REGIONAL DIRECTOR'S
OFFICE
REGION IV
DEC 26 1951
BUREAU OF MINES
DENVER, COLORADO

DEC 19 1951

Mr. M. E. Schad
Yuma, Arizona

Re: Docket No. DMA-813
Grace Mine
Portal, Arizona

Dear Mr. Schad:

This will acknowledge your letter dated November 28, 1951, concerning exploration loan application No. DMA-813, in which you request that there be returned to you forms, maps, etc., submitted by you with your application. In accordance with your request, these papers are being returned to you herewith.

It is indeed, regrettable that examination of this mine did not sufficiently support the possibility of making a worthwhile discovery of base metals by further exploration to justify Government participation under Mineral Order 5, defining all exploration assistance.

We trust that he enclosed material fulfulls your request.

Sincerely yours,

SIGNED

Acting Administrator,
Defense Minerals Exploration
Administration

Enclosures
DEMoulds/hmj
12-12-51
cc to: Adm. Reading File
Mails and Files
Mr. Mittendorf
Mr. Moulds
Mr. Mote
Mr. McKnight
Region IV (2)
Docket

MTE

SEP 13 1951

REGIONAL DIRECTOR'S
OFFICE
REGION IV
SEP 17 1951
BUREAU OF MINES
DENVER, COLORADO

Re: DMA-813

Mr. J. L. Schad

San Simon, Arizona

Dear Mr. Schad:

Your application for an exploration loan of $17,500 for work on the Grace mine, Cochise County, Arizona, has been reviewed again by the Defense Minerals Administration, after receipt of a report based upon an examination of your property by our field staff.

From this report, we must conclude that the exploration work which you propose does not show promise of finding a significant tonnage of strategic minerals. The Defense Minerals Administration does not consider that the chances for finding new lead-zinc reserves are good enough to warrant the expenditure of public funds which you request. I regret, therefore, that your application must be declined.

We wish to thank you for bringing this property to our attention.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

J-71-
9NE

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

Denver

REGIONAL DIRECTOR'S OFFICE
REGION IV
SEP 17 1951
BUREAU OF MINES
DENVER, COLORADO

Re: DMA-813
Grace Mine
Cochise County, Arizona
Exploration loan $17,500
Lead, zinc

Memorandum

To: Reports and Records Unit
Administrative Management Div.

From: Chief, Lead-Zinc Branch

Subject: Denial of exploration loan.

The applicant has requested an exploration loan of $17,500 (Government's share $8,750) to sink 125 feet of shaft and to drive a total of 400 feet of drift at the Grace Mine, Cochise County, Arizona.

A report of an examination of the property by the Field Team Region III, concludes that the Grace Mine is not a valid exploration project for Government participation for the mine contains no ore and there is no geological probability of ore discovery. The field team recommends that the application be denied and the Lead-Zinc Branch concurs in this recommendation.

Returned herewith:
1 field team report
2 copies Form SRB-146 and attachments
maps and assays
correspondence to and from applicant

NFE
JFS

T. J. Billings, Chief,
Lead-Zinc Branch

Approved:
Tom Lyon
Director, Supply Division

ABCampbell: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

July 27, 1951

Memorandum

To: Landon Strobel, Executive Secretary
Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: DMA Docket 413, Zinc-Lead Grace Mine, J. L. Schad,
Cochise County, Arizona

Enclosed herewith are original and two copies of the above report.

The field examiners recommend that the application be denied. We concur with this recommendation.

The brochure is returned herewith.

J. H. Ewart, Jr.

A. H. Koschmann

Enclosures
One copy by Air Mail
Two copies by Regular Mail

jd

cc: DMA
Koschmann

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."

F. T. Alleman

/cl

June 5, 1951

Memorandum

To: W. R. Storms and Charles Anderson, USGS
(Through Chief, Mining Division)

From: DMA Field Team, Region IV

Subject: DMA Docket 813, J. L. Schad of San Simon, Arizona, Grace mine.

We are attaching the brochure and supporting data for the Grace mine, Cochise County, Arizona, DMA Docket 813.

Please make a brief review of this property and submit your recommendations. It is not required to be as critical on exploration projects such as this as in the case of a direct loan.

J. H. East, Jr.

A. H. Koschmann

Attachments

JHE/el
cc-dma files
Koschmann
Allemann

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

JUN 1 1951

Re: Docket DMA-813

DIRECTOR'S OFFICE
REGION IV
JUN 4 - 1951
BUREAU OF MINES
DENVER, COLORADO

Mr. J. H. East, Jr.
Bureau of Mines
224 New Customhouse
Denver 2, Colorado

Dear Mr. East:

Attached is an application (DMA-813) for an exploration loan submitted by J. L. Schad of San Simon, Arizona.

The property is the Grace mine, not now in operation, in Sec. 36, T. 18 S., R. 31 E, Cochise County, Arizona, about 7 miles northwest of Rodeo, New Mexico. According to the applicant the deposit consists of replacement bodies in limestone and dolomite lying between a quartz porphyry on the south and a granite (felsite) on the northwest.

At the present, development work on the property consists of a shaft 110 ft. deep and 60 ft. of drift. The applicant proposes to deepen the shaft 125 ft. and to drive a total of 400 ft. of drift on the present level and from the bottom of the shaft. The total cost of the project is estimated to be $17,500 of which the applicant's share will be in the form of labor and rental of equipment.

The Lead-Zinc Branch recommends that an examination of the property be made to determine if the proposed project is warranted from a geologic viewpoint. If the decision is favorable in this respect, the method of exploration and costs, including wages and rental value of equipment, should be reviewed critically and as many of the particulars as are necessary to complete the contract should be determined.

