UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

REGIONAL DIRECTOR'S OFFICE
REGION IV
FEB 14 1952
BUREAU OF MINES
DENVER, COLORADO

February 13, 1952

Air Mail

Memorandum

To: J. H. East, Jr., Denver, Colorado

From: J. Bruce Clemmer, Salt Lake City, Utah

Subject: Petaca Minerals Corporation

This is a belated acknowledgment of your memorandum of February 7 regarding examination of the DeAnza mica flake preparation mill of the Petaca Minerals Corporation in New Mexico.

Either Carl Rampacek or myself, perhaps both of us, will be glad to join Mr. Ralston to see what the unit will accomplish. Will you please let us know a few days in advance of Mr. Ralston's arrival? I probably will arrange to meet him either at Denver or Albuquerque, whichever is convenient.

We will be looking forward to Mr. Ralston's visit and hope he can arrange to spend a few days at Salt Lake City to give us a chance to discuss our anticipated work program and allotments for Fiscal Year 1953.

J. Bruce Clemmer
J. Bruce Clemmer

Copy to: O. C. Ralston
Paul Zinner
Carl Rampacek

NE

February 7, 1952

Air Mail

Memorandum

To: J. Bruce Clemmer (Tucson)

From: Regional Director, Region IV

Subject: Petaca Minerals Corporation

We enclose file regarding the DeAnza mica flake preparation mill of the Petaca Minerals Corporation. You already have a copy of my reply dated February 6 to Paul Zinner regarding this subject.

I believe it would be advisable for Ralston to come out at the time of the inspection, as it will give us a chance to talk with Mr. Ralston regarding the 1953 allotments. Please advise your reaction to this proposition.

J. H. East, Jr.

J. H. East, Jr.

Enclosures

Copy to Salt Lake City, Utah

JHE:ftm

February 6, 1952

Memorandum

To: Paul Zinser

From: Regional Director, Region IV

Subject: Petrex Minerals Corporation

This will acknowledge your letter dated February 1, regarding the DeAnza mills flake preparation mill at the plant of the Petrex Minerals Corporation in New Mexico.

We will arrange with Mr. Clemmer to visit the mill or to have Rongeck make the inspection if Clemmer is not available.

Due to the changes that have taken place in Region IV in the Metallurgical Division, I am quite sure it will be March before any field work is done. We will be very glad to have Mr. Ralston participate in the investigation and if he will come to Denver, we will arrange transportation for him. We will advise you as far in advance as possible the date the inspection will take place.

J. H. East, Jr.

Copy to: T. M. Miller
O. C. Ralston
J. B. Clemmer (Tucson)
J. B. Clemmer (Salt Lake City)

JHE:fmm

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

REGIONAL DIRECTOR'S OFFICE REGION IV
FEB 6 1952
BUREAU OF MINES
DENVER, COLORADO

February 1, 1952

Mr. J. H. East
Regional Director, Region IV
200 New Custom House Bldg.
Denver, Colorado

Dear Jack:

The attached correspondence between H. I. Young of DMPA and the Director is self explanatory. The inspection and report were arranged through O. C. Ralston, who reports that the DeAnza mica flake preparation mill has had limited application as yet, but very favorable comments have been received. He reports that he was pressured to do the job himself, and the Director approved, but that he is dropping it into the regular channel. In the event that you want him to participate, and in the event that the job is done during March, he may be able to join your man on the inspection, but would leave the reporting to your man.

Clemmer of Salt Lake and Rampacek of Tucson have both worked in mica while at Tuscaloosa, and are Ralston's recommendations as the best men to choose from. Copies of the report would be of great benefit to all the other regions, even Alaska, because various grades of mica flake are worth from $40 up to $200 per ton and mica-bearing pegmatites are known in nearly every region. The General Electric Company and also Moses Heyman of New York have both worked up methods for making integrated mica sheet and paper from pure muscovite flake with less than 1% grit for which a price of 10¢ per lb. would be reasonable. General Electric is making a ton a day and are thinking of 10 tons in the near future. The flake mica market promises to zoom upwards. The present uses do not have the 1% grit specification, and pay a much lower price.

Sincerely yours

Paul Zinner,
Chief, Minerals Division

Attachment

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

February 1, 1952

Mr. Howard I. Young,
Deputy Administrator,
Defense Materials Procurement Agency
Washington 25, D. C.

Dear Mr. Young:

I have your letter of January 28, 1952 relative to the need for inspection and report on the DeAnza mica delaminator and grinder being installed at the plant of Petaca Minerals Corporation under the superintendence of Mr. Allen White, whose office is at 424 Delgado Street, Santa Fe, New Mexico, and the plant in the field north of that city.

This request will be relayed to Mr. John H. East, the Regional Director of Region IV, Bureau of Mines, Denver, Colorado, for action. Mr. East has competent men to make the investigation and report at both Salt Lake and Tucson. It is understood from the legal attorney representing DeAnza that the machine is not yet installed and tuned up for an operating demonstration. As soon as East and White have established connection and agree that the mill is ready for inspection, a report can be prepared and a copy sent to you through the Chief of the Minerals Division of this office.

Sincerely yours

Director

cc: Mr. Paul Zinner
Mr. T. H. Miller
Mr. J. H. East (2)
Chief Met. File
W. O. Files

COPY

DEFENSE MATERIALS PROCUREMENT AGENCY

Washington 25, D. C.

January 28, 1952

Mr. J. J. Forbes, Director
U. S. Bureau of Mines
Washington 25, D. C.

Dear Mr. Forbes:

We understand that the Petaca Minerals Corporation of New Mexico are installing a DeAnza delaminator mill at their property to produce mica products, including a delaminated mica which may have important strategic uses in fabricating a substitute for certain sheet mica. The DeAnza mill is a newly-developed grinding and delaminating device which up to the present time has not been used commercially.

The local representatives of the Petaca Minerals Corporation have discussed the installation with Mr. Oliver Ralston and Mr. Frank Lamb of the U. S. Bureau of Mines and with ourselves.

