224 New Customhouse
Denver 2, Colorado

May 12, 1952

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: DMA Docket 1273, A. J. Hutchinson and K. C. Moon, Shannon (Copper Bell) Copper Mine, Turquoise Mining District, Cochise County, Arizona

Enclosed is a copy of a letter from A. J. Hutchinson to Tom Lyon dated December 11, 1951, and a copy of the reply from Tom Lyon to A. J. Hutchinson dated April 9, 1952. In view of this correspondence, the Tucson office reviewed application DMA Docket 1273.

Ore reserves cannot be estimated until the mine is unwatered and the underground workings rehabilitated. The examining engineers do not believe that the shaft is safe. When and if the Deputy State Mine Inspector certifies that the shaft is safe, and will accompany our engineers, we will examine the underground workings.

J. H. East, Jr.

Enclosures

JFS:oc JFS.
cc: WRStorms
Subject
Chron.
Koschmann (2)

Mining Division
Date Rec'd.

APR 30 1952

BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

MINING DIVISION
REGION IV

Arizona-New Mexico Branch
SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

TUCSON, ARIZONA

April 28, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : Docket DMA-1273, A. J. Hutchinson and K. C. Moon, Shannon (Copper Belle) Copper Mine, Cochise County, Ariz.

In regard to your memorandum of April 23 with attached correspondence between Tom Lyon and A. J. Hutchinson about the latter's application for a $500,000 production loan on the old Shannon copper mine in the Turquoise (Courtland-Gleeson) Mining District of Cochise County, Ariz., Hutchinson told us that he was going to do everything he could to get his application approved.

As Hutchinson mentions in his letter to Lyon, of December 11, 1951, C. A. Kumke and B. C. Brown, the Bureau of Mines examining engineers, visited the Shannon property on August 27, 1951, on their return trip from discussing the application with Hutchinson and Moon in Douglas. No ladders were visible in the shaft at the Shannon mine and Kumke reported that the shaft timbers did not appear to be too safe. The operators apparently had been using a small gasoline-powered hoist and bucket to go down to the 300-foot level although the shaft had no guides in it. As Kumke and Brown considered the shaft unsafe, I wrote to the applicants and told them that we would be glad to have Kumke and Brown examine their underground workings when the shaft had been approved safe by the State Deputy Mine Inspector. On Monday, September 10, 1951, Hutchinson and Moon came to Tucson and conferred with Kumke, Brown and me. They admitted that they did not have enough money to rehabilitate the shaft although they thought it was perfectly safe (incidentally it was the only accessible opening and if the shaft caved while anyone was underground, access to the surface would be cut off).

In the final paragraph of the Summary, Conclusions and Recommendations in Kumke's and Brown's final report, they say: "Hutchinson and Moon are not able, financially, to repair mine openings

CC W. H. King (2)
DMA-1273
DF

J. L. Wh Amended

so that a proper examination can be made. Pending the completion of this necessary repair work, it is recommended that the request for a loan of $500,000 be denied." If the DMPA so requests and if the main shaft now is considered safe, we will be glad to examine the Shannon underground workings. However, it seems very doubtful if such an examination would change the picture very much as Kumke was in the mine many years ago and probably knows much more about it than do the applicants.

Enclosed is the material that you wanted returned.

Walter R. Storms

Walter R. Storms

MINING DIVISION
REGION IV

April 28, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

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CC W. H. King (2)
DMA-1273
DF

WRStorms:frj

MINING DIVISION
REGION IV

April 28, 1952

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CC W. H. King (2)
DMA-1273
DF

WRStorms:frj

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Enclosed is the material that you wanted returned.

Walter R. Storms

DEFENSE MATERIALS PROCUREMENT AGENCY
WASHINGTON 25, D. C.

APR 9 1952

Mr. A. J. Hutchinson
P. O. Box 609
Douglas, Arizona

Re: DMA-1273
Commodity-Copper

Dear Mr. Hutchinson:

This is to acknowledge your letter of December 11, 1951 with its enclosures of an amended application. We apologize for the delay in answering your letter as it was misplaced and has just returned to light.

We are sorry that you are displeased with the manner in which the field team examined your property. As this Agency has no control over these field teams there is little we can do but make your discontent. If you wish to make a protest concerning their actions, this should be done to the Bureau of Mines and Geological Survey of the Interior Department. However, if the examining engineers felt that your shaft was too dangerous to enter we must respect their judgment as they are the ones who must use the shaft.

