, USBM, Reviewed by Walter E. Lewis

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

Defense Minerals Administration
RECEIVED
NOV 10 1954

November 10, 1954

Memorandum

To: W. R. Griswold, DMEA

From: O. M. Bishop, USBM, Reviewed by Walter E. Lewis

Subject: Docket No. DMEA-3354 (Lead, Zinc, Copper), Paragon Mines, Inc., Favorite group, San Miguel County, Colorado

We have reviewed the subject application and note that the field team was unable to obtain geological data on which to evaluate the ore potential of the Favorite vein at depth. We concur in the field team recommendations that the application be denied without prejudice. We also recommend that the project be reconsidered if the Favorite workings are made accessible for examination.

The applicant proposes to explore the Favorite vein at depth by extending the West Branch tunnel approximately 400 feet to intersect the vein, and by drifting 400 feet on the vein. The total estimated cost is $24,000.

The old workings on the Favorite vein are caved at the portal, and the vein could not be seen. At the time of the examination, snow covered the surface, which prevented examination of outcrops of the vein.

The ownership of the claims of the Favorite group is complicated and involved, and there is some doubt that the required subordination agreements could be obtained.

O. M. Bishop

Copy to: Minerals Division
Edward L. Newcomb, Room 5227
O. M. Bishop
Files

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

Defense Mine
NOV 10 195

November 10, 1954

Memorandum

To: W. R. Griswold, DMEA

From: O. M. Bishop, USBM, Reviewed by Walter E. Lewis

Subject: Docket No. DMEA-3354 (Lead, Zinc, Copper), Paragon Mines, Inc., Favorite group, San Miguel County, Colorado

We have reviewed the subject application and note that the field team was unable to obtain geological data on which to evaluate the ore potential of the Favorite vein at depth. We concur in the field team recommendations that the application be denied without prejudice. We also recommend that the project be reconsidered if the Favorite workings are made accessible for examination.

The applicant proposes to explore the Favorite vein at depth by extending the West Branch tunnel approximately 400 feet to intersect the vein, and by drifting 400 feet on the vein. The total estimated cost is $24,000.

The old workings on the Favorite vein are caved at the portal, and the vein could not be seen. At the time of the examination, snow covered the surface, which prevented examination of outcrops of the vein.

The ownership of the claims of the Favorite group is complicated and involved, and there is some doubt that the required subordination agreements could be obtained.

O. M. Bishop

O. M. Bishop

Copy to: Minerals Division
Edward L. Newcomb, Room 5227
O. M. Bishop
Files

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

224 New Customhouse
Denver 2, Colorado

October 14, 1954

Mr. Otto Beselack
Paragon Mines, Inc.
Ophir, Colorado

Re: Docket DMEA 3354

Dear Mr. Beselack:

Reference is made to your application for Government aid on the Favorite Group.

No geological data could be obtained upon which to evaluate the ore potential of the Favorite vein at the depth proposed for exploration or to determine the possible location of the ore target if one is present in the area.

It is necessary for an examiner to have access to the upper workings so that he may determine the strike and dip of the Favorite vein and any structural controls which would tend to localize an ore body.

Under these circumstances, we regret to advise that your application for exploration aid is denied without prejudice.

If the Favorite workings are made accessible for a field examination at some later date a revised application based on your additional findings would receive consideration.

Returned herewith are the following:

1. Mining deed from Evelyn K. Greig to Paragon Mines, Inc.
2. Treasurer's deed from D. A. O'Rourke to Otto Beselack.
3. Affadavit of J. R. Strickland.

Very truly yours,

W H King

W. H. King

HMC:dm
cc: Docket
Administrator
AHKoschmann
WMTraver
Chron

E. M. Haschmann
for A. H. Koschmann

DMEA Field Team, Region IV

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

October 14, 1954

Memorandum

To: DMEA Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Report of Examination, DMEA Docket 3354, (Lead-Zinc-Copper) Paragon Mines, Incorporated, Favorite Group, San Miguel County, Colorado

Enclosed are nine copies of the engineering memorandum report on the subject docket.

The applicant requested $24,000 to extend the West Branch Tunnel to intersect the Favorite vein and drift 400 feet on the Favorite vein.

The examining engineer was unable to examine the West Branch Tunnel because of bad air and snow covered the Favorite claim so no examination of the outcrop could be made on May 26, 1954. The ownership of the claims was found to be complicated and involved.

The examining engineer recommended that the application be denied without prejudice. We concur in this recommendation.

W. H. King

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
June 1, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 3354, (Lead-zinc-copper) Paragon Mines, Incorporated, (Favorite group), Iron Springs Mining District, San Miguel County, Colorado

Enclosed are the original and eight copies of Hugh M. Connor's memorandum, covering his investigation in the field of the above loan application.

In view of the involved ownership and the fact that it would probably require a considerable length of time, or might prove impossible to obtain subordination agreements, Connors recommends denial of the application without prejudice. I approve his recommendations.

The application will be held in the inactive file pending your instructions.

W. M. Traver

W. M. Traver

WMT/ici

cc: 8

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
June 1, 1954

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: Hugh M. Connors

Subject: DMEA 3354, (Lead-zinc-copper) Paragon Mines, Incorporated, (Favorite group), Iron Springs Mining District, San Miguel County, Colorado

Otto Beselack, Manager of Paragon Mines, Incorporated, has applied for assistance to extend the West Branch tunnel approximately 400 feet to intersect the Favorite vein, and to drift 400 feet on the Favorite vein, at a total estimated cost of $24,000.00

Otto Beselack accompanied the examining engineer to the West Branch Tunnel, which is located on the north slope of Yellow Mountain, one-half mile east of Ophir, old town. The West Branch tunnel extends approximately 1,750 feet in a southeasterly direction along a fault plane and has intersected a vein, presumed to be the Nevada vein, at an approximate distance of 1,700 feet from the portal. Air, insufficient in oxygen, extinquished the two carbide lamps at the Nevada vein in the West Branch tunnel, which prevented further examination underground. Snow now covers the Favorite group and an examination of the surface could not be made until July. The applicant stated that the upper workings are caved.