We believe that it would be very desirable to obtain operating data on the DeAnza mill and believe that this might best be done by having a U. S. Bureau of Mines engineer or metallurgist visit the Petaca operation and study the mill in action. We would appreciate your arranging such a visit and examination and furnishing us with a copy of the data obtained on this mill.

Sincerely yours

/s/ Howard I. Young
Deputy Administrator

Fury

What information have you on this mine

JTE

10/3/53

[illegible]

West but a ghost town for years, was the scene of an annually scheduled miners' and old-timers' reunion August 30. An annual Jackson Day dinner is held at White Oaks for old-time residents of the area, miners and prospectors.

SULPHUR INDUSTRY: The State Corporation Commission has granted authority to Kenneth L. Towle of Hobbs to transport free sulphur in bulk between all points and places in New Mexico. Sulphur is the basis of a new natural resources industry in New Mexico. It is a by-product of sour gas. The Warren Petroleum Company at Monument now is producing about 12-1/2 tons of sulphur a day. El Paso Natural Gas at Farmington is producing about 30 tons a day, and a new plant going in at Oil Center in Lea County expects to produce about 100 tons a day.

PETACA MINES: St. Michael's College at Santa Fe has arranged public financing through McGrath Securities Corp., New York, for operation of Petaca Mining Corp. Under the financing plan the foundation will receive 900,000 shares of common stock of the mining company in exchange for its 22 mining claims. The public offering will include 200,000 shares of common stock and 100,000 shares of preferred stock, to be sold in units of two shares of common and one share of preferred. Offering price will be $3 for each unit, with the preferred callable at $1.10 plus accrued dividends. Proceeds of the public offering, $230,000, will be used to install a mill and to mine and process ore.

While Petaca is primarily a mica operation, mining will be done for columbite, tantalite, beryl, monazite and other minerals which surveys have shown to be founds in the Petaca mines. The Petaca mines' history goes back to early Spanish days, before the landing of the Pilgrims in 1620. In the 1800's the Cribbenville deposits were worked for sheet mica. During both world wars the mines were operated when mica was in short supply. The Petaca mines, between La Madera and Tres Piedras in Rio Arriba County, have been operated by various interests in the past, before being acquired by the St. Michael's College foundation. Manuel Lujan, state revenue commissioner, heads the Petaca Mining Corp.

NMIMT SCHOLARSHIPS: A new $500 annual scholarship in geology at New Mexico Institute of Mining and Technology, Socorro, has been established by the Standard Oil Company of Texas. The first grant will be for the academic year beginning in September. The awards will be given each autumn to senior students in geology in recognition of "outstanding scholastic achievement, interest in extracurricular activities, and citizenship." Recipients will be selected by the institute faculty. NMIMT President E. J. Workman expressed gratification at receiving the grant, and pointed out that industry is coming more and more to depend on the technical college for trained scientific and engineering personnel. The Texas Company grant is the third $500 scholarship to be set up at NMIMT this year. Others were established by the Atlantic Refining Company and the New Mexico Geological Society. In addition, the institute holds scholarship grants from the United States Potash Company, Kennecott Copper Corp., and the American Smelting and Refining Co.

KENNECOTT CONTRACT: A two-year contract granting workers a nine-cent

hourly wage increase was signed in August by the Chino Mines Division of the Kennecott Copper Corp. and Local 890 of the International Union of Mine, Mill & Smelter Workers. The contract runs until June 30, 1955, with a wage reopening next year. The Silver City area contract followed a general nine-cent increase pattern throughout much of the non-ferrous metals industry covering Kennecott, Phelps Dodge Copper Corp., the American Smelting & Refining Co., and the U. S. Metals Refinery.

AS&R CONTRACT: The American Smelting & Refining Company and El Paso Smelter Local No. 509 of the International Union of Mine, Mill & Smelter Workers signed a contract in August increasing the pay of 750 hourly-rated employees. The agreement runs for two years and provides a pay raise of eight and one-half cents an hour, a reopening after one year, and for the company to donate 50 cents per man per month toward the cost of employees' hospitalization.

PHELPS DODGE: A strike by more than 600 Phelps Dodge Refinery Corp. workers at El Paso August 10-11 was called by the International Union of Mine, Mill & Smelter Workers. The big copper refinery was closed for 32 hours before an agreement was reached. The strike resulted from a breakdown of negotiations on a new contract, and ended when the union gave up most of its demands for a wider spread in wages between several job classifications. The 8-1/2-cent-an-hour increase originally offered by the company was accepted by the union, and minor reclassifications of jobs were conceded by the company. The union originally had asked a 15-cent increase in wages, and numerous job reclassifications. The Phelps Dodge plant at El Paso is America's largest copper refinery.

DUVAL ELECTION: Production workers at the Duval Sulphur and Potash Co. mine at Carlsbad recently split their votes three ways on their choice of a union to be recognized as bargaining agent. Conducted by the Honest Ballot Association of New York, the election resulted in 56 votes for the International Union of Mine, Mill & Smelter Workers, 52 votes for District 50, United Mine Workers, and 10 for "no union". The results were similar to those when the National Labor Relations Board conducted an election at Duval last Nov. 21 for the same workers. Prior to the election Duval and union representatives agreed that to win the election a union would have to receive a majority vote. Since no union received a majority vote, no bargaining agency determination has been made.

HAVARD RESIGNS: J. F. Havard resigned recently as assistant resident manager of Potash Company of America, Carlsbad, and moved to San Francisco to accept a position as general manager of operations for a large Pacific Coast manufacturer of building and industrial materials. Before joining PCA, Havard was chief engineer of mines for the United States Gypsum Company.

FARMERS UNION: National Farmers Union Service Corporation has legally advertised its notice of filing for incorporation in the state of New Mexico and listed its state address as Artesia. The legal advertisement listed authorized capital stock of the corporation as $46,000, of which $500 has been issued. The giant farm cooperative holds potash and other mineral leases in Eddy and Lea Counties. The Farmers Union listed its objects and purposes as "mineral exploration,

extraction, processing and distribution and insurance agency." The American Potash & Chemical Corp., of Trona, Calif., has closed its office at Carlsbad, N. M., and reportedly has discontinued its prospecting operations in the Carlsbad Potash Basin. The California company began core drilling in the area about eight months ago.

