Mr. G. J. Fenix
St. Regis Mining Company
202 Joplin National Bank Building
Joplin, Missouri

Re: Docket DMEA-1909X (7inc)
Lincoln Mines

Dear Mr. Fenix:

We have carefully considered your modified application proposing the unwatering of the Lincoln Mine, rehabilitating of the shaft and installation of derrick, hoist and compressor preparatory to examination and long-hole drilling of pillars remaining in the Lincoln Mine.

In our opinion the work proposed by your amended application is essentially preparation necessary to mine the ore reserves estimated by an independent engineer to be available in your property and, also, the engineering and geological examination will not materially add to the data presently available.

Mineral Order 5, which sets forth the regulations governing Government participation in exploration projects, provides that the funds shall not be used to prosecute work primarily for mining or preparation for mining. Under these regulations, therefore, we are unable to approve your modified application for exploration project assistance and, accordingly, concur in the previous denial of the Defense Minerals Administration, dated August 29, 1951.

In view of this decision, it would appear that your proposed project might be a suitable subject for an application for a production loan or a procurement contract. Should you decide to make such an application, it is suggested that you contact the Defense Materials Procurement Agency, General Services Building, Washington 25, D.C.

Sincerely yours,

C. O. Mittendorf

Acting Administrator
Defense Minerals Exploration
Administration

DEMoulds/FEJohnson/COMittendorf/
meh/hmj/bdh/fw
2/15/52
cc: Docket
Admr. Reading File
Mr. Bishop
Mr. McKnight
Region VI
Mr. Moulds

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

Mr. G. J. Fenix
St. Regis Mining Company
202 Joplin National Bank Building
Joplin, Missouri

8/29

Re: Docket No. DMEA 1909X (Zinc)
Lincoln Mines

Dear Mr. Fenix:

We have carefully considered your modified application proposing the unwatering of the Lincoln Mine, rehabilitating of the shaft and installation of derrick, hoist and compressor preparatory to examination and long-hole drilling of pillars remaining in the Lincoln Mine.

In our opinion the proposed work by your amended application is essentially preparatory to mining the ore reserves estimated by an independent engineer to be available in your property and, also, that the engineering and geological examination will not materially add to the data presently available.

Mineral Order 5 states that the Government shall not participate in work prosecuted primarily for mining or preparation for mining and shall not go beyond discovery and reasonable delineation. Under these regulations, therefore, we are unable to approve your modified application for exploration project assistance. Accordingly, the Director of the Defense Minerals Administration dated Aug 29, 1951.

A copy of your application and supporting data, however, are being forwarded to Defense Materials Procurement Agency for review and consideration with respect to the possibility of obtaining a development and production loan, or a procurement contract. No doubt you will hear from that Agency in the near future.

Sincerely yours,

Acting Administrator
Defense Minerals Exploration
Administration

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In view of this decision, it would appear that your proposed project might be a suitable subject of an application for a production loan or a procurement contract. Should you decide to make such an application, it is suggested that you contact the Defense Materials Procurement Agency, Washington 25, D.C.

FILE COPY
SURNAME:

FEJohnson

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

Mr. G. J. Fenix
St. Regis Mining Company
202 Joplin National Bank Building
Joplin, Missouri

Re: Docket No. DMEA 1909X (Zinc)
Lincoln Mines

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Sincerely yours,

Acting Administrator
Defense Minerals Exploration
Administration

DEMoulds/FEJohnson/meh/hmj/bih
2/2/52
cc to: Docket
Admr's. Reading File
Mr. Bishop
Mr. McKnight
Region VI

FILE COPY
SURNAME:

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

Mr. G. J. Fenix
St. Regis Mining Company
202 Joplin National Bank Bldg.
Joplin, Missouri

Re: Docket No. [illegible] (Zinc)
Lincoln Mines

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Sincerely yours,

Acting Administrator
Defense Minerals Exploration
Administration

DEMoulds/mch/hmj
1-25-52
cc to: Adm. Reading File
Docket File Copy
Mr. Bishop
Mr. McKnight
Region VI