Production records of the Bureau of Mines show that the Favorite group has produced 10,521 tons of ore which contained 2,826.74 ounces of gold, 22,108 ounces of silver, 9,711 pounds of copper, and 425,000 pounds of lead. This production was made between the years of 1906 and 1921.

Three patented claims not listed in the applicant's Lease and Option, have a direct bearing on the proposed exploration work. These are the West Branch U. S. Patent Survey 15496, Clydesdale U. S. Patent Survey 15496, and the Nevada U. S. Patent Survey 777, through which the West Branch tunnel has been driven. Records in the Treasurer's office of San Miguel County show the following ownership: Paragon Mines, Incorporated own 1/2 of the West Branch and Clydesdale, and 1/3 of the Nevada.

Evelyne K. Greig, 213 E. 66th Street, New York 21, New York, owns 40/111 of 1/2 of the West Branch and Clydesdale and 40/111 of the Nevada.

Kate, Bella and Jeannie Greig, 42 Bankhead Road, Rutherglen, Scotland, own the remaining interest in the West Branch, Clydesdale and Nevada.

Otto Beselack bought a tax certificate on Kate, Bella and Jeannie Greig's interest in his name on December 11, 1950, but does not have a Treasurer's deed.

A subordination agreement would be required from all owners of these three claims.

The Trustee Company owns the Favorite group, as listed in the Lease and Option which accompanied the application. The 1953 taxes on this group have not been paid. Tax certificates are outstanding for the years 1939 and 1940 on the Favorite group and have been assigned to one R. H. Benson, address not known. This constitutes a lien on the property and would require a subordination agreement from R. H. Benson.

Recommendations

Because of the complicated ownership and the large amount of time which would necessarily be involved in obtaining the required subordination agreements, it is recommended that this application be denied without prejudice.

Hugh M. Connors
Mining Engineer

HMC/ici

cc: 8

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

October 12, 1954

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 3354, Paragon Mines, Inc., San Miguel County, Colorado

Enclosed are 9 copies of the geologic report by E. N. Harshman of the U. S. Geological Survey covering the above docket.

The applicant proposes to explore for lead-zinc-copper ore by extending the West Branch tunnel to intersect the Favorite vein approximately 900 feet below the Favorite workings, now made inaccessible by a cave at the portal.

No geological data could be obtained upon which to evaluate the ore potential of the Favorite vein at the depth proposed for exploration or to determine the possible location of the ore target if one is present in the area. Harshman therefore recommends denial of the application without prejudice and suggests that the project be reconsidered if the Favorite workings are made accessible for examination.

I concur in this recommendation.

E. N. Harshman
for A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (9)

PARAGON MINES, INC.

OPHIR, SAN MIGUEL COUNTY, COLORADO

DMEA DOCKET 3354

Geologic Report

By E. N. Harshman
U. S. Geological Survey

PARAGON MINES, INC.
OPHIR, SAN MIGUEL COUNTY, COLORADO
DMEA DOCKET 3354

INTRODUCTION

Paragon Mines, Incorporated, Ophir, Colorado has applied for Government assistance to explore for lead-zinc-copper ore on the Favorite group of claims in the Iron Springs Mining District, San Miguel County, Colorado. The group consists of 21 patented claims located on the steep south slope of Ophir Valley about 2/3 of a mile southeast of the old town of Ophir. The claims lie at altitudes ranging from 9,800 to 11,500 feet and are accessible by a trail which joins the Ophir Valley Road just east of the town of Ophir.

The applicant proposes to explore the downward projection of the Favorite vein, if present, by extending the West Branch tunnel to the vein, an estimated distance of 400 feet, and by drifting about 400 feet on the vein. The applicant estimates the cost of the project to be $24,000.00.

An examination of the property was made on September 21, 1954 in company with Otto Bezelack, Manager, Paragon Mines, Inc. At the time of the examination, Mr. Bezelack reported that the workings on the Favorite vein were caved at the portal and that the vein could not be seen. The location of any natural outcrops of the Favorite vein are unknown to Mr. Bezelack. The examination was therefore limited to an inspection of the West Branch tunnel and the preparation of a map of that tunnel.

Although the project may have merit, the lack of data on the position, attitude or character of any ore shoots mined in the Favorite workings makes it impossible to evaluate the ore potential of the area proposed for exploration. Denial of the application for exploration assistance, without prejudice, is

therefore recommended with the suggestion that should the Favorite workings be made accessible for examination the proposed exploration program be reconsidered.

GEOLOGY

The geology of the Ophir Valley is similar to that of the Telluride area to the north. A thick series of nearly horizontal Paleozoic and Mesozoic sandstones, shales, and conglomerates is overlain by the Telluride conglomerate, the San Juan tuff, and the Silverton volcanic series in that order. The sedimentary and volcanic series have been intruded by stocks, sills, and dikes of igneous rock ranging in composition from diorite to granite.

Metamorphism of the sedimentary series by the intrusive igneous rocks has been intense and the red to maroon shales and sandstones have been altered to grey-green or black dense rocks composed principally of metamorphic minerals.

Two vein systems have been recognized in the Ophir Valley area. The most productive veins are in an easterly striking group and dip steeply north or south. These veins contain pyrite, sphalerite, galena, chalcopyrite and tetrahedrite in a gangue of quartz, rhodochrosite, barite and calcite. A second group includes veins which strike northerly, and dip steeply east or west. They contain pyrite, gold, and silver, in a gangue of quartz. In the mines southeast of Ophir, and perhaps throughout the district, the pyrite-precious metal veins offset and are later than the base-metal sulfide veins.

Ore deposits are found in all of the rock types exposed in the Ophir area. The most productive ore horizons have been in the San Juan tuff where the physical character of the rock rather than its chemical composition has been the controlling factor in ore deposition. Veins in the sedimentary rocks

are more continuous than might be expected for the rocks have been indurated by metamorphism accompanying igneous intrusion.