When applying for Government assistance, it is necessary that the proper forms be submitted as well as all available data and maps to substantiate the requested loan. The maps should include such items as plans of the mine, areas of proposed work, areas of ore reserves, cross and longitudinal sections, etc. and the reports should include a geological description of your mine and reserves, drill logs, if there are any, geological proof of ore reserves, etc. This kind of material was not submitted with your application.

Unless you can prove ore reserves sufficient in tonnage and grade to guarantee your requested loan of $3,000,000 from operating profits or royalties over a definite period of time, it is extremely doubtful that any such loan would be approved by a Government agency, especially in view of the fact that your original application for a loan of $500,000 was denied because of insufficient evidence of ore reserves which can be profitably mined.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Domestic Expansion Division

RECEIVED
APR 14 1952
U. S. G. S.
SPOKANE

WWaughs:JDGowen:rw
29147 4/8/52
Copy to: DMPA Official File Copy
DMPA Index File Copy
DMPA Files
Mr. Gowen
Field Team (II)

IV

COPY

BUREAU OF MINES
BOX 4097, UNIVERSITY STATION
TUCSON, ARIZONA

Mining Division
Region IV

August 28, 1951

Air Mail

Re: DMA Docket 1273

Mr. A. J. Hutchinson
Box 609
Douglas, Arizona

Dear Mr. Hutchinson:

In regard to your application for a production loan at the old Shannon property at Gleason, Cochise County, Arizona (Docket DMA-1273), our mining engineers, Messrs. Charles A. Kunke and Brinton C. Brown, visited your mine on their return from Douglas yesterday and they tell me that they consider your Pemberthy shaft too dangerous to enter. I believe they had a date with you and Mr. Moon to visit the property Thursday morning but until the shaft is placed in a safe condition, they see no reason for visiting the mine.

The records which you and Mr. Moon leaned to Kunke and Brown will be returned to you at Douglas in a few days when these men have obtained all the data that they need.

We will be glad to send Messrs. Kunke and Brown to examine your underground mine workings when the shaft has been approved as safe by the Deputy Mine Inspector. At the present time we consider the shaft too dangerous to enter, especially as it contains no ladders and the timbers are not in too good a condition. The 300-foot level is the one that our engineers especially want to see.

Sincerely yours,

Walter R. Storms, Chief
Arizona-New Mexico Branch

CC Mr. K. C. Moon
934 9th St.
Douglas, Ariz.

Mr. A. J. Hutchinson
P. O. Box 609
Douglas, Arizona

Re: Docket No. DMA 1273
Shannon Mine
Gleeson, Arizona

Production Loan

Defense Materials Procurement Agency
Washington 25, D. C.

Attention: Mr. Tom Lyon, Director
Program Development Division

Dear Sir:

We wish to make an amendment to our primary request for a production loan of $500,000.00 and change it to call for a production loan of $3,000,000.00.

This may seem like a large investment but this mine contains over $15,000,000.00 worth of raw materials and metal. The above investment would make a steady producer out of this mine for the next 20 to 30 years.

I am outlining in Exhibit No. 1 what the approximate production of this mine should be over a period of 16 years. We think this exhibit to be a very conservative estimate of production. Data compiled from old reports, assays, maps and personal inspection of the underground workings. These workings were deemed by government field team as unsafe to enter. We have extracted from these same workings, my co-partner and myself, personally by hand in the past year two carloads of copper ore and 13½ tons of lead zinc ore (Exhibits 2, 3 and 4) netting $838.24, $769.04 and $383.76 respectively. This much ore could be taken out daily with modern mining machinary and capital to put the mine in safe working condition. The above mentioned small shipments show that the ore from this mine will pay a substantial profit.

The reason for changing our request for a production loan of $500,000.00 to $3,000,000.00 is that we were in error in our first estimate on the present price of a sulphuric acid plant using pyrite ore as raw material. Our latest correspondence with the Chemical Construction Corporation, 488 Madison Ave., New York 22, New York, quotes us a price estimate of constructing a sulphuric acid plant in this area at approximately $2,000,000.00, including waste heat boilers to generate electric power and Hot Cottrell plant to save other valuable minerals contained in the pyrite ore.

Defense Materials Procurement Agency Dec. 18, 1951

We are sure that a sulphuric acid plant in this area is not a venture but a profitable business and would help the defense effort by furnishing this very short and vital chemical.

