Rec'd. May 24, 1951

3639

Preliminary Report

on

THE GILMORE MINING DISTRICT, IDAHO

By: Ralph H. Thurston, USGS DMA Docket 463

SUMMARY

The mines of the Gilmore, Idaho, area have produced between 18 and 22 million dollars in oxidized lead-silver ores of an average tenor of 11 ounces silver and 23 percent lead per ton. Oxide zinc, though not produced commercially, was contained in much of the ore mined from the district.

The 950 level of the United Idaho mine, the deepest mine working in the Gilmore district, apparently reached the top of the sulfide zone. On that level the average metal content of the two veins intersected by the meager amount of work done was approximately 9.95 ounces silver, 12.75 percent lead, and 4.75 percent zinc per ton. These figures are based on an unweighted average of all assays available. As the 950 level explored only partially the two veins mentioned, it is not certainly known that these veins correlate with those ore structures that were developed and mined on the 800 and higher levels of the mine. From known geologic conditions, it is inferred that further exploration work on the 950 level would be successful in finding additional ore deposits that should make the United Idaho a producer of zinc, lead, and silver, assuming that the grades of the

additional deposits were in the range indicated in the two veins already discovered.

The writer recommends that Government participation on a deep exploration program to explore on and beneath the 950 level of the United Idaho mine is warranted up to a sum of $250,000, or a total exploration cost of $500,000. In addition, a sum not to exceed $75,000 is indicated for exploration purposes at and above the Transportation tunnel level. Definite exploration proposals cannot be made at this time as Mr. Pierce, the applicant, himself incapable of matching funds with the Government, is presently attempting to line up participating capital in the form of one of the major mining companies. The company that engages in the work at Gilmore must, of course, decide when, where, and how they are to attack the problem. The following recommendations are offered as possible guides to future work. They are made on the basis of the best geologic evidence available, are only general, and are not made as the result of detailed field mapping.

If exploration is contemplated in the bottom of the United Idaho mine, it is recommended that crosscuts be driven to the southwest and northeast from present workings on the 950 level. Diamond drilling should then be done to explore the intersected vein structures in the Lower Variegated Series that occur immediately beneath the Upper White Dolomite in which the 950 level is driven. It is inferred that ore deposits in the Lower Variegated Series will be much larger than those in the 950 level due to the fact that the Upper White Dolomite appears to be a relatively unfavorable host rock.

The Silver Dollar vein is relatively unexplored in the vicinity in which the rake of the major part of the United Idaho ore bodies makes it look more promising. The geologic possibilities that exist along the Silver Dollar vein south of the Transportation tunnel appear promising, and, as this would be a relatively short range target area, exploration of the area seems warranted.

A third area may be explored at a relatively low cost. The intersection of the Neversweat vein with certain beds or bedding planes known to localize ore deposits in the Latest Out mine appears to be a promising possibility for close range ore. This proposal may be attacked in either of two ways, depending upon whether or not the work on the 950 level is undertaken.

Certain veins west of the veins exploited in the Gilmore mines are almost completely unexplored, despite the fact that several of these structures are known to contain lead and silver minerals. A few of the veins have yielded small amounts of ore in the past. Specific recommendations for exploration cannot be made without detailed mapping as a guide, but these structures constitute an interesting possibility.

INTRODUCTION

The Gilmore mining district is located immediately west of and adjoining the town of Gilmore, Idaho. Gilmore is located at the south end of the Lemhi Valley, about 60 miles by road southeast of Salmon, Idaho. Mr. Roger V. Pierce, the applicant, now controls by lease and lease and bond arrangements property that was originally (throughout most of the camp's active mining history) broken into three separate mine

holdings. These holdings, in the descending order of importance with production used as a basis of comparison, are the United Idaho, the Latest Out, and the Gilmore Mining Co. The Latest Out mine is located on a single claim. The United Idaho is owned jointly by the United States Smelting, Refining and Mining Co. with a 51 percent interest, and the Duquesne National Bank, of Pittsburgh, Penn., with a 49 percent interest. Ownership of the Latest Out and Gilmore Mining Co. is local to southeastern Idaho.

A branch line of the Union Pacific Railroad carried the bulk of the production from the Gilmore mines to smelters in the Salt Lake Valley. This line was removed following the suspension of operations at the United Idaho mine, and ores mined since that time have been trucked to Roberts, Idaho, and then trans-shipped to the Salt Lake Valley for refining. Roberts is connected to Gilmore by an excellent paved highway.

PRODUCTION AND MINE WORKINGS

The mines of the Gilmore district have produced between 18 and 22 million dollars worth of oxidized, essentially lead-silver ore of an average tenor of 11 ounces silver and 23 percent lead per ton. This production, based on current metal prices, would be from 60 to 100 percent higher in dollar value. Zinc, though present in oxide form in many of the camp's ores (9.9 percent in the ore on the 800 level of the United Idaho mine), has not been produced commercially. The sulfide zone has apparently been reached on the 950 level of the United Idaho mine. Sulfide ores on that level contain about 4.75 percent zinc.

The United Idaho mine has produced the bulk of the ore mined to date, with a production estimated at between 14 and 17 million dollars. The Latest Out mine, on a single claim holding, has produced in excess of 3 million dollars worth of ore. The Gilmore Mining Co. has had a smaller but unknown amount of production, essentially all of it having come from the Roy Lauer workings south of the Latest Out claim. The only current production is by Milo Zook, a lessee at the Latest Out mine.

The mines under consideration are incompletely explored by individual shafts and workings therefrom and by several adits from which miscellaneous drifts, crosscuts, and sublevels have been driven. The Transportation tunnel level, an adit, crosscuts the United Idaho property in a westerly direction and ends in ground owned by the Gilmore Mining Co. It passes to the south of the Latest Out claim. The United Idaho shaft, the deepest in the district, is connected on the 400 level to the Transportation tunnel. Near the western end of the tunnel two raises connect with the lower workings of the Roy Lauer. The Roy Lauer is in turn connected with the 600 level of the Latest Out mine. The Latest Out shaft is 700 feet deep, and a winze beneath the 700 level goes down to the 770 level.

GEOLOGY AND ORE DEPOSITS

The mines of the Gilmore area are located on the east limb of a large anticline with an axial strike slightly east of north and a plunge to the north. With minor but possibly important variations, the sedimentary beds strike northeastward and dip southeast. Local rolls

in the beds cause minor reversals of the regional dip, and one syncline is known to occur on the east limb of the major anticline.

A thick section of sedimentary rocks ranging in age from Cambrian to Permian crops out in the vicinity of Gilmore. Of these rocks, those of Ordovician to Mississippian age are known to contain valuable ore deposits. These sedimentary rocks are, for the most part, limestones and dolomites and subordinate shales, sandstones, and quartzites. They are mostly thin bedded, but several of the dolomitic members are massive. In the vicinity of the Gilmore mines these rocks have been subdivided into groups of similar composition and are known locally by the names given to the subdivisions. The productive horizons range from the Sixth Blue Dolomite at the top to the Lower Variegated Series at the bottom. Due to structural features extant in the district, not all of the productive horizons are represented at any given location. As a rule, not all of the subdivisions are equally productive, and the more massive members are relatively unproductive. For the purposes of this report only the Upper White Dolomite will be considered as an unproductive horizon.

The only igneous rocks of immediate importance in the Gilmore mines are quartz diorite porphyry dikes that are thought to be younger than the ore deposits. Some question of this interpretation may exist in specific cases, but in general the age relationship holds true.

Three types of structural features are known to localize the deposition of commercial ore bodies in the Gilmore mines. Of these the most prominent structures are a succession of northerly trending

widths were similar. One ore body in the Latest Out mine, the Sandpit ore body, was exceptionally large for the mine and rivaled in size many of the United Idaho deposits.

The ore bodies in the Latest Out mine, in addition to those localized by fault fissure-bedding intersections on the 600 and 700 levels, form at the intersections of lead-rich ore shoots in the flat veins with steep veins. The largest dimensions of such deposits are commonly along the steep vein, and because such deposits were commonly not mined very far beneath (downward along the steep vein) the intersection, it is inferred that the flat vein ore shoots fed the deposits. As the flat veins persist between the steep veins, more than one deposit may be localized along the steep veins by a single flat vein feeder. Similar structural control was noted in the old Jugovich lease area on the Noversweat vein in the United Idaho mine.

It is inferred that, in the Latest Out mine, lead-rich (zinc (?)) solutions were confined to particular beddings and to particular ore shoots along the flat veins, that these fed important deposits at intersections with steep veins, and that the steep fissures are essentially barren except at such intersections. This condition may change at depth. The ore deposits in the United Idaho mine appear to have formed without the types of control noted in the Latest Out mine and to have been localized along both steep and flat fissures. Mineralizing forces were considerably stronger in the vicinity of the United Idaho mine than elsewhere in the Gilmore district.

Little so-called "second-class" ore was mined in the Gilmore district. A small tonnage of low grade was treated in a gravity mill at the portal of the Transportation tunnel, but in general the ore was of a tenor comparable with the grade stated in another part of this report.

The ore deposits in the Gilmore district have strong apparent rakes to the southwest. A possible explanation is that minor faulting is responsible. Much bedding plane adjustment has taken place on the flank of the major anticline, especially in the thinner-bedded rocks that contain the bulk of the ore deposits. This bedding plane faulting has an oblique movement downward to the northeast. The ore deposits form across the beds and would, therefore, tend to be offset to the northeast above any bedding fault. Conversally, the portion beneath a bedding fault would have a relative movement to the southwest. Fault displacements are in general small and do not offset the individual ore bodies far enough to interrupt them. Another system of faults may also contribute toward the apparent rake of the ore deposits. These faults are of minor importance, strike easterly, and have nearly vertical dips. The northern fault block is usually downthrown.

As Mr. Pierce's proposal to further explore the 950 level of the United Idaho mine is under consideration, brief description of that level is warranted. The 950 level is driven in the Upper White Dolomite, a relatively unfavorable host rock for ore deposits, and only partially explores two veins. These veins persist for several hundreds of feet but have not been correlated with the veins developed and mined on the 800 and higher levels because of the limited extent of the 950 level and

the fact that the post-mineral Gilmore fault, the largest bedding fault known in the mine, intervenes between the 800 and 950 levels. The approximate displacement on this fault is known, but the large number of veins in the United Idaho mine makes complete data regarding the fault displacement necessary for positive vein identification beneath the fault. An unweighted average of all assays available indicates that the tenor of the essentially sulfide ore in the two veins thus far found is approximately 9.95 ounces silver, 12.75 percent lead, and 4.75 percent zinc per ton. The average width of the sample cuts is 1.5 feet.

The narrowness of these veins compared to those developed and mined on the higher levels is considered to be due to the unfavorable character of the Upper White Dolomite as a host rock but may be due to the fact that the veins found on the 950 level may not be of the larger structures known on the 800 level and above. It is axiomatic that many as yet unfound veins must be present at the elevation of the 950 level, considering the large number known to occur in the higher levels. Because these veins strike northerly to northeasterly, crosscuts to the east and west would intersect the unfound veins. As the ore deposits rake to the southwest, the area most favorable for exploration would be southwest of present workings on the 950 level.

The Lower Variegated Series is lithologically similar to the Upper Variegated Series, an excellent host rock, and is located immediately beneath the Upper White Dolomite. It is inferred that veins in the Lower Variegated Series would be considerably wider than in the

Upper White Dolomite, and that this possibility should be investigated by diamond drilling downward across the veins from the recommended crosscut to the southwest.

RECOMMENDED EXPLORATION

A. The United Idaho mine.

Mr. Pierce's desire to explore at the bottom level of the United Idaho mine has considerable merit for a long-range program in that those ore structures which have yielded the large bulk of the production of the United Idaho mine would be explored at depth. From this program, if successful, would come a complex zinc-lead-silver ore of sufficient tenor to be minable.

Taking into account the unfavorable character of the Upper White Dolomite, the meager amount of work thus far done on the 950 level, and the known rake of the United Idaho ore deposits, crosscuts from existing workings on the 950 level should be driven to the southwest, and, if necessary for diamond drill purposes, a short distance to the northeast. Such crosscuts would intersect the commercial veins of the upper levels and would provide suitable diamond drill sites to investigate the behavior of the better veins in the Lower Variegated Series. The size and grade of the intersected veins plus diamond drill results would, of course, indicate what additional work, if any, was advisable. The cost of rehabilitating the United Idaho shaft, driving the necessary headings, and drilling some 3,500 feet of diamond core drill hole would approximate $500,000. If ore deposits of a size similar to those mined on the 800 and higher levels were found to contain ore of the grade indicated by

the two veins thus far cut by the 950 level, the exploration cost might easily be repaid in a reasonable length of time.

Two possibilities for finding new ore on or near the Transportation tunnel level have considerable merit. Information in the folio of maps owned by the U. S. Smelting, Refining and Mining Co. at Salt Lake City indicates that the Silver Dollar vein is relatively unexplored in what would seem to be a favorable area. The rake of some of the flat veins known to contain commercial ore is such that it should reach the Silver Dollar vein above the Transportation tunnel level some distance south of the tunnel. Another possibility is that the Neversweat vein may be commercially mineralized at its intersection with the beds or bedding planes known to localize the ore deposits in the southeast corner of the Latest Out claim. The dip of the beds is such that this possibly favorable intersection should occur within 200 feet beneath the Transportation tunnel level, some distance north of the tunnel. This possibility may be tested in any of three ways: 1. By crosscutting toward the southeast corner of the Latest Out claim from the present drift northward along the Neversweat vein; 2. By sinking along the Neversweat vein at the proper location; or 3. By extending the 600 level of the United Idaho northwestward to the Neversweat vein and thence drifting northward along the vein. As the 600 level is underwater, this method of exploration would be contingent upon performing this work in conjunction with the deeper exploration work.

B. Possibilities other than in United Idaho ground.

Certain distinct possibilities of finding new ore exist in parts of the district other than in the United Idaho mine. However, exploitation of these possibilities should be based upon geologic mapping of the Latest Out and Roy Lauer workings and some surface mapping and trenching. In general, the possibilities appear interesting along unexplored veins that are known to occur to the west of any mined to date. Especially are these veins interesting in the vicinity (vicinities) where known ore shoots on some of the flat veins should intersect the westerly steep veins. Testing some of these possible sites for new ore might be accomplished from a northwest lateral off the Transportation tunnel.

The beds or bedding planes known to localize at least two ore deposits on the 600 and 700 levels of the Latest Out mine may also control the deposition of ore minerals along other steep fissures known to occur in the western part of the Latest Out claim. This possibility should be studied, for, due to the availability of existing mine workings in the upper part of the Latest Out mine, the work necessary to verify or disprove the hypothesis would not be great.

COPY/mDS.

(28)

FILE COPY
SURNAME:

Keating
~~Griswold~~

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

DMEA - 463

Original copy in Docket DMEA -2868

Department of the Interior

Defense Minerals Exploration Admin.

14X3923-970 Working Fund
Interior

July 7, 1953

ROGER V. PIERCE
808 NEWHOUSE BUILDING
SALT LAKE CITY, UTAH

REURTEL JULY 7 A PROPOSED CONTRACT IN PROCESS SUBJECT TO FINAL DETERMINATION POSSIBLY WITHIN TEN DAYS OR TWO WEEKS.

SD/ C. O. Mittendorf (fw)

C. O. MITTENDORF, ADMINISTRATOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

AGKeating/bjl

Copy to: Docket
Admr. R. File
Base Metals
Chron.

913

DOMESTIC SERVICE			
Check the class of service desired; otherwise this message will be sent as a full rate telegram			
FULL RATE TELEGRAM			
DAY LETTER		NIGHT LETTER	

WESTERN UNION

W. P. MARSHALL, PRESIDENT

1206

INTERNATIONAL SERVICE			
Check the class of service desired; otherwise this message will be sent at the full rate			
FULL RATE		LETTER TELEGRAM	
VICTORY LETTER		SHIP RADIOGRAM	

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			ROGER PIERCE EQUIP. SALES CO.	

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 6 1953

Send the following message, subject to the terms on back hereof, which are hereby agreed to

DMEA-463

CONFIRMATION

July 6, 1953

C. O. MITTENDORF
INTERIOR DEPARTMENT
D. M. E. A.
WASHINGTON, D.C.

SEASON GETTING ALONG. CAN YOU MOVE GILMORE APPLICATION

SO I CAN GET STARTED? THANKS.

ROGER PIERCE

ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeated message rate is charged in addition. Unless otherwise indicated on its face, this is an unrepeated message and paid for as such, in consideration whereof it is agreed between the sender of the message and this Company as follows:

1. The Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the unrepeated-message rate beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the repeated-message rate beyond the sum of five thousand dollars, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines.

2. In any event the Company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the negligence of its servants or otherwise, beyond the actual loss, not exceeding in any event the sum of five thousand dollars, at which amount the sender of each message represents that the message is valued, unless a greater value is stated in writing by the sender thereof at the time the message is tendered for transmission, and unless the repeated-message rate is paid or agreed to be paid, and an additional charge equal to one-tenth of one percent of the amount by which such valuation shall exceed five thousand dollars.

3. The Company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.

4. Except as otherwise indicated in connection with the listing of individual places in the filed tariffs of the Company, the amount paid for the transmission of a domestic telegram or an incoming cable or radio message covers its delivery within the following limits: In cities or towns of 5,000 or more inhabitants where the Company has an office which, as shown by the filed tariffs of the Company, is not operated through the agency of a railroad company, within two miles of any open main or branch office of the Company; in cities or towns of 5,000 or more inhabitants where, as shown by the filed tariffs of the Company, the telegraph service is performed through the agency of a railroad company, within one mile of the telegraph office; in cities or towns of less than 5,000 inhabitants in which an office of the Company is located, within one-half mile of the telegraph office. Beyond the limits above specified the Company does not undertake to make delivery, but will endeavor to arrange for delivery as the agent of the sender, with the understanding that the sender authorizes the collection of any additional charge from the addressee and agrees to pay such additional charge if it is not collected from the addressee. There will be no additional charge for deliveries made by telephone within the corporate limits of any city or town in which an office of the Company is located.

