350

SEP 14 1951

Re: DMA-691

REGIONAL DIRECTOR'S OFFICE
REGION IV
SEP 20 1951
BUREAU OF MINES
DENVER, COLORADO

Mr. Thomas R. Denny
Box 529, Route 7
Tucson, Arizona

Dear Mr. Denny:

Your application for an exploration loan of $24,750, to match an equal sum proposed by you to explore the Silver Lake claim, has been reviewed by the Defense Minerals Administration. We have a report prepared by an examining engineer who visited your property in June.

On the basis of this report, we must conclude that the chances of finding any significant tonnage of lead or zinc by the exploration that you propose are not favorable. The ore shoots that have previously been found are small and related to fault intersections that are rather widely spaced, hence, a large amount of work would have to be done in a search for small and relatively low grade ore shoots. The ore could be raised to shipping grade only by sorting. We do not consider that the project warrants an expenditure of public funds, hence, I regret that your application must be denied.

I wish to thank you for bringing this property to the attention of the Defense Minerals Administration.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

ETMcKnight:emp
G 9-11-51
Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
O. Bishop
Directors r. files 4214 GSA
Br. r. files 4214 GSA
Administrators r. file
DMA docket files

REGIONAL DIRECTOR'S
OFFICE
REGION IV
SEP 20 1951
BUREAU OF MINES
DENVER, COLORADO

SEP 14 1951 350

Memorandum

To: Reports and Records Unit
Administrative Management Div.

From: Chief, Lead-Zinc Branch

Subject: Denial of loan

Re: DMA-691
Thomas R. Denny
Silver Lake Mine
Casa Grande district, Ariz.
Exploration loan, $49,500
Lead, zinc

Subject application has been investigated by a field engineer who reports that the mineral occurs along a steeply dipping fault in limestone. Fault for the most part has only discontinuous pods of ore, up to 3 inches in diameter, along the weak fault zone, but where this is intersected at a sharp angle by another fault, a stope 4 feet wide, 15 feet long and 20 feet high has been made. From this stope, 6 tons of shipping ore has been sorted from 30 tons of mined ore. It is estimated that the original ore would run 2.2% lead, 2.4% zinc, 0.2% copper, 0.16 oz. gold and 1.3 oz. silver. Sorting and screening will produce a shipping product averaging 11.2% lead, 12.1% zinc, 0.3% copper, 0.8 oz. of gold and 6.5 oz. silver. The sorting will discard 4/5 of the mined rock.

Proposal is to drive a 200 foot tunnel below the existing tunnel and raise 100 feet to the bottom of the present stope.

Field team recommends denial of application on the basis of the weakness of the structure that controls the ore, the small size of the ore shoot, and the low grade of the ore that could be expected from the exploration. The Lead-Zinc Branch concurs with this recommendation. Also, the amount requested is exhorbitant in comparison with the exploration proposed.

Returned herewith are:

Original application for straight loan for this exploration in amount of $75,000, on Form [illegible]-146.
Letter of April 23, accepting exploration proposal
6 Photostats of assay returns.
7 Blueprints (4 of same "map").
Letter of June 13 to J. H. East, transmitting 4 of above 7 blueprints.
Field team report with transmittal letter of July 13, 1951.

Approved:

Tom Lyon
Director, Supply Division

J. P. Billings, Chief
Lead-Zinc Branch

E.T.McKnight:gmp
G 9-11-51

Copies to:
J. H. East, Jr. (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204GSA
O. Bishop
Directors r. files 4214 GSA
Administrators r. file
Br. r. files 4214 GSA

224 New Customhouse
Denver, Colorado

June 15, 1951

Memorandum

To: Landon Strobel, Executive Secretary, Defense Minerals Administration

From: Executive Officer, DMA Field Team, Region IV

Subject: DMA Docket 691, Thomas R. Denny

We are enclosing four copies of a blue print of Silver Lake Claims submitted to this office by Thomas R. Denny, Box 529, Route 7, Tucson, Arizona, together with Mr. Denny's letter of June 13, 1951.

Mr. Denny has requested that these blue prints be made a part of his application, DMA 691.

J. H. East, Jr.

J. H. East, Jr.

Enclosures

XX
/cl

224 New Customhouse
Denver, Colorado

June 15, 1951

Mr. Thomas R. Denny
Box 529, Route 7
Tucson, Arizona

Dear M . 'enny:

Reference is made to your latter dated June 13 submitting copies of blue prints of certain mining claims in regard to DMA Docket 691.

We are forwarding your letter and the blue prints to Washington to be made a part of your application.

You ask when the Team may be expected to examine your property. The present tentative date is about June 18.

Sincerely yours,

J. H. East, Jr.

J. H. East, Jr.
Executive Officer
DMA Field Team, Region IV

JHE/cl
cc-dma files

224 New Customhouse
Denver, Colorado

June 25, 1951

Memorandum

To: Regional Director, Region IV (in Washington)

From: Chief, Mining Division

Subject: DMA dockets - Arizona-New Mexico

Following is a telegram received from W. R. Storms this morning:

"DMA Examiners recommend that loan be denied for dockets 112, 240, 514, 691, 813, 1057 and 1220. Final reports will be mailed when completed."

P. T. Allsman

/al

WOM

May 14, 1951

Memorandum

To: W. R. Storms

Charles Anderson

From: DMA Field Team, Region IV

Subject: DMA Docket 691, Thomas R. Denny, Box 631, Casa Grande, Arizona

Herewith is the brochure on the above docket, with copy of a letter from the Coordinating Committee recommending that additional data be obtained in the field and a report submitted.

Please comply with this request.

F. T. Allsman, Alternate

A. H. Koschmann

A. H. Koschmann

Attachments

FTA/cl
~~cc-Koschmann~~
DMA

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

May 1, 1951

REGIONAL DIRECTOR'S OFFICE REGION IV MAY 11 1951 BUREAU OF MINES DENVER, COLORADO

Memorandum

To: Executive Officer, Field Team, Region IV

From: Coordinating Committee

Re: Docket DMA-691

Subject: Application for exploration loan
Thomas R. Denny
Box 631
Casa Grande, Arizona

Commodity: Lead, zinc

The application for an exploration loan, submitted by Thomas R. Denny, for the Silver Lake Mine, Pinal County, Arizona has been reviewed by the Lead-Zinc Branch.