Included in our new request we could construct a leaching plant to be used in conjunction with the mill to recover the copper from the waste dumps and the large tonnage of low grade carbonate and oxide ores still available at the Shannon Mine. Our recent tests have shown that these ores are very adaptable to leaching and all the copper, gold and silver could be recovered by progressive leaching and flotation.

We are enclosing (Exhibit No. 4) a copy of a small shipment of lead-zinc ore shipped to the American Smelting and Refining Company, El Paso, Texas, to show the type of lead-zinc ore, containing over 50% lead and zinc by bulk, still left in the Shannon mine and according to the records we have, has never been worked. The old Shannon Copper Company worked only copper leaving the lead zinc veins, some of which are still accessible. It should be understood that this small tonnage is due to not having any equipment or working capital to make this extraction of lead zinc ore from the mine. As can be seen by Exhibit No. 4, 13½ tons of ore net $383.76 after exhorbitant deductions on our lead and no pay at all for the 34% zinc sulphide contained, which was worth, market price of $1,820.00 which the American Smelting and Refining Company recovered in their fuming plant at El Paso, Texas.

We have had correspondence with the Mace Smelter Company at Denver, Colorado. They claim they can make an extraction of both lead and zinc from our ore or concentrates at the mine with the proper equipment. The procedure outlined breifly as follows: Sinter the ore to below 3% sulphur add metallic iron to the sinter to collect the zinc in the slag. Smelt the sinter in lead furnace and draw off the dore bullion for shipment to the refinery. Smelt the remaining slag in a hot top furnace, pass the fumes through an automatic bag house to recover the zinc as zinc oxide which is marketable in this form.

The 13½ tons of lead zinc ore shipped to the American Smelting and Refining Company would have been worth $2,500. if the Mace Smelter Company's process had been used at the mine. It can be seen that this type of ore would be a paying proposition with the proper equipment installed for the extraction and processing.

Defense Materials Procurement Agency Dec. 18, 1951

The enclosed exhibits are some of the facts about this mine that were not even looked at by the examining Field Team, as their mind was already made up about the mine when they made their visit to Douglas, Arizona.

We are in hopes that some of this data will get into the hands of someone who is interested in developing the ore deposits and increasing the lagging production of vitally needed metals and chemicals. We intend to make every effort in our power to do so.

It appears to us that the head offices of the D. M. A., D.M.P.A. and other affiliated agencies intended help in this case and we are satisfied with the action that was taken by them in this matter but we just cannot be satisfied with the brush off received from the field team sent to make the examination.

We would welcome some open minded, modern, progressive mining man to discuss the possibilities of the Shannon Mine at Gleason, Arizona. We feel that this mining property has great merit and any consideration in regard to its production will be greatly appreciated.

Very truly yours,

A. J. Hutchinson

AJH:PR3

A. J. Hutchinson

Exhibit No. 1

Conservative Estimate of Production of Shannon Mine
Gleeson, Arizona

Sulphuric Acid Daily Production	100 tons	@ $16.30	$ 1,630.00
" " Monthly "	3000 "	@ $16.30	48,900.00
" " Yearly "	36000 "	@ $16.30	586,800.00

Cost of Production--50% of Gross--profit 293,400.00.

First year's supply of 36,000 tons of pyrite ore available in waste dumps.
16 years' supply (least possible estimate) available in mine or 4,694,400 profit.

Copper Production

Copper Ore, Daily Production	100 tons 2%= 4000 lbs.	@ 24¼	$ 980.
" " Monthly "	3000 tons 2%= 120,000#	@ 24¼	29400.
" " Yearly "	36000 tons 2%= 1,440,000#	@ 24¼	$342800.

Cost of production--80% of Gross--value 20% net= $68,560.00 Profit

not taking into consideration prover gold and silver values.

10 year production of copper of the above grade = $685,600.

Lead and Zinc Production
Ores as mined will average better than 10% of combined lead and zinc.

Lead Zinc Ore Daily Production	50 tons 10% = 10,000#	@ 18¢=	$ 1,800.
" " " Monthly "	1500 tons 10% = 300,000#	@ 18¢=	54,000.
" " " Yearly "	18000 tons 10% = 3600000#	@ 18¢=	648,000.

Cost of production--80% of Gross--20% net = $129,600. profit.

Estimate over 4 years supply of lead and zinc at present prices.

4 years' production = $518,400. profit.