5. No responsibility attaches to this Company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the Company's messengers, he acts for that purpose as the agent of the sender.

6. The Company will not be liable for damages or statutory penalties when the claim is not presented in writing to the Company, (a) within sixty days after the message is filed with the Company for transmission in the case of a message between points within the United States (except in the case of an intrastate message in Texas) or between a point in the United States on the one hand and a point in Alaska, Canada, Labrador, Mexico, Newfoundland and St. Pierre & Miquelon Islands on the other hand, or between a point in the United States and a ship at sea or in the air, (b) within 95 days after the cause of action, if any, shall have accrued in the case of an intrastate message in Texas, and (c) within 180 days after the message is filed with the Company for transmission in the case of a message between a point in the United States and a foreign or overseas point other than the points specified above in this paragraph; provided, however, that this condition shall not apply to claims for damages or overcharges within the purview of Section 415 of the Communications Act of 1934.

7. It is agreed that in any action by the Company to recover the tolls for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.

8. Special terms governing the transmission of messages according to their classes, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.

9. No employee of the Company is authorized to vary the foregoing.

1-49

CLASSES OF SERVICE

DOMESTIC SERVICES

FULL RATE TELEGRAM

A full rate expedited service.

DAY LETTER (DL)

A deferred service at lower than the full rate.

SERIAL (SER)

Messages sent in sections during the same day.

NIGHT LETTER (NL)

Accepted up to 2 A. M. for delivery not earlier than the following morning at rates substantially lower than the full rate telegram or day letter rates.

INTERNATIONAL SERVICES

FULL RATE (FR)

The standard fast service at full rates. May be written in any language that can be expressed in Roman letters, or in secret language. A minimum charge for 5 words applies.

LETTER TELEGRAM (LT)

Overnight plain language messages. Minimum charge for 22 words applies.

VICTORY LETTER TELEGRAM (VLT)

Overnight plain language messages to armed forces overseas. Minimum charge for 10 words applies.

SHIP RADIOGRAM

A service to and from ships at sea. Plain or secret language may be used. Minimum charge for 5 words applies.

Application closed - Applicant unable to furnish his share of the required funds.

K

Mr. Krause

12-7-51
Acted. F.F.C. File w/dockets

ROGER V. PIERCE
CONSULTING ENGINEER
MINING MECHANIZATION SPECIALIST
808 NEWHOUSE BUILDING
SALT LAKE CITY, UTAH

DEPARTMENT OF THE INTERIOR
RECEIVED
DEC 7 1951
Defense Minerals Administration,
Production Expansion Division.

December 3, 1951

Mr. C. O. Mittendorf
Acting Administrator
Defense Minerals Exploration Administration
United States Department of the Interior
Washington 25, D.C.

Dear Mr. Mittendorf:

Re: Docket No. DMA-463
Roger V. Pierce
Exploration Project Application

I wish to thank you for your letter of recent date and note that my application for a participating Government loan on the Greater Gilmore, Idaho project was placed in an inactive file and that you mention it may be reopened.

I am glad to receive this information as there is an excellent chance that we will be in contact with you on this very shortly. As you know, it was understood from the outset that I would have to get outside help to go on a project this large, and these things do take time. There are a couple of companies now who are quite interested, and I believe that one or the other will be going into the project.

Thank you most kindly.

Yours very truly,

Roger Pierce

Roger V. Pierce

RVP eb

FILE COPY
SURNAME:

410

F L Knouse
Mittendorf

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

A. a.

NOV 30 1951

Mr. Roger V. Pierce
Consulting Engineer
808 Newhouse Building
Salt Lake City, Utah

Re: Docket No. DMA - 463
Roger V. Pierce
Exploration Project Application

Dear Mr. Pierce:

I wish to refer you to your telephone conversation with our Mr. Otto Herres of June 7, and a letter sent to you dated May 23, 1951 by Mr. Herres requesting data for the above-referenced application. As was explained by Mr. Herres, the information requested was required to enable us to process your application. Inasmuch as we have not received these data, we assume you have no further interest in obtaining the aid requested in your application. Your application is being placed in an inactive file, but this case may be re-opened, if desired, by writing to this office.

Sincerely yours,

C. O. Mittendorf (fw) 11/30

Acting Administrator
Defense Minerals Exploration
Administration

FLKnouse/meb
11/27/51
cc to: Adm.Reading File
Reports & Records
Mr. Mittendorf
Mr. Knouse
Docket

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Lyons
McKnight
Mote
Herres

May 31, 1951

Memorandum [redacted] Re: Docket DMA-463

To: Director, Production Expansion Division

From: Director, Supply Division

Subject: Recommendation for approval of application (DMA-463) submitted by Roger V. Pierce, 808 Newhouse Building, Salt Lake City, Utah, for an exploration loan.

Attached are the original application, submitted by Roger V. Pierce of Salt Lake City, Utah, and the report of the field team of the Defense Minerals Administration.

The field team, after review of the application and investigation of the property, recommends that the original proposal be modified to apply, at the present, only to the United Idaho Mine in the Gilmore mining district, Idaho, and to consist of two parts:

(a) Exploration on and beneath the 950 level of the mine to consist of rehabilitating the shaft, driving crosscuts from the present workings to the southwest and possibly to the northeast, and drilling an estimated 3,500 feet of diamond drill holes. The total cost is not to exceed $500,000.

(b) Exploration at and above the Transportation tunnel level at a cost not to exceed $75,000.

Mr. Roger V. Pierce, applicant, in a telephone conversation with Otto Herres of the Defense Minerals Administration stated that he is in accord with the modifications proposed by the field team, that he is prepared to provide his share of the total cost of $575,000, and that necessary data pertaining to methods, costs, equipment, etc., would be furnished by him at the time of negotiation of the contract.

The Lead-Zinc Branch concurs with the recommendation of the field team.

Tom Lyon

EJLyons:emp G 5/31/51
Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
L. B. Moon
R. H. Mote
L. F. Strobel
Tom Lyon

Tom Lyon, Director
Supply Division

Directors reading file 4214 GSA
Br. reading file 4214 GSA
Files

FILE COPY
SURNAME:

Herres
McKnight

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

May 25, 1951

AIR MAIL

DMA-463
Mine in Lemhi County, Idaho

Mr. Roger V. Pierce
508 Newhouse Building
Salt Lake City, Utah

Dear Roger:

In accordance with my telephone conversation with you this afternoon, I am pleased to enclose information concerning the mineral exploration program of DMA including the regulations and various forms, some of which you will require now or later. It will not be necessary for you to file Form MS-103 Application for Aid for an Exploration Project because the application you filed before this form was available answers the purpose.

Assuming that your application is acted upon favorably by the Lead-Zinc Branch and recommended for an exploration contract you probably will need to submit the Landlord's Subordination Agreement and the Mortgagor's Subordination Agreement during the negotiation of the contract. After you have completed your arrangement for matching the Government funds, it is possible that you will be called on to complete Form MF 100; at least some of the information covered by the form will be required to complete the exploration contract.

If I can be of any further assistance to you in any way, it will be appreciated if you will let me know.

Best regards.

Sincerely yours,

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

OHERRES:ks

Enclosures

cc: Strobel
Hote
McKnight
Herres
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington

May 15, 1951

Memorandum

To: Chairman, Lead-Zinc Committee, Defense Minerals Administration

From: Field Team, Region II

Subject: Gilmore Mines, Idaho, docket DMA-463

Attached is a report by Ralph H. Thurston of the U. S. Geological Survey describing ore controls in the Gilmore district and indicating the best exploratory possibilities on the basis of these controls.

The Field Team believes that a program of deep exploration below the United Idaho workings, estimated to cost $500,000, will result in revival of the "camp" and production of good-grade lead-zinc sulfide ores. An additional expenditure of $75,000 is justified for exploration at and above the Transportation level.

The Field Team recommends that Mr. Roger V. Pierce be invited to enter into an exploratory program on a matching fund basis for the objectives designated in the report, and that he present the details of such a program.

By Field Team, Region II

A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

M. E. Volin

M. E. Volin, Associate Officer
(U. S. Bureau of Mines)

Enclosures
Report in quad.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 21 1951
LANDON F. STROBEL
Executive Secretary

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Preliminary Report

on

THE GILMORE MINING DISTRICT, IDAHO

By: Ralph H. Thurston, USGS DMA Docket 463

SUMMARY

The mines of the Gilmore, Idaho, area have produced between 18 and 22 million dollars in oxidized lead-silver ores of an average tenor of 11 ounces silver and 23 percent lead per ton. Oxide zinc, though not produced commercially, was contained in much of the ore mined from the district.

The 950 level of the United Idaho mine, the deepest mine working in the Gilmore district, apparently reached the top of the sulfide zone. On that level the average metal content of the two veins intersected by the meager amount of work done was approximately 9.95 ounces silver, 12.75 percent lead, and 4.75 percent zinc per ton. These figures are based on an unweighted average of all assays available. As the 950 level explored only partially the two veins mentioned, it is not certainly known that these veins correlate with those ore structures that were developed and mined on the 800 and higher levels of the mine. From known geologic conditions, it is inferred that further exploration work on the 950 level would be successful in finding additional ore deposits that should make the United Idaho a producer of zinc, lead, and silver, assuming that the grades of the

additional deposits were in the range indicated in the two veins already discovered.

The writer recommends that Government participation on a deep exploration program to explore on and beneath the 950 level of the United Idaho mine is warranted up to a sum of $250,000, or a total exploration cost of $500,000. In addition, a sum not to exceed $75,000 is indicated for exploration purposes at and above the Transportation tunnel level. Definite exploration proposals cannot be made at this time as Mr. Pierce, the applicant, himself incapable of matching funds with the Government, is presently attempting to line up participating capital in the form of one of the major mining companies. The company that engages in the work at Gilmore must, of course, decide when, where, and how they are to attack the problem. The following recommendations are offered as possible guides to future work. They are made on the basis of the best geologic evidence available, are only general, and are not made as the result of detailed field mapping.

If exploration is contemplated in the bottom of the United Idaho mine, it is recommended that crosscuts be driven to the southwest and northeast from present workings on the 950 level. Diamond drilling should then be done to explore the intersected vein structures in the Lower Variegated Series that occur immediately beneath the Upper White Dolomite in which the 950 level is driven. It is inferred that ore deposits in the Lower Variegated Series will be much larger than those in the 950 level due to the fact that the Upper White Dolomite appears to be a relatively unfavorable host rock.

The Silver Dollar vein is relatively unexplored in the vicinity in which the rake of the major part of the United Idaho ore bodies makes it look more promising. The geologic possibilities that exist along the Silver Dollar vein south of the Transportation tunnel appear promising, and, as this would be a relatively short range target area, exploration of the area seems warranted.

A third area may be explored at a relatively low cost. The intersection of the Neversweat vein with certain beds or bedding planes known to localize ore deposits in the Latest Out mine appears to be a promising possibility for close range ore. This proposal may be attacked in either of two ways, depending upon whether or not the work on the 950 level is undertaken.

Certain veins west of the veins exploited in the Gilmore mines are almost completely unexplored, despite the fact that several of these structures are known to contain lead and silver minerals. A few of the veins have yielded small amounts of ore in the past. Specific recommendations for exploration cannot be made without detailed mapping as a guide, but these structures constitute an interesting possibility.

INTRODUCTION

The Gilmore mining district is located immediately west of and adjoining the town of Gilmore, Idaho. Gilmore is located at the south end of the Lemhi Valley, about 60 miles by road southeast of Salmon, Idaho. Mr. Roger V. Pierce, the applicant, now controls by lease and lease and bond arrangements property that was originally (throughout most of the camp's active mining history) broken into three separate mine

holdings. These holdings, in the descending order of importance with production used as a basis of comparison, are the United Idaho, the Latest Out, and the Gilmore Mining Co. The Latest Out mine is located on a single claim. The United Idaho is owned jointly by the United States Smelting, Refining and Mining Co. with a 51 percent interest, and the Duquesne National Bank, of Pittsburgh, Penn., with a 49 percent interest. Ownership of the Latest Out and Gilmore Mining Co. is local to southeastern Idaho.

A branch line of the Union Pacific Railroad carried the bulk of the production from the Gilmore mines to smelters in the Salt Lake Valley. This line was removed following the suspension of operations at the United Idaho mine, and ores mined since that time have been trucked to Roberts, Idaho, and then trans-shipped to the Salt Lake Valley for refining. Roberts is connected to Gilmore by an excellent paved highway.

PRODUCTION AND MINE WORKINGS

The mines of the Gilmore district have produced between 18 and 22 million dollars worth of oxidized, essentially lead-silver ore of an average tenor of 11 ounces silver and 23 percent lead per ton. This production, based on current metal prices, would be from 60 to 100 percent higher in dollar value. Zinc, though present in oxide form in many of the camp's ores (9.9 percent in the ore on the 800 level of the United Idaho mine), has not been produced commercially. The sulfide zone has apparently been reached on the 950 level of the United Idaho mine. Sulfide ores on that level contain about 4.75 percent zinc.

The United Idaho mine has produced the bulk of the ore mined to date, with a production estimated at between 14 and 17 million dollars. The Latest Out mine, on a single claim holding, has produced in excess of 3 million dollars worth of ore. The Gilmore Mining Co. has had a smaller but unknown amount of production, essentially all of it having come from the Roy Lauer workings south of the Latest Out claim. The only current production is by Milo Zook, a lessee at the Latest Out mine.

The mines under consideration are incompletely explored by individual shafts and workings therefrom and by several adits from which miscellaneous drifts, crosscuts, and sublevels have been driven. The Transportation tunnel level, an adit, crosscuts the United Idaho property in a westerly direction and ends in ground owned by the Gilmore Mining Co. It passes to the south of the Latest Out claim. The United Idaho shaft, the deepest in the district, is connected on the 400 level to the Transportation tunnel. Near the western end of the tunnel two raises connect with the lower workings of the Roy Lauer. The Roy Lauer is in turn connected with the 600 level of the Latest Out mine. The Latest Out shaft is 700 feet deep, and a winze beneath the 700 level goes down to the 770 level.

GEOLOGY AND ORE DEPOSITS

The mines of the Gilmore area are located on the east limb of a large anticline with an axial strike slightly east of north and a plunge to the north. With minor but possibly important variations, the sedimentary beds strike northeastward and dip southeast. Local rolls

in the beds cause minor reversals of the regional dip, and one syncline is known to occur on the east limb of the major anticline.

A thick section of sedimentary rocks ranging in age from Cambrian to Permian crops out in the vicinity of Gilmore. Of these rocks, those of Ordovician to Mississippian age are known to contain valuable ore deposits. These sedimentary rocks are, for the most part, limestones and dolomites and subordinate shales, sandstones, and quartzites. They are mostly thin bedded, but several of the dolomitic members are massive. In the vicinity of the Gilmore mines these rocks have been subdivided into groups of similar composition and are known locally by the names given to the subdivisions. The productive horizons range from the Sixth Blue Dolomite at the top to the Lower Variegated Series at the bottom. Due to structural features extant in the district, not all of the productive horizons are represented at any given location. As a rule, not all of the subdivisions are equally productive, and the more massive members are relatively unproductive. For the purposes of this report only the Upper White Dolomite will be considered as an unproductive horizon.

The only igneous rocks of immediate importance in the Gilmore mines are quartz diorite porphyry dikes that are thought to be younger than the ore deposits. Some question of this interpretation may exist in specific cases, but in general the age relationship holds true.

Three types of structural features are known to localize the deposition of commercial ore bodies in the Gilmore mines. Of these the most prominent structures are a succession of northerly trending

fault-fissures that dip steeply to the west or northwest. These fissures are known locally as "vertical" or "steep" veins. A second system of veins strikes generally northeast and also dips northwest or west. These fissures, known locally as "flat" veins, have dips that range from 10° to 60° compared to dips of from 70° to 90° for the "steeps." The dips of either system of fissures may exhibit an extreme range locally. A third type of control, mineralized beds or bedding planes, appears to have localized at least three ore deposits at an intersection of a bed or bedding plane with a steep fissure.

The genetic relationship of the ore minerals at Gilmore has not been studied in detail by the writer, but specular hematite and siderite appear to have been deposited first, followed by galena and sphalerite (?). It is noteworthy that the oxidation derivatives of the specular hematite and siderite, as well as remnant nodules of both minerals, are everywhere abundant in the veins, but that lead and silver minerals (and suppositionally zinc minerals) were introduced in more restricted locations.

The ore deposits in the United Idaho mine were in general larger and more extensive than those in the Latest Out and Gilmore Mining Co. mines. Stopes in the United Idaho ranged in width from 2.25 to over 16 feet and were often in excess of 400 feet long. One or more deposits was mined continuously from the 500 level to the surface. Depositional control was apparently more selective in the Latest Out and Roy Lauer areas, and the ore deposits were usually not as extensive either laterally or vertically as those in the United Idaho mine, even though minable

widths were similar. One ore body in the Latest Out mine, the Sandpit ore body, was exceptionally large for the mine and rivaled in size many of the United Idaho deposits.

The ore bodies in the Latest Out mine, in addition to those localized by fault fissure-bedding intersections on the 600 and 700 levels, form at the intersections of lead-rich ore shoots in the flat veins with steep veins. The largest dimensions of such deposits are commonly along the steep vein, and because such deposits were commonly not mined very far beneath (downward along the steep vein) the intersection, it is inferred that the flat vein ore shoots fed the deposits. As the flat veins persist between the steep veins, more than one deposit may be localized along the steep veins by a single flat vein feeder. Similar structural control was noted in the old Jugovich lease area on the Neversweat vein in the United Idaho mine.