REFERENCE FOR CHRON. FILE

Mr. G. J. Fenix
St. Regis Mining Company
202 Joplin National Bank Building
Joplin, Missouri

Re: Docket DMEA-1909A (Zinc)
Lincoln Mines

Dear Mr. Fenix:

Sincerely yours,

C. O. Mittendorf

DEMoulds/FEJohnson/COMittendorf/Acting Administrator
meh/hmj/bih/fw
2/15/52

Defense Minerals Exploration
Administration

cc: Docket
Admr Reading File
Mr. Bishop
Mr. McKnight
Region VI
Mr. Moulds

Mr. C. J. Fenix
St. Regis Mining Company
202 Joplin National Bank Building
Joplin, Missouri

Re: Docket No. DMEA 1909X (Zinc)
Lincoln Mine

Dear Mr. Fenix:

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Sincerely yours,

Acting Administrator
Defense Minerals Exploration
Administration

DEMoulds/FEJohnson/mch/bmj/bih
2/2/52
cc to: Docket
Admr's. Reading File
Mr. Bishop
Mr. McKnight
Region VI
Mr.Moulds

January 28, 1952

Memorandum

To: Mr. C. O. Mittendorf, Acting Administrator

From: Mr. D. E. Moulds, Acting Chief, Base Metals Division

Subject: Denial of application for exploration project assistance
Docket No. DMEA 1909X, St. Regis Mining Co., Lincoln Mine

The original application by the St. Regis Mining Company proposed a program estimated to cost $69,270.00 and consisting of unwatering the Lincoln Mine to examine pillars, backs, floor and headings with the object of stripping any remaining ore consistent with present mining practice. In addition to unwatering, approximately 400 feet of drifting, 600 feet of raising and a winze were proposed to check ore trends and churn drill data. This application was denied in August, 1951 on the premise that the work appeared to be development rather than exploration. A churn drilling program was suggested as the most feasible and least expensive method for exploring the block of ground concerned in the project.

During November, 1951, the St. Regis Mining Company presented a modified program and requested reconsideration. The modified program, estimated to cost $66,670, consists of the following steps and unit cost:

1.	Recollar and rehabilitate shaft	$ 1,110.00
2.	Churn drill two 12" holes for pumping	6,100.00
3.	Install pumps	18,840.00
4.	Dewater mine	10,670.00
5.	Install compressor	4,180.00
6.	Rehabilitate existing shaft	2,300.00
7.	Install derrick and hoist	10,770.00
8.	Engineering and geological examination	4,700.00
9.	Drill hole sampling of pillars	8,000.00
		$ 66,670.00

A review of the modified application brings out several points for consideration.

(1) The company states: "This area has been churn drilled to prove the area mineralized. However, the drilling was done before any dewatering was accomplished, therefore, a true quantitative analysis cannot be made".

In view of the recognized application of churn drilling to prospecting, exploration and delineation of ore bodies in the Tri-State Area, preliminary to mining, this statement appears erroneous. It is recognized, however, that a quantitative analysis of rock tons remaining in the pillars in the abandoned workings comprising a part of the property could not be made by churn drilling.

(2) The production previously achieved from the St. Regis area was from the sheet ground ore horizon which consisted of rather uniform sulphide mineralization over comparatively large areas. The pillars were left for roof support and spaced according to the operator's desire for back safe mining requirements. It is believed that a reasonably accurate evaluation of ore reserves and grade can be made by use of previous production reports, pillar areas and knowledge of prior mining practice in the area. The independent evaluation in this instance by Mr. William M. Stewart estimating a reserve of 2,240,000 rock tons averaging 2.85% combined recovery, is therefore believed to present an estimate of ore reserves and recoverable grade of PbS and ZnS normally used as a basis for mine operation.

(3) The initial application states that the net value per rock ton on 2.52 Zn - .15 Pb is $0.59.