Total Output of Mine Should Be:	Gross	Net Profit
Sulphur	$ 9,388,800.	$4,694,400.
Copper	3,428,000.	685,600.
Lead Zinc	2,592,000.	518,400.
Totals	15,408,800.	5,898,400.

Exhibit #2

COPY

American Smelting and Refining Company
El Paso Smelting Works

Bought of A. J. Hutchinson
Address P. O. Box 609, Douglas, Ariz.
Shipping Point Tombstone, Ariz.
Name of Mine Old Shannon, Mine

El Paso, Texas 4-9-51
Smelter Lot 911
Shippers Lot
Classification Ore

Rates, Except on Contracts, Subject to Change Without Notice

Mix Arrival Date	CAR Number	RR	Gross Weight	Wet Weight	% H2o	Dry Weight
3-28	151709	SP		86200	5.9	81114

Quotations
Coinage Silver 90.0¢ per oz
Foreign " 90.16¢ per oz
Lead $ - per oz
Copper 24.075¢ per lb

B/L Date: 3/19

Assays	~~Gold~~	~~Silver~~	Wet Lead %	Copper	Zinc %
Smelter	.06	3.7	0	6.98	0
Shipper	.08	4.2		7.04	
Umpire					
Metallics					
Settle	.07	3.95		7.01	

	Payment Pay Content	Price	Amount	Freight (Fixed)	Deductions	Charge Credit
Gold	.07	32.3185	2.26	2.26	Base, incl. labor adj.	4.50
Silver, Less % Min. .5 Oz.	3.45	.885	3.05	3.05	Excess Value over $	1.50 Max.
Lead, Less @ %					. . .	
Copper, Less 8# @ 95 %	125.59	.21075	26.47	13.81	Lead-Copper Price Escalator	
					Bullion Freight Tax @ .00032	.04
					. . .	
					. . .	
Gross Value			31.78	19.12	. . .	
Less Deductions (Net Charge)			6.04	4.95	Net Charge	6.04
Freight Value			x x x	14.17 =	13.33 Wet Ton Dr.	Cr.
Net Value			25.74 @	40.557	Dry Tons	1043.94
Less Freight: 43.1 wet tons @ 2.79			P.T. 120.25		Tax 3.61	123.86
Less Switching			4.02		+ .12	4.14
Less Hauling						
Less Representation $9.00 Umpire $ Sampling $						9.00
Amount Withheld Pending Receipt of Silver Affidavit					H 4119	
Less Royalty 7.5%						68.70
Balance Due Shipper						836.24
						1,043.94 1043.94

Checked Correct Approved

Exhibit #3

COPY

American Smelting and Refining Company
El Paso Smelting Works

Bought of	A. J. Hutchinson	El Paso, Texas	7-17-1951
Address	P. O. Box 609 Douglas, Ariz.	Smelter Lot	2007
Shipping Point	Tombstone, Arizona	Shippers Lot	
Name of Mine	Shannon	Classification	Ore

Rates, except on contracts, subject to change without notice

Mix	Arrival Date	C A H Number	RR	Gross Weight	Wet Weight	% H2o	Dry Weight
	7/10	11398	SP		92780	2.0	90924

Quotations
Coinage Silver 90.0 ¢ per oz
Foreign " $0.16¾ per oz
Lead $ - per cwt
Copper 24.075¢ per lb.

B/L Date: 7/2

Assays	Oz. Per Ton Wet Gold	Silver	Lead %	Copper %	Zinc %
Smelter	0.045	2.5	0.1	6.25	2.5
Shipper	.065	2.8		6.38	
Umpire					
Metallics					
Settle	.055	2.65		6.315	

	Values Per Ton Payment Pay Content	Price	Amount	Freight (Fixed)	Deductions	Charge	Credit
					Base, Incl. labor adj.	4.50	
Gold	.055	32.3185	1.78	1.78	Excess value over $15.	1.24	
Silver, Less %Min. .5 oz.	2.15	.885	1.90	1.90	. . .		
Lead, Less @ %					. . .		
Copper, Less 8# @ 95%	112.385	.21075	23.69	12.36	Bullion freight tax @ .00032	.04	
					. . .		
Gross Value			27.37	16.04	. . .		
Less Deductions (net charge)			5.78	4.64	Net Charge	5.78	
Freight Value			x x x	11.40 = 11.17	Wet Ton	Debits	Credits
Net Value			21.59	45.462	Dry Tons		981.52
Less Freight: 46.39 wet tons @ 2.85 P.T. 132.21 Tax 3.97						136.18	
Less Switching				4.10 + .12		4.22	
Less Hauling							
Less Representation $9.00 Umpire $ Sampling $						9.00	
Amount withheld pending receipt of silver affidavit H 4236							
Less Royalty 7.5%						63.08	
Balance due Shipper						769.04	
						981.52	981.52