It is inferred that, in the Latest Out mine, lead-rich (zinc (?)) solutions were confined to particular beddings and to particular ore shoots along the flat veins, that these fed important deposits at intersections with steep veins, and that the steep fissures are essentially barren except at such intersections. This condition may change at depth. ← ?, why The ore deposits in the United Idaho mine appear to have formed without the types of control noted in the Latest Out mine and to have been localized along both steep and flat fissures. Mineralizing forces were considerably stronger in the vicinity of the United Idaho mine than elsewhere in the Gilmore district.

Little so-called "second-class" ore was mined in the Gilmore district. A small tonnage of low grade was treated in a gravity mill at the portal of the Transportation tunnel, but in general the ore was of a tenor comparable with the grade stated in another part of this report.

The ore deposits in the Gilmore district have strong apparent rakes to the southwest. A possible explanation is that minor faulting is responsible. Much bedding plane adjustment has taken place on the flank of the major anticline, especially in the thinner-bedded rocks that contain the bulk of the ore deposits. This bedding plane faulting has an oblique movement downward to the northeast. The ore deposits form across the beds and would, therefore, tend to be offset to the northeast above any bedding fault. Conversally, the portion beneath a bedding fault would have a relative movement to the southwest. Fault displacements are in general small and do not offset the individual ore bodies far enough to interrupt them. Another system of faults may also contribute toward the apparent rake of the ore deposits. These faults are of minor importance, strike easterly, and have nearly vertical dips. The northern fault block is usually downthrown.

As Mr. Pierce's proposal to further explore the 950 level of the United Idaho mine is under consideration, brief description of that level is warranted. The 950 level is driven in the Upper White Dolomite, a relatively unfavorable host rock for ore deposits, and only partially explores two veins. These veins persist for several hundreds of feet but have not been correlated with the veins developed and mined on the 800 and higher levels because of the limited extent of the 950 level and

the fact that the post-mineral Gilmore fault, the largest bedding fault known in the mine, intervenes between the 800 and 950 levels. The approximate displacement on this fault is known, but the large number of veins in the United Idaho mine makes complete data regarding the fault displacement necessary for positive vein identification beneath the fault. An unweighted average of all assays available indicates that the tenor of the essentially sulfide ore in the two veins thus far found is approximately 9.95 ounces silver, 12.75 percent lead, and 4.75 percent zinc per ton. The average width of the sample cuts is 1.5 feet.

The narrowness of these veins compared to those developed and mined on the higher levels is considered to be due to the unfavorable character of the Upper White Dolomite as a host rock but may be due to the fact that the veins found on the 950 level may not be of the larger structures known on the 800 level and above. It is axiomatic that many as yet unfound veins must be present at the elevation of the 950 level, considering the large number known to occur in the higher levels. Because these veins strike northerly to northeasterly, crosscuts to the east and west would intersect the unfound veins. As the ore deposits rake to the southwest, the area most favorable for exploration would be southwest of present workings on the 950 level.

The Lower Variegated Series is lithologically similar to the Upper Variegated Series, an excellent host rock, and is located immediately beneath the Upper White Dolomite. It is inferred that veins in the Lower Variegated Series would be considerably wider than in the

Upper White Dolomite, and that this possibility should be investigated by diamond drilling downward across the veins from the recommended crosscut to the southwest.

RECOMMENDED EXPLORATION

A. The United Idaho mine.

Mr. Pierce's desire to explore at the bottom level of the United Idaho mine has considerable merit for a long-range program in that those ore structures which have yielded the large bulk of the production of the United Idaho mine would be explored at depth. From this program, if successful, would come a complex zinc-lead-silver ore of sufficient tenor to be minable.

Taking into account the unfavorable character of the Upper White Dolomite, the meager amount of work thus far done on the 950 level, and the known rake of the United Idaho ore deposits, crosscuts from existing workings on the 950 level should be driven to the southwest, and, if necessary for diamond drill purposes, a short distance to the northeast. Such crosscuts would intersect the commercial veins of the upper levels and would provide suitable diamond drill sites to investigate the behavior of the better veins in the Lower Variegated Series. The size and grade of the intersected veins plus diamond drill results would, of course, indicate what additional work, if any, was advisable. The cost of rehabilitating the United Idaho shaft, driving the necessary headings, and drilling some 3,500 feet of diamond core drill hole would approximate $500,000. If ore deposits of a size similar to those mined on the 800 and higher levels were found to contain ore of the grade indicated by

the two veins thus far cut by the 950 level, the exploration cost might easily be repaid in a reasonable length of time.

Two possibilities for finding new ore on or near the Transportation tunnel level have considerable merit. Information in the folio of maps owned by the U. S. Smelting, Refining and Mining Co. at Salt Lake City indicates that the Silver Dollar vein is relatively unexplored in what would seem to be a favorable area. The rake of some of the flat veins known to contain commercial ore is such that it should reach the Silver Dollar vein above the Transportation tunnel level some distance south of the tunnel. Another possibility is that the Neversweat vein may be commercially mineralized at its intersection with the beds or bedding planes known to localize the ore deposits in the southeast corner of the Latest Out claim. The dip of the beds is such that this possibly favorable intersection should occur within 200 feet beneath the Transportation tunnel level, some distance north of the tunnel. This possibility may be tested in any of three ways: 1. By crosscutting toward the southeast corner of the Latest Out claim from the present drift northward along the Neversweat vein; 2. By sinking along the Neversweat vein at the proper location; or 3. By extending the 600 level of the United Idaho northwestward to the Neversweat vein and thence drifting northward along the vein. As the 600 level is underwater, this method of exploration would be contingent upon performing this work in conjunction with the deeper exploration work.

B. Possibilities other than in United Idaho ground.

Certain distinct possibilities of finding new ore exist in parts of the district other than in the United Idaho mine. However, exploitation of these possibilities should be based upon geologic mapping of the Latest Out and Roy Lauer workings and some surface mapping and trenching. In general, the possibilities appear interesting along unexplored veins that are known to occur to the west of any mined to date. Especially are these veins interesting in the vicinity (vicinities) where known ore shoots on some of the flat veins should intersect the westerly steep veins. Testing some of these possible sites for new ore might be accomplished from a northwest lateral off the Transportation tunnel.

The beds or bedding planes known to localize at least two ore deposits on the 600 and 700 levels of the Latest Out mine may also control the deposition of ore minerals along other steep fissures known to occur in the western part of the Latest Out claim. This possibility should be studied, for, due to the availability of existing mine workings in the upper part of the Latest Out mine, the work necessary to verify or disprove the hypothesis would not be great.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 8, Washington

May 15, 1951

Mr. L. F. Strobel
Executive Secretary
Defense Minerals Administration
Washington 25, D. C.

Dear Mr. Strobel:

Enclosed herewith are four copies of a report by Mr. R. H. Thurston of the Geological Survey on the Gilmore Mining district with reference to docket DMA-463, an exploration contract submitted by Mr. Roger V. Pearce. Also enclosed in quadruplicate is a memorandum from the Field Team.

Would you please forward the above to the Lead-Zinc Commodity Committee. The original docket material is returned herewith.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

cc: M.E. Volin, U.S.B.M.

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 21 1951
LANDON F. STROBEL
Executive Secretary

FILE COPY
SURNAME:

McKnight
Moon
Herres

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

March 12, 1951

Re: Docket DMA-463

Mr. A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II
S. 157 Howard Street
Spokane 8, Washington

Dear Mr. Weissenborn:

Enclosed is the missing letter of January 10 sent in by Roger B. Pierce, to accompany his application DMA-463. This is the letter about which Mr. Thor Hilsgaard wrote on February 27. Also enclosed with Mr. Pierce's letter is a filled out statement of facts on the Bureau of Mines' form.

Very truly yours,

OTTO HERRES

Otto Herres, Chief
Lead-Zinc Branch

Enclosures 2
ETMcKnight:emp
G-3/12/51
Copies to: Chief, Lead-Zinc Br.
USGS - McKnight
L. B.Moon
R.H. Mote
2 copies to Exec. Officer
Regional Field Team, Region II
Strobel
Mitendorf
Files

DMA-463

958

MAR 8 1951

LINDON F. STROBEL

Mr. Herres

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 8, Washington

MAR 7 8 05 AM '51
BUREAU OF MINES
WASHINGTON, D.C.

February 27, 1951

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

Re: Docket DMA 463

Dear Mr. Herres:

Your letter of February 12 regarding the application of Roger V. Pierce on the mines in the vicinity of Gilmore, Lemhi County, Idaho, reference DMA Docket 463, has been received. We note, however, that the applicant's letter of January 10 mentioned in the first paragraph of your letter is missing. Inasmuch as this letter might bear on the problems on hand, we are wondering if it would be possible for you to forward it or a copy thereof to this office.

Yours very truly,

Thor Kiilsgaard

Thor Kiilsgaard

For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

MAR 5 1951

FILE COPY
SURNAME:

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

McKnight
Mott
Herrea
Dingwall
for
Rice
Westendorf
Dyon

February 12, 1951

Memorandum

Re: Docket DMA-463

To: Executive Officer of Field Team, Region II
Through Operating Committee and Director, Supply Division

From: Lead-Zinc Branch

Subject: Application of Roger V. Pierce
808 Newhouse Building
Salt Lake City, Utah
Mines in vicinity of Gilmore,
Lemhi County, Idaho

Subject docket has been reviewed and referred to field team for further information and advice, in view of fact that field men of both Bureau of Mines and Geological Survey have recently studied the area (see page 2 of applicant's letter of January 10). Little geologic and engineering data are given in the application, but it is stated that geologic and engineering records are available and have been seen by the Bureau and Survey men (see page 2 of the Bureau of Mines questionnaire).

This proposal may fit into the DMA program in two ways. First, if the primary purpose of proposal is exploration, and if appraisal of geologic possibilities for discovery of new ore bodies and of engineering competence of applicant to carry out this exploration are favorable, the project would be eligible for the exploration aid program when this program is announced, regardless of whether the metal sought is lead or zinc.

Second, if zinc-bearing bodies are already known to exist and can be economically mined within the present price for zinc and lead, and if mining feasibility and competence of the applicant is established, a purchase contract can be negotiated through DMA to guarantee a market for the zinc at the present price (17½ cents) for a set period. It is important to establish the time schedule and rate at which such zinc can be produced, as applicant may borrow from a bank and have the loan guaranteed by a Federal Reserve bank on the basis of the purchase rate negotiated in his purchase contract.

There is, at present, no corresponding program for governmental purchase of lead.

Applicant stresses possibility of mining direct shipping ore, possibly meaning lead-silver ore. Only the price for recoverable zinc in the mined ore can be guaranteed under the present program.

Direct loans to applicant for mining of zinc are not at present being recommended to the R. F. C. under the current program of DMA.

OTTO MERRES, Chief
Lead-Zinc Branch, DMA

Approved:
DMA Operating Committee

_____
Chairman

_____
J. H. Hedges

_____
Olaf N. Rove

ETMcKnight:jeh
C-2/12/51

copy to: Chief, Lead-Zinc Branch
Geological Survey - McKnight
J. H. Hedges
R. H. Mote
2 copies to Executive Officer,
Regional Field Team, Region II
Strobel
Mittendorf
Files

Mr. Herres

DEFENSE MINERALS ADMINISTRATION

Referral of Applications for Government Aid

Docket No. DMA - 463

Commodity: lead zinc

Name of Applicant: Roger V. Pierce

Address of Applicant: 808 Newhouse Building
Salt Lake City, Utah

Name of Property: Latest Out Mine, Gilmore Merc. Mine, United Idaho Mine, Deleward Idaho Gold Mines

Location of Property: Lemhi County, Idaho

Nature of Application: Loan of $714,200

Action Dates

Application: 1/12/51

Received: 1/18/51

Acknowledged:

Referred to NONFERROUS METALS Committee: 1/22/51

FILE COPY
SURNAME:

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

McKnight
Mote
Hedges
Strobel
Mittendorf
Hedges

February 12, 1951

Re: Docket DMA-463

Mr. Roger V. Pierce
808 Newhouse Building
Salt Lake City, Utah

Dear Mr. Pierce:

Your application (Docket DMA-463) for a Government loan under the provisions of the Defense Production Act of 1950 has been reviewed by the Lead-Zinc Branch of the Defense Minerals Administration. Before final decision can be taken on your request it will be necessary to obtain additional information on your property. Your application, therefore, has been referred to the appropriate field office with the request that the needed information be supplied to us.

Yours very truly,

S. H. Williston, Director
Supply Division
Defense Minerals Administration

ETMcKnight:jeh
G-2/12/51

copy to: Chief, Lead-Zinc Branch
Geological Survey - McKnight
J. H. Hedges
R.H. Mote
2 copies to Executive Officer,
Regional Field Team, Region II
Strobel
Mittendorf
Files

LANDON F. STRO... DMA463

ROGER V. PIERCE
CONSULTING ENGINEER
MINING MECHANIZATION SPECIALIST
808 NEWHOUSE BUILDING
SALT LAKE CITY, UTAH

JAN 15 8 43 AM '51
BUREAU OF MINES
WASHINGTON, D.C.

January 10, 1951

Air Mail

Mr. James Boyd, Acting Deputy Administrator
Defense Minerals Administration
U. S. Department of Interior
Bureau of Mines
Washington 25, D. C.

Dear Mr. Boyd:

The following is further in connection with my letter to you of November 21, 1950 and your answer of November 29, 1950 and comes as a step further toward trying to get one of the better known lead, zinc silver producers of years gone by back into production--one which could very well contribute a sizeable tonnage of zinc and lead in a short time.

To refresh your memory, or rather to tie in with my original wire request to you for loan forms to obtain government assistance on this project, the camp is in Idaho and centers about the former producing mines of Gilmore. These properties are located approximately 100 miles north of Idaho Falls on a blacktop highway between Idaho Falls and Salmon, Idaho.

Production in lead and zinc has been large enough and does warrant a complete re-examination of the possibilities that exist for additional production at this time. This project is one where lower level development could disclose continuation of the ore bodies that were mined in the upper levels, and, if the grade that was mined could be maintained, then here is a district that offers not low-grade milling ore but high-grade direct smelting ore which would deliver additional metal without too much capital outlay and one that would, or could, be brought into production within a fairly short time.

The camp has a production record of about 200,000,000 pounds of lead, and this has all been from the oxide zone. I do not know the actual poundage of lead and zinc that has been produced, but one record shows that during the period of seven years, from 1904 to 1911, 30,913,845 pounds of lead were produced and 599,720 pounds of copper. There have been several other production periods since that time and up until 1929 one property alone produced over 100,000,000 pounds of lead plus zinc and silver. All of this came from the oxide zone in the upper limestones. The sulphide zone has not been tested, and there is an additional 1200 to 1400 feet of limestone below where the last work was done.

To give you a short resume of the history of the camp, the U. S. Smelting, Refining & Mining Company owns four or five claims in the heart of the main

productive area, and it is in their ground that a high percentage of the work has been done and from which most of the production came. During the time that they operated, their property was owned in conjunction with a firm that has since gone bankrupt. U. S. Smelting Company operated here and carried the major load of the expenditures. They closed down in 1929 when one of the diesel engines went to pieces. At that time the Smelting Company went to the minor stockholders to see if some sort of an arrangement could be made so each interest would appropriate a proportionate amount of money, form a coalition of the other properties in the area, and test the area at depth. At the time the place was forced to close, one area on the new lowest level disclosed the first sulphide ores ever encountered in this area.

During the ten years I traveled on underground consulting and mine mechanizing programs throughout the States, Canada and Mexico, I came to the conclusion that if anything was ever to be done with this camp it would be necessary to consolidate all of the property, and through the assistance of the Bureau of Mines or a Government loan a program could be set up so as to proceed with the necessary deep-level development. As late as two months ago, this consolidation was completed and all of these properties are now tied together for the first time in history. A 20-year lease at reasonable terms from the U. S. Smelting, Refining & Mining Company, on their ground, is in my hands, a bond and lease on reasonable terms is now held on five other adjoining groups of claims, and the owners have all assured me that they will cooperate with the Bureau of Mines, the Defense Minerals Administration, or a Government financing agency, in working toward placing this camp back into production. Their geology files, geological assistance and records are all available.

I have had Mr. M. E. Volin of the U. S. Bureau of Mines visit the area with me, and he, in turn, has had Mr. Tabor of the Bureau of Mines and Mr. Ralph Thurston, U.S.G.S., make a trip into the area, and they have on their initial inspections voiced the opinion that this area offers possibilities for additional zinc and lead production. There are several places in which the Bureau of Mines could be most instrumental in carrying out a diamond drilling and general development program. It has been suggested that this entire district, dormant for 20 years, be given a thorough study. There are a number of places that warrant development work being done. There are several possible faulted sections that might be located. These, for the most part, are not costly, long-range projections.

I have gone through and filled out the application forms for a Government loan. It is difficult to make such application where the problem has several approaches. However, this one follows an approach that would cover testing this entire oldtime producer at depth and thinking in terms of a new producer of zinc which would add another 200,000,000 or 300,000,000 pounds of lead to the national output. In brief, a shaft 600 to 800 feet would be sunk vertical from an existing underground tunnel or the present incline shaft now in existence would be reopened, repaired and dewatered, and at this depth all of the producing veins found in the upper limestones would be tested in what has been proven to be the start of the sulphide zone. Initial development shows high-grade zinc coming into the picture on this bottom level. A program of this type would run somewhere in the neighborhood of $750,000 to $850,000.

I invite your careful study of an area that has been setting idle since lead sold for three and a half cents a pound and zinc carried a penalty.

Thanking you for your assistance, I am

Yours very truly,

Roger Pierce

Roger V. Pierce

RVP eb

Budget Bureau No. 42-R425.3
Approval Expires June 30, 1950

DMA-463

UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF MINES

WASHINGTON 25, D. C.

