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

March 29, 1951

REGIONAL DIRECTOR'S OFFICE
REGION IV
APR 5 - 1951
BUREAU OF MINES
DENVER, COLORADO

Mr. Carroll D. Mills
Congress, Arizona

Dear Mr. Mills:

Your letter of February 13, 1951, to Mr. Tom Lyon, making application for a loan to develop an iron ore mine in Arizona to sell iron ore to Japan, has been referred to me for reply.

As you probably know, Section 302 to the Defense Production Act of 1950, makes provisions for Government assistance "only to the extent that it is not otherwise available on reasonable terms."

The attached press release, dated December 5, 1950, second paragraph page 3, shows the types of projects for which assistance is extended and the last paragraph of page 4 indicates the information necessary to consider applications.

What arrangements have been made for rail transportation to the coast and vessel transportation to Japan? We would appreciate knowing what the break down of costs will be on a iron unit basis, f.o.b. Japan, including mining, royalty, rail and vessel transportation, and indicating net profit to be made. Also include exact location and ownership of the iron ore deposits you expect to operate indicating thee ore reserves and quality of ore available. This information should be documented, if possible.

Kindly fill out in detail the attached DMA Form 145, in quadruplicate, according to the instructions and return them to the Defense Minerals Administration for consideration.

Very truly yours,

Franklin D. Sanders

Frank Sanders, Chief
Iron Ores Branch

PEPesonen:pkp
Copy to: Files
Mr. Strobel
Administrator's reading file
Mr. Lyon
J. H. Fast, Jr.-Denver, Colo.
Mr. Moon
Mr. Pidgeay
Mr. Belcher
Enclosures Mr. Pesonen

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

February 12, 1951

Memorandum

To: Operating Committee

From: Iron Committee

Subject: DMA-300 application for loan $500,000 and stockpiling contract-iron ore, Arizona. Mr. Carroll M. Wells.

The letters of application dated December 28, 1950, and January 29, 1951, for a loan of $500,000 to develop iron ore deposits and supply ore to a Government stockpile have been received.

The location or existence of the deposits are not known. Applicant states that the deposits are 60 to 70 miles from the railroad and estimates a reserve ore tonnage of at least 500,000 tons. Analyses of the ore by the Bureau of Mines indicates an ore of about 64 percent iron, 5 percent silica, .04 phosphorus, sulfur .04. This ore would be considered a non-bessemer ore of good quality. The applicant states that he can deliver a 40% iron to stockpile.

It is recommended that the application be denied for the following reasons:

(1) No Government stockpiling of iron ore.
(2) Loan amounts to $1.00 a ton of ore in the ground.
(3) Equivalent ore can be secured at a lower cost.

REGIONAL DIRECTOR
OFFICE
REGION IV
MAR 1 - 1951
BUREAU OF MINES
DENVER, COLORADO

APPROVED
DMA Operating Committee

G. H. Williston, Chairman

J. H. Hedges

Carl N. Rove

R. H. Ridgway, Acting Chairman

PHPesonen:pkp

Copy to: Administrator's reading file
Executive Secretary
Field team - J.H. East, Jr.
Mr. Hedges
Mr. Melcher
Mr. Ridgway
Mr. Pesonen
Files

Copy to Sec Quackenbush 2/15/51

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

February 8, 1951

REGIONAL ... CLERK
FEB 15 1951
DEPARTMENT OF THE INTERIOR

Mr. Carroll W. Wells
Congress, Arizona

Dear Mr. Wells:

Your letter of December 21, 1950, to Mr. J. H. East, Jr. Bureau of Mines, Denver, Colorado and your letter of January 29, 1951, making application for a loan of $500,000 to develop and operate iron ore mines to stockpile iron ore in Arizona under the terms of the Defense Production Act of 1950, have been received.

Provisions for stockpiling iron ore under the Defense Production Act of 1950 do not now exist, so that no market for your ore is apparent at this time and, therefore, there is no obvious source of revenue for the repayment of your loan. For this reason it will be necessary to deny your application for a loan under the terms of the Defense Production Act of 1950.

The following are consumers of iron ore in that district and providing you can secure favorable long term contracts for tonnages sufficient to repay the loan, I will be glad to reconsider your application:

| | |
|---|---|
| Geneva Steel Company<br>P.O. Box 239<br>Salt Lake City, Utah | Kaiser Company, Inc.<br>P.O. Box 212<br>Fontana, California |
| Colorado Fuel & Iron Co.<br>Continental Oil Bldg.<br>Denver 2, Colorado | Sheffield Steel Corp.<br>Box 3129<br>Houston 1, Texas |

Yours very truly,

For S. H. Williston
Director, Supply Division

RE:esonen:pkp

Copy to: Hon. George Malone
Administrator's reading file
Mr. Hedges
Mr. Melcher
Mr. Ridgway
Mr. Strobel

Executive Secretary
Field team, J. H. East Jr.
Files

REGIONAL DIRECTOR'S
OFFICE
REGION IV
FEB 10 1951
BUREAU OF MINES
DENVER, COLORADO

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

February 5, 1951

Hon. George W. Malone
United States Senate

My dear Senator Malone:

Your letter of January 23, 1951, concerning the application of Mr. Carroll C. Wells, Jerome, Arizona, for a loan of $50,000 to develop and operate iron ore mines to produce iron ore for Government stockpiling in Arizona under the terms of the Defense Production Act of 1950, has been received.