The value according to Stewart's report, and revised to present concentrated price, on 2.85% combined recovery and after 6% royalty is $4.05 per rock ton. Using the applicant's cost of $2.61 per rock ton for mining and milling the indicated net value is $1.44.

The average estimated recoverable grade of ore therefore appears to be commercial. This, of course, is based on data derived from the application and engineering report.

(4) The expense of equipment and installations for unwatering, shaft rehabilitation, air compressing and hoisting comprises approximately 80% of the estimated $66,670. cost of the project.

(5) The drifting and raising proposed in the initial application has been withdrawn from the modified proposal. Thus the modified project excludes all of the work which could be interpreted as exploring new ground.

In general, the project appears to be work prosecuted primarily for mining or preparation for mining. While the expense of unwatering, shaft rehabilitation and equipment is necessary prior to the

geological and sampling work, this expense is also recognized to be entirely preparatory work and benefical to the actual mining of the reserves of ore. The information to be derived from the sampling and examination will be confined to areas previously mined and essentially is checking previous evaluation of the ore.

The project presents a possible means of development and production of a worthwhile tonnage of lead and zinc rapidly and at a comparatively low cost for development and mining. Before, however, consideration can be given to participation by the Government in projects prosecuted primarily for development or mining, such as this project, it is believed that criteria should be formulated to define points of dissimilarity between projects prosecuted for exploration and for development.

The previous letter of denial of August 29, 1951 suggested churn drilling to further explore the area surrounding the old workings. The applicant indicates that this work is not feasible, and apparently is interested mainly in unwatering and equipping the shaft.

It is recommended, therefore, that the modified project be again denied on the basis that the work proposed cannot be accepted under the definition of exploration as now construed.

D. E. Moulds

D. E. Moulds

DEMoulds/ meh/hmj
1-28-52
cc to: Mails and Files
Docket
Mr. Moulds

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

March 6, 1951

Mr. G. J. Fenix
The St. Regis Mining Company
203 Joplin National Bank Building
Joplin, Missouri

Dear Mr. Fenix:

I have given considerable thought to the contents of your letter of February 8, concerning the urgent need for an increase in the price of zinc concentrates in order that your company can continue to operate and I thank you for bringing this matter to my attention. Mr. Mote upon his return from Joplin, also informed me of your specific problem and suggested the possibility that similar economic problems may be confronting other operators in the region. I wish it were possible at this time to provide you with details of a Government aid program which would resolve your current difficulties. I regret to report, however, that for the present at least there appears to be no indication of a possible advance in the market price of zinc. As you no doubt know, action of this type is a function of the Emergency Stabilization Administration.

At the expense of being repetitious, I would like to indicate to you the types of Government assistance presently available under the Defense Production Act; and I am hopeful that in one or more of these you will find a means to assure continued operation of your property. Assistance is being given in the form of purchase contracts, accelerated amortization for tax purposes, and loans for exploration ~~and development~~.

Under a purchase contract, the General Services Administration would enter a contract to take zinc for a period of ~~two~~ three years with a floor at the present market price of the metal. The seller would have the option to sell at the contract price or at market price, whichever was higher.

Accelerated amortization of equipment under the tax laws is available through application for a certificate of necessity from the National Security Resources Board, Washington 25, D. C.

The program for encouragement of exploration and development of strategic metals and minerals, recently approved, calls for financial participation on the part of the applicant. For zinc, lead,

RHMOTE/ppm
Copy to - Base Metals Branch
R. H. Mote
Otto Herres
Ed McKnight, Geological Survey
Lowell B. Moon, Minerals Div.
Files

C. O. Mittendorf
L. F. Strobel
2 copies to Field Team, Region VI
Mr. David Gallagher
and Mr. L. T. McElvenny
P. O. Box 431
Joplin, Mo.

and copper deposits it will be necessary for the applicant to match Government funds on an equal basis. Funds advanced by the Government will be considered a loan, to be repaid if the exploration is profitable, but to be cancelled if unsuccessful. Additional details of the program are given in the enclosed press release and application blanks will be available for distribution soon at the Joplin field office of DMA.