STATEMENT OF FACTS AS TO THE LOCATION AND NATURE
OF MINERAL DEPOSITS

The Bureau of Mines is directed by Sec. 7(a) of Public Law 520 - 79th Congress - to investigate domestic mineral resources with a view to developing greater reserves of those minerals which are essential to national defense or industry, and of which our present or probable future supplies are inadequate. The development program resulting from this legislation is based largely on the systematic examination of known mineral occurrences; a few carefully selected deposits are developed further by trenching, test-pitting, drilling, or other means. A development project must show promise of making a substantial contribution to the national security or economy, relative to the effort expended. The emphasis placed upon different mineral commodities will vary from time to time in accordance with changes in the trend of industrial demand and the needs of the stockpiling program.

It is not intended that the Bureau's development work shall duplicate or supplant the efforts of private industry, hence its projects are largely centered on deposits which are marginal in character or for some reason do not appear to justify private investment.

The results of preliminary examinations are not ordinarily released for publication, nor can the examination reports be made available to owners or other than Government agencies. The factual data resulting from development projects, including sampling and assaying data, are made available to owners upon conclusions of the projects, however, and are published as soon as possible afterward.

Applications for examinations or development projects are unnecessary, but initial investigation may be greatly assisted by complete factual information from interested parties. Examinations and other investigations will be made only in accord with the best judgment of the Bureau's engineers and the limitations of funds and personnel.

The following statement lists data especially desired. A supplementary sheet may be used if necessary for extended remarks.

STATEMENT

Made by: Roger V. Pierce Address: 808 Newhouse Building, Salt Lake City, Utah.

Date: December 6, 1950 Name of Property: (1) Latest out Mine. (2) Gilmore Merc. (3) United Idaho Mine. (4) Deleward Idaho Gold Mines. Metal: Lead - Zinc

Owned by: The above companies.. Owner's Address: (1) Salmon, Idaho. (2) Gilmore, Idaho. (3) Newhouse Building, Salt Lake City, Utah. (4) Ridgeway, Pennsylvania.

Leased or optioned to: Roger V. Pierce. Address: 808 Newhouse Building, Salt Lake City.

Situated in: Texas Mining District.

Section ; Township ; Range ; Lemhi (County) Idaho (State)

Give detailed directions for reaching property from nearest town:

This covers the entire camp of Gilmore, Idaho. Gilmore is 3 - 4 miles west of a blacktop highway between Idaho Falls and Salmon Idaho.

Name and address of local resident who can direct to the deposit:

Mr. E. J. Tucker, Gilmore, Idaho.

History of deposit: Production started about 1890. Railroad came in 1910; production high during next few years. Then spotty through 1920 to 1927. Last work was done between 1927 and 1929. The various companies never got together for a consolidation and therefore no concentrated, centralized lower-level development program was ever carried out.

Shipments of ore made: Camp has produced ~~over~~ Approx 200,000,000 pounds of lead, zinc and 2,000,000 to 3,000,000 ounces of silver.

Known Dimensions of the deposit:

Length: Old workings show stopes of high-grade lead 500' long - 3 to 10' wide.

Inclination: Vary from stringers to stopes that were 400 - 500 long and 3' to 10' wide, dipping 50 degrees.

Workings: There is a good chance for a bedding on one of the lower limestone beds. There is over 1000 feet of untested limestone below the present lowest workings of the camp.

General description of mineral showings:

For the most part, there are a sizeable number of iron veins or stringers that cut across the limestone beds and these veins dip about 45 to 50 degrees. Ore found in the past has been persistent to depth. The district warrants full and complete study by the Bureau of Mines and does warrant a development program that would take full advantage of present-day geological know how and modern exploration practices.

Maps or sketches, especially those showing location of individual samples, their widths and values:

There is a portfolio of maps available that covers the work done from 1900 to 1929. These have been seen by the U.S.G.S., and Bureau of Mines men who have visited the area. All of U. S. Smelting Company's maps and records are available.

(If available) Engineer's report by See Bureau Mines & U.S.G.S. Reports Idaho yearly reports. submitted (to be returned) (not to be returned)

DMR-463

Form NSRB-146
(Nov. 1950)

UNITED STATES GOVERNMENT

APPLICATION FOR GOVERNMENT LOAN UNDER SEC. 302 OF DEFENSE PRODUCTION ACT OF 1950

FORM APPROVED
BUDGET BUREAU NO. 25-R002

AMOUNT OF LOAN REQUESTED

TERMS OF LOAN REQUESTED

DATE OF APPLICATION

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

Roger V. Pierce, Consulting Engineer
608 Newhouse Building
Salt Lake City, Utah

TO BE FILLED IN BY DELEGATE AGENCY

(DATE RECEIVED)

COMM.

AGRIC.

INT.

D.T.A.

FILE NO.

INSTRUCTIONS

Application should be filed with the Department of Commerce, Department of Agriculture, Department of Interior, or the Defense Transport Administration, whichever has the primary interest in the facilities, products, or processes involved. However, for convenience of the applicant, he may file with any government agency with which he has contract or other pertinent relationships and such agency will arrange for the transmittal of the application to the appropriate office.

Submit four (4) signed copies of the application. Name and address of applicant should be stamped or typed for identification of each sheet of the application and all accompanying papers. When a question is inapplicable, this should be so stated on the form. Additional sheets may be attached in answering any questions or in providing other supporting information.

1. PURPOSE OF LOAN

Give a brief general statement of the purpose of the loan requested, including in the table below estimated amounts for such major purposes as land acquisition, building construction, purchase of plant, purchase of equipment, working capital, repayment of debt, etc. Statement should make clear whether funds will be used for expansion of capacity, development of technological processes, or production of essential materials.

General Statement This loan would be used to entirely and completely test an entire ore at depth and the estimates should be ample to do the work. The entire amount of this loan will be used toward exploration and development of lead-zinc ore bodies in the mines of the Gilmore, Idaho district. The district is one that has produced 17,000,000 in metal values and has been dormant since the 1929 economic crash. The area has finally been consolidated under one head and now, for the first time, all the veins in the district can be tested economically from a central shaft.

NATURE OF EXPENDITURE	AMOUNT
Diesel plant 1200 to 1700 KVA. Reconditioned or factory rebuilt	125,000.00
Compressor. 2500 cu. ft.	21,500.00
Hoist for 1500' depth	22,500.00
Pumps based on triple gallonage pumped before	23,000.00
Rope ir, raopen and downtow shaft and lower workings	143,750.00
Mine cars	8,000.00
Jumbos	4,500.00
Mucking machines	6,000.00
Pipe	9,500.00
Rail	17,500.00
Total amount applied for	(over)

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Nature of Expenditures	Amount
Timber	$16,000.00
Ties	2,000.00
Drills	4,000.00
Fans	4,000.00
Fan bag	2,800.00
Truck	1,700.00
Caps, fuse and powder	10,000.00
Bulldozer for surface trenching, snow handling, road repair, etc.	14,750.00
Mine locomotives and batteries	9,000.00
Engineering help	5,000.00
Supervision	6,000.00
Power Cable	2,000.00
Drill bits	4,500.00
Drill Steel	1,200.00
12 months labor, operating, supplies, boiler building, oil, gas, etc., 0 0 0,000 per month	240,000.00
Total Amount Applied for	$714,200.00

2. PROPOSED METHOD FOR REPAYMENT OF LOAN

State sources of funds, and proposed schedule of repayment

The production from this camp has been over the years in excess of fairly high-grade lead and zinc. It has averaged 23% lead. This coupled with silver and zinc prices it possible for a large tonnage of lead and zinc to be produced at a fairly reasonable cost and if substantial bodies of ore are found, the loan would be paid out of production in a relatively short time, pro-rated against each pound of lead and zinc produced.

3. NATURE OF BUSINESS AND DESCRIPTION OF PROJECT

Describe fully the business activity for which the funds are intended. In so doing, identify the materials and services to be produced, describe the facilities and processes involved, and explain in detail any research activity and the nature of the results expected. Attach blueprints and specifications, if available, and furnish other technical details to the extent that they are not covered elsewhere in the application.

In 1929 the camp of Gilmore, Idaho, included 4 mining operations, each operating on their own group of claims. Lead was selling at 3½ cents a lb. The four companies would not or did not get together and work out an arrangement wherein a consolidation could have been effected to explore the veins of all producing mines from one central point at depth. Through circumstances that unravel with time, this has now been accomplished and the entire district has now been consolidated under one control. I propose to reopen the shaft below the 400 transportation level and initiate a development campaign to test these 30 - 40 veins at depth in the sulphide zone which is the situation at the bottom level of the shaft.

This district produced high-grade ore and did not require a mill. 90% of the production was shipped ore to the smelters and this too is an important item as far as new production would be concerned. Ore from this district would be of a grade that once in production, metal from it so would hit the user market with little delay.

4. Relationship to National Defense. Explain carefully how the expenditure of the funds will contribute to national defense. As a part of such explanation, the following questions should be answered to the extent possible:

(a) What evidence exists as to current shortages of the materials or services to be produced?

Lead and zinc metal occupy a position high on the list of strategic minerals and indications are this situation will become more critical.

(b) What evidence exists as to future shortages of the materials or services to be produced?

International situation requires more zinc and lead for the defense efforts of this country and no relief seems in sight. Those older mining camps that have a large production, have been dormant 15 to 25 years, offer excellent possibilities for metal production.

(c) Are such shortages, if any, regional or national in scope?

These metals are both either on or being placed on the restricted users list. There is definitely a shortage of these metals and the possibility of a high-grade lead and zinc new producer coming into the field leans a rapid construction, and complete study.

(d) In what respects will the use of the funds aid directly in expediting the carrying out of government defense contracts? (A listing of defense contracts, if any, held by applicant is required in item 8 below.)

The entire amount of money will be used to explore a district further where there is an excellent opportunity to produce new and unscounted tonnages of both lead and zinc.

4. Relationship to National Defense - Continued

(e) In what respects will the use of the funds aid indirectly in expediting the carrying out of government defense contracts or related operations?

It will give aid toward finding new sources of lead and zinc which can not be done without financial help.

(f) Are there available alternative methods or facilities to accomplish the same purpose as that for which these funds are intended? (For instance, unused capacity, possibility of multiple shift operations, idle facilities, readily convertible equipment, sub-contracting?) If answer is yes, explain why alternatives are not used.

The main possibility here is in testing this district at depth; there is ore showing on the bottom level of United Idaho property and this, plus other veins in this property should be explored and also see what happens to the veins in the adjoining properties. All the productive upper veins should be tested at depth.

5. Maximum Designed Production

List separately materials or services identified in item 3 (a)	Unit of measure (b)	Maximum designed production with existing facilities (c)	Average percentage of maximum designed production used in quarter preceding filing of application (d)	Maximum designed production including use of funds applied for (e)
Over the few years this camp was in production, one property alone produced 150,000,000				
pounds of lead. The camp or claims for which this loan is requested produced between				
100,000,000 and 200,000,000 pounds of lead. This was all from the oxide zone and				
it is reasonable, from engineering and geological deduction, to believe more, or				
at least as much, now metal could be produced from the sulphide zone.				

6. Employment

(a) Number currently employed at location(s) where funds are to be used. (Use pay period ending nearest 15th of month preceding filing of application.)

Only work now being done in this district is by lessees.

(b) Maximum feasible employment with existing facilities.

(1) Single shift operation.

This depends on what may be found. However on a development program 16 to 25 men would or could economically be used.

(2) Multiple shift operation (specify how many shifts).

20 to 30 men shifts at 8 hours
45 to 50 " " " 24 hours

(c) Estimated additional employees required by the use of the funds applied for.

The entire amount over and above lessees who will continue working in the upper or unnatured zone of the district.

7. Timing

(a) On what date(s) are the requested funds needed?

$315,450 plant expenditure immediately
148,750 dewater, repair, reopen shaft and prepare for new development & drilling.
Ten monthly installments of $24,950 each month for development work, drilling, labor and all operating supplies.

(b) On what expected date(s) will applicant begin to use such funds and obtain output from the use of such funds? Wherever possible, give planned schedule of output.

It should take about 8 months to repair shaft collar, get hoist set, power plant installed, power into shaft and dewater to present lowest level. Barring unforeseen circumstances, development work on 950 level should be underway within 10 months time.

8. Output from the use of funds applied for will be for the following purposes:
a. For the following principal prime defense contracts (if any) with the United States Government:

Date of contract (a)	Contracting Government Agency (b)	Program symbol (2 digits) or other contract identification (c)	Materials or services (d)	Delivery date(s) (e)	Amount *(Dollars)* (f)
	Production would be sold through regular smelting channels.				

b. For the following subcontracts (if any) with U.S. Government prime defense contractors:

Date of contract (a)	Materials or services (b)	Supplied to *(Give name and address of firm)* (c)	Delivery date(s) (d)	(e) Government agency receiving end product or services (f) Program symbol (2 digits) or other contract identification	Amount *(Dollars)* (g)
	I see no sub-contract possibilities.			(e) (f)	
				(e) (f)	
				(e) (f)	

c. For the following classes or types of customers not covered by contracts listed above (list materials or services to be provided and, wherever possible, also indicate final product use):

Product (lead and zinc) would be shipped to U. S. Smelting Co., at Midvale, or International Smelting Company at Tooele and marketing controlled by whatever government restrictions are in force.

9. **Feasibility**

(a) Estimate anticipated requirements for ~~manpower~~, ~~equipment~~, ~~raw materials~~, energy, ~~fuel~~, ~~transportation~~ facilities, ~~water supply~~, ~~housing~~, community facilities, and other factors of production, for (1) preparation of the facilities and (2) actual operation thereof. (The estimates may be limited to those factors of substantial significance to the preparation and operation of the facilities for which the funds are intended.)

(1) This area has little or no defense work and labor should not be short.
(2) I can locate and obtain all equipment necessary for the project.
(3) There is plenty of timber available in the district and water is available at the mine.
(4) Diesel fuel for the diesel plant would be hauled from railroad 60 miles over modern blacktop, open year round highway.
(5) Tank trucks and truck lines service the area.
(6) Water (domestic) would require some repair work to existing lines.
(7) Some housing available, and these cabins would need repairing.

(b) Discuss and evaluate the availability of each of the above factors in the area(s) where the funds will be used.

All money from this loan would be spent on the underground exploration and development project. A small percentage - 2 per cent at least - would be used to revamp underground and temporary domestic water line.

10. The following applications for necessity certificates for tax amortization (Under Section 124A of the Internal Revenue Code) for facilities at the location(s) covered by this application have been filed since January 1, 1950.

Date of application (a)	Government file number (b)	(Estimated) Total of facilities in dollars on each application (c)	(d) If final action has been taken, give date of	
			Issuance	Denial
	None made to date.			

11. **Recent Efforts to Obtain Credit**

(a) Banks— List names and addresses of all Banks of Deposit of Applicant within the last 5 years: *(Mark with an asterisk (*) bank or banks in which deposits are now kept)*

I bank at Walker Bank & Trust Company, Salt Lake City, and at First National Bank, Butte, Montana.

No effort has been made to obtain a loan from a bank. They are not interested in making loans on mining exploration projects.

11. **Recent Efforts to Obtain Credit** - Continued

(b) State efforts to obtain credit, within 60 days preceding date of application, from banks, the Reconstruction Finance Corporation, or other sources, results, and reasons if refused. (NOTE.— Section 302 of the Defense Production Act of 1950 states that a loan may be extended "only to the extent that it is not otherwise available on reasonable terms." Accordingly, Applicant should show that it has applied to each bank named in (a) above, or explain the reason for not doing so. The fact that a loan of the particular maturity and terms applied for is refused by a bank or banks is not sufficient to comply with the statute, if credit on reasonable terms is available. State whether a bank will participate in the loan, and if so, state name of bank and amount of participation. Full particulars must be given.) List the names and addresses of banks and other lending institutions to which applications for credit have been made, and in each case state date of application, amount of credit available, if any, maximum term for which credit is available, what consideration, if any, was given to possible guarantee of loan under Federal Reserve Regulation V, and reason for refusal or reason loan was not obtained. Indicate whether or not application was definitely refused for further credit on any basis.

No requests have been made from any government agency. Primarily this type of project would have to be sanctioned by the Bureau of Mines or a defense set agency before anything would or could be done.

12. What other forms of government financial assistance, if any, have been received or requested by the applicant in connection with the purposes of the loan herein applied for? If applicant plans to request such assistance in the future, give details.

No requests have been made. It has not been possible to consolidate all of these properties under one project until this last month.

13. **HISTORY, MANAGEMENT, LEASED AGREEMENTS, INSURANCE, ETC.**

These subjects should be fully covered in statements attached hereto. Outline past management experience or other basis for showing competence of the Applicant to perform in accordance with expressed purpose of the application. If plant was purchased, state price, form and terms of payment, date of purchase, from whom and under what circumstances purchase was made. If it is proposed to construct or acquire new facilities (including equipment), state estimated cost and basis of such estimate, form and terms of payment, and from whom purchases of facilities will be made. State whether Applicant, or the business or plant, has been in receivership, bankruptcy, Chapter X, XI or XII, in hands of creditors, committee, or whether Applicant has effected a compromise with creditors, and if so, discuss fully. Indicate whether business is conducted in leased premises and whether any facilities are leased from others and describe terms of any lease agreements. List type and amount of insurance carried on plant property. Describe briefly any pending or threatened litigation affecting Applicant.

14. NAMES AND ADDRESSES OF OFFICERS, DIRECTORS, OR PARTNERS, AND IN ADDITION THERETO, THE FIVE LARGEST STOCKHOLDERS IF A CORPORATION.