The Favorite workings were not accessible for examination and the following description of the Favorite mine is based on a report by C. L. Brown, E.M., dated December 18, 1930.

The main Favorite adit and the stopes above the adit are in the lower part of the San Juan tuff which in the mine area is andesite. The Favorite vein is a strong, well-defined structure striking easterly and dipping 85° north. The vein was mined for its gold content although lead, zinc, and copper sulfides were present in the vein material throughout the 1,000 feet of explored strike length.

Ore was mined from the vein in a stope 865 feet long and 100 feet above the level. The maximum vein width in the stope was 12 feet -- no average or minimum vein widths are given in the Brown report.

Three winzes were sunk from the adit level, two to a depth of 50 feet and one to a depth of 90 feet. The ore continued downward into the sedimentary rocks in each winze although the ore in the 90-foot winze was low grade. Brown estimates the value of production from the Favorite mine to be about $100,000.00.

Figure 1 is a Brunton and tape survey of the West Branch tunnel the portal of which is located 2,400 feet north of the Favorite workings and about 900 feet lower in altitude. The proposed exploration program would be carried out from this tunnel. The West Branch has been driven a distance of 1,850 feet along a strong, silicified fault zone, for convenience called the West Branch fault. The fault has an average strike of N 35° W and dips 80° to 85° northeast. Pyrite is the only sulfide in the silicified zone and in

the enclosing wall rock along the fault. The movement on the fault appears to have been essentially vertical; it has produced a horizontal offset of 12 to 20 feet in several steeply dipping veins exposed in the tunnel.

Three well defined veins have been cut by the West Branch tunnel. From the portal to the face they are the Lead vein, the American-Frenchman vein and the Nevada vein. Because of caving of drifts on these veins or bad air in the drifts, no examination of these workings could be made. Considerable stoping is reported to have been done on the American-Frenchman vein and a strong updraft through the caved workings west of the West Branch tunnel indicates a connection with the surface. Although intense silicification along the West Branch fault has masked the character of the 3 veins cut in the tunnel, it appears that base metal sulfides are present on each of these structures.

The wall rocks exposed in the West Branch tunnel consist of metamorphosed shales, sandstones, and conglomerates which have been silicified along the West Branch fault. The series has a very gentle northerly dip. Gray-green indurated shale, predominantly thin bedded, constitutes most of the wall rock, although several thin conglomerate and sandstone beds are exposed in the tunnel. Some igneous intrusive rocks may be present in the walls of the tunnel especially near the present face but the intense silicification along the West Branch fault has made positive megascopic identification impossible.

The sedimentary rocks exposed in the West Branch tunnel are considered to be physically favorable for ore deposition. In contrast to their unmetamorphosed equivalents these rocks are well indurated and competent to maintain open fractures or permeable brecciated zones of major

dimensions. Significant ore deposits in the metamorphosed sedimentary rocks are a distinct possibility.

CONCLUSIONS AND RECOMMENDATIONS

The ore potential of the area proposed for exploration by Paragon Mines, Inc. is unknown. Without access to the Favorite mine workings, it is impossible to determine the strength of the Favorite vein, the character of the ore deposit reportedly mined, the control of ore deposition (in the upper workings), the plunge of the ore shoot, or to obtain other pertinent data. Without this information it is impossible to estimate the exploratory value of the proposed work or to determine if a legitimate target for exploration is present 900 feet below the old Favorite workings.

It is therefore recommended that the application for exploration assistance, DMEA Docket 3354, be denied without prejudice. Should the applicant company make the Favorite workings accessible, data might be obtained to indicate the presence of a favorable exploration target in the area south of the present face of the West Branch tunnel.

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

224 New Customhouse
Denver 2, Colorado

October 14, 1954

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention, 200

From: Field Team, Region IV

Subject: Report of Examination, DMEA Docket 3354, (Lead-Zinc-Copper) Paragon Mines, Incorporated, Favorite Group, San Miguel County, Colorado

Enclosed are four copies of the report of examination on the subject property, a copy of the letter of denial to the applicant and two copies of Form 3b.

W. H. King

for A. H. Koschmann

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

October 14, 1954

Memorandum

To: DMEA Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Report of Examination, DMEA Docket 354, (Lead-Zinc-Copper) Paragon Mines, Incorporated, Favorite Group, San Miguel County, Colorado

Enclosed are nine copies of the engineering memorandum report on the subject docket.

The applicant requested $84,000 to extend the West Branch Tunnel to intersect the Favorite vein and drift 400 feet on the Favorite vein.

The examining engineer was unable to examine the West Branch Tunnel because of bad air and snow covered the Favorite claim so no examination of the outcrop could be made on May 20, 1954. The ownership of the claims was found to be complicated and involved.

The examining engineer recommended that the application be denied without prejudice. We concur in this recommendation.

W. H. King

W. H. King

Reviewed by
DMEA OPERATIONS CONTROL
10-25-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
June 1, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 3354, (Lead-zinc-copper) Paragon Mines, Incorporated, (Favorite group), Iron Springs Mining District, San Miguel County, Colorado

Enclosed are the original and eight copies of Hugh M. Conner's memorandum, covering his investigation in the field of the above loan application.

In view of the involved ownership and the fact that it would probably require a considerable length of time, or might prove impossible to obtain subordination agreements, Conners recommends denial of the application without prejudice. I approve his recommendations.

The application will be held in the inactive file pending your instructions.