The documents submitted by the applicant do not contain the technical data necessary to reach a reliable decision. There is submitted enough information to indicate that the area may have possibilities as a worthwhile exploration project.

Mr. Denny has expressed his willingness to provide his share of the funds necessary to carry out the program ($24,750) but before a commitment of Government funds can be made it will be necessary that a field examination be made to determine the feasibility of the project.

The Lead-Zinc Branch recommends that the application be referred to the field for the examination and report.

Tom Lyon
Chairman

Approved:
DMA Coordinating Committee

Lowell B. Moon
L. B. Moon

Olaf N. Rove
Olaf N. Rove

May 1, 1951

Re: Docket DMA-691

Mr. Thomas R. Denny
Box 631
Casa Grande, Arizona

Dear Mr. Denny:

Your application (DMA-691) has been reviewed by the Lead-Zinc Branch of the Defense Minerals Administration. Before we can proceed further with the processing of your proposal certain additional information is necessary. We are, therefore, sending your application to J. H. East, Jr., Executive Officer of the Field Team, 224 New Customhouse, Denver 2, Colorado, requesting that a field examination of your property be made by members of the field staff.

Very truly yours,

Tom Lyon, Director
Supply Division

ALBrokaw:emp
G 5/1/51
Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight
L. B. Moon
R. H. Mote
L. F. Strobel
C. O. Mittendorf
Files

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

APR 12 1951

Mr. Thomas F. Denny
Box 631
Casa Grande, Arizona

In reply please
refer to DMA-691

Dear Mr. Denny:

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-691) for financial aid in an exploration and development program at the Silver Lake Mine, Pinal County, Arizona indicates that part of 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 $49,500 of your application.

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

ABCampbell:bsp
G 3/31/51

Copies to: Chief, Lead-Zinc Branch
USGS McKnight
L. B. Moon
R. H. Mote
L. F. Strobel
C. O. Mittendorf
Files

Enclosures 2 copies to J. H. East, Jr.
Exec. Officer, Region IV

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
$ 75,000.00

TERMS OF LOAN REQUESTED
Installment loan.
Amortization, prinicpal and interest yearly.

DATE OF APPLICATION

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

Thomas R. Denny
Box 631
Casa Grande,
Arizona

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

The purpose for the application of this loan is to expand productive capacity of this mine by development and exploration of new ore bodies, and the increased extraction of ore containing lead and zinc in high percentage so vital to the defense effort, and also some gold and silver. The high gold and silver values in these ores, along with the lead and zinc, assures with a high degree of certainty such financial return as to make the Government loan, as applied for, a good risk.

NATURE OF EXPENDITURE		AMOUNT
Expansion camp facilities	$2,500	
Road improvements, including two small bridges	5,000	
Two compressors	1,800	
Pipe, hose, miscellaneous	500	
Water Well improvements	5,000	
Three dump trucks	7,000	
Horizontal tunnel - 200 feet	5,000	
Raise, vertical - 100 feet	2,500	
Insurance, administrative, miscellaneous	1,650	
Total salary, administrative and stenographer - 1 year	9,500	
Cost of mill removal and new set-up	10,000	
Two jack-hammers	1,000	$51,450
~~Working capital, loan amortization and reserve~~		~~23,450~~
Total amount applied for		$ 75,000

2. PROPOSED METHOD FOR REPAYMENT OF LOAN

State sources of funds, and proposed schedule of repayment

Sources of funds to repay this loan are to be acquired from the sale of essential minerals as shipped or milled from Silver Lake Mine. The proposed schedule of repayment would be a yearly amortization calling for substantial reduction of prinicpal and interest.

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.

The nature of the business of this project is designed to explore further and expand the productive capacity of this mining property. Both mining and milling are involved in the over-all long-range program for the production of high percentage concentrates of lead and zinc. Some gold and silver accompany these metals. The more exact and detailed facilities required for these purposes are enumerated under "Nature of Expenditures" on Page 1 of this application.

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?

The evidence of current shortages and demand of lead and zinc is established by the Government listing these metals as vital minerals, and the current futures quoted on these metals, and also present spot quotations.

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

The possibility of world conflict and ever-increasing demands for the metals to go into defense products vital to national defense.

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

Inasmuch as both lead and zinc have been listed by the Government on the list of vital defense minerals I would say the shortage is national in scope.

(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.)

Only indirectly by making vital minerals such as lead and zinc more available to manufacturers holding Government contracts essential to national defense.

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?

By helping supply the market with vital minerals, lead and zinc, thus making these minerals available to manufacturers of products under Government contract, and so therefore, vital to national defense.

(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.

No.

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)
Mining and milling, or shipping	Tonnage of ore.	20 tons	13.5 tons	50 tons
The increase of 30 to 35 tons per day can be attained. The proposed lower tunnel connecting to raise to upper tunnel (already in), will easily facilitate extraction of increased tonnage.				

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.)

Five (5) men (skilled)

(b) Maximum feasible employment with existing facilities.

(1) Single shift operation.

Five (5) men (skilled)

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

Eight (8) men - two shifts; five (5) skilled, three (3) unskilled.

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

Eight (8) men will be required in the use of funds applied for.

7. Timing

(a) On what date(s) are the requested funds needed? Requested funds are needed as soon as possible as there will be no unreasonable delay in facilitating improvements for increased production. Mill and well can be started without delay, and at the same time ore tonnage can be taken from the mine. This would insure a big stock pile for milling by the time of mill completion, or in case of mine shutdown.

(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.

Applicant will begin to use such funds as granted not later than one month after allowed, to be applied only as work and facilities required are performed.

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)
	No principal prime defense contracts involved, therefore, NOT APPLICABLE				

   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)
	Same as above; and NOT APPLICABLE			(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):

Same as above; and NOT APPLICABLE.

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.)

To prepare and obtain facilities hereto requires eight miners; two compressors, 150-200 per sq. in.; two jack-hammers; hose, air fans; additional tunnel transport facilities - (ore cars and track, etc.); additional lumber for shoots and ore bins; drill stems; bits; additional dynamite; camp facilities - (bunk house, mess hall); 250 gallons gasoline (commercial use); 50 gallons heavy duty oil; some small road improvements.

Ore bins, mining tools, piping, some lumbering, timbering, shovels, drill stems, bits, etc., on hand as available already. This is a mining country so there should be no difficulty encountered in acquiring available miners of experience.