NAME AND ADDRESS (a)	Official title (If officer is also director indicate by "D") (b)	Total of annual salary, commissions, bonuses, etc., received from Applicant and affiliates during last fiscal year (c)	Estimated net worth outside of Applicant (d)	Number of shares held in applicant: Common (e)	Number of shares held in applicant: Preferred (f)	Life insurance carried for benefit of Applicant: Amount (g)	Life insurance carried for benefit of Applicant: Net cash surrender value after loans (h)
This project would be managed and supervised by myself, a Consulting Engineer, and the property owners have indicated every willingness to advise and cooperate in the project.							
	Total		x x x x x			x x x	x x x

15. CAPITAL STOCK ISSUES

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par value (c)	Number of shares outstanding (d)	Dividend rate last paid (e)
Common stock	$ NO STOCK	$	$		
Preferred stock	$	$	$		

16. PURCHASE AND SALES RELATIONS WITH OTHERS

Does Applicant buy from, sell to, or use the services of, any concern or partnership in which an officer, director, large stockholder, or partner of the Applicant has a substantial interest? If not, so state. If so, give names of such officers, directors, stockholders, and partners, and names of such concerns or partnerships.

I am a consulting mining engineer and have partners from Minas de Matahambre in Cuba, and the Duval Company in Idaho. I own 51% of Roger Pierce Equipment Sales Co., and this Company is engaged in liquidating mining and milling plants. I also own 20% of Coto Equipment Co., Stock, a heavy machinery firm.

Does any officer, director, large stockholder, or partner of Applicant receive any commission, bonus, or other payment in cash or services from any concern or partnership with which Applicant has business dealings? If not, so state. If so, give names of such officers, directors, stockholders, or partners and amounts of such commissions, bonuses, or payments.

I am strictly a stockholder in Coto Equipment and Roger Pierce Equipment Sales Co. I draw a small monthly salary from Pierce Equipment Sales. Most of my income is from paid consulting work.

17. COMPENSATION SCHEDULE

INSTRUCTIONS: The schedule shall show the amount of compensation being paid to all employees of Applicant receiving compensation at a rate in excess of $10,000 per annum, including employees paid on a part-time basis where the rate of compensation exceeds $10,000 per annum computed on a full-time basis. If Applicant is a corporation, the schedule should show the compensation, regardless of amount, being paid to all officers, directors, and such stockholders as have an interest in Applicant's business of 10 percent or more. If Applicant is a partnership, the schedule should show the compensation being paid to, or being withdrawn by, all partners for their personal use. If Applicant is an individual, the schedule should show the amount being withdrawn by Applicant for his personal use. In each case the listed person's connection with the business should be indicated (i.e., whether an officer, director, stockholder, partner, owner, etc.). The calendar basis for the compensation should likewise be shown. Attorneys or firms of attorneys on a regular retainer or salary basis should be included. The schedule should include a separate notation indicating the source and amount of any compensation being paid by a company or firm directly or indirectly controlling, affiliated with, or controlled by, Applicant. If the space provided herein is insufficient, the schedule should be continued on the reverse side or appropriate continuation sheets should be attached.

No one other than laborers and supervisors would receive a salary or wages from this project.

17. COMPENSATION SCHEDULE - Continued

The term "compensation", as used herein and such schedule, shall include all salaries, fees, bonuses, commissions, retainers, regular drawing accounts, and other payments, direct or indirect, in money or otherwise, for personal services.

Name (a)	Position (b)	Compensation paid during previous fiscal year (c)	Present compensation (d)
Gato Equipment Co.	Stockholder		$2,000 stock dividend
Roger Pierce Equipment Sales	General Manager		400 per mo.
Mines de Montbrembro	Consulting Engineer	$1,500	1,250 per mo.
Duvall Company	Consulting Engineer	Stock	400 per mo.

18. COLLATERAL

(a) The applicant offers the following described collateral as security for repayment of the loan applied for.

Description (a)	Date acquired (b)	Cost (c)	Book Value (Net) (d)	Appraised* value (e)
Property now held:				
United Idaho Mine	5 claims	20 year lease		
Lotest Cut Mine	1 claim	Bond and lease		
Gilmore More.	12 claims	Bond and lease		
Delaware Idaho	6 claims	Bond and lease		
To be acquired:				
NONE				

* This column need be filled in only if a recent appraisal has been made. If so, identify appraiser below.

Name (a)	Title (b)	Date (c)
Bureau of Mines and U. S. G. S.	representatives have made inspections.	

(b) Describe existing liens, if any, on property listed above.

None, and I paid current taxes

EXHIBIT A - CURRENT FINANCIAL STATEMENT

As of _____

(Date not more than 30 days prior to date of application)

ASSETS

CURRENT ASSETS			
1. Cash			$ 5,000.00
2. Notes receivable. Second Mortgage on house sold		$ 2,500.00	
Less reserve for doubtful notes			
3. Accounts receivable:			
Current	$		
Past due not over 4 months			
Past due over 4 months		$	
Less reserve for doubtful accounts			
4. Inventories:			
Raw materials	$		
Work in process			
Finished goods		$	
Less reserve for inventory losses			
5. Other current assets (describe)			
TOTAL CURRENT ASSETS			$
FIXED AND OTHER ASSETS			
6. Plant used in business:			
Land	$		
Buildings			
7. Machinery			
8. Equipment, furniture, and fixtures		$	
Less reserve for depreciation			
9. Investments—stocks and bonds			
10. Investments in affiliated companies			
11. Receivables due from affiliated companies			
12. Real estate not used in business			
13. Due from officers, directors, employees, stockholders			
14. Deferred charges			
15. Other assets			
TOTAL ASSETS			$

LIABILITIES

CURRENT LIABILITIES			
16. Notes payable (see schedule 1, page 10):			
Banks		$	
Trade creditors			
Officers, stockholders, relatives			
Insurance companies			$
17. Accounts payable			
18. Other current liabilities:			
Delinquent taxes	Real estate	$	
	Federal		
Wages and salaries			
Due officers			
Accrued interest, rent, taxes, wages, etc			
TOTAL CURRENT LIABILITIES			$
FIXED AND OTHER LIABILITIES			
19. Machinery liens			
20. Mortgage debts (see schedule 2, page 10)			
21. Bonds or debentures (see schedule 2, page 10)			
22. Other liabilities			
NET WORTH			
23. Common stock (if Applicant is incorporated)		$	
24. Preferred stock (if Applicant is incorporated)			
25. Surplus (if Applicant is incorporated)			
26. Capital and Surplus Account (if Applicant is partnership or individual)			
TOTAL LIABILITIES			$
27. Contingent liabilities (explain)			$

NOTE.— Submit copy of last available audit or of financial statement at close of last fiscal period (if such date differs from date of above statement).

EXHIBIT D

AGREEMENT AS TO COMPENSATION FOR SERVICES RENDERED OR TO BE RENDERED TO APPLICANT IN CONNECTION WITH APPLICATION AND/OR LOAN

To induce the United States Government and its agencies to make a loan under Sec. 302 of the Defense Production Act of 1950 to _____ (hereinafter called "Applicant") and in consideration of the making of a loan to Applicant, the undersigned, having been retained by Applicant for the purpose of rendering professional or other services in connection with its application for a loan or loans, hereby represents, warrants, and agrees that the undersigned has not been paid, has not made any agreement with the Applicant to be paid, and has not procured any person to pay or agree to pay, and will not, directly or indirectly, charge or receive any bonus, fee, or commission in any form in connection with the said application for, or the obtaining of, the loan applied for by the Applicant, or any compensation in any form for services rendered or to be rendered in connection therewith except for the services and in the amounts stated below:

Name	Description of services	Amount paid	Amount to be paid
		$	$

To induce the making of the loan and the employment of the undersigned by Applicant, the undersigned hereby further warrants, covenants and agrees, upon the consideration herein specified, and in consideration of the employment of the undersigned by Applicant, as above recited, that if the amount of compensation stated above for any such services shall not be deemed reasonable by any agency of the United States Government, the undersigned will reduce the charge for such services to such amount as shall be deemed reasonable by such agency, and will not, directly or indirectly, charge or collect from the Applicant or any other person, any sum in excess of the amount so deemed reasonable; and that if the undersigned has heretofore collected, from the Applicant or any other person, as compensation for any such services, any amount deemed by such agency to be unreasonable, the undersigned will refund to Applicant or such other person such sums as are in excess of the amount deemed reasonable. The undersigned further warrants, covenants and agrees that if the amount of the compensation for any such services is not determinable at the date of application, or is not stated above, it will not collect or charge any sum as compensation for such services without the prior written approval of the Government agency with which this application is officially filed as to the nature of the services for which such compensation is to be paid and the amount of such compensation.

Witness: _____

Address of witness: _____

Dated _____, 19____

NOTE—Corporations must execute foregoing certificate in corporate name, by duly authorized officer, and seal must be affixed and duly attested; partnerships must execute in firm name, together with signature of a general partner. If no compensation is paid or to be paid for services rendered in connection with application or loan, this should be so stated and the Applicant should sign this Exhibit.

CERTIFICATION

The Applicant hereby certifies that the statements made in the foregoing application, and all exhibits and documents submitted in connection therewith, are true and correct statements to the best of Applicant's information and belief and are submitted as a basis for credit. The Applicant agrees to reimburse any agency of the United States Government upon demand for any expenses incurred in connection with or arising out of this application or any loan made pursuant hereto.

Dated Jan 12, 1951

Witness: _____

(For individual applicants)

_____ (Signature)

Witness: _____

(For partnership applicants)

_____ (Full name of firm)

By _____, a general partner.
(Signature)

(For corporate applicants)

(CORPORATE SEAL)

_____ (Full corporate name of Applicant)

Attest: _____ (Signature), _____ (Title)

By _____ (Signature) (Title)

The United States Criminal Code, 18 U.S.C., Sec. 1001, makes it a criminal offense to make a willfully false statement or representation to any Department or Agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE: 1950 O - 916171

DMM-463

Form NSRB-146
(Nov. 1950)

UNITED STATES GOVERNMENT

APPLICATION FOR GOVERNMENT LOAN
UNDER SEC. 302 OF
DEFENSE PRODUCTION ACT OF 1950

FORM APPROVED
BUREAU NO. 25-R002

AMOUNT OF LOAN REQUESTED

TERMS OF LOAN REQUESTED

DATE OF APPLICATION

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

Roger V. Pierce, Consulting Engineer
808 Newhouse Building
Salt Lake City, Utah

TO BE FILLED IN BY DELEGATE AGENCY

(DATE RECEIVED)

COMM.

AGRIC.

INT.

D.T.A.

FILE NO.

INSTRUCTIONS

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NATURE OF EXPENDITURE	AMOUNT
Diesel plant 1200 to 1700 KVa. Reconditioned & factory rebuilt	125,000.00
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Hoist for 1500' depth	22,500.00
Pumps based on triple gallonage pumped before	28,000.00
Repair, reopen and dewater shaft and lower workings	148,750.00
Mine cars	8,000.00
Jumbos	4,500.00
Mucking machines	6,000.00
Pipe	9,500.00
Rail	17,500.00
Total amount applied for	(over)

Natur[illegible]f Expenditures	Amount
Timber	$16,000.00
Ties	2,000.00
Drills	4,000.00
Fans	4,000.00
Fan bag	2,800.00
Truck	1,700.00
Caps, fuse and powder	10,000.00
Bulldozer for surface trenching, snow handling, road repair, etc.	14,750.00
Mine locomotives and batteries	9,000.00
Engineering help	5,000.00
Supervision	6,000.00
Power Cable	2,000.00
Drill Bits	4,500.00
Drill Steel	1,200.00
12 months labor, operating, supplies, boiler building, oil, gas, etc., @ $20,000 per month	240,000.00
Total Amount Applied For	$714,200.00

2. PROPOSED METHOD FOR REPAYMENT OF LOAN

State sources of funds, and proposed schedule of repayment

The production from this camp has been over the years in nature of fairly high-grade lead and zinc. It has averaged 23% lead. This coupled with silver and zinc makes it possible for a large tonnage of lead and zinc to be produced at a fairly reasonable cost and if substantial bodies of ore are found, the loan would be paid out of production in a relatively short time, pro-rated against each pound of lead and zinc produced.

3. NATURE OF BUSINESS AND DESCRIPTION OF PROJECT

Describe fully the business activity for which the funds are intended. In so doing, identify the materials and services to be produced, describe the facilities and processes involved, and explain in detail any research activity and the nature of the results expected. Attach blueprints and specifications, if available, and furnish other technical details to the extent that they are not covered elsewhere in the application.

In 1929 the camp of Gilmore, Idaho, included 4 mining operations, each operating on their own group of claims. Lead was selling at 3½ cents a lb. The four companies would not or did not get together and work out an arrangement wherein a consolidation could have been affected to explore the veins of all producing mines from one central point at depth. Through circumstances that unravel with time, this has now been accomplished and the entire district has now been consolidated under one control. I propose to reopen the shaft below the 400 transportation level and initiate a development campaign to test these 30 - 40 veins at depth in the sulphide zone which is the situation at the bottom level of the shaft

This district produced high-grade ore and did not require a mill. 90% of the production was shipped crude to the smelters and this too is an important item as far as new production would be concerned. Ore from this district would be of a grade that once in production, metal from here would hit the user market with little delay.

4. **Relationship to National Defense.** Explain carefully how the expenditure of the funds will contribute to national fense. As a part of such explanation, the following questions should be answered to the extent possible

(a) What evidence exists as to current shortages of the materials or services to be produced?

Lead and zinc metal occupy a position high on the list of strategic minerals and indications are this situation will become more critical.

(b) What evidence exists as to future shortages of the materials or services to be produced?

International situation requires more zinc and lead for the defense efforts of this country and no relief seems in sight. These older mining camps that have a large production, have lain dormant 15 to 25 years, offer excellent possibilities for metal production.

(c) Are such shortages, if any, regional or national in scope?

These metals are both either on or being placed on the restricted users list. There is definitely a shortage of these metals and the possibility of a high-grade lead and zinc new producer coming into the field bears careful consideration, and complete study.

(d) In what respects will the use of the funds aid directly in expediting the carrying out of government defense contracts? (A listing of defense contracts, if any, held by applicant is required in item 8 below.)

The entire amount of money will be used to explore a district further where there is an excellent opportunity to produce new and uncounted tonnages of both lead and zinc.

4. Relationship to National Defense - Continued

(e) In what respects will the use of the funds aid indirectly in expediting the carrying out of government defense contracts or related operations?

It will give aid toward finding new sources of lead and zinc which can not be done without financial help.

(f) Are there available alternative methods or facilities to accomplish the same purpose as that for which these funds are intended? (For instance, unused capacity, possibility of multiple shift operations, idle facilities, readily convertible equipment, sub-contracting?) If answer is yes, explain why alternatives are not used.

The main possibility here is in testing this district at depth; there is ore showing on the bottom level of United Idaho property and this, plus other veing in this property should be explored and also see what happens to the veins in the adjoining properties. All the productive upper veins should be tested at depth.

5. Maximum Designed Production

List separately materials or services identified in item 3 (a)	Unit of measure (b)	Maximum designed production with existing facilities (c)	Average percentage of maximum designed production used in quarter preceding filing of application (d)	Maximum designed production including use of funds applied for (e)
Over the few years this camp was in production, one property alone produced 100,000,000 pounds of lead. The camp or claims for which this loan is requested produced between 100,000,000 and 200,000,000 pounds of lead. This was all from the oxide zone and it is reasonable, from engineering and geological deduction, to believe more, or at least as much, new metal could be produced from the sulphide zone.				

6. Employment

(a) Number currently employed at location(s) where funds are to be used. (Use pay period ending nearest 15th of month preceding filing of application.)

Only work now being done in this district is by leasors.

(b) Maximum feasible employment with existing facilities.

(1) Single shift operation.

This depends on what may be found. However on a development program 18 to 25 men would or could economically be used.

(2) Multiple shift operation (specify how many shifts).

20 to 30 man shifts at 8 hours
45 to 50 " " " 24 hours

(c) Estimated additional employees required by the use of the funds applied for.

The entire amount over and above leasors who will continue working in the upper or unwatered area of the district.

7. Timing

(a) On what date(s) are the requested funds needed?

$315,450 plant expenditure immediately
148,750 dewater, repair, reopen shaft and prepare for new development & drilling.
Ten monthly installments of $24,950 each month for development work, drilling, labor and all operating supplies.

(b) On what expected date(s) will applicant begin to use such funds and obtain output from the use of such funds? Wherever possible, give planned schedule of output.

It should take about 8 months to repair shaft collar, get hoist set, power plant installed, power into shaft and dewater to present lowest level. Barring unforseen circumstances, development work on 950 level should be underway within 10 months time.

8. Output from the use of funds applied for will be for the following purposes:
a. For the following principal prime defense contracts (if any) with the United States Government:

Date of contract (a)	Contracting Government Agency (b)	Program symbol (2 digits) or other contract identification (c)	Materials or services (d)	Delivery date(s) (e)	Amount (*Dollars*) (f)
	Production would be sold through regular smelting channels.				

b. For the following subcontracts (if any) with U.S. Government prime defense contractors:

Date of contract (a)	Materials or services (b)	Supplied to (*Give name and address of firm*) (c)	Delivery date(s) (d)	(e) Government agency receiving end product or services (f) Program symbol (2 digits) or other contract identification	Amount (*Dollars*) (g)
	I see no sub-contract possibilities.			(e) (f)	
				(e) (f)	
				(e) (f)	

c. For the following classes or types of customers not covered by contracts listed above (list materials or services to be provided and, wherever possible, also indicate final product use):

Product (lead and zinc) would be shipped to U. S. Smelting Co., at Midvale, or International Smelting Company at Tooele and marketing controlled by whatever government restrictions are in force.