NEW JERSEY ZINC: Officials of the New Jersey Zinc Co. at Hanover, N. M., and the Mine-Mill union were unable to reach agreement on a new contract at recent meetings. Expiration date of the old agreement was July 31. The union, among other demands, asked for 15¢ per hour general wage increase. The company rejected all union demands and made a number of its own proposals. The company ceased production in October, 1952, and has materially curtailed its working force since that time.

PERJURY TRIAL: Trial of Clinton E. Jencks, international representative of the International Union of Mine, Mill & Smelter Workers, formerly of Silver City, on an indictment charging him with making a false affidavit denying he was a Communist has been set for Nov. 30 in El Paso, Tex., Federal Court. This count in the indictment, returned by an El Paso federal grand jury, alleged Jencks made the affidavit denying he was a Communist to the National Labor Relations Board April 28, 1950. A second count charges him with filing a false affidavit denying affiliation with Communist groups.

POTASH DELIVERIES: Potash deliveries during the first six months of 1953 in North America by the seven major American potash producers and also importers amounted to 1,771,588 tons of salts containing an equivalent of 1,028,769 tons K20, the American Potash Institute announces. This represented an increase of 13 per cent in salts and 14 per cent in K20 over the same period in 1952. Deliveries of potash for agricultural use in Institute countries totaled 1,681,506 tons of salts with an equivalent of 972,841 tons of K20, an increase of 13 per cent in salts and 14 per cent in K20 over last year. New Mexico produces approximately 90 per cent of the American output of potash. A House subcommittee has recommended putting an end to all imports from Iron Curtain countries of the essential fertilizer potash because domestic production of the chemical, plus imports from free countries, now is adequate "to meet all foreseeable American needs."

TAX STUDY: A comparative analysis has been made by the Arizona Department of Mineral Resources of the property taxes (state, county, city and school) and production taxes (severance, occupation, or sales) paid in the five leading western copper mining states of Arizona, Montana, Nevada, New Mexico, and Utah. The last five years were under study. Based upon the value of the five principal metals produced by each state, the comparison of the above taxes paid by the mining industries per $10,000 product value was reported as follows: Nevada $187.26; Montana $276.40; New Mexico $336.81; Utah $469.07; Arizona $486.89.

STATE CONVENTION: More than 1,000 delegates will attend the annual meeting of the New Mexico Mining Association, the regional meeting of the American Institute of Mining and Metallurgical Engineers, and the 1953 International Mining Days in El Paso, Tex., Oct. 28-31. Ben Roberts, chairman

of the Mining Committee of the El Paso Chamber of Commerce, co-sponsors of the meet, reports that plans for the program are not complete, but that several top speakers have been secured. Felix Wormser, assistant Secretary of the Interior for mineral resources, and Andrew Fletcher, president of AIME, are among the featured speakers. U.S. Rep. Ken Regan of Midland, Tex., who is well versed in mining industry problems, will speak at the general luncheon and at the main meeting of the New Mexico Mining Association on Friday, Oct. 30.

Milton E. Hopper of the El Paso Chamber of Commerce has been appointed secretary for the joint convention, succeeding George T. Cates, who resigned. Hotel reservation requests should be sent to Ted Lind, chairman of the housing committee, c/o El Paso Chamber of Commerce.

The resolutions committee for the New Mexico Mining Association convention has been appointed by President W. Page Morris. Ben Shantz of Silver City is chairman of the committee. Association members with suggested resolutions should contact Mr. Shantz.

OPERATOR MEMBERS: Operator members of the New Mexico Mining Association are American Smelting & Refining Co. (Deming), American Smelting & Refining Co. (Vanadium), Anaconda Copper Mining Co., Banner Mining Co., Duval Sulphur & Potash Co., Elayer & Co., Great Lakes Carbon Corp., International Minerals & Chemical Corp., Kennecott Copper Corp., Molybdenum Corp. of America, New Jersey Zinc Co., Peru Mining Co., Phelps Dodge Corp., Potas Company of America, Southwest Manganese, Southwest Potash Corp., Strong & Harris, United States Potash Co., U. S. Smelting, Refining & Mining Co.

BUSINESS MEMBERS: Business members of the New Mexico Mining Association include: Albuquerque: Albuquerque Gravel Products Co., Contractors' Equipment & Supply Co., Harry Cornelius Co., R. L. Harrison Co., Industrial Steel, Inc., Leonard Motor Co., Machine Engineering Corp., The Texas Company, U.S. Rubber Co.

Carlsbad: Ace-of-the-Hiway, Auto Parts Co., American Bank of Carlsbad, Big Jo Lumber Co., Car Parts Depot, Carlsbad Auto Co., Carlsbad Hardware & Lumber Co., Carlsbad National Bank, Carlsbad Supply Co., Carlsbad Typewriter Co., Carter Insurance Co., Forrest-Thomas Tire Co., Gateway Motors, Hall Machine & Welding Co., Hill Lines, Houston Lumber Co., Kennametal, Inc., Mine Supply Co., Myers Printing Co., J. B. Morris Lumber Co., Nichols Printing Co., Radio Station KAVE, Southern Union Gas Co., Southwestern Public Service Co., Sparks Office Supply Co., Union Industrial Corp., Wertheim Furniture Co.

Denver: E. I. du Pont de Nemours & Co., Hercules Powder Co., Goodman Manufacturing Co., Landes, Zachary & Peterson, Schloss & Shubart, Stearns-Roger Manufacturing Co.

El Paso: American Smelting & Refining Co., Boyd Industrial Engineering Co., Roger Brown Co., Colorado Fuel & Iron Corp., Darbyshire Steel Co., Denver

Fire Clay Co., El Paso Machine Works, El Paso Hotel Association, El Paso National Bank, El Paso Natural Gas Co., El Paso-Pecos Valley Truck Lines, El Paso Pipe & Supply Co., El Paso Saw & Belting Co., Electrical & Mechanical Supply Co., E. D. Flournoy Co., Hirsch Bros. Machinery Co., Ingersoll-Rand Co., Joy Manufacturing Co., Mine & Smelter Supply Co., Momsen Dunnegan Ryan Co., State National Bank, Stewart Bros. Oils, Geo. S. Thompson Co., Tuttle Paint & Glass Co., Zork Hardware Co.