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

Compressors and jack-hammers and associated parts can be obtained from any number of dealers in new and used mining equipment. Practically all needed facilities can be acquired in Tucson or Phoenix, Arizona, used or new depending. Lumber of all kinds can be secured in Casa Grande, Arizona on (Southern Pacific Ry.). This is only 40 miles from mine on good road.

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
	No application for certificates for tax amortization necessary, therefore NOT APPLICABLE.			

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)*

Valley National Bank, Casa Grande, Arizona *

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.

I have not attempted to secure finances or credit required for the development of this mine from any other source, other than the Government, because I have been informed that there is no private capital available for this purpose, and if there should be such private capital available it would be at such a rate of interest to make the enterprise undesirable.

Since no application from any bank, lending agency, or Reconstruction Finance Corporation for a loan was ever made, credit could not have been refused.

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 other forms.

Applicant has no plans to request assistance of this kind in the future.

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.

13. History, management, leased agreements, insurance, etc.

The Silver Lake Mine first came to my attention the early part of October, 1949. The mine had been owned by Mr. Gerard Remington, an attorney in Los Angeles, California - (now deceased.) After careful examination of the property I secured a bond and lease from Mr. Remington to operate the mine on a ten percent royalty basis with an option to buy for $5,000. The lease called for certain time and labor stipulations which I fulfilled to the letter. I had spent approximately $4,000 preparing this property for operation as no ore had ever been shipped from it before. It is probable that in the early days the old-timers might have done some high-grading there. Roads were built, ore bins, compressor hauled and set up, piping into the mine, jack-hammers secured, trucks hired and other material incidental to operating the mine too numerous to mention. The actual time to extract the ore took not over ten days, but most of the time was taken up in preparing the mine for it's initial operation. However, by January of 1950 the preliminary work was completed and ore in quantity was mined and shipped to El Paso, Texas to the American Smelting & Refining Co. The story of values is told in the smelter return attached to this application. It so happened that Mr. Remington, from whom I was leasing, passed away very suddenly in January, 1950. Mrs. Remington, the widow, was not disposed to be bothered with the property. I offered to buy it from her for cash if the price was lower than the $5,000 called for under the lease. Inasmuch as I had spent slightly over $4,000 preparing the mine for operation Mrs. Remington accepted $1,000 in cash from me as a purchase price. There are no liens, against the property, and all bills and accounts incidental to it's operation have been paid in full. There never was, nor is there any litigation of any kind against this property. The insurance required by mining laws (industrial accident insurance) was issued by Lloyd's of London insuring all employees for accident or death. The mining laws were strictly adhered to in everyway and in any future operations this procedure would be in effect again. The quitclaim deed from Mrs. Remington to me was recorded March 10, 1950, Docket 23, Page 374, No. 55969, by County Recorder of Pinal County, at Florence, Arizona.

Location: The Silver Lake Mine is located on the Papago Indian Reservation in Pinal County, about 40 miles southwest of Casa Grande, in the state of Arizona.

Accessibility: Thirty-two miles of the distance is on a good level paved and partly packed dirt road; the remaining eight miles is on a desert road. A car or truck can easily travel from Casa Grande to the mine in one and a half to one and three-quarters hours. Loads of five tons of ore have been hauled over the entire distance in one and three-quarters hours without mishap, and I am assured of practically all year round operation. Of the 32 miles mentioned above, 10 miles are already paved, and the remaining distance of 22 miles is being laid out for paving.

Ore Occurrence: The prevailing country rock is a thick series of generally west-ward dipping limestones, calcareous shales and

a few quartzites of carboniferous age. The whole series has been highly altered by regional metamorphism so that the lime-

13. History, etc. continued.

stones are generally marbleized, the shales somewhat schistozed, and a few sandstones altered to quartzites. The most important feature governing the larger ore bodies are structural. Sharp folding has yielded highly brecciated limestone, or has resulted in wide fracture zones. Intense mineralization of the fractured areas in the limestone has resulted in the large partly developed ore zone. The ore is both sulphides and carbonates of lead with associated gold and silver values. Tests show that the lead present as carbonate sulphidizes readily with sodium sulphide and the ores would lend themselves to a simple scheme of beneficiation.

Required Expansion Camp Facilities: Mess Hall, 40 x 20 feet; stoves, dishes, cooking equipment; installation hot and cold water facilities; refrigeration; etc. Bunk houses (beds, bunks, etc.); hot-cold water shower facilities.

Required Road Improvements: Bull-dozer work, grading, filling, cutting, for a total distance of not over five miles. The road is in fair condition at present time for full required transportation distance, but for heavy tonnage hauling will require above stated improvements. Two small wooden bridges over dry washes will complete road for adequate heavy tonnage transportation.

Required Equipment: The following equipment will be necessary to supplement equipment on hand to increase production to a point where the mining operation will be both beneficial to national defense in supply of lead and zinc, and at least a paying proposition to the operator:

Two compressors capable of compression 150-200 lb. per sq. in.
Hose, piping, couplings.
Hardrock jack-hammers (Fairbanks-Morse or other good standard hammers) with necessary stems and drill bits.
Three dump trucks, hoist and dump type, which will be utilized in hauling ore one and one-quarter miles from mine to mill. These would be eight to ten ton capacity. These trucks would also be used to haul concentrates to the smelter.

Required Water Well Improvements: To make the over-all operation possible it will be necessary to sink water well on desert level. It is safely estimated from other wells in near vicinity (five miles desert level) that sufficient water to supply a fifty ton ball mill and camp facilities, and facilitate operation of mining underground, can be realized.

Required Horizontal Tunnel - 200 Ft.: (Refer to blue print map of mine.) A tunnel six feet by five feet will be drilled approximately 200 feet horizontally to connect up with 100 foot lift to upper tunnel. Upper tunnel is already drilled 150 feet horizontally, and from here ore assays and shipment have been made. In the opinion of engineer's attached report, this operation will open up and cut outlarge ore bodies which already pay on ship-

13. History, etc. continued.

ments 12% lead and a value on 13% zinc - vital minerals on the defense list - plus gold and silver values which will help make the operation pay.
At the termination of this 200 foot tunnel there will be at least a 100 to 125 foot raise connected to upper tunnel. The completion of this operation will practically cut out and assure sizable ore bodies on three sides, well economically commensurate in value with the cost of the operation. The shipment of ore from this mine as recorded on the smelter return is a conservative estimate of what may be expected from a blocked out area - (refer to blue print map: A - B - C - D - T - E - F - G.) The vein and outcroppings show as good if not better in assays, at almost any point on the surface of the blocked out area, as at the vein strike from discovery location through the tunnel to "E".
From this we can reasonably assume similar mineralization and values for proposed blocked out area which embraces the neighborhood of 2,000,000 cu. ft. Assuming a gravity of 15 cu. ft. per ton we have arrived at an assumption of 126,666 tons. This is purely an estimate on this block of ore based on assumptions and fairly within reason. (Refer to blue print map of mine showing proposed development and blocking out of this estimate.)

