G.E.C.

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

May 9, 1951

Memorandum

To: Executive Secretary

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

Subject: Denial of Exploration Loan
Chester L. Shockey
325 Washington Avenue
Sante Fe, New Mexico

Re: Docket DMA-526

Commodity: Lead-zinc

The application submitted by Mr. Shockey, for a loan of $18,000 to explore and develop their claims in Torrance County, New Mexico has been reviewed by the Lead-Zinc Branch.

Mr. Shockey has stated that he is unable to provide his share of the funds for an exploration project, therefore, the application is recommended for denial.

The property does not qualify for a direct mining loan since there are no known ore reserves.

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

Approved:

Tom Lyon

Director, Supply Division

FILE COPY
SURNAME:

ALBrokaw
McKnight
Herres
Strobel 5/17

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
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Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

ALBrokaw:emp
G 5/9/51

Copies to: J. H. East, Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
L. B. Moon
R. H. Mote
L. F. Strobel
T. Lyon
Director 4214 GSA
Br. reading file 4214 GSA
Files

DMA-526

5

858

FILE COPY
SURNAME:

ALBrokaw
HCBrinkley
RHMote
LFStrobel
Strobel 5/17

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

May 9, 1951

Mr. Chester L. Shockey
325 Washington Avenue
Santa Fe, New Mexico

Re: Docket DMA-526

Dear Mr. Shockey:

The Defense Minerals Administration has reviewed your application and has also given consideration to your letter of April 27, 1951. The review indicates that your property does not qualify for a direct mining loan because there are no proven ore reserves. The work you propose to do is exploration.

In our letter of April 12 we pointed out that for exploratory projects it is necessary that the applicant furnish one-half the funds. We note from your letter that you are unable to provide your share of the money, therefore, it is mandatory that your application be denied.

We wish to thank you for bringing this property to our attention. If, in the future, you are financially able to contribute to such a project we will be glad to reconsider your application.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

ALBrokaw:emp
G 5/9/51
Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Br.
E. T. McNight 4204 GSA
L. B. Moon
R. H. Mote
L. F. Strobel
T. Lyon
Directors reading file 4214 GSA
Br. reading files 4214 GSA

DEFENSE MINERALS ADMINISTRATION

Mr. Herres

Referral of Applications for Government Aid

Docket No. DMA-526

Commodity: lead zinc and barite

Name of Applicant: Chester L. Shockey

Address of Applicant: 325 Washington Avenue
Santa Fe, New Mexico

Name of Property:

Location of Property: Torrance County, New Mexico

Nature of Application: Loan of $18,000

Action Dates

Application: 1/ 5/51

Received: 1/31/51

Acknowledged:

Referred to NONFERROUS METALS Committee: 2/1/51

32 Washington Ave
Santa Fe, New Mex
April 27 1951

United States Department of the Interior.
Defense Minerals administration
Lead and Zinc Branch
Washington 25 D.C.

Re- DMA-524

Dear Mr. Harris

I have your letter of April 12 along with the loan forms.

When I made the application for the loan the program had not been completed and I dident know what the requirments would be. I am very anxious to have some work done on my property however I am unable to provide my share of the funds on a 50 percent contribution.

Very truly yours
Chester L Shockey

DMA-524

MAY 7 1951

BUREAU OF MINES
WASHINGTON, D. C.
MAY 4 1 17 PM '51

FILE COPY
SURNAME:

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

APR 12 1951

In reply please
refer to DMA-526

Mr. Chester L. Shockey
325 Washington Avenue
Santa Fe, New Mexico

Dear Mr. Shockey:

One of the purposes of the Defense Production Act of 1950 is the encouragement of exploration, development and mining of strategic minerals and metals. Where an applicant has proven reserves of strategic materials, Federal aid in mining can be given through procurement contracts for such materials as are in short supply. On the strength of these contracts, the applicant can obtain private financing in most instances.

The program recently approved for encouragement of exploration of strategic materials calls for participation on the part of the applicant. For zinc, lead and copper deposits it will be necessary 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 canceled if unsuccessful. The details of the plan, explaining the projects that will be eligible for assistance, the terms and schedules of financing, repayment, and other pertinent information, are enclosed.

A review of your application (DMA-526) for financial aid in carrying out an exploration program on a property in Torrance County, New Mexico, indicates that your proposal may be considered under this exploration program. Details concerning expenditures that will be considered chargeable to exploration aid will be subject to a final determination by negotiation, but as a preliminary appraisal we believe that the program will apply to the total amount of your application, $18,000.00.

Before we can proceed further with consideration of your application, which may or may not require a field examination, please indicate your willingness to provide your share of the funds needed to carry out the proposed exploration. Any modification of your original proposal that you may wish to make will be considered, but you should be specific concerning the work you wish to undertake.