9. **Feasibility**

(a) Estimate anticipated requirements for manpower, equipment, raw materials, energy, fuel, transportation facilities, water supply, housing, community facilities, and other factors of production, for (1) preparation of the facilities and (2) actual operation thereof. (The estimates may be limited to those factors of substantial significance to the preparation and operation of the facilities for which the funds are intended.)

(1) This area has little or no defense work and labor should not be short.
(2) I can locate and obtain all equipment necessary for the project.
(3) There is plenty of timber available in the district and water is available at the mine.
(4) Diesel fuel for the diesel plant would be hauled from railroad 60 miles over modern blacktop, open year around highway.
(5) Tank trucks and truck lines service the area.
(6) Water (domestic) would require some repair work to existing lines.
(7) Some housing available, and these cabins would need repairing.

(b) Discuss and evaluate the availability of each of the above factors in the area(s) where the funds will be used.

All money from this loan would be spent on the underground exploration and development project. A small percentage - 2 per cent at least - would be used to revamp underground and townsite domestic water line.

10. The following applications for necessity certificates for tax amortization (Under Section 124A of the Internal Revenue Code) for facilities at the location(s) covered by this application have been filed since January 1, 1950.

Date of application (a)	Government file number (b)	(Estimated) Total of facilities in dollars on each application (c)	(d) If final action has been taken, give date of	
			Issuance	Denial
	None made to date.			

11. **Recent Efforts to Obtain Credit**

(a) Banks— List names and addresses of all Banks of Deposit of Applicant within the last 5 years: *(Mark with an asterisk (*) bank or banks in which deposits are now kept)*

I bank at *Walker Bank & Trust Company, Salt Lake City, and *First National Bank, Butte, Montana.

No effort has been made to obtain a loan from a bank. They are not interested in making loans on mining exploration projects.

11. **Recent Efforts to Obtain Credit** - Continued

(b) State efforts to obtain credit, within 60 days preceding date of application, from banks, the Reconstruction Finance Corporation, or other sources, results, and reasons if refused. (NOTE. - Section 302 of the Defense Production Act of 1950 states that a loan may be extended "only to the extent that it is not otherwise available on reasonable terms." Accordingly, Applicant should show that it has applied to each bank named in (a) above, or explain the reason for not doing so. The fact that a loan of the particular maturity and terms applied for is refused by a bank or banks is not sufficient to comply with the statute, if credit on reasonable terms is available. State whether a bank will participate in the loan, and if so, state name of bank and amount of participation. Full particulars must be given.) List the names and addresses of banks and other lending institutions to which applications for credit have been made, and in each case state date of application, amount of credit available, if any, maximum term for which credit is available, what consideration, if any, was given to possible guarantee of loan under Federal Reserve Regulation V, and reason for refusal or reason loan was not obtained. Indicate whether or not application was definitely refused for further credit on any basis.

No requests have been made from any government agency. Primarily this type of project would have to be sanctioned by the Bureau of Mines or a defense act agency before anything would or could be done.

12. What other forms of government financial assistance, if any, have been received or requested by the applicant in connection with the purposes of the loan herein applied for? If applicant plans to request such assistance in the future, give details.

No requests have been made. It has not been possible to consolidate all of these properties under one project until this last month.

13. **HISTORY, MANAGEMENT, LEASED AGREEMENTS, INSURANCE, ETC.**

These subjects should be fully covered in statements attached hereto. Outline past management experience or other basis for showing competence of the Applicant to perform in accordance with expressed purpose of the application. If plant was purchased, state price, form and terms of payment, date of purchase, from whom and under what circumstances purchase was made. If it is proposed to construct or acquire new facilities (including equipment), state estimated cost and basis of such estimate, form and terms of payment, and from whom purchases of facilities will be made. State whether Applicant, or the business or plant, has been in receivership, bankruptcy, Chapter X, XI or XII, in hands of creditors, committee, or whether Applicant has effected a compromise with creditors, and if so, discuss fully. Indicate whether business is conducted in leased premises and whether any facilities are leased from others and describe terms of any lease agreements. List type and amount of insurance carried on plant property. Describe briefly any pending or threatened litigation affecting Applicant.

14. NAMES AND ADDRESSES OF OFFICERS, DIRECTORS, OR PARTNERS, AND IN ADDITION THERETO, THE FIVE LARGEST STOCKHOLDERS IF A CORPORATION.

NAME AND ADDRESS (a)	Official title (If officer is also director indicate by "D") (b)	Total of annual salary, commissions, bonuses, etc., received from Applicant and affiliates during last fiscal year (c)	Estimated net worth outside of Applicant (d)	Number of shares held in applicant: Common (e)	Number of shares held in applicant: Preferred (f)	Life insurance carried for benefit of Applicant: Amount (g)	Life insurance carried for benefit of Applicant: Net cash surrender value after loans (h)
This project would be managed and supervised by myself, a Consulting Engineer, and the property owners have indicated every willingness to advise and cooperate in the project.							
	Total		x x x x x			x x x	x x x

15. CAPITAL STOCK ISSUES

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par value (c)	Number of shares outstanding (d)	Dividend rate last paid (e)
Common stock	$ NO STOCK	$	$		
Preferred stock	$	$	$		

16. PURCHASE AND SALES RELATIONS WITH OTHERS

Does Applicant buy from, sell to, or use the services of, any concern or partnership in which an officer, director, large stockholder, or partner of the Applicant has a substantial interest? If not, so state. If so, give names of such officers, directors, stockholders, and partners, and names of such concerns or partnerships.

I am a consulting mining engineer and have retainers from Minas de Matahambre in Cuba, and the Duval Company in Idaho. I own 51% of Roger Pierce Equipment Sales Co., and this Company is engaged in liquidating mining and milling plants. I also own 20% of Cate Equipment Co., Stock, a heavy machinery firm.

Does any officer, director, large stockholder, or partner of Applicant receive any commission, bonus, or other payment in cash or services from any concern or partnership with which Applicant has business dealings? If not, so state. If so, give names of such officers, directors, stockholders, or partners and amounts of such commissions, bonuses, or payments.

I am strictly a stockholder in Cate Equipment and Roger Pierce Equipment Sales Co. I draw a small monthly salary from Pierce Equipment Sales. Most of my income is from paid consulting work.

17. COMPENSATION SCHEDULE

INSTRUCTIONS: The schedule shall show the amount of compensation being paid to all employees of Applicant receiving compensation at a rate in excess of $10,000 per annum, including employees paid on a part-time basis where the rate of compensation exceeds $10,000 per annum computed on a full-time basis. If Applicant is a corporation, the schedule should show the compensation, regardless of amount, being paid to all officers, directors, and such stockholders as have an interest in Applicant's business of 10 percent or more. If Applicant is a partnership, the schedule should show the compensation being paid to, or being withdrawn by, all partners for their personal use. If Applicant is an individual, the schedule should show the amount being withdrawn by Applicant for his personal use. In each case the listed person's connection with the business should be indicated (i.e., whether an officer, director, stockholder, partner, owner, etc.). The calendar basis for the compensation should likewise be shown. Attorneys or firms of attorneys on a regular retainer or salary basis should be included. The schedule should include a separate notation indicating the source and amount of any compensation being paid by a company or firm directly or indirectly controlling, affiliated with, or controlled by, Applicant. If the space provided herein is insufficient, the schedule should be continued on the reverse side or appropriate continuation sheets should be attached.

No one other than laborers and supervisors would receive a salary or wages from this project.

17. **COMPENSATION SCHEDULE** - Continued

The term "compensation", as used herein and such schedule, shall include all salaries, fees, bonuses, commissions, retainers, regular drawing accounts, and other payments, direct or indirect, in money or otherwise, for personal services.

Name (a)	Position (b)	Compensation paid during previous fiscal year (c)	Present compensation (d)
Cate Equipment Co.	Stockholder		$2,000 stock dividend
Roger Pierce Equipment Sales	General Manager		400 per mo.
Minas de Matahambre	Consulting Engineer	$1,500	1,250 per mo.
Duvall Company	Consulting Engineer	Stock	400 per mo.

18. **COLLATERAL**

(a) The applicant offers the following described collateral as security for repayment of the loan applied for.

Description (a)	Date acquired (b)	Cost (c)	Book Value (Net) (d)	Appraised* value (e)
Property now held:				
United Idaho Mine	5 claims	20 year lease		
Latest Out Mine	1 claim	Bond and lease		
Gilmore Merc.	12 claims	Bond and lease		
Deleware Idaho	6 claims	Bond and lease		
To be acquired:				
NONE				

* This column need be filled in only if a recent appraisal has been made. If so, identify appraiser below.

Name (a)	Title (b)	Date (c)
Bureau of Mines and U. S. G. S.	representatives have made inspections.	

(b) Describe existing liens, if any, on property listed above.

None, and I paid current taxes

EXHIBIT A - CURRENT FINANCIAL STATEMENT

As of _____

(Date not more than 30 days prior to date of application)

ASSETS

CURRENT ASSETS

1. Cash ..... $ 5,000.00
2. Notes receivable. Second Mortgage on house sold ..... $ 2,500.00
   Less reserve for doubtful notes ..... _____
3. Accounts receivable:
   Current ..... $ _____
   Past due not over 4 months ..... _____
   Past due over 4 months ..... _____ $ _____
   Less reserve for doubtful accounts ..... _____ _____
4. Inventories:
   Raw materials ..... $ _____
   Work in process ..... _____
   Finished goods ..... _____ $ _____
   Less reserve for inventory losses ..... _____ _____
5. Other current assets (describe) _____ _____

TOTAL CURRENT ASSETS ..... $ _____

FIXED AND OTHER ASSETS

6. Plant used in business:
   Land ..... $ _____
   Buildings ..... _____
7. Machinery ..... _____
8. Equipment, furniture, and fixtures ..... _____ $ _____
   Less reserve for depreciation ..... _____ _____
9. Investments—stocks and bonds ..... _____
10. Investments in affiliated companies ..... _____
11. Receivables due from affiliated companies ..... _____
12. Real estate not used in business ..... _____
13. Due from officers, directors, employees, stockholders ..... _____
14. Deferred charges ..... _____
15. Other assets ..... _____

TOTAL ASSETS ..... $ _____

LIABILITIES

CURRENT LIABILITIES

16. Notes payable (see schedule 1, page 10):
    Banks ..... $ _____
    Trade creditors ..... _____
    Officers, stockholders, relatives ..... _____
    Insurance companies ..... _____ $ _____
17. Accounts payable ..... _____
18. Other current liabilities:
    Delinquent taxes { Real estate ..... $ _____
    Delinquent taxes { Federal ..... _____
    Wages and salaries ..... _____
    Due officers ..... _____
    Accrued interest, rent, taxes, wages, etc. ..... _____
    _____ _____ _____

TOTAL CURRENT LIABILITIES ..... $ _____

FIXED AND OTHER LIABILITIES

19. Machinery liens ..... _____
20. Mortgage debts (see schedule 2, page 10) ..... _____
21. Bonds or debentures (see schedule 2, page 10) ..... _____
22. Other liabilities ..... _____

NET WORTH

23. Common stock (if Applicant is incorporated) ..... $ _____
24. Preferred stock (if Applicant is incorporated) ..... _____
25. Surplus (if Applicant is incorporated) ..... _____ _____
26. Capital and Surplus Account (if Applicant is partnership or individual) ..... _____

TOTAL LIABILITIES ..... $ _____

27. Contingent liabilities (explain) _____ $

NOTE.— Submit copy of last available audit or of financial statement at close of last fiscal period (if such date differs from date of above statement).

EXHIBIT D

AGREEMENT AS TO COMPENSATION FOR SERVICES RENDERED OR TO BE RENDERED TO APPLICANT IN CONNECTION WITH APPLICATION AND/OR LOAN

To induce the United States Government and its agencies to make a loan under Sec. 302 of the Defense Production Act of 1950 to _____ (hereinafter called "Applicant") and in consideration of the making of a loan to Applicant, the undersigned, having been retained by Applicant for the purpose of rendering professional or other services in connection with its application for a loan or loans, hereby represents, warrants, and agrees that the undersigned has not been paid, has not made any agreement with the Applicant to be paid, and has not procured any person to pay or agree to pay, and will not, directly or indirectly, charge or receive any bonus, fee, or commission in any form in connection with the said application for, or the obtaining of, the loan applied for by the Applicant, or any compensation in any form for services rendered or to be rendered in connection therewith except for the services and in the amounts stated below:

Name	Description of services	Amount paid	Amount to be paid
		$	$

To induce the making of the loan and the employment of the undersigned by Applicant, the undersigned hereby further warrants, covenants and agrees, upon the consideration herein specified, and in consideration of the employment of the undersigned by Applicant, as above recited, that if the amount of compensation stated above for any such services shall not be deemed reasonable by any agency of the United States Government, the undersigned will reduce the charge for such services to such amount as shall be deemed reasonable by such agency, and will not, directly or indirectly, charge or collect from the Applicant or any other person, any sum in excess of the amount so deemed reasonable; and that if the undersigned has heretofore collected, from the Applicant or any other person, as compensation for any such services, any amount deemed by such agency to be unreasonable, the undersigned will refund to Applicant or such other person such sums as are in excess of the amount deemed reasonable. The undersigned further warrants, covenants and agrees that if the amount of the compensation for any such services is not determinable at the date of application, or is not stated above, it will not collect or charge any sum as compensation for such services without the prior written approval of the Government agency with which this application is officially filed as to the nature of the services for which such compensation is to be paid and the amount of such compensation.

Witness: _____

Address of witness: _____

Dated _____, 19____

NOTE—Corporations must execute foregoing certificate in corporate name, by duly authorized officer, and seal must be affixed and duly attested; partnerships must execute in firm name, together with signature of a general partner. If no compensation is paid or to be paid for services rendered in connection with application or loan, this should be so stated and the Applicant should sign this Exhibit.

CERTIFICATION

The Applicant hereby certifies that the statements made in the foregoing application, and all exhibits and documents submitted in connection therewith, are true and correct statements to the best of Applicant's information and belief and are submitted as a basis for credit. The Applicant agrees to reimburse any agency of the United States Government upon demand for any expenses incurred in connection with or arising out of this application or any loan made pursuant hereto.

Dated Jan 12, 19[illegible]

Witness: _____

(For individual applicants)

Roger V Pierce

(Signature)

Witness: _____

(For partnership applicants)

_____

(Full name of firm)

By _____, a general partner.

(Signature)

(For corporate applicants)

(CORPORATE SEAL)

_____

(Full corporate name of Applicant)

Attest: _____

By _____

(Signature) (Title)

_____, _____

(Signature) (Title)

The United States Criminal Code, 18 U.S.C., Sec. 1001, makes it a criminal offense to make a willfully false statement or representation to any Department or Agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE: 1950 O - 916171

Form NSRB-146
(Nov. 1950)

UNITED STATES GOVERNMENT

APPLICATION FOR GOVERNMENT LOAN UNDER SEC. 302 OF DEFENSE PRODUCTION ACT OF 1950

FORM APPROVED
BUREAU NO. 25-R002

AMOUNT OF LOAN REQUESTED

TERMS OF LOAN REQUESTED

DATE OF APPLICATION

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

TO BE FILLED IN BY DELEGATE AGENCY

(DATE RECEIVED)

COMM.

AGRIC.

INT.

D.T.A.

FILE NO.

INSTRUCTIONS

Application should be filed with the Department of Commerce, Department of Agriculture, Department of Interior, or the Defense Transport Administration, whichever has the primary interest in the facilities, products, or processes involved. However, for convenience of the applicant, he may file with any government agency with which he has contract or other pertinent relationships and such agency will arrange for the transmittal of the application to the appropriate office.

Submit four (4) signed copies of the application. Name and address of applicant should be stamped or typed for identification of each sheet of the application and all accompanying papers. When a question is inapplicable, this should be so stated on the form. Additional sheets may be attached in answering any questions or in providing other supporting information.

1. PURPOSE OF LOAN

Give a brief general statement of the purpose of the loan requested, including in the table below estimated amounts for such major purposes as land acquisition, building construction, purchase of plant, purchase of equipment, working capital, repayment of debt, etc. Statement should make clear whether funds will be used for expansion of capacity, development of technological processes, or production of essential materials.

General Statement

NATURE OF EXPENDITURE	AMOUNT
Total amount applied for	

[illegible]	12,000.00
[illegible]	2,000.00
[illegible]	1,000.00
[illegible]	[illegible]
[illegible]	2,000.00
[illegible]	1,000.00
[illegible]	20,000.00
[illegible]	21,000.00
[illegible]	[illegible]
[illegible]	5,000.00
[illegible]	[illegible]
[illegible]	2,000.00
[illegible]	[illegible]
[illegible]	1,000.00
[illegible]	30,000.00
[illegible]	210,000.00

2. PROPOSED METHOD FOR REPAYMENT OF LOAN

State sources of funds, and proposed schedule of repayment

[illegible]

3. NATURE OF BUSINESS AND DESCRIPTION OF PROJECT

Describe fully the business activity for which the funds are intended. In so doing, identify the materials and services to be produced, describe the facilities and processes involved, and explain in detail any research activity and the nature of the results expected. Attach blueprints and specifications, if available, and furnish other technical details to the extent that they are not covered elsewhere in the application.

[illegible]

4. Relationship to National Defense. Explain carefully how the expenditure of the funds will contribute to national defense. As a part of such explanation, the following questions should be answered to the extent possible:

(a) What evidence exists as to current shortages of the materials or services to be produced?

[illegible]

(b) What evidence exists as to future shortages of the materials or services to be produced?

[illegible]

(c) Are such shortages, if any, regional or national in scope?

[illegible]

(d) In what respects will the use of the funds aid directly in expediting the carrying out of government defense contracts? (A listing of defense contracts, if any, held by applicant is required in item 8 below.)

[illegible]

4. Relationship to National Defense - Continued

(e) In what respects will the use of the funds aid indirectly in expediting the carrying out of government defense contracts or related operations?