Silver City: Clifton Chevrolet Co., Paul R. Gantz, Howell Drug Co., Kauffman & McCabe, Mine Supply, Silver City Enterprise, American National Bank.

Other cities: Apache Powder Co., Benson, Ariz.; Atlas Powder Co., Los Angeles; Clowe & Cowan, Roswell; Drunzner & Casner, Santa Rosa; A. D. Gugenheim Co., Amarillo, Tex.; Pennsylvania Drilling Co., Pittsburgh, Pa.; Santa Fe Builders Co., Santa Fe; Raybestos-Manhatten, Inc., Chicago.

KENNECOTT: Bill Saffold, former news editor of the Silver City Daily Press, has joined Kennecott Copper Corp. at Hurley as assistant to Ward Ballmer, director of public relations.

URANIUM LEASES: Uranium prospectors and miners in the 63,000-square mile plateau area of New Mexico, Colorado, Utah and Arizona have the green light on claim rights. President Eisenhower signed a bill validating uranium mining claims on western land previously taken up under oil and gas leases. Under the old law the Interior Department has held invalid mining claims on land known to be covered by oil or gas leases. Regional Director J. H. East of the Defense Minerals Exploration Administration, Denver, said he expects "a flood of requests for government loans" to start uranium mining operations. East said some mining properties in the four-state area, although promising in assays, have been delayed as much as three years, because of the old law that hampered the operation in favor of earlier oil and gas leases.

URANIUM PLANT: A $3,000,000 uranium processing plant will be built immediately at Shiprock, N. M., Navajo-Hopi reservation officials have been notified by the office of the Atomic Energy Commission at Grant Junction, Colo. Construction is to proceed immediately and actual milling of ore is scheduled to start in 1954. The Navajo Indian tribe has leased the ground for the plant and for an accompanying housing project.

Shelden P. Wimphen, Manager of the Grand Junction AEC office, reported that the Kerr-McGee Co. of Oklahoma has signed a contract to have its subsidiary, Navajo Uranium Corp., construct and operate the new facility. Execution of the contract increases to 10 the number of uranium ore processing plants in operation or under construction in the "four corners" area, where the states of New Mexico, Arizona, Colorado and Utah meet. This sector of the Colorado Plateau is the largest source of uranium in the United States.

A large supply of ore already has been stockpiled in anticipation of the new

Shiprock plant, accumulating at the uranium sampling plant built at Shiprock by the AEC two years ago. Navajo tribal council officers are elated over the development, pointing out that it will mean several hundred jobs for Navajos. The plant is expected to stimulate production of uranium ore in New Mexico, Arizona and Colorado.

G. R. Kennedy, Manager for Kerr-McGee, said the new plant will use a new type of processing and will be "the most modern mill ever constructed for this type of work." He said it will take in raw ore from the company's mining operations 45 miles west of Shiprock and turn out uranium oxide. This product will be sent east for further processing into a purer uranium metal. Kennedy said the company's contract is for five years, the maximum allowed by the AEC, but said "we hope the mill will be in existence 15 or 20 years." The processing mill will be directed by Clyde Osborn, Manager of operations.

Utex Exploration Co. has announced that it plans to build a $3,000,000 uranium mill near Moab, in southeastern Utah. Charles A. Steen, founder of the Utex mine, which has become famous in recent months as probably the richest uranium strike in the United States, said Utex is negotiating with the AEC concerning the mill. Vanadium Corp. of America is building a plant at Hite, Utah.

The AEC reported recently that the Colorado Plateau area continued to be the principal domestic source of uranium during the past six months. In its 14th semi-annual report to Congress, the AEC said that higher procurement goals of atomic ores were met and exploration continued at a high level. The report said that construction of the new ore-processing mill by Anaconda Copper Mining Co., near Grants, N. M., is nearing completion and that the plant is expected to be in operation this fall. The report also said that Anaconda is considering building additional facilities at Grants to handle sandstone-type ores which cannot be handled by present facilities.

The report also said that the use of airborne radiation surveying was expanded during the period in New Mexico and other states; that oil companies now are cooperating in the search for radioactive material; and that the expansion program resulted in establishing a suboffice of the AEC's procurement program in Albuquerque. It also noted that the AEC has a field program underway on the plateau to determine the effectiveness of geophysical methods in uranium exploration.

The AEC pointed out its progress in finding new places in mine atomic devices materials. It told of "probing potentialities of low-grade sources such as phosphates, shales, lignites and fluorspars". New Mexico, the AEC said, was included in the expanding airborne radiation survey seeking new deposits of uranium. The "uranium occurrences", the report said, are found in many types of ore. A map shows deposits of uranium in three veins and two disseminated deposits in southwestern New Mexico--all known for years. Another deposit is shown astraddle the Texas-New Mexico border between El Paso and Carlsbad.

STATE EXPLORATION: State Land Commissioner E. S. Walker has announced an agreement giving the AEC rights to make exploratory surveys for uranium on 2,280 acres of state land in McKinley County. Most of the land covered by the one-year agreement is already under lease, and prospecting

by the AEC should be a help to present lease holders in the search for deposits of the valuable ore. The agreement permits the government to move equipment and materials onto the land for drilling, testing and other prospecting.

Uranium ore prospecting within 30 miles of Albuquerque was seen in the offing when the Bureau of Indian Affairs called for bids on prospecting on 10,000 acres of land owned by the Canoncito band of Navajo Indians. The land is near the Laguna Reservation, where considerable prospecting is already under way. Opening of bids was set for Sept. 8 in the Bureau's Albuquerque office.