W. M. Trever

W. M. Trever

WMT/lei

cc: 4

Reviewed by
DMEA OPERATING COMMITTEE
10-25-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
June 1, 1954

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: Hugh M. Connors

Subject: DMRA 3354, (Lead-zinc-copper) Paragon Mines, Incorporated, (Faverite group), Iron Springs Mining District, San Miguel County, Colorado

Otto Rosalesk, Manager of Paragon Mines, Incorporated, has applied for assistance to extend the West Branch tunnel approximately 400 feet to intersect the Faverite vein, and to drift 400 feet on the Faverite vein, at a total estimated cost of $24,000.00

Otto Rosalesk accompanied the examining engineer to the West Branch Tunnel, which is located on the north slope of Yellow Mountain, one-half mile east of Ophir, old town. The West Branch tunnel extends approximately 1,750 feet in a southeasterly direction along a fault plane and has intersected a vein, presumed to be the Nevada vein, at an approximate distance of 1,700 feet from the portal. Air, insufficient in oxygen, extinguished the two carbide lamps at the Nevada vein in the West Branch tunnel, which prevented further examination underground. Snow now covers the Faverite group and an examination of the surface could not be made until July. The applicant stated that the upper workings are caved.

Production records of the Bureau of Mines show that the Faverite group has produced 10,521 tons of ore which contained 2,826.74 ounces of gold, 22,106 ounces of silver, 9,711 pounds of copper, and 425,000 pounds of lead. This production was made between the years of 1906 and 1921.

Three patented claims not listed in the applicant's Lease and Option, have a direct bearing on the proposed exploration work. These are the West Branch U. S. Patent Survey 15496, Clydendale U. S. Patent Survey 15496, and the Nevada U. S. Patent Survey 777, through which the West Branch tunnel has been driven. Records in the Treasurer's office of San Miguel County show the following ownership: Paragon Mines, Incorporated owns 1/2 of the West Branch and Clydendale, and 1/3 of the Nevada.

Approved by
DIR. OF MINES SERVICE

10-25-54

Evelyne K. Greig, 213 E. 66th Street, New York 21, New York, owns 40/111 of 1/2 of the West Branch and Clydesdale and 40/111 of the Nevada.

Kate, Bella and Jeannie Greig, 42 Bankhead Road, Hatherglen, Scotland, own the remaining interest in the West Branch, Clydesdale and Nevada.

Otto Baselack bought a tax certificate on Kate, Bella and Jeannie Greig's interest in his name on December 11, 1950, but does not have a Treasurer's deed.

A subordination agreement would be required from all owners of these three claims.

The Trustee Company owns the Favorite group, as listed in the Lease and Option which accompanied the application. The 1953 taxes on this group have not been paid. Tax certificates are outstanding for the years 1939 and 1940 on the Favorite group and have been assigned to one R. H. Benson, address not known. This constitutes a lien on the property and would require a subordination agreement from R. H. Benson.

Recommendations

Because of the complicated ownership and the large amount of time which would necessarily be involved in obtaining the required subordination agreements, it is recommended that this application be denied without prejudice.

Hugh M. Connors
Mining Engineer

HMC/iel

cc: d

Reviewed by
DMEA OPERATING COMMITTEE
10-25-54
(date)

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

October 12, 1954

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 3354, Paragon Mines, Inc., San Miguel County, Colorado

Enclosed are 9 copies of the geologic report by E. M. Hershman of the U. S. Geological Survey covering the above docket.

The applicant proposes to explore for lead-zinc-copper ore by extending the West Branch tunnel to intersect the Favorite vein approximately 900 feet below the Favorite workings, now made inaccessible by a cave at the portal.

No geological data could be obtained upon which to evaluate the ore potential of the Favorite vein at the depth proposed for exploration or to determine the possible location of the ore target if one is present in the area. Hershman therefore recommends denial of the application without prejudice and suggests that the project be reconsidered if the Favorite workings are made accessible for examination.

I concur in this recommendation.

E. M. Hershman
for A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (9)

(date)

PARAGON MINES, INC.

OPHIR, SAN MIGUEL COUNTY, COLORADO

DMEA DOCKET 1354

Geologic Report

By E. N. Harshman
U. S. Geological Survey

10-25-54

PARAGON MINES, INC.
OPHIR, SAN MIGUEL COUNTY, COLORADO
DMEA DOCKET 3354

INTRODUCTION

Paragon Mines, Incorporated, Ophir, Colorado has applied for Government assistance to explore for lead-zinc-copper ore on the Favorite group of claims in the Iron Springs Mining District, San Miguel County, Colorado. The group consists of 21 patented claims located on the steep south slope of Ophir Valley about 2/3 of a mile southeast of the old town of Ophir. The claims lie at altitudes ranging from 9,800 to 11,500 feet and are accessible by a trail which joins the Ophir Valley Road just east of the town of Ophir.

The applicant proposes to explore the downward projection of the Favorite vein, if present, by extending the West Branch tunnel to the vein, an estimated distance of 400 feet, and by drifting about 400 feet on the vein. The applicant estimates the cost of the project to be $24,000.00.

An examination of the property was made on September 21, 1954 in company with Otto Benslack, Manager, Paragon Mines, Inc. At the time of the examination, Mr. Benslack reported that the workings on the Favorite vein were caved at the portal and that the vein could not be seen. The location of any natural outcrops of the Favorite vein are unknown to Mr. Benslack. The examination was therefore limited to an inspection of the West Branch tunnel and the preparation of a map of that tunnel.

Although the project may have merit, the lack of data on the position, attitude or character of any ore shoots mined in the Favorite workings makes it impossible to evaluate the ore potential of the area proposed for exploration. Denial of the application for exploration assistance, without prejudice, is

therefore recommended with the suggestion that should the Favorite workings be made accessible for examination the proposed exploration program be reconsidered.

GEOLOGY

The geology of the Ophir Valley is similar to that of the Telluride area to the north. A thick series of nearly horizontal Paleozoic and Mesozoic sandstones, shales, and conglomerates is overlain by the Telluride conglomerate, the San Juan tuff, and the Silverton volcanic series in that order. The sedimentary and volcanic series have been intruded by stocks, sills, and dikes of igneous rock ranging in composition from diorite to granite.

Metamorphism of the sedimentary series by the intrusive igneous rocks has been intense and the red to maroon shales and sandstones have been altered to grey-green or black dense rocks composed principally of metamorphic minerals.