[illegible]

(f) Are there available alternative methods or facilities to accomplish the same purpose as that for which these funds are intended? (For instance, unused capacity, possibility of multiple shift operations, idle facilities, readily convertible equipment, sub-contracting?) If answer is yes, explain why alternatives are not used.

[illegible]

5. Maximum Designed Production

List separately materials or services identified in item 3 (a)	Unit of measure (b)	Maximum designed production with existing facilities (c)	Average percentage of maximum designed production used in quarter preceding filing of application (d)	Maximum designed production including use of funds applied for (e)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

6. Employment

(a) Number currently employed at location(s) where funds are to be used. (Use pay period ending nearest 15th of month preceding filing of application.)

[illegible]

(b) Maximum feasible employment with existing facilities.

(1) Single shift operation. [illegible]

(2) Multiple shift operation (specify how many shifts).

[illegible]

(c) Estimated additional employees required by the use of the funds applied for.

[illegible]

7. Timing

(a) On what date(s) are the requested funds needed?

[illegible]

(b) On what expected date(s) will applicant begin to use such funds and obtain output from the use of such funds? Wherever possible, give planned schedule of output.

[illegible]

8. Output from the use of funds applied for will be for the following purposes:

a. For the following principal prime defense contracts (if any) with the United States Government:

Date of contract (a)	Contracting Government Agency (b)	Program symbol (2 digits) or other contract identification (c)	Materials or services (d)	Delivery date(s) (e)	Amount *(Dollars)* (f)

b. For the following subcontracts (if any) with U.S. Government prime defense contractors:

Date of contract (a)	Materials or services (b)	Supplied to *(Give name and address of firm)* (c)	Delivery date(s) (d)	(e) Government agency receiving end product or services (f) Program symbol (2 digits) or other contract identification	Amount *(Dollars)* (g)
				(e)	
				(f)	
				(e)	
				(f)	
				(e)	
				(f)	

c. For the following classes or types of customers not covered by contracts listed above (list materials or services to be provided and, wherever possible, also indicate final product use):

9. **Feasibility**

(a) Estimate anticipated requirements for manpower, equipment, raw materials, energy, fuel, transportation facilities, water supply, housing, community facilities, and other factors of production, for (1) preparation of the facilities and (2) actual operation thereof. (The estimates may be limited to those factors of substantial significance to the preparation and operation of the facilities for which the funds are intended.)

[illegible]

(b) Discuss and evaluate the availability of each of the above factors in the area(s) where the funds will be used.

[illegible]

10. The following applications for necessity certificates for tax amortization (Under Section 124A of the Internal Revenue Code) for facilities at the location(s) covered by this application have been filed since January 1, 1950.

Date of application (a)	Government file number (b)	(Estimated) Total of facilities in dollars on each application (c)	(d) If final action has been taken, give date of	
			Issuance	Denial
	[illegible]			

11. **Recent Efforts to Obtain Credit**

(a) Banks—List names and addresses of all Banks of Deposit of Applicant within the last 5 years: *(Mark with an asterisk (*) bank or banks in which deposits are now kept)*

[illegible]

[illegible]

11. **Recent Efforts to Obtain Credit** - Continued

(b) State efforts to obtain credit, within 60 days preceding date of application, from banks, the Reconstruction Finance Corporation, or other sources, results, and reasons if refused. (NOTE.— Section 302 of the Defense Production Act of 1950 states that a loan may be extended "only to the extent that it is not otherwise available on reasonable terms." Accordingly, Applicant should show that it has applied to each bank named in (a) above, or explain the reason for not doing so. The fact that a loan of the particular maturity and terms applied for is refused by a bank or banks is not sufficient to comply with the statute, if credit on reasonable terms is available. State whether a bank will participate in the loan, and if so, state name of bank and amount of participation. Full particulars must be given.) List the names and addresses of banks and other lending institutions to which applications for credit have been made, and in each case state date of application, amount of credit available, if any, maximum term for which credit is available, what consideration, if any, was given to possible guarantee of loan under Federal Reserve Regulation V, and reason for refusal or reason loan was not obtained. Indicate whether or not application was definitely refused for further credit on any basis.

[illegible]

12. What other forms of government financial assistance, if any, have been received or requested by the applicant in connection with the purposes of the loan herein applied for? If applicant plans to request such assistance in the future, give details.

[illegible]

13. **HISTORY, MANAGEMENT, LEASED AGREEMENTS, INSURANCE, ETC.**

These subjects should be fully covered in statements attached hereto. Outline past management experience or other basis for showing competence of the Applicant to perform in accordance with expressed purpose of the application. If plant was purchased, state price, form and terms of payment, date of purchase, from whom and under what circumstances purchase was made. If it is proposed to construct or acquire new facilities (including equipment), state estimated cost and basis of such estimate, form and terms of payment, and from whom purchases of facilities will be made. State whether Applicant, or the business or plant, has been in receivership, bankruptcy, Chapter X, XI or XII, in hands of creditors, committee, or whether Applicant has effected a compromise with creditors, and if so, discuss fully. Indicate whether business is conducted in leased premises and whether any facilities are leased from others and describe terms of any lease agreements. List type and amount of insurance carried on plant property. Describe briefly any pending or threatened litigation affecting Applicant.

14. **NAMES AND ADDRESSES OF OFFICERS, DIRECTORS, OR PARTNERS, AND IN ADDITION THERETO, THE FIVE LARGEST STOCKHOLDERS IF A CORPORATION.**

NAME AND ADDRESS (a)	Official title (If officer is also director indicate by "D") (b)	Total of annual salary, commissions, bonuses, etc., received from Applicant and affiliates during last fiscal year (c)	Estimated net worth outside of Applicant (d)	Number of shares held in applicant: Common (e)	Number of shares held in applicant: Preferred (f)	Life insurance carried for benefit of Applicant: Amount (g)	Life insurance carried for benefit of Applicant: Net cash surrender value after loans (h)
[illegible]							
[illegible]							
[illegible]							
	Total		X X X X X			X X X	X X X

15. **CAPITAL STOCK ISSUES**

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par value (c)	Number of shares outstanding (d)	Dividend rate last paid (e)
Common stock	$ [illegible]	$	$		
Preferred stock	$	$	$		

16. **PURCHASE AND SALES RELATIONS WITH OTHERS**

Does Applicant buy from, sell to, or use the services of, any concern or partnership in which an officer, director, large stockholder, or partner of the Applicant has a substantial interest? If not, so state. If so, give names of such officers, directors, stockholders, and partners, and names of such concerns or partnerships.

[illegible]

Does any officer, director, large stockholder, or partner of Applicant receive any commission, bonus, or other payment in cash or services from any concern or partnership with which Applicant has business dealings? If not, so state. If so, give names of such officers, directors, stockholders, or partners and amounts of such commissions, bonuses, or payments.

[illegible]

17. **COMPENSATION SCHEDULE**

INSTRUCTIONS: The schedule shall show the amount of compensation being paid to all employees of Applicant receiving compensation at a rate in excess of $10,000 per annum, including employees paid on a part-time basis where the rate of compensation exceeds $10,000 per annum computed on a full-time basis. If Applicant is a corporation, the schedule should show the compensation, regardless of amount, being paid to all officers, directors, and such stockholders as have an interest in Applicant's business of 10 percent or more. If Applicant is a partnership, the schedule should show the compensation being paid to, or being withdrawn by, all partners for their personal use. If Applicant is an individual, the schedule should show the amount being withdrawn by Applicant for his personal use. In each case the listed person's connection with the business should be indicated (i.e., whether an officer, director, stockholder, partner, owner, etc.). The calendar basis for the compensation should likewise be shown. Attorneys or firms of attorneys on a regular retainer or salary basis should be included. The schedule should include a separate notation indicating the source and amount of any compensation being paid by a company or firm directly or indirectly controlling, affiliated with, or controlled by, Applicant. If the space provided herein is insufficient, the schedule should be continued on the reverse side or appropriate continuation sheets should be attached.

[illegible]

17. **COMPENSATION SCHEDULE** - Continued

The term "compensation", as used herein and such schedule, shall include all salaries, fees, bonuses, commissions, retainers, regular drawing accounts, and other payments, direct or indirect, in money or otherwise, for personal services.

Name (a)	Position (b)	Compensation paid during previous fiscal year (c)	Present compensation (d)
[illegible]	[illegible]	[illegible]	[illegible]

18. **COLLATERAL**

(a) The applicant offers the following described collateral as security for repayment of the loan applied for.

Description (a)	Date acquired (b)	Cost (c)	Book Value (Net) (d)	Appraised* value (e)
Property now held:				
[illegible]	[illegible]	[illegible]		
To be acquired:				
[illegible]				

* This column need be filled in only if a recent appraisal has been made. If so, identify appraiser below.

Name (a)	Title (b)	Date (c)
[illegible]	[illegible]	[illegible]

(b) Describe existing liens, if any, on property listed above.

[illegible]

EXHIBIT A - CURRENT FINANCIAL STATEMENT

As of _____

(Date not more than 30 days prior to date of application)

ASSETS

CURRENT ASSETS

1. Cash ..... $ 5,000.00
2. Notes receivable ..... $ 5,000.00
   Less reserve for doubtful notes ..... _____
3. Accounts receivable:
   Current ..... $ _____
   Past due not over 4 months ..... _____
   Past due over 4 months ..... _____ $ _____
   Less reserve for doubtful accounts ..... _____ _____
4. Inventories:
   Raw materials ..... $ _____
   Work in process ..... _____
   Finished goods ..... _____ $ _____
   Less reserve for inventory losses ..... _____ _____
5. Other current assets (describe) _____ _____

TOTAL CURRENT ASSETS ..... $ _____

FIXED AND OTHER ASSETS

6. Plant used in business:
   Land ..... $ _____
   Buildings ..... _____
7. Machinery ..... _____
8. Equipment, furniture, and fixtures ..... _____ $ _____
   Less reserve for depreciation ..... _____ _____
9. Investments—stocks and bonds ..... _____
10. Investments in affiliated companies ..... _____
11. Receivables due from affiliated companies ..... _____
12. Real estate not used in business ..... _____
13. Due from officers, directors, employees, stockholders ..... _____
14. Deferred charges ..... _____
15. Other assets ..... _____

TOTAL ASSETS ..... $ _____

LIABILITIES

CURRENT LIABILITIES

16. Notes payable (see schedule 1, page 10):
    Banks ..... $ _____
    Trade creditors ..... _____
    Officers, stockholders, relatives ..... _____
    Insurance companies ..... _____ $ _____
17. Accounts payable ..... _____
18. Other current liabilities:
    Delinquent taxes { Real estate ..... $ _____
    Delinquent taxes { Federal ..... _____
    Wages and salaries ..... _____
    Due officers ..... _____
    Accrued interest, rent, taxes, wages, etc. ..... _____
    _____ _____ _____

TOTAL CURRENT LIABILITIES ..... $ _____

FIXED AND OTHER LIABILITIES

19. Machinery liens ..... _____
20. Mortgage debts (see schedule 2, page 10) ..... _____
21. Bonds or debentures (see schedule 2, page 10) ..... _____
22. Other liabilities ..... _____

NET WORTH

23. Common stock (if Applicant is incorporated) ..... $ _____
24. Preferred stock (if Applicant is incorporated) ..... _____
25. Surplus (if Applicant is incorporated) ..... _____ _____
26. Capital and Surplus Account (if Applicant is partnership or individual) ..... _____

TOTAL LIABILITIES ..... $ _____

27. Contingent liabilities (explain) _____ $

NOTE.— Submit copy of last available audit or of financial statement at close of last fiscal period (if such date differs from date of above statement).

_____ _____
(Full name of firm)

By _____, a general partner.
(Signature)

(For corporate applicants)

(CORPORATE SEAL)

_____
(Full corporate name of Applicant)

Attest: By _____
(Signature) (Title)

_____, _____
(Signature) (Title)

The United States Criminal Code, 18 U.S.C., Sec. 1001, makes it a criminal offense to make a willfully false statement or representation to any Department or Agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE: 1950 O - 916171

MM-443

Form NSRB-146
(Rev. [illegible])

UNITED STATES GOVERNMENT

FORM APPROVED
BUDGET BUREAU NO. 25-R002

APPLICATION FOR GOVERNMENT LOAN UNDER SEC. 302 OF DEFENSE PRODUCTION ACT OF 1950

AMOUNT OF LOAN REQUESTED

TERMS OF LOAN REQUESTED

DATE OF APPLICATION

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

Roger V. Pierce, Consulting Engineer
808 Newhouse Building
Salt Lake City, Utah

TO BE FILLED IN BY DELEGATE AGENCY

(DATE RECEIVED)

COMM.

AGRIC.

INT.

D.T.A.

FILE NO.

INSTRUCTIONS

Application should be filed with the Department of Commerce, Department of Agriculture, Department of Interior, or the Defense Transport Administration, whichever has the primary interest in the facilities, products, or processes involved. However, for convenience of the applicant, he may file with any government agency with which he has contract or other pertinent relationships and such agency will arrange for the transmittal of the application to the appropriate office.

Submit four (4) signed copies of the application. Name and address of applicant should be stamped or typed for identification of each sheet of the application and all accompanying papers. When a question is inapplicable, this should be so stated on the form. Additional sheets may be attached in answering any questions or in providing other supporting information.

1. PURPOSE OF LOAN

Give a brief general statement of the purpose of the loan requested, including in the table below estimated amounts for such major purposes as land acquisition, building construction, purchase of plant, purchase of equipment, working capital, repayment of debt, etc. Statement should make clear whether funds will be used for expansion of capacity, development of technological processes, or production of essential materials.

General Statement This loan would be used to entirely and completely test an entire camp at depth and the estimates should be ample to do the work. The entire amount of this loan will be used toward exploration and development of lead-zinc ore bodies in the mines of the Gilmore, Idaho district. The district is one that has produced 19,000,000 in metal values and has been dormant since the 1929 economic crash. The area has finally been consolidated under one head and now, for the first time, all the veins in the district can be tested economically from a central shaft.

NATURE OF EXPENDITURE	AMOUNT
Diesel plant 1200 to 1700 KVa. Reconditioned & factory rebuilt	125,000.00
Compressor. 2500 cu. ft.	21,500.00
Hoist for 1500' depth	22,500.00
Pumps based on triple gallonage pumped before	28,000.00
Repair, reopen and dewater shaft and lower workings	148,750.00
Mine cars	8,000.00
Jumbos	4,500.00
Mucking machines	6,000.00
Pipe	9,500.00
Rail	17,500.00
Total amount applied for	(over)

Nature of Expenditures	Amount
Timber	$16,000.00
Ties	2,000.00
Drills	4,000.00
Fans	4,000.00
Fan bag	2,800.00
Truck	1,700.00
Caps, fuse and powder	10,000.00
Bulldozer for surface trenching, snow handling, road repair, etc.	14,750.00
Mine locomotives and batteries	9,000.00
Engineering help	5,000.00
Supervision	6,000.00
Power Cable	2,000.00
Drill Bits	4,500.00
Drill Steel	1,200.00
12 months labor, operating, supplies, boiler building, oil, gas, etc., @ $20,000 per month	240,000.00
Total Amount Applied For	$714,200.00

2. PROPOSED METHOD FOR REPAYMENT OF LOAN

State sources of funds, and proposed schedule of repayment

The production from this camp has been over the years in nature of fairly high-grade lead and zinc. It has averaged 23% lead. This coupled with silver and zinc makes it possible for a large tonnage of lead and zinc to be produced at a fairly reasonable cost and if substantial bodies of ore are found, the loan would be paid out of production in a relatively short time, pro-rated against each pound of lead and zinc produced.

3. NATURE OF BUSINESS AND DESCRIPTION OF PROJECT

Describe fully the business activity for which the funds are intended. In so doing, identify the materials and services to be produced, describe the facilities and processes involved, and explain in detail any research activity and the nature of the results expected. Attach blueprints and specifications, if available, and furnish other technical details to the extent that they are not covered elsewhere in the application.

In 1929 the camp of Gilmore, Idaho, included 4 mining operations, each operating on their own group of claims. Lead was selling at 3½ cents a lb. The four companies would not or did not get together and work out an arrangement wherein a consolidation could have been affected to explore the veins of all producing mines from one central point at depth. Through circumstances that unravel with time, this has now been accomplished and the entire district has now been consolidated under one control. I propose to reopen the shaft below the 400 transportation level and initiate a development campaign to test these 30 - 40 veins at depth in the sulphide zone which is the situation at the bottom level of the shaft.

This district produced high-grade ore and did not require a mill. 90% of the production was shipped crude to the smelters and this too is an important item as far as new production would be concerned. Ore from this district would be of a grade that once in production, metal from here would hit the user market with little delay.

4. Relationship to National Defense. Explain carefully how the expenditure of the funds will contribute to national defense. As a part of such explanation, the following questions should be answered to the extent possible:

(a) What evidence exists as to current shortages of the materials or services to be produced?

Lead and zinc metal occupy a position high on the list of strategic minerals and indications are this situation will become more critical.

(b) What evidence exists as to future shortages of the materials or services to be produced?

International situation requires more zinc and lead for the defense efforts of this country and no relief seems in sight. These older mining camps that have a large production, have lain dormant 15 to 25 years, offer excellent possibilities for metal production.

(c) Are such shortages, if any, regional or national in scope?

These metals are both either on or being placed on the restricted users list. There is definitely a shortage of these metals and the possibility of a high-grade lead and zinc new producer coming into the field bears careful consideration, and complete study.

(d) In what respects will the use of the funds aid directly in expediting the carrying out of government defense contracts? (A listing of defense contracts, if any, held by applicant is required in item 8 below.)

The entire amount of money will be used to explore a district further where there is an excellent opportunity to produce new and uncounted tonnages of both lead and zinc.