Insurance:- (Including fire and group) miscellaneous. This item will cover cost of all group insurance involved, and any fire insurance required by mining regulations, plus office supplies.

Salaries for Administration, management, clerical work: Two people will be sufficient to administer and coordinate above operations: administrator and coordinator of operations $500. per month, or total of $6,000 per year: stenographer $250. per month, or $3,000 per year: total of $9,500 per year for both services.

Cost of mill removal and new set-up: The owner of this mine can acquire full ownership to fifty-ton ball mill with list of equipment attached hereto: along with tools, working equipment such as tracks, ore cars, etc. The final items of outlay would be moving this equipment from Caliente, California to mill site on Papago Indian Reservation and the construction of mill equipment housing. This total cost should not exceed $10,000.

Deducting these total over all expenditures from loan granted should leave a reserve for unforeseen eventualities in the amount of $23,550. This amount should be kept intact in readiness to amortize initial payments on original loan.

The applicant for this loan has secured a very desirable mill site for a 50 ton ball mill, 1½ miles downgrade from the mine, on good road. In this connection it is important to note that the Kohatk water well was drilled by the Government for Indian use and this well is approximately three miles from selected mill and water-well site, and supplies more than enough for a 50 ton ball mill which is on the same desert level. Water has been secured in other places within the same radius for selected well site.

Thomas R. Denny, Box 681, Casa Grande, Arizona

List of Amalia Mill Equipment owned by Livingston Greenwood:

This property has been committed to me for the amount of $7,750, of which $250. has been paid.

1. 1 only Alloy Steel Co. 8x15 crusher installation, with belt drive, starter switch and
   1 20 H.P. Lincoln Electric Motor #63757
2. 1 - 38' Chain Elevator installation, with
   1 - 1 H.P. U.S.Motor #93204, using worm gear speed reducer and belt drive, and starting switch.
3. 1 - Installation of
   1 - 3/4 H.P. U.S.Motor for Ground Ore Feeder
4. 1 only 4'x4' Ball Mill installation, with "V" belt Drive and
   1 - 30 H.P. Westinghouse Motor #317, with starter,grids and switch, (about 1 ton of assorted steel balls in mill.)
5. 1 only 2'x16' Dohr Type Classifier installation, with
   1 - 2 H.P. Crocker Wheeler Motor.
6. Installation of 4 Union Iron Works Flotation Cells, with "V" belt drives and
   1 - 7½ H.P. U.S.Motor Type FR; with starter switch;
7. Installation of 4 Fragregen Type Round Flotation Cells, complete with "V" belt drives and countershaft, driven by
   1 - 10 H.P. Westinghouse Motor Frame1#3700;
8. Installation of 1 Kimball Kroch Sand Pump, with direct motor drive and
   1 - 2 H.P. Bell Electric Motor Type 112;
9. 1 only Plato Sand Table installation, with
   1 - 2 H.P. Sterling Motor Type KF;
10. 1 only Water Pump, direct driven by
    1 - 2 H.P. General Electric Motor Model #5K-224B404;
11. 1 only 3 H.P. Robbins & Meyers Motor Type K - used in laboratory for pilot ore grinder;
12. 1 - 50 H.P. McCormick Deering Diesel Engine (installed) with belt drive to -- (item 13)
13. 1 - 50 K.W. generator Sola #72576, with starter;
14. 1 - Panel Switch Board installation, with starter, wiring and attachments;
15. 1 - only 15-20 H.P. Wisconsin Gas Engine;
16. 2 - Steel Tanks installed.
17. 2 - 2500 gal. Redwood Tanks
18. 1 - 8000 gal.Redwood Tank, including all rights, title and interest in miscellaneous supplies located on the millsite, including also all pipe, railway ties, etc.

AMERICAN SMELTING AND REFINING COMPANY
SOUTHWESTERN ORE PURCHASING OFFICE
810 VALLEY NATIONAL BUILDING
TUCSON, ARIZONA

October 31, 1949

REED F. WELCH
MANAGER

Mr. T. R. Denny
c/o Mr. Paul Hinshaw
P.O.Box 892
Casa Grande, Arizona

Dear Sir:

The sample recently submitted by you, representing ore from the Silver Lake Mine near Casa Grande, has been assayed at our El Paso Plant with the following results.

Gold-oz	Silver-oz.	Lead-%	Copper-%	SiO2	Al2O3
0.84	7.2	15.2	1.4	22.3	2.1

On present metal prices (lead 13¢ per pound) and under enclosed purchase terms the outcome in carload lots on this grade of ore would be substantially as shown below.

Payments:	Gold		$ 27.15
	Silver		5.49
	Lead		27.13
	Copper		.82
			60.59
Deductions:	Base charge	7.50	
	Lead defic.	1.63	
	Bullion frt tax	.08	9.21
F.o.b. Smelter			51.38
Less Freight, tax, switch			5.89
Net per ton at Casa Grande			45.49

As requested in letter of October 17th, please send us for examination copy of your lease on Silver Lake property. When you forward your first car please fill out advice sheet enclosed giving the smelter full settlement instructions and indicating whether or not you wish representation. The advice sheet should be mailed with original bill of lading to El Paso Smelting Works, P.O.Box 1111, El Paso, Texas.

Yours very truly,

Reed F. Welch

REED F. WELCH

cc:Mr. Paul Hinshaw

11-49 Cairns

AMERICAN SMELTING AND REFINING COMPANY

EL PASO SMELTING WORKS

BOUGHT OF Thomas R. Denny
ADDRESS P.O. Box 631, Casa Grande, Ariz.
SHIPPING POINT "
NAME OF MINE Silver Lake

EL PASO, TEXAS, 2-3-19 50
SMELTER LOT 236
SHIPPERS LOT
CLASSIFICATION Ore

RATES, EXCEPT ON CONTRACTS, SUBJECT TO CHANGE WITHOUT NOTICE

Mix	Arrival Date	Car Number	RR	Gross Weight	Containers No.	Containers Weight	Wet Weight	% H2O	Dry Weight
	1-24	Truck		245.0	Paper Bags 255	250	24.90	1.8	24.41

QUOTATIONS

Coinage Silver	90.	¢ per oz.
Foreign "	75.25	¢ per oz.
Lead $	12.00	per cwt.
Copper		¢ per lb.