Problems of maintaining and expanding the domestic production of zinc were discussed at a meeting in Washington, February 26, of Defense Minerals Administration officials and representatives of the domestic zinc mining and processing industry. Representing the Tri-State district at this meeting were O. W. Bilharz and J. H. Buchanana, both of whom are no doubt known to you. For your information, I am enclosing a copy of the press release covering this meeting. Unfortunately this release covers only the most general facts concerning the meeting. For more detailed data I suggest you contact either Bilharz or Buchanan.

I realize this letter contains little encouraging information with respect to your specific problem and I regret that I cannot be of more assistance at this time.

Very truly yours,

OTTO HERRES, Chief
Lead-Zinc Branch, DMA

Enclosure 1

AUG 29 1951

Re: Docket DMA-1909 X
G. J. Fenix
202 Joplin Bank Bldg.
Joplin, Missouri
St. Regis mine
Jasper County, Missouri
$69,270
Zinc, lead

Memorandum

To: Reports and Records Unit

From: The Lead-Zinc Branch

Subject: Recommendation for denial of application for an exploration loan submitted by G. J. Fenix, Manager, St. Regis Mining Company, Joplin, Missouri

Attached is the application with supporting exhibits submitted by G. J. Fenix of Joplin, Missouri on behalf of the St. Regis Mining Company to explore their property in Jasper County, Missouri. The total estimated cost of the project is $69,270.

The applicant proposes to investigate an area of mineralized ground which lies between the St. Regis mine and the Lincoln mine, about 1700 ft. to the northwest. About midway between the two mines is the relatively small Wolfheart mine. The following work is proposed:

1. Dewatering of the Lincoln mine in order to examine the floor, back, headings, and pillars. It will be necessary to recrib and collar existing shafts to set the pumps. Dewatering of this mine also will permit examination of the Wolfheart mine.

2. Driving two drifts, 150 to 200 ft. in length, northwest from the St. Regis mine to determine "if the present ore body, which is now turning downward, will make up on the level of the known ore horizon characteristic of the area immediately to the north."

3. Sink a winze to check drill hole No. 5 which is stated to be a good lead hole. The log or assays of the hole were not submitted.

4. Drive four 15 ft. raises to check drill hole No. 3, a log of which was submitted, but no assays.

Although a map was submitted, none of the work to be done nor the locations of the two drill holes referred to were shown.

A report by William M. Stewart, mining engineer, Joplin, Missouri estimates that the block of ground involved contains 27,000 tons of zinc concentrates and 4,000 tons of lead concentrates. Complete data on which these estimates are based is not presented.

In view of the fact that the work proposed by the applicant appears to be development in preparation for mining, it is recommended that the application be denied and the attached letter sent to the applicant.

The attached docket includes four copies of each of the following:

Form MF-103
Exhibit A - mining lease
" B - financial statement
" C - description of property
" D - report by William M. Stewart
" E - report by Karl L. Koelker, Jr.
" F - news clippings
" G - drillings of 6 holes
" H - maps

T. P. Billings by G.B.J.
T. P. Billings

Approved

Tom Lyon

Director, Supply Division

TPBillings:gt
G 8/27/51
Copies to: David Gallagher, Region VI
Chief, Lead-Zinc Br.
E. T. McKnight, 4204 GSA
R. H. Mote
Reports and Records Unit
Director's r. file, 4214 GSA
Br. r. file, 4214 GSA
Files

AUG 29 1951

Mr. W. J. Venix
St. Regis Mining Company
202 Joplin National Bank Building
Joplin, Missouri

In reply please refer to:
Docket [illegible]-1909

Dear Mr. Venix:

Your application for a loan to explore your property in Sec. 3, T. 27 N., R. 32 W., Jasper County, Missouri has been reviewed by the Defense Minerals Administration.

