AUG 27 1951

Re: DMA- 798

Mr. Vernon R. Murray
Star Route, Box 21
Orange, California

Dear Mr. Murray:

In our letter to you of April 12, signed by Otto Merres, it was pointed out that your application (DMA- 798), for Federal aid to explore claims in the Black Hills mining district, Yavapai County, Arizona, might be eligible for assistance under the exploration program of the Defense Minerals Administration. This program calls for equal participation in exploration costs on the part of the applicant. Explanation of the plan and the necessary forms for making application were sent to you at that time.

As we have not received an application from you under the exploration program, we are transferring your original application for a loan to an inactive file. As explained in our letter of April 12 a straight development or mining loan cannot be approved unless there are adequate proven ore reserves to secure the loan, and your application does not indicate such reserves.

If at some future date you should care to explore your property under the Defense Minerals Administration's program, we will be glad to consider an application from you. We wish to thank you for bringing your property to our attention.

Very truly yours,

Tom Lyon, Director
Supply Division

Copies to: Jack H. East Jr.-Region 4

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

APR 10 1951
REGION IV

APR 12 1951

In reply please
refer to DMA-798

Mr. V. R. Murray
Star Route, Box 21
Orange, California

Dear Mr. Murray:

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-798) for financial aid in an exploration program in the Black Hills district, Yavapai County, Arizona indicates that your proposal may be considered under this exploration program. Details concerning expenditures that will be considered chargeable to exploration aid will be subject to a final determination by negotiation.

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

A.B. Campbell:mw
G 3/23/51
Copies to: Chief, Lead-Zinc Br.
USGS McKnight
L. B. Moon
R. H. Mote

Enclosures

Strobel
Mittendorf
Files
2 copies to J.H.East,Jr.
Region IV

Mining Division
Region IV

February 27, 1951

Mr. V. R. Murray,
Star Route Box 21,
Orange, California.

Dear Mr. Murray:

Your letter of February 12, 1951 to Mr. J. H. East, Jr. relative to your lead mining claims in the Black Hills Mining district, Yavapai County, Arizona, has been referred to me for reply.

Recently, the Defense Minerals Administration has allocated funds for exploration of strategic mineral deposits under the Defense Production Act of 1950. Government aid under this proposal will consist of 50 percent of the estimated cost.

The forms of application have not as yet been processed, but if you are interested in such aid, an application with all applicable information given in the attached memorandum should be made. This application is to be sent in quadruplicate to the Defense Minerals Administration, Interior Building, Washington 25, D. C.

Sincerely yours,

P. T. Allsman
Chief, Mining Division

Enclosure
WDM/cl
cc-Allsman
DMS files

REGIONAL DIRECTOR'S
OFFICE
REGION IV
FEB 15 1951
BUREAU OF MINES
DENVER, COLORADO

February 12th 1951
Star Route Box 21
Orange, Calif.

To: J.H.East Jr.
From: V.R.Murray.
Subject: Government Loans on mineral ground.

Dear Sir:

My partners and I have a group of 17 mining claims located in the Black Hills Mining district, of Yavapai county, Arizona, about 18 miles from Prescott, Ariz. These claims consist of 16 located claims and 1 patented claim and are all recorded with county recorder of Yavapai County. There are several outcroppings of lead and copper on the property. Mostly higrade, with lead showing about 14 inches wide at a depth of about 15 feet which will assay from 20 to 25 percent lead. Also we have about 40 ft in width of vein matter carrying low grade lead with small showings of galena on foot wall and hanging wall. We have this opened up to a depth of 50 ft. We also have a tunnel extending towards the 14inches of higrade lead 250 ft. This tunnel is a good tunnel 5 by 7 feet in size. We are about 250 ft from the Lead outcropping on the surface, and will give us about 300 ft of depth on vein when completed. We have 4 cabins on the property with 2500 ft of water pipe to bring good spring water to the camp. This property is about 1½ miles off of pavement and is about 7 miles from a railroad. Property adjoins the Old Yeager Property which produced considerable Bornite and other high grade copper in the early days. The shaft is down 1310 feet. It is generally known in this mining section that lead at the surface changes to copper with depth. We are located in the mineral belt directly between Jerome and Mt Union, Ariz.

It is my opinion that diamond drilling will show considerable copper on this property in as much as we have established the fact of two large veins on property, each of which are about 40 feet in width.

Please advise me if at this time it is possible to get a government loan on this property for diamond drilling or development wor work.

Yours Respectfully:

V.R.Murray
Star Route Box 21
Orange Calif