B/L Date:

Assays	Oz. per Ton Gold	Oz. per Ton Silver	Wet Lead %	Copper %	Insol %	Silica %	Iron %	Manganese %	Lime %	Zinc %	Sulphur %	Alumina %	As %	Sb %	Bi %	%
Smelter	.86	5.3	11.2	0.90						12.1					0	
Shipper																
Umpire																
Duplicates	+.055	0	-	-												
Net	.860															

Values Per Ton

Payment	Pay Content	Price	Amount	Freight (Fixed)
Gold	.86	32.3185	27.79	
Silver, Less % Min. 1 oz.	5.3	.885	4.69	
Lead, Less 1.5 @ 90 %	174.6	.10	17.46	
Copper, Less @ %				
Gross Value			49.94	
Less Deductions (Net Charge)			8.22	
Freight Value			x x x	
Net Value			41.72	

Deductions	Charge	Credit
Base, Incl. Labor Adj.	5.50	
Excess Value Over $		
10¢ per unit Pb + - 30 %	2.03	
Copper Under 8#		
Lead—Copper Price Escalator		
Bullion Freight Tax @ .00032	.06	
Insol—Silica		
Iron—Lime		
Zinc @ 30¢	.63	
As: Sb: Bi:		
Net Charge	8.22	
= 40.50 Wet Ton	Debits	Credits
Dry Tons		499.41

@ 11.9705

Less Freight: 12.33 Wet Tons @ 13.20 P.T. 171.60 Tax 5.15 — 176.75

Less Switching

Less Hauling

Less Representation $ Umpire $ Sampling $

Amount Withheld Pending Receipt of Silver Affidavit (5% - .53) H 3122 — 10.65

Less Royalty 5% — 15.60

Balance Due Shipper — 296.41

499.41 | 499.41

Checked Correct Approved

TRinity 4791

FORM 18

ASSAY REPORT

SMITH-EMERY COMPANY

ASSAYERS AND METALLURGICAL ENGINEERS
920 SANTEE STREET
LOS ANGELES

AFFILIATE
JOHN HERMAN

ALL REPORTS ARE SUBMITTED AS THE CONFIDENTIAL PROPERTY OF CLIENTS, AUTHORIZATION FOR PUBLICATION OF OUR REPORTS, CONCLUSIONS, OR, EXTRACTS FROM OR REGARDING THEM IS RESERVED PENDING OUR WRITTEN APPROVAL AS A MUTUAL PROTECTION TO CLIENTS, THE PUBLIC AND OURSELVES.

Sample Ore & Pulp

Received 10/6/49 ✓

Gold, @ $35.00 *per oz.*
Silver, @ $ 0.505 *per oz.*

Submitted by Thomas R. Denny,
8559 Holloway Drive,
West Los Angeles 46, California.

Date October 7, 1949

NUMBER	MARK	PER TON OF 2000 LBS. GOLD OUNCES	GOLD VALUE	SILVER OUNCES	SILVER VALUE	COPPER PER CENT	LEAD PER CENT	ZINC PER CENT
314484	"Sample #1"	0.99	$34.65	10.91	$ 9.87	3.25%	18.34%	
314485	"Sample #2"	1.00	$35.00	9.72	$ 8.80	1.12%	13.71%	
[illegible]6	"Sample #3"	0.72	$25.20	5.68	$ 5.13	0.96%	8.06%	

	Gold	Silver	Copper	Lead
Sample #1				
Sample #2				
Sample #3				
Mean average	.903 oz.	5.43 oz.	1.77%	13.37%
Assay on 12 Ton shipment at smelter	.860 oz.	6.30 oz.	.90%	11.20%

Respectfully submitted,

ASSAYERS AND METALLURGISTS

TRinity 4791

FORM 16

ASSAY REPORT

SMITH-EMERY COMPANY

ASSAYERS AND METALLURGICAL ENGINEERS
920 SANTEE STREET
LOS ANGELES

AFFILIATE
JOHN HERMAN

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Sample Ore

Received 11/21/49

Submitted by Thomas R. Denny,
Box 892,
Casa Grande, Arizona.

Gold, @ $35.00 *per oz.*
Silver, @ $ 0.905 *per oz.*

Date November 22, 1949

NUMBER	MARK	PER TON OF 2000 LBS. GOLD OUNCES	GOLD VALUE	SILVER OUNCES	SILVER VALUE	COPPER PER CENT	LEAD PER CENT	ZINC PER CENT
316150	"Sample #1"	0.29	$10.15	18.99	$17.19	5.42%	57.68%	
51	"Sample #2"	1.98	$69.30	32.38	$29.30	4.00%	31.47%	

Sample #1		Sample #2	
Gold	$ 10.15	Gold	$ 69.30
Silver	17.19	Silver	29.30
Copper	19.51	Copper	14.40
Lead	115.36	Lead	62.94
	$162.21		$175.94

$169.07 mean average value per ton

Respectfully submitted,

Smith-Emery Co.

ASSAYERS AND METALLURGISTS

MINERALS ENGINEERING CO.