Two vein systems have been recognized in the Ophir Valley area. The most productive veins are in an easterly striking group and dip steeply north or south. These veins contain pyrite, sphalerite, galena, chalcopyrite and tetrahedrite in a gangue of quartz, rhodochrosite, barite and calcite. A second group includes veins which strike northerly, and dip steeply east or west. They contain pyrite, gold, and silver, in a gangue of quartz. In the mines southeast of Ophir, and perhaps throughout the district, the pyrite-precious metal veins offset and are later than the base-metal sulfide veins.

Ore deposits are found in all of the rock types exposed in the Ophir area. The most productive ore horizons have been in the San Juan tuff where the physical character of the rock rather than its chemical composition has been the controlling factor in ore deposition. Veins in the sedimentary rocks

are more continuous than might be expected for the rocks have been indurated by metamorphism accompanying igneous intrusion.

The Favorite workings were not accessible for examination and the following description of the Favorite mine is based on a report by C. L. Brown, E.M., dated December 18, 1930.

The main Favorite adit and the stopes above the adit are in the lower part of the San Juan tuff which in the mine area is andesite. The Favorite vein is a strong, well-defined structure striking easterly and dipping 85° north. The vein was mined for its gold content although lead, zinc, and copper sulfides were present in the vein material throughout the 1,000 feet of explored strike length.

Ore was mined from the vein in a stope 345 feet long and 100 feet above the level. The maximum vein width in the stope was 12 feet -- no average or minimum vein widths are given in the Brown report.

Three winzes were sunk from the adit level, two to a depth of 50 feet and one to a depth of 90 feet. The ore continued downward into the sedimentary rocks in each winze although the ore in the 90-foot winze was low grade. Brown estimates the value of production from the Favorite mine to be about $100,000.00.

Figure 1 is a Brunton and tape survey of the West Branch tunnel the portal of which is located 2,400 feet north of the Favorite workings and about 900 feet lower in altitude. The proposed exploration program would be carried out from this tunnel. The West Branch has been driven a distance of 1,850 feet along a strong, silicified fault zone, for convenience called the West Branch fault. The fault has an average strike of N 35° W and dips 80° to 85° northeast. Pyrite is the only sulfide in the silicified zone and in

the enclosing wall rock along the fault. The movement on the fault appears to have been essentially vertical; it has produced a horizontal offset of 12 to 20 feet in several steeply dipping veins exposed in the tunnel.

Three well defined veins have been cut by the West Branch tunnel. From the portal to the face they are the Lead vein, the American-Frenchman vein and the Nevada vein. Because of caving of drifts on these veins or bad air in the drifts, no examination of these workings could be made. Considerable stoping is reported to have been done on the American-Frenchman vein and a strong updraft through the caved workings west of the West Branch tunnel indicates a connection with the surface. Although intense silicification along the West Branch fault has masked the character of the 3 veins cut in the tunnel, it appears that base metal sulfides are present on each of these structures.

The wall rocks exposed in the West Branch tunnel consist of metamorphosed shales, sandstones, and conglomerates which have been silicified along the West Branch fault. The series has a very gentle northerly dip. Gray-green indurated shale, predominantly thin bedded, constitutes most of the wall rock, although several thin conglomerate and sandstone beds are exposed in the tunnel. Some igneous intrusive rocks may be present in the walls of the tunnel especially near the present face but the intense silicification along the West Branch fault has made positive megascopic identification impossible.

The sedimentary rocks exposed in the West Branch tunnel are considered to be physically favorable for ore deposition. In contrast to their unmetamorphosed equivalents these rocks are well indurated and competent to maintain open fractures or permeable brecciated zones of major

dimensions. Significant ore deposits in the metamorphosed sedimentary rocks are a distinct possibility.

CONCLUSIONS AND RECOMMENDATIONS

The ore potential of the area proposed for exploration by Paragon Mines, Inc. is unknown. Without access to the Favorite mine workings, it is impossible to determine the strength of the Favorite vein, the character of the ore deposit repeatedly mined, the control of ore deposition (in the upper workings), the plunge of the ore shoot, or to obtain other pertinent data. Without this information it is impossible to estimate the exploratory value of the proposed work or to determine if a legitimate target for exploration is present 900 feet below the old Favorite workings.

It is therefore recommended that the application for exploration assistance, DMEA Docket 3154, be denied without prejudice. Should the applicant company make the Favorite workings accessible, data might be obtained to indicate the presence of a favorable exploration target in the area south of the present face of the West Branch tunnel.

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

224 New Customhouse
Denver 2, Colorado

July 19, 1954.

Mr. Otto Beselack, Manager
Paragon Mines, Inc.
Ophir, Colorado

Re: Docket No. DMEA-3354

Dear Mr. Beselack:

This will confirm our verbal agreement of this date to keep your docket open until October 1, 1954. This will allow you the time which you stated would be necessary to obtain the required signatures on the Owner's Consent to Lien, Form MF-203, which were forwarded you with our letter of June 4, 1954.

Returned herewith is the Affidavit signed by J. R. Strickland dated July 19, 1954 which you left in this office.

Very truly yours,

W. H. King
Executive Officer
DMEA Field Team, Region IV

Enclosure

HMC:cwm

cc: Docket
Chairman of the Oper. Comm.
Administrator, DMEA
WMTraver
AHKoschmann
Chron.

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

224 New Customhouse
Denver 2, Colorado

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Enclosure

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

224 New Customhouse
Denver 2, Colorado

June 4, 1954.

Mr. Otto Beselack, Manager
Paragon Mines, Inc.
Ophir, Colorado

Re: Docket No. DMEA-3354

Dear Mr. Beselack:

During an examination on May 26, 1954 of the property involved in your application for DMEA assistance on the Favorite group the following information was noted.