Iron ore is not on the critical list and is not now being stockpiled. Since Mr. Wells application indicates that the repayment of the loan will be made from sales to only Government stockpiles there is no feasible way to finance this development under the terms of the Defense Production Act of 1950.

I am enclosing a copy of a letter to Mr. Carroll C. Wells which suggests the action he can follow. Provided he can obtain long term sales contracts, I will be glad to reconsider his application.

Sincerely,

JAMES BOYD

Administrator

NTE

Enclosure:pkp

Copy to: Administrator's reading file
Executive Secretary
Mr. Hedges
Mr. Melcher
Mr. Ridgway
Mr. Strobel
Field team, J.H. East, Jr.
Files

(Dictated by Mr. East; signed
in his absence)

January 17, 1951

Dr. James Boyd, Administrator
Defense Minerals Administration
Washington, D. C.

Dear Dr. Boyd:

On December 28, 1950 we forwarded you an application from Carroll C. Wells, Congress, Arizona, regarding a mining loan. We had the iron ore samples analyzed, and we are attaching a copy of Mr. Simmerley's report for inclusion with Mr. Wells' application.

Sincerely yours,

J. H. East, Jr.

J. H. East, Jr.
Regional Director

Enclosure

JHE:lm

DMA

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
JAN 1 1951
BUREAU OF MINES
DENVER, COLORADO

January 8, 1951

Memorandum

To: J. H. East, Jr.

From: S. R. Zimmerley

Subject: Iron ore sample from Carroll W. Wells, Congress, Arizona

As requested in your memorandum of December 27, 1950, we made a microscopic study and complete chemical analyses on three samples of iron ore submitted with your memorandum.

The samples are composed of hematite and limonite associated with silica in the form of opal and chalcedony. We could find no metal impurities such as copper, lead, and zinc. The chemical analyses of the samples are given in the following table.

Chemical Analyses

Iron Ore Samples, Carroll W. Wells

| Sample No. | Assay, percent | | | |
|---|---|---|---|---|
| | Fe | $SiO_2$ | P | S |
| 1 | 60.0 | 9.8 | 0.28 | 0.02 |
| 2 | 67.8 | 1.0 | .12 | .08 |
| 3 | 63.0 | 3.6 | .02 | .03 |

All three samples contain more than 60 percent iron; however, sample No. 1 also contains excess phosphorus.

S. R. Zimmerley

S. R. Zimmerley

gtt

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

January 8, 1951

Mr. Carroll Wells

Congress, Arizona

Dear Mr. Wells:

Mr. Boyd has asked me to reply to your letter of December 30 concerning three iron deposits in Gila County, Arizona.

The attached copy of a press release dated December 5 describes the types of assistance that can be given to mining enterprises under the Defense Production Act of 1950. The last paragraph of this release outlines the type of information we need.

As you can see from page 3 of this release iron is not among those urgent items listed; however, if you have a specific proposal in mind which you would care to submit, it should be sent to the Defense Minerals Administration in Washington, D. C.

Sincerely yours,

L. B. MOON

Lowell B. Moon
Assistant to the Administrator

Enclosure 1

LBMoon:GR

Copy to: L. B. Moon
L. F. Strobel - Room 4623
Files
~~L. M. East,~~ Jr. - Denver, Colorado (2)

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
ROCKY MOUNTAIN REGION
REGION IV

OFFICE OF
REGIONAL DIRECTOR

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

December 27, 1950

Memorandum

To: S. R. Zimmerley, Salt Lake City, Utah

From: Regional Director, Region IV

Subject: Iron samples - Carroll W. Wells

We are forwarding you samples of iron ore that were sent here by Carroll W. Wells, Congress, Arizona. Mr. Wells is making an application for Government loan.

Please have these samples assayed for the usual elements and advise this office.

J. H. East, Jr.

J. H. East, Jr.

JHE:lm

Form 6-98

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## BUREAU OF MINES

U. S. GOVERNMENT PRINTING OFFICE 16—53493-2

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
ROCKY MOUNTAIN REGION
REGION IV

OFFICE OF
REGIONAL DIRECTOR

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

December 27, 1950

Mr. Carol W. Wells
Congress, Arizona

Dear Mr. Wells:

This will acknowledge receipt of your letter report on your iron property in Arizona, dated December 21, 1950.

We are forwarding your report to the Defense Minerals Administration in Washington, D. C. for their consideration.

Sincerely yours,

J. H. East, Jr.

J. H. East, Jr.
Regional Director

JHE:tlm