ENGINEERS Meco ASSAYERS

1299 SUBWAY TERMINAL BLDG.
417 SOUTH HILL STREET
LOS ANGELES
MUTUAL 6793

THIS CERTIFIES THAT THE SAMPLES DESCRIBED BELOW SUBMITTED BY

DATE [illegible]
CHARGES $ [illegible]
ASSAY AS FOLLOWS:

[illegible]

LABORATORY NO.	OWNER'S MARK ON SAMPLE	Gold at $[illegible] Per Oz.		Silver at $[illegible] Per Oz.		TOTAL VALUE PER TON	PERCENTAGE OF COPPER	PERCENTAGE OF LEAD
		OZ. PER TON	VALUE PER TON	OZ. PER TON	VALUE PER TON			
22513	1	[illegible]	$229.60	[illegible]	$4.59	$234.19		
22514	2	1.36	[illegible]	[illegible]	4.86	[illegible]	4.1	[illegible]

[illegible] MINERALS ENGINEERING CO.
BY [illegible]

Sample #1

Gold	$229.60
Silver	4.59
	$234.19

Sample #2

Gold	$ 47.60
Silver	4.86
Copper	14.76
Lead	10.40
	$ 77.62

$155.90 mean average value per ton

TRinity 4791

FORM 18

ASSAY REPORT

SMITH-EMERY COMPANY

ASSAYERS AND METALLURGICAL ENGINEERS
920 SANTEE STREET
LOS ANGELES

AFFILIATE
JOHN HERMAN

ALL REPORTS ARE SUBMITTED AS THE CONFIDENTIAL PROPERTY OF CLIENTS, AUTHORIZATION FOR PUBLICATION OF OUR REPORTS, CONCLUSIONS, OR, EXTRACTS FROM OR REGARDING THEM IS RESERVED PENDING OUR WRITTEN APPROVAL AS A MUTUAL PROTECTION TO CLIENTS, THE PUBLIC AND OURSELVES.

Sample Ore

Received 2/4/50

Gold, @ $35.00 *per oz.*
Silver, @ $0.905 *per oz.*

Submitted by T. R. Denny,
Apartment 1,
8559 Holloway Drive,
Los Angeles 46, California.

Date February 6, 1950

NUMBER	MARK	PER TON OF 2000 LBS. GOLD OUNCES	GOLD VALUE	SILVER OUNCES	SILVER VALUE	COPPER PER CENT	LEAD PER CENT	ZINC PER CENT
318764	"Sample #1"	3.45	$120.75	7.83	$ 7.08	2.62%	15.80%	
318765	"Sample #2"	2.82	$ 98.70	16.34	$14.79	3.75%	27.76%	

Sample #1		Sample #2	
Gold	$120.75	Gold	$ 98.70
Silver	7.08	Silver	14.75
Copper	9.43	Copper	13.50
Lead	31.60	Lead	55.52
	$168.86		$182.47

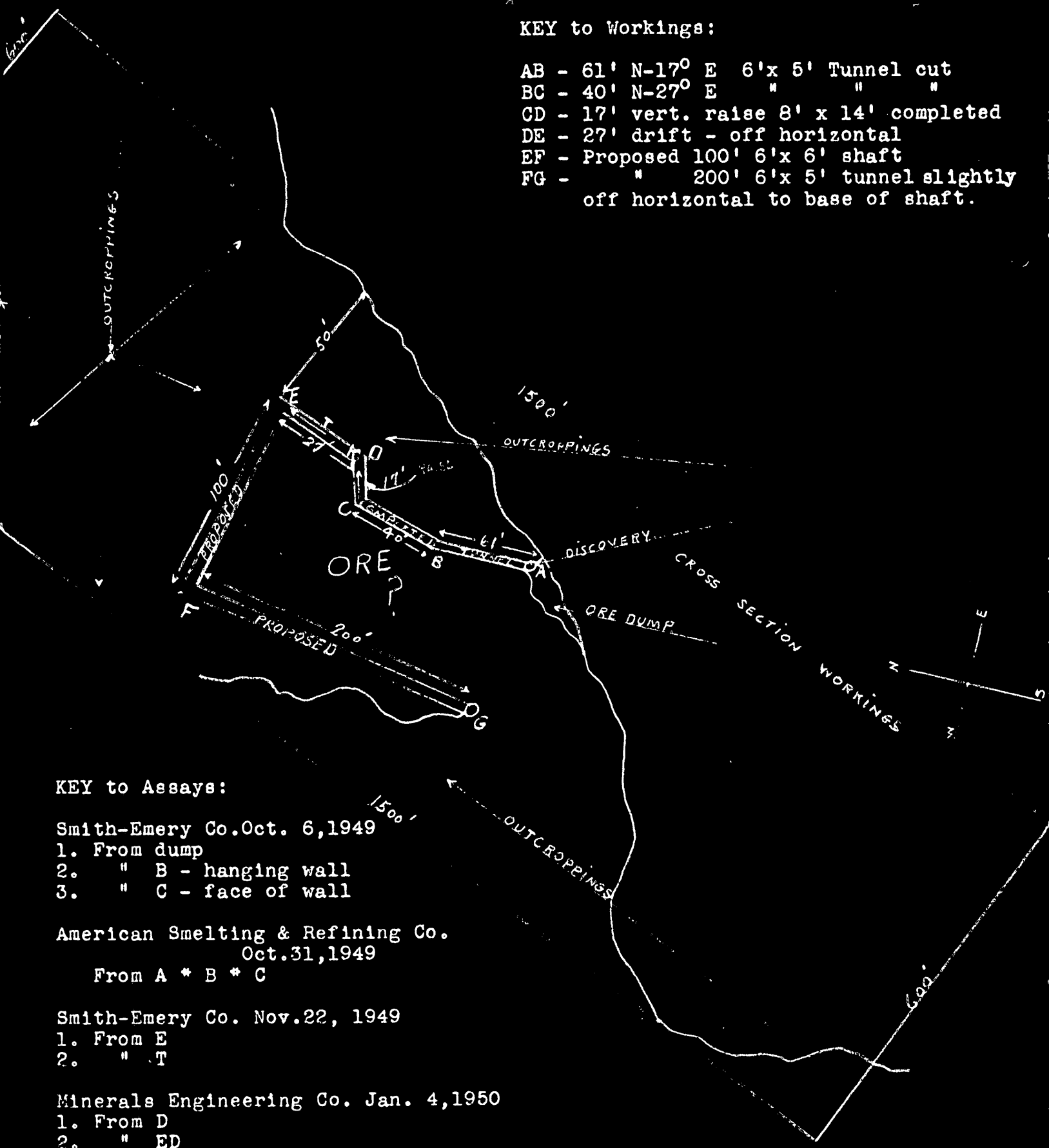
$175.66 mean average value per ton

Respectfully submitted,

ASSAYERS AND METALLURGISTS

KEY to Workings:

AB - 61' N-17° E 6'x 5' Tunnel cut
BC - 40' N-27° E " " "
CD - 17' vert. raise 8' x 14' completed
DE - 27' drift - off horizontal
EF - Proposed 100' 6'x 6' shaft
FG - " 200' 6'x 5' tunnel slightly off horizontal to base of shaft.