Three patented claims, not listed in your Lease and Option, have a direct bearing on your proposed exploration work. These are the West Branch and Clydesdale U. S. Survey 15496, and the Nevada U. S. Survey 777, through which the West Branch tunnel has been driven. Records in the Treasurer's office of San Miguel County show:

Paragon Mines, Incorporated own 1/2 of the West Branch and Clydesdale, and 1/3 of the Nevada.

Evelyne K. Grieg, 213 East 66th Street, New York 21, New York owns 40/111 of 1/2 of the West Branch and Clydesdale and 40/111 of the Nevada.

Kate, Bella, and Jeannie Grieg, 42 Bankhead Road, Rutherglen, Scotland, own the remaining interest in the West Branch and Nevada.

Otto Beselack bought a tax certificate on Kate, Bella, and Jeannie Grieg's interest in his name on December 11, 1950, but does not have a Treasurer's deed.

The 1953 taxes on the Favorite group have not been paid and payment of these taxes is a consideration in your Lease and Option. Tax certificates are outstanding for the years 1939 and 1940 on the Favorite group and have been assigned to one R. H. Benson, address not known. This constitutes a lien on the property and a subordination agreement which is attached will be required from R. H. Benson.

Enclosed are copies of Form MF-203, Owner's Consent to Lien. Please have the owners sign six copies as noted on each set of Form MF-203.

If we receive the subordination agreements from the owners within 60 days we will continue the field examination at such time as you advise this office that the surface of the Favorite group is not covered with snow and the West Branch tunnel is properly ventilated. If we do not receive the signed subordination agreements within 60 days we will presume that you are no longer interested in your proposed exploration and we will close the docket.

Very truly yours,

W H King

W. H. King
Executive Officer
DMEA Field Team, Region IV

Enclosures

HMC:cwm

cc: Docket
Administrator, DMEA
AHKoschmann
WMTraver
Chron.

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

224 New Customhouse
Denver 2, Colorado

May 14, 1954

Memorandum

To: Administrator, Defense Minerals Exploration Administration, Attention: 200

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docketing for Exploration Assistance

Enclosed herewith in duplicate is DMEA Form 3a and MF-103 and supporting data pertaining to the following applications for Government assistance in exploration work:

Midland Uranium, Inc.
308-9 Phillips Petroleum Bldg.,
Salt Lake City, Utah (Uranium)

Paragon Mines, Inc.
Ophir, Colo. (Lead-Zinc-Copper)

Lowell A. Griffith Associates
Uravan, Colorado (Uranium)

John F. Shaw
John F. Shaw
For W. H. King

Enclosures

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 17 1954

Not to be filled in by applicant

Docket No. 3354
Metal or Mineral Lead-Zinc-Copper
Date Received
Estimated Cost $25,600
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Paragon Mines, Inc. (A Colorado Corporation) Ophir, Colorado. Dr. N. A. Brethouwer, President, Montrose, Colorado, Dr. R. V. Adler, Vice President, Montrose, Colorado, Otto Benslack, Treas. and Manager, Ophir, Colorado.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract see extra sheet and claim map attached

(*b*) State any mine name by which the property is known. Favorite Group

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lease and option to purchase

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property. see photostatic copy of lease and option to purchase

(*e*) If you own the land, describe any liens or encumbrances on it

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. see extra sheet attache

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you. see map attached

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. good County and State roads 4 miles to concentrating mill, owned by Paragon mines, Inc

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

16—66551-1

Manpower - Already on payroll
Material and Supplies — Available at mine
Equipment —Available on property
Water — Sufficient
Power — Gas driven motor for compressor, etc.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Lead - Zinc - - Copper

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc. see map attached

(*c*) The work will start within 6 days and be completed within 9 months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations. 38 years mining experience

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project: $ 25,600.00

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.). by Independent contract at $30.00 per foot, 800 ft. drifts & cross-cuts

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants. see extra sheet attached

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel. see extra sheet attached

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be. see extra sheet attached

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project. see extra sheet attached

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project. see sheet atta

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes. see extra sheet attached

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes

(*b*) How do you propose to furnish your share of the costs?

☒ Money and ☒ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated May 12th, 195 4

Paragon Mines, Inc.
(Applicant)

By Otto Peselaof

Manager

Title 18, U. S. Code (Crimes), Section 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.

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

Paragon Mines, Inc. Ophir, Colorado

3. Applicants property rights. 21 patented claims included in the Favorite Group as follows:

Yankton	Lode	Sur.	No.	19727
Elcoro	"	"	"	"
Confidence	"	"	"	19728
Camp Bird	"	"	"	"
Katie	"	"	"	"
Big Boy	"	"	"	19031
Minnie	"	"	"	"
Little Girl	"	"	"	"
Little Boy	"	"	"	"
Favorite Extension	"	"	"	"
Link	"	"	"	"
Favorite	"	"	"	"
Gold	"	"	"	"
Slide	"	"	"	"
Mount Vernon	"	"	"	"
Three Brothers	"	"	"	"
Sitting Bull	"	"	"	19433
Gold Cord	"	"	"	"
Golden Cycle	"	"	"	"
Modena	"	"	"	"
Gold Eagle	"	"	"	"