GOLD OUTPUT: The domestic mine output of recoverable gold was 4% less in June 1953 than in May, but the daily average production rate was about the same, according to the U.S. Bureau of Mines. Total production was 160,635 ounces in June compared with 166,539 ounces in May. New Mexico gold production in 1952 averaged 242 ounces a month. In 1953, the January-March average for New Mexico was 223 ounces, the April average was 350 ounces, the May average was 407 ounces, and the June average was 280 ounces.

NATIONAL CONVENTION: Panel discussions of public lands matters, tariff policies and mine taxation will highlight the 1953 Metal and Nonmetallic Mining Convention of the American Mining Congress, to be held in Seattle, Wash., Sept. 21-25. The program also will feature such important topics as labor relations, manpower, progress in defense mobilization, national mineral policies, new horizons for minerals, monetary problems, uranium mining, and new developments in mine and mill departments. Participants on the program include Sen. Henry C. Dworshak of Idaho, Sen. George Malone of Nevada, Rep. Wesley A. D'Ewart of Montana, Rep. Clair Engle of California, Rep. John P. Saylor of Pennsylvania, Arthur S. Flemming, Director of the Office of Defense Mobilization, Douglas McKay, Secretary of Interior, Rep. Richard M. Simpson, Pennsylvania, Rep. Tom Martin, Iowa, Sen. Frank Carlson, Kansas, Rep. John Byrnes, Wisconsin, Gov. Frank Heintzleman, Alaska, Sen. Pat McCarran, Nevada.

LEAD-ZINC HEARINGS: The U.S. Tariff Commission is investigating effects of lead and zinc imports on the domestic industries, and has expressed a desire to receive applications at the earliest possible date from those who wish to appear and testify. Anyone desiring to appear at the hearings should communicate with the Secretary, U.S. Tariff Commission, Washington 25, D. C. The lead hearings will begin Nov. 3 and the zinc hearings Nov. 5.

PERCENTAGE DEPLETION: The House Committee on Ways and Means Aug. 14 held hearings on depletion and exploration expenditures. Henry B. Fernald, American Mining Congress Tax Committee chairman, urged that nothing be done which would reduce the presently established depletion allowances for mines. He declared that adequate depletion allowances for the mineral industry are essential and that the present plan of recognizing depletion on cost or other basis for the property, supplemented by provisions for percentage depletion, should be continued. As to exploration expenditures, Fernald asked the committee to remove the limitations on deductibility. He said that expenditures for exploration

should not receive less favorable treatment than is now accorded those for development.

URANIUM BONUSES: The AEC has paid more than $2,200,000 to uranium miners in the form of bonuses for uranium ores produced from eligible properties through August, with bonus payments being made at the rate of approximately $150,000 a month. Bonus payments double the base price for the first 10,000 pounds of contained uranium oxide produced and sold from any new property and generally amount to a bonus of $15.000 to $30,000 (depending on the grade of ore) for first production from new properties. AEC reported that the production of domestic uranium ore more than doubled during the two-year "bonus" period, in which time 302 properties had been certified as eligible for such payments. During this period, 35 new properties produced more than the initial 10,000 pounds of uranium ore and 1,347 individual bonus payments were made.

MINING BILLS: Special subcommittees of the House Interior and Agriculture Committees, named in an effort to reach agreement between the D'Ewart and Hope mining bills, have decided to wait until Congress meets again before taking any action. Both bills deal with abuses of the mining laws. Most mining groups strongly oppose the Hope bill, and believe the D'Ewart-Dworshak bill would curb abuses without jeopardizing legitimate prospecting and mining activity. The Senate Interior Committee has announced that action on the Regan bill, referred to that committee after House passage, will be delayed until the next session. The Regan measure would remove sand, common stone, gravel, and cinders from acquisition under the mining laws.

MINERALS PURCHASE: The Aspinall bill, providing for extension of the strategic minerals purchase program, has been signed by the President. The Senate amended the original tungsten measure to extend the purchase programs of manganese, chromite, mica, asbestos, beryl, and columbium-tantalum also, to June 30, 1958.

OUTER SHELF: Congress approved a compromise version of a bill providing for federal control and development of mineral resources of the Continental Shelf seaward of state boundaries. The bill provides for minimum royalty payments to the federal government of 5 per cent on sulphur and 12-1/2 per cent on oil and gas.

REPEAL SILVER LAWS: A bill to repeal existing laws providing for government acquisition of silver has been introduced in both the House and Senate. In introducing the measure, Senator Bush (Rep., Conn.) said: "As a result of this 'subsidy' all the silver produced in the United States goes into the Treasury. Users of silver in this country are dependent on foreign sources for all their silver."

SMALL BUSINESS: A new law creates a Small Business Administration and provides for liquidation of the Reconstruction Finance Corp. The new agency was granted lending authority of $275,000,000. Maximum loan to any small

business firm is $150,000. In the conference report on the bill the conferees repeated their assurance "that a producer of strategic and critical minerals and metals is as eligible for assistance under the Act as any other business concern...". For years mining has been almost completely ignored by the RFC and completely by the Small Defense Plants Corp.

STOCKPILE PROBE: Sen. Joseph McCarthy (R., Wis.) has announced that his Senate Investigations Subcommittee plans to hold hearings in several states to review the entire metals stockpiling program. He says he has information that bad planning has made the U.S. dependent on foreign suppliers of defense minerals and has ruined some once-prosperous American mines.

GOVERNORS MEET: The 1953 Western Governors Conference will be held Nov. 1-3 at either Santa Fe or Albuquerque. Gov. Howard Pyle of Arizona, Western Conference chairman, says the agenda will cover the entire field of western resources and include mining, reclamation, power and grazing problems. Among the subjects to be discussed will be amendments to the reciprocal trade treaties on lead, zinc and copper. Also, the public lands utilization and legislation will be studies.

NEW MEXICO MINER

A newsletter published by the New Mexico Mining Association in the interest of the minerals industry.