KEY to Assays:

Smith-Emery Co.Oct. 6,1949
1. From dump
2. " B - hanging wall
3. " C - face of wall

American Smelting & Refining Co.
Oct.31,1949
From A * B * C

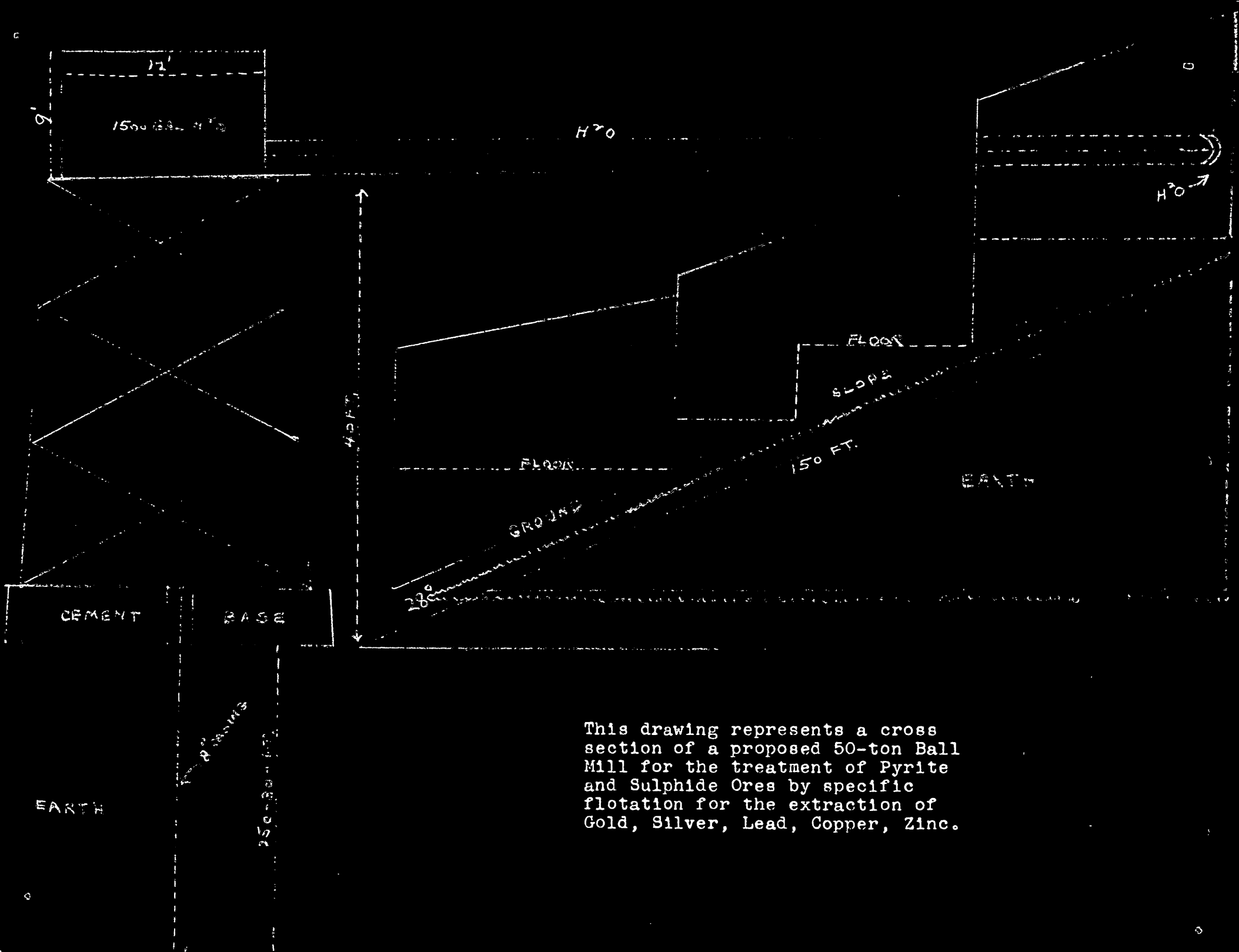
Smith-Emery Co. Nov.22, 1949
1. From E
2. " T

Minerals Engineering Co. Jan. 4,1950
1. From D
2. " ED

American Smelting & Refining Co. Feb.3,1950
Paid on 13.5 ton shipment

Smith-Emery Co. Feb. 6, 1950
1. From CD
2. " DK

Mr. and Mrs. Thomas R. Denny, Owners,
Box 631 - Casa Grande, Arizona



This drawing represents a cross section of a proposed 50-ton Ball Mill for the treatment of Pyrite and Sulphide Ores by specific flotation for the extraction of Gold, Silver, Lead, Copper, Zinc.

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)
		NOT APPLICABLE					
	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	$	$	$		
Preferred stock	$	NOT APPLICABLE $	$		

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.

NOT APPLICABLE

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.

NOT APPLICABLE

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.

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)
Thomas R. Denny	Supt. of Operations	$ 600.00	
Gertrude W. Denny	Bookkpr.Stenog.	300.00	
Paul Hinshaw	Asst. Spvr.	800.00	
Rush Alexander	Miner	400.00	
John Tull	"	250.00	
Clarence Bilbie	"	400.00	
John Burnett	"	400.00	
Louis Quivis	"	400.00	
Mr. Schade	Drayman	176.75	
"	"	70.00	
"	" Compressor	50.00	
Bill Service	Hoist "	15.00	
Smith-Emery Co,	Assayers	50.00	
Minerals Engineering Co.	"	15.00	
Lloyd's of London	Workmen Liab.Ins.	200.00	
"	Truc, Ins.	50.00	
	Total	$ 4,176.75	

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: Gold, Silver, Lead, Zinc, Mine known as Silver Lake Mine and lode claim on which it is situated, in Pinal County, Arizona. Mill site claim filed on.	This mine was acquired by me through purchase March 10, 1950 and the cost of this mine with all improvements pertaining thereto amounts to approximately $16,000. There is no book or appraised valuation as yet.			
To be acquired: All facilities, equipment, and material, with all improvements which are to be acquired through expenditure of funds derived from this loan grant will become a part of the security against the loan along with the deed to the mine itself.				