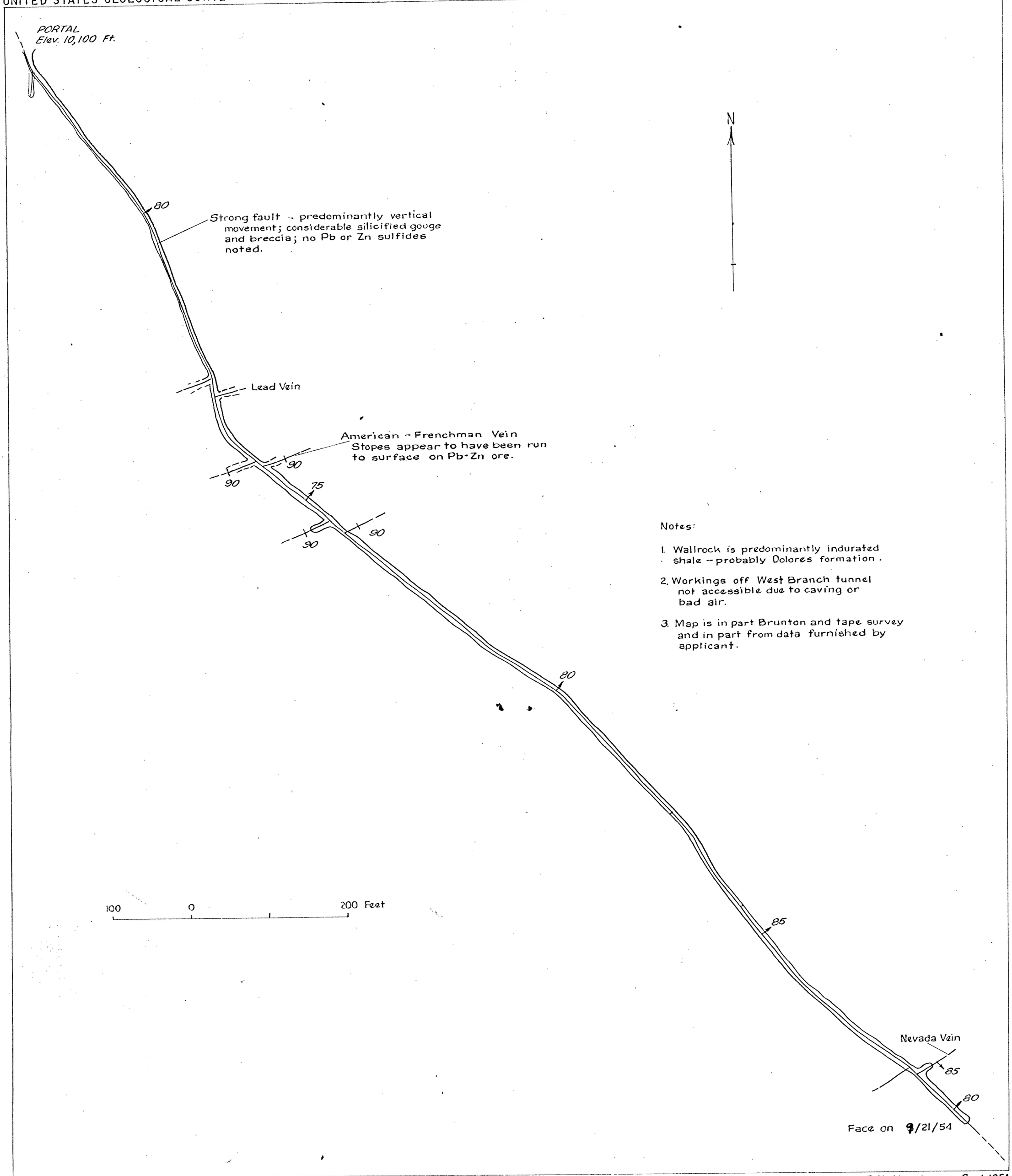
4. Physical description. (b) several hundred thousand dollars worth of ore Produced from upper workings.

6. Estimate of costs. (Labor, $ 18.00
Powder, fuse & caps 3.00
Power 2.00
Track & Pipe 2.50
Equipment 1.00
Small Tools .50
Misc. Supplies & Contingencies 5.00