Very truly yours,

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

E T McKnight:emp G 3/21/51
Copies to: 2 copies to Exec. Officer
J. H. East, Region IV
Chief, Lead-Zinc Br.
McKnight 4204 GSA
L. B. Moon
R. H. Mote
Enclosures
L. F. Strobel
C. O. Mittendorf
Files

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

APR 12 1951

In reply please
refer to [illegible]

[illegible]
[illegible]
Santa Fe, New Mexico

Dear Mr. [illegible]:

[illegible] the purposes of the Defense Production Act of 1950 [illegible] the encouragement of exploration, development and mining of strategic minerals and metals. Where an applicant has proven reserves of strategic materials, Federal aid in mining can be given through procurement contracts for such materials as are in short supply. On the strength of these contracts, the applicant can obtain private financing in most instances.

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A review of your application ([illegible]) for financial aid in carrying out an exploration program on a property in [illegible] County, New Mexico, indicates that your proposal may be considered under this exploration program. Details concerning expenditures that will be considered chargeable to exploration aid will be subject to a final determination by negotiation, but as a preliminary appraisal we believe that the program will apply to the total amount of your application, $1[illegible],000.00.

Before we can proceed further with consideration of your application, which may or may not require a field examination, please indicate your willingness to provide your share of the funds needed to carry out the proposed exploration. Any modification of your original proposal that you may wish to make will be considered, and you should be specific concerning the work you wish to undertake.

Very truly yours,

[illegible]

[illegible], Chief
[illegible] Branch

[illegible] 4/11/51
Copies to: 2 copies to Exec. Officer
J. R. [illegible], Region IV
[illegible]
[illegible]
[illegible]
[illegible]
[illegible] [illegible]
[illegible]
Files

LAYOUT REPORTER

file

325 Washington Avenue
Santa Fe, New Mexico
January 5, 1951

REGION IV
JAN 18 1951
BUREAU OF MINES
DENVER, COLORADO

Mr. J. H. East, Jr., Director
U. S. Bureau of Mines
Old New Customhouse
Denver 2, Colorado

HERRES
2-1-51

Dear Mr. East:

Referring to your letter of October 17, 1950, I understand that the regulations have been established for financial assistance to miners for exploration and development loans under the Defense Production Act.

Since my property is a new discovery and has not, as yet, been worked, I would like to submit to you the following information:

I have three lode claims, 600 feet wide, one 1500 feet long, one 1320 feet long, and one 1160 feet long, all joing to make 55 acres. This property is in Torrance County, New Mexico. Two claims are in the Northwest one-fourth of Section 5, Township 9 North, Range 7 East, and the other is in the Northeast one-fourth of Section 6, Township 9 North, Range 7 East. This deposit is 26 miles East of Albuquerque, New Mexico, and 17 miles West of Moriarty, New Mexico, which would be the shipping point on the Santa Fe Railroad. The mine is only 3 miles from the paved U. S. Highway 66 and the country road leading to the deposit is a good all-weather road over which you may drive a car or truck to the mine. There will be no need for building roads. There is no water on this property; however, on the west claim we can get water which is about 180 feet deep. There is plenty of usable timber and a power line is within 2 miles of these claims.

This is primarily a Lead and Zinc prospect, however there is a very good vein of Barite at one location. The shaft is 25 feet deep with a 8 foot vein of milling barite. I have a 15 foot shaft on the lead and zinc vein. It isn't deep enough to get a fair sample from wall to wall, however some of the assays are running from 8 to 11% lead, some zinc and silver. This is a 5 foot vein and comes in the lime formation. I have traced the surface outcropping about 2,500 feet.

I do not have an engineers report on this property but there have been several engineers who looked at it. One of which was Mr. E. H. Murchison, who is the field engineer for the National Lead Company. At the time he examined these claims, he was interested in the barite. Mr. Murchison said, that all indications point to the possibility of its making a good lead and zinc mine.

Mr. East,

I would like to go over this property with the Bureau's engineers and see if we could get this mine into production. I think possibly $15,000 or $18,000 would be sufficient to develop this mine, but if a mill will be necessary to make it profitable, the cost would be considerably more.

The nearest mill to this property is at Socorro, New Mexico which is 110 miles. There is also the American Smelting and Refinning Company Mill at Deming, New Mexico, which is about 200 miles.

In Mr. Boyd's talk to the American Mining Congress in New York City, which was held on December 5, 1950, he said, we must create new sources, develop known but unworked deposits, and make concentrated efforts to find new ore deposits. I feel that this deposit would come under that program.

If there is any other information you might need, please let me know.

You will find, enclosed, a letter of reference as to my mining experience.

Very truly yours,

Chester L. Shockey

Chester L. Shockey

dma 5216

325 Washington Avenue
Santa Fe, New Mexico
January 5, 1951

REGIONAL DIRECTOR'S
OFFICE
REGION IV
JAN 18 1951
BUREAU OF MINES
DENVER, COLORADO

Mr. J. H. East, Jr., Director
U. S. Bureau of Mines
224 New Customhouse
Denver 2, Colorado

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