J. H. East, Jr. Region IV

BMA

July 19, 1951

Re: Docket DMA-1730X

Mr. Clarence Barrett
320 North 6th Street
Socorro, New Mexico

Dear Mr. Barrett:

Your application for an exploration loan to work your four claims in the Hansonburg Mining District has been reviewed by the Defense Minerals Administration.

The work that you propose includes such items as building ore bins, ore chutes, grisley, and other items preparatory to mining, and you are requesting funds for a large primary crusher and for mining equipment. You state that when this preparatory work is done for which you are requesting federal assistance, the property will be ready for actual production.

If you have a sufficient tonnage of proven lead ore and can meet certain requirements as to collateral for a loan, you should be eligible for a direct mining loan from the Reconstruction Finance Corporation in the full amount needed. The application should be made to the Defense Minerals Administration on Forms MF-100 and MF-102, copies of which are enclosed. The Defense Minerals Administration will make any field examinations that may be needed and will recommend action by the Reconstruction Finance Corporation if we believe that the loan should be approved. As certain additional information is needed beyond that given on the exploration form previously submitted by you, it will be necessary to apply on the new forms.

I regret that the type of assistance you are asking cannot be granted under the exploration program, as outlined in the enclosed regulations governing Government aid in defense exploration projects (MO-5). The purpose of exploration loans is to find new ore in case not enough ore is proven to sustain a mining operation. Limitation of this type of loan to exploration rather than to mining or preparation for mining is explained in section 8(a) of the attached MO-5.

JAE

If you have the reserves that will justify the mining loan that you need, we will be glad to consider an application from you.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

ETMCKNIGHT:emp
G 7-19-51
Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Br.
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SEP 4 1951

RECEIVED
OFFICE OF
DIVISION IV
7 1951
BUREAU OF MINES
DENVER

Re: DMA 1730X

Clarence Barrett
Mozell, East Side No. 2
and Blue
Diamond Claims, New Mexico
$50,000
Lead

Memorandum

To: Reports and Records Unit
Administrative Management Division

From: Lead-Zinc Branch

Subject: Denial of request for loan

On July 19 in a letter signed by Tom Lyon, the applicant was informed that the type of assistance he asked for could not be granted under the exploration program. Forms MF-100 and MF 102 were enclosed so that the applicant could apply for a direct loan.

On August 27 an application for a direct loan was received and was given, the docket number was DMA-2007. It is recommended that the docket DMA-1730X be closed. No letter is necessary for the applicant as the letter of July 19 covered the action taken.

Returned herewith are two copies of MF-103 and a letter dated June 20, 1951.

T. P. Billings, Chief
Lead-Zinc Branch

Approved
Tom Lyon

Director, Supply Division
FJLee:bc
G 8/30/51
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