Checked Correct (Signed) N.E.R. Approved

Exhibit #4

American Smelting and Refining Company
El Paso Smelting Works

Bought of A. J. Hutchinson
Address P. O. Box 609, Douglas, Arizona
Shipping Point Tombstone, Arizona
Name of Mine

El Paso, Texas 9-28 1951
Smelter Lot 2685
Shippers Lot
Classification Ore

Rates except on contracts, subject to change without notice

Mix	Arrival Date	C A R Number	RR	Gross Weight ..	Wet Weight	% H2o	Dry Weight	Quotations
	9/12	11295	SP	27340	27340	1.1	27039	Coinage Silver 90.0 per oz. Foreign Silver 90.16 per oz. Lead $17.00 per cwt. Copper 24.075¢ per lb. B/L Date 8/24

Assays	Oz. per Ton Gold	Oz. per Ton Silver	Wet Lead %	Copper %	Zinc %	Bi %
Smelter	0.01	2.1	16.5	0.16	34.0	0
Shipper	.02	2.4	17.1	.38		
Umpire			17.0			
Metallics						
Settle		2.25	17.0			

	Values Per Ton Payment Pay Content	Price	Amount	Freight (Fixed)	Deductions	Charges
Gold						
Silver, less % Min.loz.	1.25	.885	1.11	1.11	Base, incl.	
Lead, less 30# @ 90%	279.0	.15	41.85	13.95	labor adj.	5.50
Copper, less @ %					Excess value over $ 10¢ per unit	
					PB + -30%	1.45
					Lead-Copper Price Escalator	
					Bullion Freight	
					Tax @ .00034	.09
					....	
Gross Value			42.96	15.06	....	
Less Deductions (Net Charge			7.04	7.04	Net Charge	7.04
~~Freight Value~~			x x x	8.02 = 10.74 Wet Ton		Cr.
Net Value			35.92 @	13.5195 Dry Tons		Dr. 485.62

Less Freight: 13.67 Wet Tons @ 2.85 P.T. 38.96 Tax 1.17 40.13
Less Switching: 4.10 + .12 = 4.22 Less Reset 6.35 + .19 = 6.54 10.76
Less Representation $7.50 Umpire $ Sampling $ 7.50
Amount Withheld Pending Receipt of Silver Affidavit H 4288
Less Royalty 10% 43.47
Balance Due Shipper 383.76
485.62 485.62

Checked Correct (Signed) A Approved

224 New Customhouse
Denver 2, Colorado

April 23, 1952

Memorandum

To: W. R. Storms

From: Acting Chief, Mining Division, Region IV

Subject: Docket DMA 1273

Attached are copies of correspondence between Mr. Tom Lyon and Mr. A. J. Hutchinson concerning Docket DMA 1273, Shannon Mine, Gleeson, Arizona.

Please study these attachments and give us your comments.

Please return the correspondence when it has served its purpose.

W. H. King

W. H. King

Attachments

cc: Sub
Chron

WHK:bh

Form 6-95

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REFERENCE SLIP

DATE 4/21/52

REFERRED TO:

1. King
2.
3.
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record
..... Comment	of .....
..... Conference	..... Referring
..... Consideration	to .....
..... Filing	..... Reply for signa-
..... Instructions	ture of .....
..... Investigation	..... Rewriting
..... Initials	..... Signature
..... Mailing	..... Suggestions
..... Previous correspondence	..... Your information

REMARKS: Letter from A. E. Weissenborn enclosing ~~mix~~ correspondence missent to Region II, pertaining to DMA 1273, A. J. Hutchinson, Box 609, Douglas, Arizona.

Check (X) before the items needing attention.

Initials of sender.

GPO 16—51162-1

material
attached to this
letter has been
sent to Storms
for comment
and the return
was requested.