The New Mexico Mining Association

102 West Fox St. Carlsbad, New Mexico

REGIONAL DIRECTOR'S OFFICE REGION IV SEP 15 1953 BUREAU OF MINES DENVER, COLORADO

Vol. XV AUGUST 1953 No. 6

AS&R ELECTION: A group of electrical employees at the El Paso, Tex., refinery of the American Smelting and Refining Company voted in August to split off from the left-wing International Union of Mine, Mill & Smelter Workers and adopt the International Brotherhood of Electrical Workers (AFL) as their bargaining agent. Of 15 eligible voters in the refinery electrical shop, 12 voted for IBEW, and three voted for no union. Mine-Mill, which formerly represented the group, did not get any votes in the NLRB election. The American Federation of Labor has launched a campaign in the El Paso area against Mine-Mill, and has charged that Mine-Mill is Communist dominated.

ORE DEPOT: Regional Director Otto Klein of the General Services Administration, Denver, has announced completion of a mechanical sampling plant at the manganese ore purchasing depot at Deming. The volume handled at Deming made the old hand sampling methods uneconomical. The new process is expected to speed up ore testing.

GRANT COUNTY JOBLESS: The New Mexico Welfare office has ordered further study of the condition of miners in Grant County before it takes action on requests of the Mine-Mill union for special relief aid. The state welfare director will study whether the area should be given federal surplus commodities as a disaster measure. Mine-Mill union officials have reported that families of unemployed zinc miners in the Silver City area are in great distress, and have urged a special session of the state legislature to provide additional assistance. Juan Chacon, president of Local 890 of Mine-Mill, said many miners of his union have been without work since last February. He blamed the closing of the American Smelting and Refining Company's lead and zinc mine, the Empire mine of the New Jersey Lead and Zinc Co., and the Peru and Kearney mines of the Illinois Zinc Co. Only mine operating at full blast in the area, he said, is Kennecott's Santa Rita mine. The lead and zinc operations closed down several months ago because of market conditions.

INDEX MAPS: Index maps showing areas where unusual radioactivity has been found by surface instruments were posted August 15 in various AEC offices throughout the Rocky Mountain area. Offices where the maps are displayed are the Denver Exploration Branch, AEC, Denver; Grand Junction Operations office, Grand Junction, Colo.; AEC Buying Station, Shiprock, N. M.; Albuquerque suboffice, and the Grants suboffice, Grants, N. M. The maps will be replaced the 15th of each month. Areas of radioactivity may not necessarily indicate commercial ore bodies of uranium, the AEC cautioned.

GEOLOGICAL SURVEY: Secretary of the Interior McKay has announced a survey committee headed by J. Robert Van Pelt, president of the Montana School of Mines at Butte, to investigate and analyze the organization and operation of the Geological Survey. Horace M. Albright, president of the United States Potash Company, is a member of the committee, which is to report by Dec.15. The study is to cover operations both in Washington and in the field and relationships with other federal agencies and local governments.

COLUMBITE FIND: Discovery of the world's third known producible source of columbite, used for tips on mine drilling bits, has been reported near Petaca in Rio Arriba County. State Mine Inspector John A. Garcia reports that a new firm, Tungsten Consolidated, began mining operations in June and has shipped several thousand pounds of columbite ore to Kennametal, Inc., La Trobe, Pa., for processing. The discovery of columbite is highly important, Garcia said, because South Dakota and Nigeria, Africa, are the only two other sources now mining and processing columbite ore. In Nigeria it is recovered from tin mining. Ross Martinez and Glen Slater, in charge of the Petaca mining operations, told the Albuquerque press that large tonnages of the metal will be shipped.

SILVER FIND: A rich silver strike has been reported in the old abandoned Silver Cell mine at Pinos Altos near Silver City that produced more than $50,000,000 worth of ore in the late 1800's. Discoverers of the high-grade ore body were Eddie Simon, Pat Padilla, Guadalupe Lozano and Guadalupe Loera, who in recent years have worked in copper, lead and zinc mines in the district and prospected on the side. The four miners secured a lease on the Silver Cell property several months ago and began exploring the old 600-foot shaft. Ira Wright of Silver City, veteran mine operator and assayer, said the strike appeared to be very high grade ore.

COAL SLUMP: Small orders for coal have been received by the St. Louis, Rocky Mountain & Pacific Coal Company mine near Raton, and between 40 and 50 miners are expected to go back to work. The Raton area coal industry was hard hit several weeks ago when lack of orders caused big cuts in coal mining crews in the area. About 180 men have returned to work, whereas more than 400 were employed in the mines before the layoff. It was only a few years ago that the mines at Dawson closed, and that once prosperous New Mexico mining center became a ghost town, all the buildings being sold to a wrecking firm. The coal mining operations at Gallup and Madrid have been curtailed in recent years, because the market has been lost to diesel fuel and natural gas.

TALC MINING CLAIM: Federal district court at Albuquerque has confirmed the government's title in a 20-acre mining claim in Socorro County, taken by the Secretary of the Army for White Sands Proving Ground. The land, described as Red Rock Talc tract, was taken as a leasehold interest renewable annually until 1970. The government has deposited in the court $11,250 as compensation for persons entitled to it. Seven persons were listed in the government's declaration of taking as purported owners of the tract.

GHOST TOWN: White Oaks, N.M., once one of the richest mining centers in the

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

REGIONAL DIRECTOR'S OFFICE
REGION IV
SEP 14 1951
BUREAU OF MINES
DENVER, COLORADO

370

SEP 12 1951

Metaca Minerals Corporation of
New Mexico
424 Delgado Street
Santa Fe, New Mexico

Re: DMA-1800
Mica, etc.

Gentlemen:

Your application for a Government loan to develop, equip and operate deposits of mica and other minerals in Rio Arriba County, New Mexico, docketed as DMA-1800, has been reviewed by this office.

Projects approved by the Defense Minerals Administration must, in its judgment, show definite promise of yielding material of acceptable grade, physical character and specifications, in quantities that will significantly improve the mineral supply position for National Defense. Where a production loan is involved, an adequate mineral reserve must be proven to assure the economic feasibility of the project with respect to repayment.