Total $ 32.00 per foot

800 feet of drifts and cross-cuts Total $25,600.00

Or, 800 feet by independent contract at $30.00 per foot, total $24,000.00

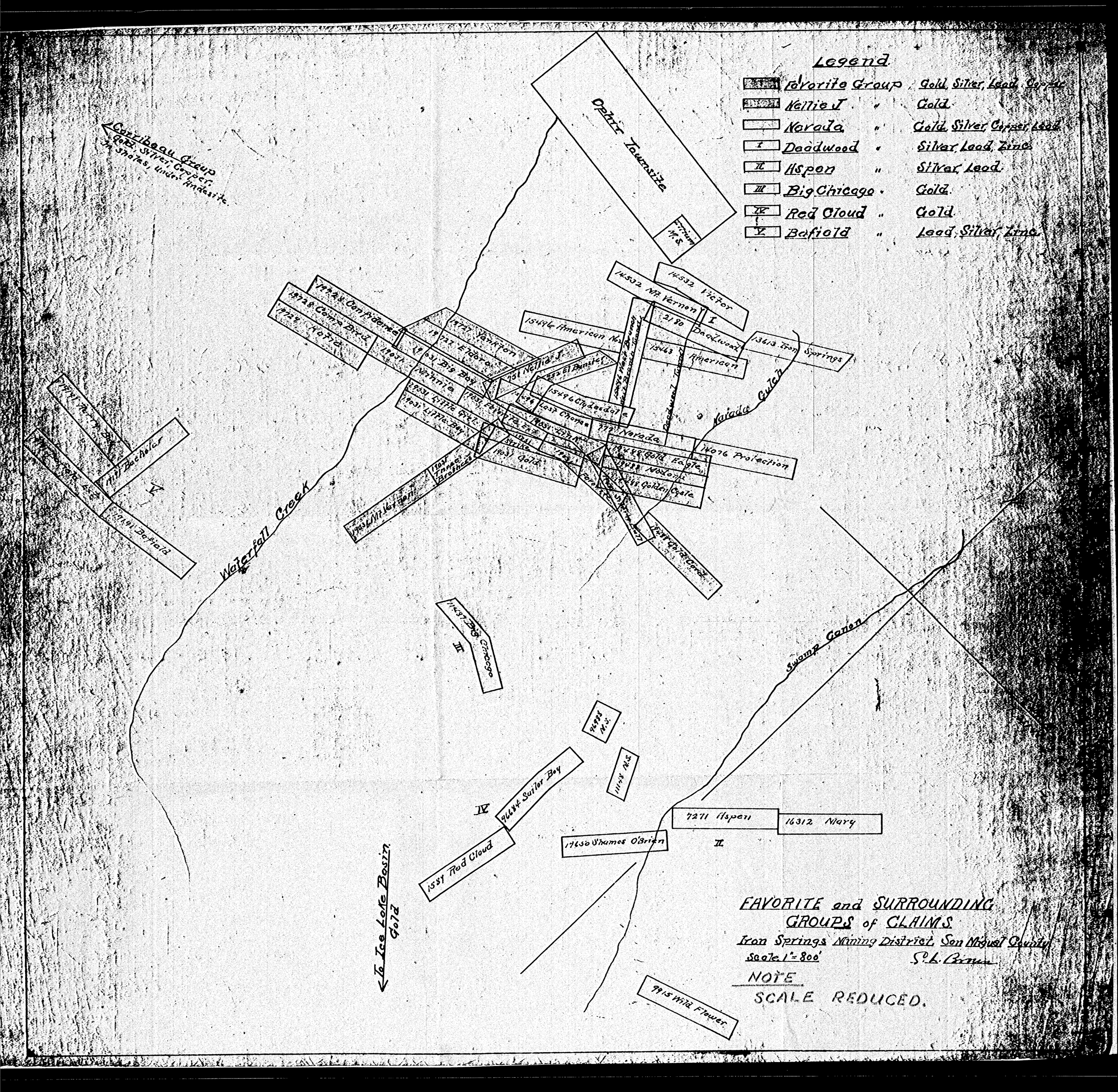


Notes:

1. Wallrock is predominantly indurated shale - probably Dolores formation.
2. Workings off West Branch tunnel not accessible due to caving or bad air.
3. Map is in part Brunton and tape survey and in part from data furnished by applicant.

Geology by E.N. Harshman, Sept. 1954

FIGURE 1 — GEOLOGIC MAP OF WEST BRANCH TUNNEL, SAN MIGUEL COUNTY, COLORADO



FAVORITE and SURROUNDING GROUPS of CLAIMS

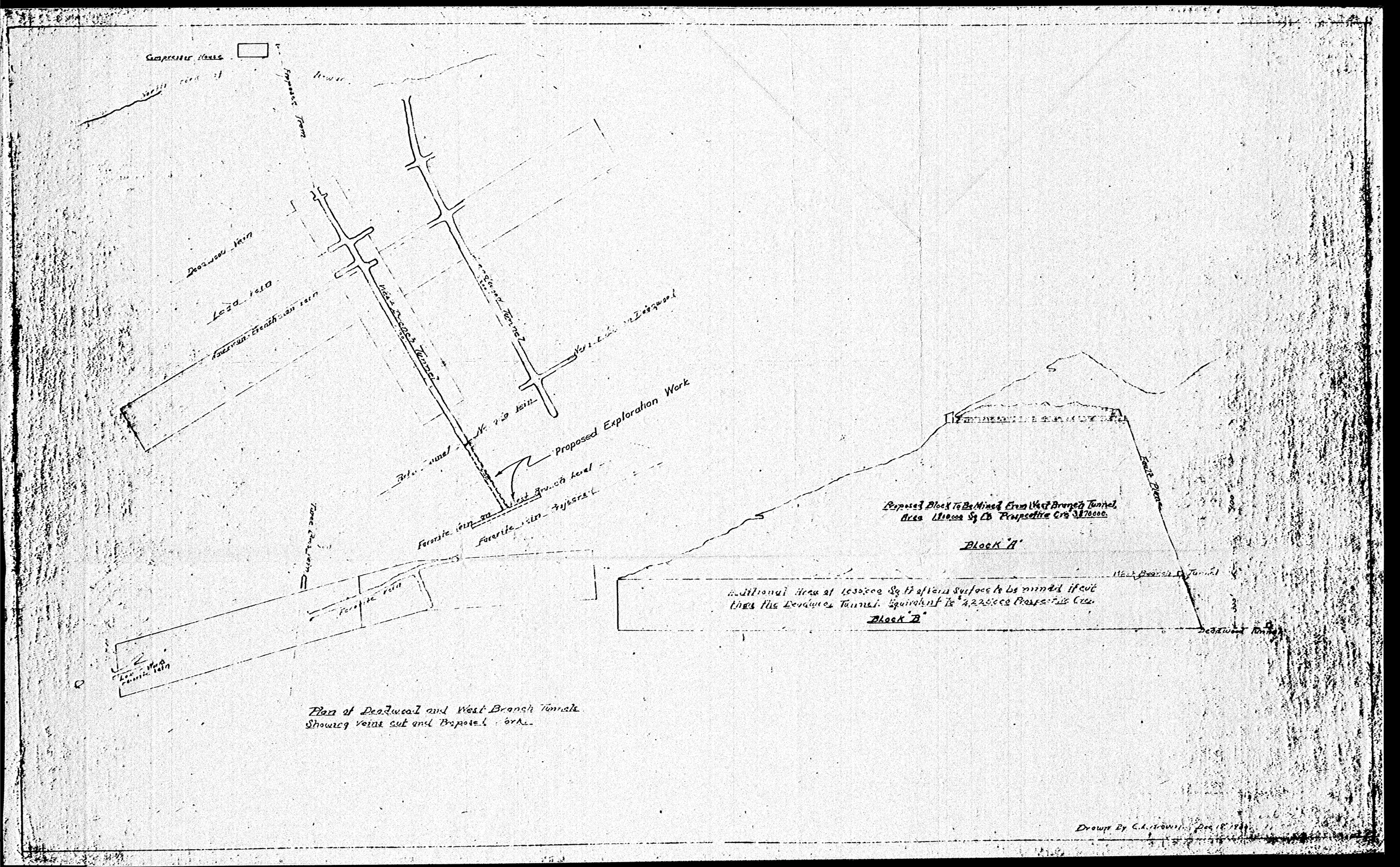
Iron Springs Mining District, San Miguel County

Scale 1" = 800'

S. L. Brown

NOTE

SCALE REDUCED.



Plan of Deadwood and West Branch Tunnels
Showing veins cut and Proposed Work.