Very truly yours,

Tom Lyon

Tom Lyon, Chairman
Coordinating Committee

Lowell B. Moon
Member, Bureau of Mines

Olof R. Ross
Member, Geological Survey

OFFICE
REGION IV
JUN 4 - 1951
BUREAU OF MINES
DENVER, COLORADO

JUN 1 1951 Re: Docket DMA-813

Mr. J. L. Schad

San Simon, Arizona

Dear Mr. Schad:

Your application for a loan to explore the Grace mine in Cochise County, Arizona, has been forwarded to Mr. J. H. East, Jr., Executive Officer of the Field Team, 224 New Customhouse, Denver 2, Colorado, for further information and advice.

Very truly yours,

Tom Lyon, Director
Supply Division

EJLyons:emp
G 5/29/51
Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
L. B. Moon
R. H. Mote
L. F. Strobel
Tom Lyon
Directors reading file 4214 GSA
Br. reading file 4214 GSA
Files

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

APR 12 1951

In reply please
refer to DMA-813

Mr. J. L. Schad
San Simon
Arizona

Dear Mr. Schad:

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-813) for financial aid in extending the shaft and drifting at the Grace Line, Cochise 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, but as a preliminary appraisal, we believe that the program will apply to your entire proposal of $12,915.00.

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.

E.J. Lyons:mw
G 3/23/51
Copies to: Chief, Lead-Zinc Br.
L. B. Moon
R. H. Mote

Very truly yours,

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

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

Enclosures

REGIONAL DIRECTOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

July 27, 1951

Memorandum

To: Landon Strobel, Executive Secretary
Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: DMA Docket 813, Zinc-Lead Grace Mine, J. L. Schad,
Cochise County, Arizona

Enclosed herewith are original and two copies of the above report.

The field examiners recommend that the application be denied. We concur with this recommendation.

The brochure is returned herewith.

J. H. East, Jr.

J. H. East, Jr.

A. H. Koschmann

A. H. Koschmann

Enclosures
One copy by Air Mail
Two copies by Regular Mail

ld

cc: DMA
Koschmann

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

200 New Customhouse
Denver 2, Colorado

July 2, 1951

Memorandum

To: DMA Field Team, Region IV

From: A. H. Koschmann

Subject: Memorandum on DMA Docket #813

Enclosed are the original and 5 copies of the memorandum on DMA Docket #813 by John N. Faick.

A. H. Koschmann
A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (6)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P.O. Box 4126, University Station
Tucson, Arizona

June 27, 1951

Memorandum

To: Field Team, Region IV

From: C. A. Anderson, U. S. Geological Survey, Tucson, Arizona

Subject: Memorandum on DMA Docket #813

Enclosed are 1 original and 5 copies of the memorandum on DMA Docket #813, written by John F. Faick of the Geological Survey. This memorandum recommends that the application be denied. I approve of the recommendation.

No copies of the memorandum are to be returned to Tucson.

One copy of the brochure is enclosed.

Charles A. Anderson
District Supervisor
Arizona-New Mexico

Enclosures 7

Copy to: Mr. W. T. Storms

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P.O.Box 4126, University Station
Tucson, Arizona

June 27, 1951

Memorandum

To: Field Team, Region IV

From: John E. Faick, U. S. Geological Survey, Tucson, Arizona

Subject: DMA Docket #813, Zinc-Lead Grace Mine, Cochise County, Arizona

The Grace mine, owned by Mr. John L. Schad and associates, was examined to determine if the mineral occurrence was sufficient to justify a Government loan to aid in further exploration. It is concluded from this examination that the mine does not deserve additional exploration as there is no geological probability of ore discovery.

Mr. John L. Schad, and Mr. F. M. Hernon of the Geological Survey, accompanied the writer to the prospect. The prospect is located about 1 mile southeast of Portal, Arizona in Sec. 36, T. 27 S. R. 31 E. and can be reached from this community by about 3 miles of fair dirt road. It lies on the eastern foothills of the Chiricahua Mountains in an area of little rainfall and sparse desert vegetation.

The mine is developed by a 110 foot shaft and about 230 feet of drifting on two levels. It is equipped with a small hoist, compressor blower, and some small tools and supplies.

The mine is developed in a thick section of massive limestone of Pennsylvanian age. These strike northwesterly and dip steeply to the southwest and are cut by porphyry sills and dikes.

Several minor north-trending faults and fracture zones cut the limestone and these appear to contain spotty lead-zinc mineralization. Small patches of limonite and zinc carbonate and a few grains of sphalerite occur along the faults, and can be found scattered erratically on joints and bedding planes. These traces of mineralization can be found for several hundred feet from the prospect indicating that the feeble mineralization is quite widespread. Two or three tons of ore are piled on the dump at the prospect. This contains light resinous

sphalerite and some galena, both of which have replaced limestone along fractures and bedding planes. None of this ore could be found in the mine and the available ore appears to have been mined out. Only limonite and iron staining remain to indicate the former presence of mineralization.

There is no recorded production but it is reported that a few small pockets of lead carbonate ores were mined near the surface during the early days of prospecting in the area. There appears to be no geological basis for expecting any commercial ore production from the Grace mine.

The application submitted by John L. Schad for the Grace mine, DMA #813, requested a Government loan of $8,750 for the payment of labor and supplies, etc. for additional development and exploration of the mine. Mr. Schad's contribution was to be in the form of labor, tools, and rental of equipment. The mine is adequately equipped for prospecting.

As a result of this examination it is concluded that the Grace mine is not a valid exploration project for Government participation. The mine contains no ore and there is no geological probability of ore discovery.

John N. Faick
Geologist