A very careful study of your proposal revealed the following:

1. A proven mineral reserve, adequate to justify an operation of the scope proposed, has not been demonstrated.

2. The principal product of the proposed operation would be scrap mica which does not qualify as strategic material.

3. Samples of book and sheet mica from the deposits were examined and graded by the Emergency Procurement Service who reported that the material was non-ruby, (green) and hence did not meet National Stockpile Specifications. While green mica is suitable for many uses in industry, it is not acceptable to the Stockpile nor is it generally acceptable to industry for strategic uses.

4. It has not been established that the proposed operation would produce more than minor amounts of beryl, columbite and other valuable rare minerals.

Under these circumstances, your application for a loan in the amount of $550,000 is denied. Should additional information become available, we would be glad to have you resubmit your proposal for consideration.

Unless we receive a request within thirty days, we will consider the case closed.

Sincerely yours,

Tom Lyon

Tom Lyon, Director
Supply Division

RWASKEY:mp
9-7-51
cc: Field Team, Region IV (2)
DMA Docket File
Mr. Lyon
Mr. Barr

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

370

SEP 12 1951

REGIONAL DIRECTOR'S OFFICE
REGION IV
SEP 14 1951
BUREAU OF MINES
DENVER, COLORADO

Memorandum

To: Reports and Records Unit, DMA

From: Chief, Industrial Minerals Branch, DMA

Subject: DMA-1800, Petaca Minerals Corporation of New Mexico
Commodity: Mica
Amount of Loan: $550,000

Denial recommended because:

1. Adequate reserves not proven to justify an operation of the scope proposed.

2. Principal product of the proposed operation would be scrap mica which is not strategic.

3. Samples of book and sheet mica submitted were examined by the Emergency Procurement Service and reported not to qualify under Stockpile Specifications.

4. It has not been demonstrated that the operation would produce more than minor amounts of beryl, columbite and other valuable rare minerals.

Attached:
1. Brochure containing application form MP-101, maps, technical reports, etc., Bulletin 25, (Exhibit 1-A).
2. ltr. dated 8/17 from GSA - Analysis of sample of mica.
3. ltr from USGS dated 8/27 recommending denial.
4. ltr from Mr. Needham, 8/23, transmitting application.
5. Table 1, reserve data on properties.
6. ltr. from Region VII re: flowsheet and ltr. from C. B. Collins 8/9/51., Ltr. from J.C.Arundale, 9/6/51.
7. Three letters from applicant.

SIGNED
James A. Barr, Sr.

Tom Lyon

RWASKEY:mp
9-7-51
cc: Field Team, Region IV (2)
DMA Docket File
Mr. Lyon Mr. Barr

File in Denver's Washington file

DMA

DMA-1800

600

OFFICE
REGION IV
MAR 2 1952
RECEIVED

Potash Minerals Corporation
of New Mexico
62 Sena Plaza
Santa Fe, New Mexico

Gentlemen:

Your letter of February 5, 1952, addressed to Mr. Frank Johnson of the Defense Minerals Exploration Administration was referred to the Defense Materials Procurement Agency, Industrial Minerals Branch for reconsideration of lease application DMA-1800, since that agency has jurisdiction in such matters.

The composite sample which you shipped was analyzed at College Park, Maryland, in the office of the Bureau of Mines, and Defense Materials Procurement Agency has furnished us with a copy of the results. The following results were obtained spectrographically:

SiO_2 less than 10%	Al_2O_3 less than 10%
Fe_2O_3 less than 5%	MgO between .02 - .2
Cr_2O_3 more than .01	PbO between .03 and .3
MnO between .2 and 2	As_2O_5 between .008 and .08
BeO between .005 -.05	Bi_2O_3 more than .01
NiO more than .01	CaO between .05 and .5
MoO_3 more than .01	V_2O_5 more than .01
CuO more than .01	Ta_2O_5 .1 - 1.0
Cb_2O_5 between .3 - 3.0	TiO_2 between .1 and 1.0
Ga_2O_3 more than .01	U_3O_8 no determination
ThO_2 between .02 - .2	Y_2O_3 between .01 - .1
CeO_2 between .2 - 2.0	PrO_2 between .03 - .3
Nd_2O_3 between .03 - .3	SmO_2 between .01 - .1
Sc_2O_3 greater than .01	La_2O_3 between .05 and .5
Dy_2O_3 between .01 - .1	Gd_2O_3 between .01 and .1
BaO between .01 and .1	SrO between .01 and .1
Na_2O between 1.0 - 10.0	Li_2O between .01 and 1.0
K_2O between .2 and 2.0	Rb_2O between .01 and .1

A fraction of the same sample was examined by the Petrographic

W.K.K.

Section at College Park, Maryland, and the following results were obtained:

Over 70% quartz and feldspar
Over 20% mica (lithium rich)
Under 3.5% columbite-tantalite (with minor amounts of ilmenite)
Under 1% weathered monazite (with minor amounts microlite)
Under .01% beryl

No uranium was detected by qualitative methods but the sample was radioactive.

Radioactivity of head sample — 0.035% E. U.
" opaque — 0.5% E. U. or over
" monazite — 1.0% E. U. or over

We have been advised by the Defense Materials Procurement Agency that there is no new evidence in your letter to justify re-opening the docket, DMA-1800. However, we understand that you are considering filing an application for an exploration project. The Defense Minerals Exploration Administration will be pleased to receive your application for exploration on the pegmatites held by the Potash Minerals Corporation of New Mexico, when Mr. C. V. Craig has completed his field examinations and reports. For this purpose you will find enclosed five copies of MF-100 and MF-103. You may submit four copies and retain one for your file. A copy of Mineral Order 5 which outlines the conditions under which this organization extends aid to miners for exploration and reasonable delineation of their ore deposits.

Sincerely yours,

C. O. Mittenderf

Acting Administrator
Defense Minerals Exploration
Administration

Enclosures 11
LAHouk:gad 3/4/52
Copy to: Admin. Reading File
Mr. Frank Johnson
Mr. Barr, DMPA
Field Team Region IV
Mr. Norton, G-232 GSA Bldg.
Mr. Needleman, 1347
Mr. Ellis
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C. 600

MAR 19 1952

MAR 24 1952

Petasa Minerals Corporation
of New Mexico
62 Sena Plaza
Santa Fe, New Mexico

Gentlemen:

Reference is made to your letter of March 11, 1952 stating that you are interested in a production loan and are not interested in submitting an application for exploration assistance. You should, therefore, direct your correspondence to the Defense Materials Procurement Agency where your application for a production loan, DMA-1800, is on file.