4. Relationship to National Defense - Continued

(e) In what respects will the use of the funds aid indirectly in expediting the carrying out of government defense contracts or related operations?

It will give aid toward finding new sources of lead and zinc which can not be done without financial help.

(f) Are there available alternative methods or facilities to accomplish the same purpose as that for which these funds are intended? (For instance, unused capacity, possibility of multiple shift operations, idle facilities, readily convertible equipment, sub-contracting?) If answer is yes, explain why alternatives are not used.

The main possibility here is in testing this district at depth; there is ore showing on the bottom level of United Idaho property and this, plus other veins in this property should be explored and also see what happens to the veins in the adjoining properties. All the productive upper veins should be tested at depth.

5. Maximum Designed Production

List separately materials or services identified in item 3 (a)	Unit of measure (b)	Maximum designed production with existing facilities (c)	Average percentage of maximum designed production used in quarter preceding filing of application (d)	Maximum designed production including use of funds applied for (e)
Over the few years this camp was in production, one property alone produced 100,000,000 pounds of lead. The camp or claims for which this loan is requested produced between 100,000,000 and 200,000,000 pounds of lead. This was all from the oxide zone and it is reasonable, from engineering and geological deduction, to believe more, or at least as much, new metal could be produced from the sulphide zone.				

6. Employment

(a) Number currently employed at location(s) where funds are to be used. (Use pay period ending nearest 15th of month preceding filing of application.)

Only work now being done in this district is by leasors.

(b) Maximum feasible employment with existing facilities.

(1) Single shift operation.

This depends on what may be found. However on a development program 18 to 25 men would or could economically be used.

(2) Multiple shift operation (specify how many shifts).

20 to 30 man shifts at 8 hours
45 to 50 " " " 24 hours

(c) Estimated additional employees required by the use of the funds applied for.

The entire amount over and above leasors who will continue working in the upper or unwatered area of the district.

7. Timing

(a) On what date(s) are the requested funds needed?

$315,450 plant expenditure immediately
148,750 dewater, repair, reopen shaft and prepare for new development & drilling.
Ten monthly installments of $24,950 each month for development work, drilling, labor and all operating supplies.

(b) On what expected date(s) will applicant begin to use such funds and obtain output from the use of such funds? Wherever possible, give planned schedule of output.

It should take about 8 months to repair shaft collar, get hoist set, power plant installed, power into shaft and dewater to present lowest level. Barring unforseen circumstances, development work on 950 level should be underway within 10 months time.

8. Output from the use of funds applied for will be for the following purposes:
a. For the following principal prime defense contracts (if any) with the United States Government:

Date of contract (a)	Contracting Government Agency (b)	Program symbol (2 digits) or other contract identification (c)	Materials or services (d)	Delivery date(s) (e)	Amount *(Dollars)* (f)
	Production would be sold through regular smelting channels.				

b. For the following subcontracts (if any) with U.S. Government prime defense contractors:

Date of contract (a)	Materials or services (b)	Supplied to *(Give name and address of firm)* (c)	Delivery date(s) (d)	(e) Government agency receiving end product or services / (f) Program symbol (2 digits) or other contract identification	Amount *(Dollars)* (g)
	I see no sub-contract possibilities.			(e) / (f)	
				(e) / (f)	
				(e) / (f)	

c. For the following classes or types of customers not covered by contracts listed above (list materials or services to be provided and, wherever possible, also indicate final product use):

Product (lead and zinc) would be shipped to U. S. Smelting Co., at Midvale, or International Smelting Company at Tooele and marketing controlled by whatever government restrictions are in force.

9. **Feasibility**

(a) Estimate anticipated requirements for ~~manpower~~ 1., ~~equipment~~ 2., ~~raw materials~~ 3., energy, ~~fuel~~ 4., ~~transportation~~ 5. facilities, ~~water supply~~ 6., ~~housing~~ 7., community facilities, and other factors of production, for (1) preparation of the facilities and (2) actual operation thereof. (The estimates may be limited to those factors of substantial significance to the preparation and operation of the facilities for which the funds are intended.)

(1) This area has little or no defense work and labor should not be short.
(2) I can locate and obtain all equipment necessary for the project.
(3) There is plenty of timber available in the district and water is available at the mine.
(4) Diesel fuel for the diesel plant would be hauled from railroad 60 miles over modern blacktop, open year around highway.
(5) Tank trucks and truck lines service the area.
(6) Water (domestic) would require some repair work to existing lines.
(7) Some housing available, and these cabins would need repairing.

(b) Discuss and evaluate the availability of each of the above factors in the area(s) where the funds will be used.

All money from this loan would be spent on the underground exploration and development project. A small percentage - 2 per cent at least - would be used to revamp underground and townsite domestic water line.

10. The following applications for necessity certificates for tax amortization (Under Section 124A of the Internal Revenue Code) for facilities at the location(s) covered by this application have been filed since January 1, 1950.

Date of application (a)	Government file number (b)	(Estimated) Total of facilities in dollars on each application (c)	(d) If final action has been taken, give date of	
			Issuance	Denial
	None made to date.			

11. **Recent Efforts to Obtain Credit**

(a) Banks— List names and addresses of all Banks of Deposit of Applicant within the last 5 years: *(Mark with an asterisk (*) bank or banks in which deposits are now kept)*

I bank at *Walker Bank & Trust Company, Salt Lake City, and *First National Bank, Butte, Montana.

No effort has been made to obtain a loan from a bank. They are not interested in making loans on mining exploration projects.

11. **Recent Efforts to Obtain Credit** - Continued

(b) State efforts to obtain credit, within 60 days preceding date of application, from banks, the Reconstruction Finance Corporation, or other sources, results, and reasons if refused. (NOTE.— Section 302 of the Defense Production Act of 1950 states that a loan may be extended "only to the extent that it is not otherwise available on reasonable terms." Accordingly, Applicant should show that it has applied to each bank named in (a) above, or explain the reason for not doing so. The fact that a loan of the particular maturity and terms applied for is refused by a bank or banks is not sufficient to comply with the statute, if credit on reasonable terms is available. State whether a bank will participate in the loan, and if so, state name of bank and amount of participation. Full particulars must be given.) List the names and addresses of banks and other lending institutions to which applications for credit have been made, and in each case state date of application, amount of credit available, if any, maximum term for which credit is available, what consideration, if any, was given to possible guarantee of loan under Federal Reserve Regulation V, and reason for refusal or reason loan was not obtained. Indicate whether or not application was definitely refused for further credit on any basis.

No requests have been made from any government a ency. Primarily this type of project would have to be sanctioned by the Bureau of Mines or a defense act agency before anything would or could be done.

12. What other forms of government financial assistance, if any, have been received or requested by the applicant in connection with the purposes of the loan herein applied for? If applicant plans to request such assistance in the future, give details.

No requests have been made. It has not been possible to consolidate all of these properties under one project until this last month.

13. **HISTORY, MANAGEMENT, LEASED AGREEMENTS, INSURANCE, ETC.**

These subjects should be fully covered in statements attached hereto. Outline past management experience or other basis for showing competence of the Applicant to perform in accordance with expressed purpose of the application. If plant was purchased, state price, form and terms of payment, date of purchase, from whom and under what circumstances purchase was made. If it is proposed to construct or acquire new facilities (including equipment), state estimated cost and basis of such estimate, form and terms of payment, and from whom purchases of facilities will be made. State whether Applicant, or the business or plant, has been in receivership, bankruptcy, Chapter X, XI or XII, in hands of creditors, committee, or whether Applicant has effected a compromise with creditors, and if so, discuss fully. Indicate whether business is conducted in leased premises and whether any facilities are leased from others and describe terms of any lease agreements. List type and amount of insurance carried on plant property. Describe briefly any pending or threatened litigation affecting Applicant.

14. NAMES AND ADDRESSES OF OFFICERS, DIRECTORS, OR PARTNERS, AND IN ADDITION THERETO, THE FIVE LARGEST STOCKHOLDERS IF A CORPORATION.

NAME AND ADDRESS (a)	Official title (If officer is also director indicate by "D") (b)	Total of annual salary, commissions, bonuses, etc., received from Applicant and affiliates during last fiscal year (c)	Estimated net worth outside of Applicant (d)	Number of shares held in applicant: Common (e)	Number of shares held in applicant: Preferred (f)	Life insurance carried for benefit of Applicant: Amount (g)	Life insurance carried for benefit of Applicant: Net cash surrender value after loans (h)
This project would be managed and supervised by myself, a Consulting Engineer, and the property owners have indicated every willingness to advise and cooperate in the project.							
	Total		x x x x x			x x x	x x x

15. CAPITAL STOCK ISSUES

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par value (c)	Number of shares outstanding (d)	Dividend rate last paid (e)
Common stock	$ NO STOCK	$	$		
Preferred stock	$	$	$		

16. PURCHASE AND SALES RELATIONS WITH OTHERS

Does Applicant buy from, sell to, or use the services of, any concern or partnership in which an officer, director, large stockholder, or partner of the Applicant has a substantial interest? If not, so state. If so, give names of such officers, directors, stockholders, and partners, and names of such concerns or partnerships.

I am a consulting mining engineer and have retainers from Minas de Matahambre in Cuba, and the Duval Company in Idaho. I own 51% of Roger Pierce Equipment Sales Co., and this Company is engaged in liquidating mining and milling plants. I also own 20% of Cate Equipment Co., Stock, a heavy machinery firm.

Does any officer, director, large stockholder, or partner of Applicant receive any commission, bonus, or other payment in cash or services from any concern or partnership with which Applicant has business dealings? If not, so state. If so, give names of such officers, directors, stockholders, or partners and amounts of such commissions, bonuses, or payments.

I am strictly a stockholder in Cate Equipment and Roger Pierce Equipment Sales Co. I draw a small monthly salary from Pierce Equipment Sales. Most of my income is from paid consulting work.

17. COMPENSATION SCHEDULE

INSTRUCTIONS: The schedule shall show the amount of compensation being paid to all employees of Applicant receiving compensation at a rate in excess of $10,000 per annum, including employees paid on a part-time basis where the rate of compensation exceeds $10,000 per annum computed on a full-time basis. If Applicant is a corporation, the schedule should show the compensation, regardless of amount, being paid to all officers, directors, and such stockholders as have an interest in Applicant's business of 10 percent or more. If Applicant is a partnership, the schedule should show the compensation being paid to, or being withdrawn by, all partners for their personal use. If Applicant is an individual, the schedule should show the amount being withdrawn by Applicant for his personal use. In each case the listed person's connection with the business should be indicated (i.e., whether an officer, director, stockholder, partner, owner, etc.). The calendar basis for the compensation should likewise be shown. Attorneys or firms of attorneys on a regular retainer or salary basis should be included. The schedule should include a separate notation indicating the source and amount of any compensation being paid by a company or firm directly or indirectly controlling, affiliated with, or controlled by, Applicant. If the space provided herein is insufficient, the schedule should be continued on the reverse side or appropriate continuation sheets should be attached.

No one other than laborers and supervisors would receive a salary or wages from this project.

17. **COMPENSATION SCHEDULE** - Continued
The term "compensation", as used herein and such schedule, shall include all salaries, fees, bonuses, commissions, retainers, regular drawing accounts, and other payments, direct or indirect, in money or otherwise, for personal services.

Name (a)	Position (b)	Compensation paid during previous fiscal year (c)	Present compensation (d)
Cate Equipment Co.	Stockholder		$2,000 stock dividend
Roger Pierce Equipment Sales	General Manager		400 per mo.
Minas de Matahambre	Consulting Engineer	$1,500	1,250 per mo.
Duvall Company	Consulting Engineer	Stock	400 per mo.

18. **COLLATERAL**
(a) The applicant offers the following described collateral as security for repayment of the loan applied for.

Description (a)	Date acquired (b)	Cost (c)	Book Value (Net) (d)	Appraised* value (e)
Property now held:				
United Idaho Mine	5 claims	20 year lease		
Latest Cut Mine	1 claim	Bond and lease		
Gilmore Merc.	12 claims	Bond and lease		
Deleware Idaho	6 claims	Bond and lease		
To be acquired:				
NONE				

* This column need be filled in only if a recent appraisal has been made. If so, identify appraiser below.

Name (a)	Title (b)	Date (c)
Bureau of Mines and U. S. G. S.	representatives have made inspections.	

(b) Describe existing liens, if any, on property listed above.

None, and I paid current taxes

EXHIBIT A - CURRENT FINANCIAL STATEMENT

As of _____

(Date not more than 30 days prior to date of application)

ASSETS

CURRENT ASSETS

1. Cash		$ 5,000.00
2. Notes receivable. Second Mortgage on house sold	$ 2,500.00	
Less reserve for doubtful notes		
3. Accounts receivable:		
Current	$	
Past due not over 4 months		
Past due over 4 months	$	
Less reserve for doubtful accounts		
4. Inventories:		
Raw materials	$	
Work in process		
Finished goods	$	
Less reserve for inventory losses		
5. Other current assets (describe)		
TOTAL CURRENT ASSETS		$

FIXED AND OTHER ASSETS

6. Plant used in business:		
Land	$	
Buildings		
7. Machinery		
8. Equipment, furniture, and fixtures	$	
Less reserve for depreciation		
9. Investments—stocks and bonds		
10. Investments in affiliated companies		
11. Receivables due from affiliated companies		
12. Real estate not used in business		
13. Due from officers, directors, employees, stockholders		
14. Deferred charges		
15. Other assets		
TOTAL ASSETS		$

LIABILITIES

CURRENT LIABILITIES

16. Notes payable (see schedule 1, page 10):		
Banks	$	
Trade creditors		
Officers, stockholders, relatives		
Insurance companies		$
17. Accounts payable		
18. Other current liabilities:		
Delinquent taxes — Real estate	$	
Delinquent taxes — Federal		
Wages and salaries		
Due officers		
Accrued interest, rent, taxes, wages, etc		
TOTAL CURRENT LIABILITIES		$

FIXED AND OTHER LIABILITIES

19. Machinery liens		
20. Mortgage debts (see schedule 2, page 10)		
21. Bonds or debentures (see schedule 2, page 10)		
22. Other liabilities		

NET WORTH

23. Common stock (if Applicant is incorporated)	$	
24. Preferred stock (if Applicant is incorporated)		
25. Surplus (if Applicant is incorporated)		
26. Capital and Surplus Account (if Applicant is partnership or individual)		
TOTAL LIABILITIES		$

27. Contingent liabilities (explain) _____ $

NOTE.— Submit copy of last available audit or of financial statement at close of last fiscal period (if such date differs from date of above statement).

EXHIBIT D

AGREEMENT AS TO COMPENSATION FOR SERVICES RENDERED OR TO BE RENDERED TO APPLICANT IN CONNECTION WITH APPLICATION AND/OR LOAN

To induce the United States Government and its agencies to make a loan under Sec. 302 of the Defense Production Act of 1950 to _____ (hereinafter called "Applicant") and in consideration of the making of a loan to Applicant, the undersigned, having been retained by Applicant for the purpose of rendering professional or other services in connection with its application for a loan or loans, hereby represents, warrants, and agrees that the undersigned has not been paid, has not made any agreement with the Applicant to be paid, and has not procured any person to pay or agree to pay, and will not, directly or indirectly, charge or receive any bonus, fee, or commission in any form in connection with the said application for, or the obtaining of, the loan applied for by the Applicant, or any compensation in any form for services rendered or to be rendered in connection therewith except for the services and in the amounts stated below:

Name	Description of services	Amount paid	Amount to be paid
		$	$

To induce the making of the loan and the employment of the undersigned by Applicant, the undersigned hereby further warrants, covenants and agrees, upon the consideration herein specified, and in consideration of the employment of the undersigned by Applicant, as above recited, that if the amount of compensation stated above for any such services shall not be deemed reasonable by any agency of the United States Government, the undersigned will reduce the charge for such services to such amount as shall be deemed reasonable by such agency, and will not, directly or indirectly, charge or collect from the Applicant or any other person, any sum in excess of the amount so deemed reasonable; and that if the undersigned has heretofore collected, from the Applicant or any other person, as compensation for any such services, any amount deemed by such agency to be unreasonable, the undersigned will refund to Applicant or such other person such sums as are in excess of the amount deemed reasonable. The undersigned further warrants, covenants and agrees that if the amount of the compensation for any such services is not determinable at the date of application, or is not stated above, it will not collect or charge any sum as compensation for such services without the prior written approval of the Government agency with which this application is officially filed as to the nature of the services for which such compensation is to be paid and the amount of such compensation.

Witness: _____

Address of witness: _____

Dated _____, 19____

NOTE—Corporations must execute foregoing certificate in corporate name, by duly authorized officer, and seal must be affixed and duly attested; partnerships must execute in firm name, together with signature of a general partner. If no compensation is paid or to be paid for services rendered in connection with application or loan, this should be so stated and the Applicant should sign this Exhibit.

CERTIFICATION

The Applicant hereby certifies that the statements made in the foregoing application, and all exhibits and documents submitted in connection therewith, are true and correct statements to the best of Applicant's information and belief and are submitted as a basis for credit. The Applicant agrees to reimburse any agency of the United States Government upon demand for any expenses incurred in connection with or arising out of this application or any loan made pursuant hereto.

Dated Jan. 12, 1951

Witness: _____

(For individual applicants)

Roger V Pierce
(Signature)

Witness: _____

(For partnership applicants)

_____
(Full name of firm)

By _____, a general partner.
(Signature)

(For corporate applicants)

(CORPORATE SEAL)

_____
(Full corporate name of Applicant)

Attest: _____

By _____
(Signature) (Title)

_____, _____
(Signature) (Title)

The United States Criminal Code, 18 U.S.C., Sec. 1001, makes it a criminal offense to make a willfully false statement or representation to any Department or Agency of the United States as to any matter within its jurisdiction.

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