The work you are planning to do, namely dewatering the Lincoln mine, driving two 150-200 ft. drifts north from the St. Regis mine, and sinking a winze and driving several raises to check old drill holes, appears to us to be development rather than exploration work. Because the regulations governing the Government's exploration program state that development work prosecuted primarily for mining or preparation for mining cannot be considered under this program, I regret that we are not able to approve expenditure of exploration funds for the work you propose.

We believe that churn drilling would be the most feasible and least expensive method for exploring the block of ground concerned in your project.

We wish to thank you for bringing this property to our attention.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

EJLyons:gt
G 8/24/51
Copies to: David Gallagher, Region VI
Chief, Lead-Zinc Br.
E. T. McKnight, 4204 GSA
R. H. Mote
Reports and Records Unit
Director's r. file, 4214 GSA
Files
Br. r. file, 4214 GSA

350
FILE COPY
SURNAME:

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

AUG 8 1951

DMA-1909X

Billings
Allen
(Colmate)
McKnight

Mr. G. J. Fenix
St. Regis Mining Company
202 Joplin National Bank Building
Joplin, Missouri

Dear Mr. Fenix:

On receipt of your application DMA-1909 with mining lease, exhibits and other information I failed to find Form MF-103.

Therefore, I am sending you five copies of Form MF 103 which I wish you would fill out as required. Since you have submitted the questions and answers as provided on this form, we would like you to fill in the block marked X and also on the reverse side fill in the lines marked X under certification, and return the forms to the Defense Minerals Administration in order that your application may be properly processed.

Yours very truly,

T. P. Billings, Chief
Lead-Zinc Branch

Enclosures

TPBILLINGS:ks
8/7/51

cc: Reports & Records
Mote
McKnight
DMA Docket File

C

Herres

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION VI

OFFICE OF
REGIONAL DIRECTOR

ROOM 814 BARFIELD BUILDING
AMARILLO, TEXAS

March 13, 1951

Memorandum

To: R. C. Knickerbocker, Chief, Minerals Technology Division, Region VI, Rolla, Missouri

From: Regional Director, Region VI

Subject: DMA zinc policy

I am attaching three copies of a letter, under date of March 6, from Mr. Otto Herres, Chief Lead-Zinc Branch, DMA, to Mr. G. J. Fenix of the St. Regis Mining Company of Joplin, Missouri.

I feel that the letter is an excellent one, and does a splendid job of presenting discouraging information in a way which will make a friend of the recipient, nevertheless. It contains much usable information for us, and I thought you would like to relay a copy to McIlvenny and our Joplin office.

C. W. Seibel

Attachments
Copy to Otto Herres, . . D.
R. H. Mote, . . .

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 22 1951

LANDON F. STROBEL
Executive Secretary

MAR 2 1951

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

March 6, 1951

Mr. C. J. Fenix
The St. Louis Mining Company
203 Joplin National Bank Building
Joplin, Missouri

Dear Mr. Fenix:

I have given considerable thought to the contents of your letter of February 8, concerning the urgent need for an increase in the price of zinc concentrates in order that your company can continue to operate. I thank you for bringing this matter to my attention. Mr. Pots upon his return from Joplin, also informed me of your specific problem and suggested the possibility that similar economic problems may be confronting other operators in the region. I wish it were possible at this time to provide you with details of a Government aid program which would resolve your current difficulties. I regret to report, however, that for the present at least there appears to be no indication of a possible advance in the market price of zinc. As you no doubt know, action of this type is a function of the Emergency Stabilization Administration.

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Under a purchase contract, the General Services Administration would enter a contract to take zinc for a period of two years with a floor at the present market price of the metal. The seller would have the option to sell at the contract price or at market price, whichever was higher.

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and copper deposits it will be necessary for the applicant to match Government funds on an equal basis. Funds advanced by the Government will be considered a loan, to be repaid if the exploration is profitable, but to be cancelled if unsuccessful. Additional details of the program are given in the enclosed press release and application blanks will be available for distribution soon at the Joplin field office of DMA.

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OTTO HIMES, Chief
Lead-Zinc Branch, DMA

Enclosure 1