W. K. K.

MONDAY
AUG. 1951

27

LAST MONTH

1951 July 1951						
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1951 AUGUST 1951						
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NEXT MONTH

1951 September 1951						
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240— TUESDAY, AUG. 28, 1951 —125

8 A. M. .....

9 A. M. .....

10 A. M. .....

11 A. M. .....

12 Noon .....

1 P. M. .....

2 P. M. .....

3 P. M. .....

4 P. M. .....

5 P. M. .....

6 P. M. .....

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

So. 157 Howard Street
Spokane 4, Washington

April 14, 1952

Mr. J. H. East
Executive Officer, DMEA
Field Team, Region IV
224 New Custom House Building
Denver 2, Colorado

Dear Jack:

I am enclosing some correspondence relative to the Shannon mine, Gleeson, Arizona, docket DMA 1273, which evidently was misdirected to this office. I am very glad to return this as we have troubles enough of our own.

With best wishes,

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure.

Mining Division
Region IV

September 19, 1951

Memorandum

To: DMA Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Final Report, DMA Docket 1273, A. J. Hutchinson and K. C. Moon, applicants, Sherman (Copper Bell) Copper Mine, Turquoise Mining District, Cochise County, Arizona

The application of the subject docket was for a production loan of $500,000 for the purpose of rehabilitation of the mine, and the construction of a mill and a sulphuric acid plant.

Over a period of seven years, from 1912 to 1918, the mine produced 296,732 tons of ore averaging 1.34 percent copper. Economical operation was possible only by payments for the iron and sulphur by the smelter.

The old mine workings are inaccessible, due to the mine being set on fire in 1923 in an unsuccessful attempt to roast and leach the low grade sulphur ore.

No reserves can be estimated without dewatering and rehabilitation of the mine workings, which the applicants are financially unable to perform.

The examining engineers recommend denial of the development loan, with which we concur.

Paul T. Allmann

WDM:oj
cc: DMA Subject and Chronological

22A New Customhouse
Denver 2, Colorado

Air Mail

September 19, 1951

Memorandum

To: Executive Secretary, Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: Final Report, DMA Docket 1273, A. J. Hutchinson and A. C. Bean, applicants, Thomson (Copper Belle) Copper Mine, Turquoise Mining District, Cochise County, Arizona

Enclosed herewith are the original and two copies of the report on the subject docket.

We concur with the conclusions and recommendations of the examining team that the development loan of $500,000 be denied.

The brochure is enclosed.

for J. H. East, Jr.

J. H. Koeckeman

Enclosures

JDM:oj

cc: DMA Subject and Chronological

Mining Division
Date Rec'd.

SEP 10 1951

BUREAU OF MINES
Denver, Colorado

MINING DIVISION
REGION IV

September 7, 1951

Re: DMA Docket 1273

Mr. K. C. Moon
934 - 9th St.
Douglas, Arizona.

My dear Mr. Moon:

In answer to your letter of September 6, we will be very glad to discuss the Shannon mine with Mr. Hutchinson and you next week.

I can meet you here in my office in the Engineering Building on the University Campus at 1 p.m. Wednesday, September 10, if that is ~~all~~ convenient for you.

Sincerely yours.

Walter R. Storms, Chief
Arizona-New Mexico Branch

CC P. T. Allsman
DMA 1273
DF

WRStorms:frj

MINING DIVISION
REGION IV

August 28, 1951

Air Mail

Re: DMA Docket 1273

Mr. A. J. Hutchinson
Box 609
Douglas, Arizona

My Dear Mr. Hutchinson:

In regard to your application for a production loan at the old Shannon property at Gleason, Cochise County, Arizona (Docket DMA-1273), our mining engineers, Messrs. Charles A. Kunke and Brinton C. Brown, visited your mine on their return from Douglas yesterday and they tell me that they consider your Pemberthy shaft too dangerous to enter. I believe they had a date with you and Mr. Moon to visit the property Thursday morning but until the shaft is placed in a safe condition, they see no reason for visiting the mine.

The records which you and Mr. Moon loaned to Kunke and Brown will be returned to you at Douglas in a few days when these men have obtained all the data that they need.

We will be glad to send Messrs. Kunke and Brown to examine your underground mine workings when the shaft has been approved as safe by the Deputy Mine Inspector. At the present time we consider the shaft too dangerous to enter, especially as it contains no ladders and the timbers are not in too good a condition. The 300-foot level is the one that our engineers especially want to see.