Sincerely yours,

C. O. Mittenderf

Acting Administrator
Defense Minerals Exploration
Administration

1800

LGHouk:gad 3/17/52
Copy to: Admin. Reading File
Mr. Frank Johnson
Mr. Barr, DMPA
Field Team, Region IV
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

MAR 1 8 1952
OFFICE
REGION IV
MAR 2 4 1952
BUREAU OF MINES
DENVER, COLORADO

Potash Minerals Corporation
of New Mexico
62 Sena Plaza
Santa Fe, New Mexico

Gentlemen:

Reference is made to your letter of March 11, 1952 stating that you are interested in a production loan and are not interested in submitting an application for exploration assistance. You should, therefore, direct your correspondence to the Defense Materials Procurement Agency where your application for a production loan, DMA-1300, is on file.

Sincerely yours,

C. O. Mittenderf

Acting Administrator
Defense Minerals Exploration
Administration

LOHook:gad 3/17/52
Copy to: Admin. Reading File
Mr. Frank Johnson
Mr. Barr, DMPA
Field Team, Region IV
Mr. Norton, G-232 GSA Bldg.
Mr. Hook

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION 370
WASHINGTON 25, D. C.

OCT 19 1951
MINES DIRECTOR'S OFFICE
REGION IV
OCT 22 1951
BUREAU OF MINES
DENVER, COLORADO

Mr. Joseph Thompson, President
The Petaca Minerals Corporation
of New Mexico
424 Delgado Street
Santa Fe, New Mexico

Subject: DMA-1800 - Mica

Dear Mr. Thompson:

Replying to your letter of October 4, 1951, we regret that we are unable to reconsider subject application unless evidence is presented to demonstrate that the proposed operation would produce significant amount of strategic material and that the reserves of strategic and commercial material are adequate to assure repayment.

As you pointed out in your letter, the U. S. Geological Survey and U. S. Bureau of Mines have conducted extensive investigations of the Petaca deposits. The results of these investigations were given full consideration by this office and by specialists in the USBM and USGS who carefully considered your proposal. That a new field examination at this time would yield evidence not already at hand as a result of prior investigations, is not evident.

The Defense Minerals Administration does not decide what materials are and are not strategic; such designation is made by the Munitions Board of the National Defense Establishment after conference with appropriate Industry Advisory Committees. As of the present time, non-ruby mica is not classed as strategic and until and unless it is so classified, we are unable to render assistance designed to increase the supply of that material.

For your information, we enclose National Stockpile Specifications of Muscovite block and film mica and quality classification designations.

Sincerely yours,

Tom Lyon
Tom Lyon, Director
Supply Division

Enclosures
RWASKEY:mp
10-16-51
cc: Field Team, Region IV (2)
DMA Docket File Mr. Barr

Mining Division
Region IV

July 20, 1951

Mr. Joseph Thompson, President
Petaca Minerals Corporation of New Mexico
50 Sena Plaza
Santa Fe, New Mexico

Dear Mr. Thompson:

Your undated letter to Mr. East concerning DMA Docket No. 1800 has come to my attention.

The application has not been received from Washington. However, as soon as it has been, it will be forwarded to W. R. Storms, Chief, Arizona-New Mexico Branch, for field investigation. I am sending a copy of your letter to him in order that he will be advised as to how to proceed in contacting you and investigating the property.

Sincerely yours,

Paul T. Allsman
Chief, Mining Division, Region IV

cc: W. R. Storms
w/copy Thompson letter
PTA:bh

cc: Su . file
Chron File

JFA

Allaman

Petaca Minerals

corporation of new mexico

REGIONAL DIRECTOR'S OFFICE
REGION IV
JUL 13 1951
BUREAU OF MINES
DENVER, COLORADO

50 Sena Plaza • Santa Fe, N. M.
Phone 2-0632
Residence Office 424 Delgado, Santa Fe

Mr. J.H. East Jr.,
Executive Officer Field Team,
Defense Minerals Administration,
224 New Custom House Building,
Denver, Colorado

Subject: D.M.S. Application No. 1800

P.T.C.

Dear Mr. East,

It is our understanding from our Washington Office that our D.M.A. Application, No. 1800, now in the office of Mr. J.A. Barr, Sr., Chief of Non-Metalic Minerals, D.M.A., will be forwarded to your office this week for your field division checks.

If it was possible for you to advise me as to what days any of your field men will come down to make this check we will be very happy to meet them in Santa Fe and drive them up and over the properties. There are no accomodations at Petaca and it would be a great deal more pleasant for any of your men to fly directly to Santa Fe via Continental Airlines, and have one of our people be there to meet them and drive them 60 miles north to the Petaca Mining District.

If your men should be able to leave on some predetermined schedule so that we have about three days to catch our mail here it would be advisable. The writer is either here or up at the Petaca Mines and there is no way to reach me at the mines except by a wire relayed on from La Madera, N.M.

If your men drive down the best way is to take the road to Alamosa, Colorado, then to Antonito on the D.R.R.R. then to Tres Pedres and onto Petaca over the new short-cut road recently built. If we are advised in advance, in that event, we will meet them at Petaca.

In any event we will assure you of our fullest cooperation at this end of the line. We have a fine spare room at our home in Santa Fe in case of a long day and departure via plane the following day from Santa Fe and our desire is to make the trip for your men as quickly and easily and as comfortably as possible.

We are writing this in anticipation of your office being notified of this application, which was regarded as an urgent program due to rare mineral values in our mines.

Very truly yours,

Joseph Thompson

Joseph Thompson, Pres.

"Petaca" means "Treasure Chest"

strategic mica • finely ground mica • samarskite
beryl • monazite • tantalite • columbite • feldspar
garnet • quartz.