* 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)
	NOT APPLICABLE	

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

NO LIENS

EXHIBIT A - CURRENT FINANCIAL STATEMENT

As of _____

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

ASSETS

CURRENT ASSETS

1. Cash ..... $ _____
2. Notes receivable ..... $ _____
   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 .....

NOT APPLICABLE - See **

** This mine has not been operating for one year, and when the books were closed all bills, costs, salaries, insurance premiums, in fact everything incidental to operation was paid in full. There are no outstanding bills, debts, or claims of any kind against the applicant. Therefore, a statement of current assets, fixed or other assets, credit liabilities, fixed liabilities, net worth, are not considered applicable by the applicant at this time.

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 ..... _____
    _____ _____ _____

NOT APPLICABLE - See ** above.

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).

Thomas R. Denny, Box 631

Form NSRB-146 (Nov. 1950)	Name and address Casa Grande, Arizona	Page 10 of 12 pages

SCHEDULE I - Notes Payable (in detail)

Name and address	Maturity	Amount	State amount and character of collateral	Name of guarantor(s) and/or endorser(s)
	NOT APPLICABLE			

SCHEDULE 2 - Mortgage Debt (real estate and/or chattels) or Bond Issue

Names and addresses of holders	Date of maturity	Interest rate	Unpaid principal amount	Date to which interest is paid
	NOT APPLICABLE		$	
TOTAL	X X X X X X X	X X X X X X	$	X X X X X X X X X X X X X X X X

If mortgage secures a bond issue, state whether bonds are principally held by management and/or stockholders or by others, and attach copy of mortgage indenture.

EXHIBIT B - CONDENSED COMPARATIVE STATEMENT OF INCOME AND EXPENSES

For years ended _____

(Insert date of end of fiscal year)

(000.00 omitted)

	(Figures for 3 preceding years)			Current year as of date of Exhibit A
	19	19	19	
1. Net sales				
2. Cost of goods sold				
3. Gross profit on sales (line 1 minus line 2)				
4. Other income (itemize)				
5. Total (line 3 plus line 4)	NOT APPLICABLE			
6. Salaries (officers or partners)*				
7. Selling and all other expenses				
8. Total of lines 6 and 7				
9. Profit or loss before depreciation and Federal taxes (line 5 minus line 8)				
10. Depreciation				
11. Federal Income and Excess Profits Taxes				
12. Net profit or loss (line 9 minus lines 10 and 11)				
ANALYSIS OF SURPLUS				
13. Total surplus at beginning of period				
14. Net profit or loss for period				
15. Line 13 plus line 14 if profit; line 13 minus line 14 if loss				
Add:				
16. Surplus paid in during period				
17. Surplus resulting from revaluation of assets				
18. Other additions to surplus (itemize)				
19. Total of lines 15 to 18, inclusive				
Deduct:				
20. Dividends				
21. Other charges to surplus (itemize)				
22. Total of lines 20 and 21				
23. Surplus at end of period (line 19 less line 22), MUST AGREE WITH SURPLUS AS SHOWN IN BALANCE SHEETS				

* To include all payments of any kind (commissions, bonuses, withdrawals) to officers or partners.

NOTE—If years included in the above tables are not adequately representative of applicant's financial experience, information may be submitted for additional years.

Form NSRB-146 (Nov. 1950) | Name and address Thomas R. Denny, Box 631, Casa Grande, Arizona. |

EXHIBIT C - CONDENSED COMPARATIVE STATEMENT OF CONDITION

For years ended _____
(Insert date of end of fiscal year)

(000.00 omitted. Use figures to nearest thousand. For instance, the figure $3,489.36 should be written as 3; the figure $3,689.36 should be written as 4)

ASSETS	(Figures for 3 preceding years) 19	19	19	Current year as of date of Exhibit A
CURRENT ASSETS:				
1. Cash				
2. Receivables (after deducting reserves)				
3. Inventories				
4. Other current assets:				
	NOT APPLICABLE - See **			
TOTAL CURRENT ASSETS				
FIXED AND OTHER ASSETS:				
5. Plant accounts (before depreciation):				
Machinery, equipment, etc.				
Delivery equipment				
Real estate and buildings used in business				
6. Other assets (as investments, real estate not used in business, etc.):				
TOTAL ASSETS				
LIABILITIES				
CURRENT LIABILITIES:				
8. Notes payable				
9. Accounts payable				
10. Accrued liabilities				
11. Other current liabilities:				
TOTAL CURRENT LIABILITIES				
FIXED AND OTHER LIABILITIES:				
12. Mortgage debts				
13. Debentures				
14. Other fixed liabilities:				
RESERVES:				
15. Reserve for depreciation				
16. Other reserves:				
NET WORTH:				
17. Common stock (issued) (if Applicant is incorporated)				
18. Preferred stock (issued) (if Applicant is incorporated)				
19. Surplus (if Applicant is incorporated)				
20. Capital and surplus account (if Applicant is partnership or individual)				
TOTAL LIABILITIES				

** There is no statement of condition inasmuch as the applicant has not been operating this mine for one year, and when the books were closed all bills, costs, salaries, insurance premiums, in fact everything incidental to operation was paid in full.
There are no outstanding bills, debts, or claims of any kind against the applicant. Therefore, a statement of current assets, fixed or other assets, credit liabilities, fixed liabilities, reserves, and net worth, are not considered applicable by the applicant at this time.

NOTE— If years included in the above table are not adequately representative of applicant's financial experience, condition statements may be submitted for additional years.

Form NSRB-146 (Nov. 1950)	Name and address THOMAS R. DENNY, Box 631 CASA GRANDE, ARIZONA	Page 12 of 12 pages

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
The applicant has not solicited professional or other services in connection with this application for this loan, nor does he intend to do so.		$	$

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 Feb. 6, 1951.

Witness: John R. Hare

(For individual applicants)

Thomas R. Denny
(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

June 12, 1951

Re: DMA Docket 691,
T. R. Denny's
Silver Lake Mine,
Pinal Co., Ariz.

Mr. Thomas R. Denny
Box 631
Casa Grande, Ariz.

My dear Mr. Denny:

In regard to your application to the Defense Mineral Administration for an exploration loan (DMA Docket 691) on your Silver Lake lead-zinc mine near Casa Grande, we will have a mining engineer available to examine your property on Monday, June 18. Mr. T. M. Romale of this office probably will be the engineer.

Will you please let me know where our engineer can contact you in Casa Grande? He probably will arrive there at about 10 a.m. on Monday.

Sincerely yours,

Walter R. Storms, Chief
Arizona-New Mexico Branch

CC P. T. Allsman
C. A. Anderson
DMA 691
DF

WRStorms:frj