Sincerely yours

Walter R. Storms, Chief
Arizona-New Mexico Branch

CC J. H. East, Jr.
P. T. Allsman
C. A. Anderson
DMA-1273
DF

WRStorms:als

pr
2 copies
J.F.S.

MINING DIVISION
REGION IV

August 28, 1951

Air Mail

Re: DMA Docket 1273

Mr. A. J. Hutchinson
Box 609
Douglas, Arizona

My Dear Mr. Hutchinson:

In regard to your application for a production loan at the old Shannon property at Gleason, Cochise County, Arizona (Docket DMA-1273), our mining engineers, Messrs. Charles A. Kumke and Brinton C. Brown, visited your mine on their return from Douglas yesterday and they tell me that they dondider your Pemberthy shaft too dangerous to enter. I believe they had a date with you and Mr. Moon to visit the property Thursday morning but until the shaft is placed in a safe condition, they see no reason for visiting the mine.

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Sincerely yours

Walter R. Storms, Chief
Arizona-New Mexico Branch

CC J. H. East, Jr.
P. T. Allsman
C. A. Anderson
DMA-1273
DF

WRStorms:als

August 2, 1951

Memorandum

To: W. R. Storms (with brochure)

(Through Chief, Mining Division)

C. A. Anderson

From: DMA Field Team, Region IV

Subject: DMA Docket 1273, A. J. Hutchinson, Shannon Copper Mine, Turquoise District, Cochise County, Arizona

Enclosed is the subject voucher with application for a production loan of $500,000 for the purpose of rehabilitating the Shannon Mine, constructing a concentrating mill and constructing a sulphuric acid plant.

The attached letter from the Coordinating Committee requests a report on five items, which are mainly engineering phases.

The consideration of this application should be deferred until after all pending exploration projects are completed.

F. T. Allsman, Alternate

A. H. Maschmann

Enclosure

1d

cc: DMA Forestburg

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

JUL 30 1951

Re: Docket No. DMA-1273
Shannon Mine
Copper
Production Loan - $500,000.00

Mr. A. J. Hutchinson
Box 609
Douglas, Arizona

Dear Mr. Hutchinson:

The Copper Branch of the Defense Minerals Administration has carefully studied your application for a loan of $500,000.00 for the purposes of:

1. Reopening the Shannon Mine.

2. Constructing a Mill.

3. Constructing a sulphuric acid plant.

They have requested a Field Team to make an examination of the mine. You should hear at an early date from Mr. J. H. East, Jr., Executive Officer, DMA Field Team, Region IV, 224 New Customhouse, Denver 2, Colorado, who will arrange for the visit.

Very truly yours,

Tom Lyon, Director
Supply Division

MacLaren:ez

Copy to: Executive Officer, DMA Field Team, Region IV
Reports & Records Branch
Copper Branch
Administrator Reading File
Coordinating Committee
C. H. Johnson
D.R. MacLaren
Files
Mr. K. C. Moon, 934 9th Street, Douglas, Arizona

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

JUL 30 1951

Mr. J. M. East, Jr.,
Executive Officer, Region IV
DMA Field Team
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMA-1273
Shannon Mine
Copper
Production Loan: $500,000.00

Dear Mr. East:

We are enclosing two copies of Form MF-100 and two copies of a letter signed by R. J. Hutchinson, Box 609, Douglas, Arizona and M. C. Moon, 924 9th Street, Douglas, Arizona. They are asking for a production loan of $500,000.00 to reopen the Shannon Mine at Gleeson, Turquoise District, Cochise County, to build a mill, and to build a sulphuric acid plant. They state that the mine is developed on 6 levels, although from a 581 foot shaft, the 400, 500, and 600 are now flooded. According to their estimate, 500,000 tons have already been mined. A letter from the American Smelting and Refining Company states that they have treated 298,732 tons averaging 1.34% copper, .035 ounces gold and 1.60 ounces of silver, from 1912 through 1918. Applicant also mentions ten churn drill holes, but furnishes no assay records. He claims to have reserves as follows:

Measured	36,000 tons	2.5% copper	95% recoverable
Indicated	150,000 tons	2.5% copper	95% recoverable
Indicated developed	200,000 tons	40% sulphide (pyrite)	90% recoverable
Indicated developed	25,000 tons	10% lead 15% zinc	50% recoverable

Applicant offers no assay or milling tests records to substantiate these figures.

Will you please arrange for a Field Team to make an examination of this property and submit a report on the following:

1) Positive and probable ore reserves
2) Feasability of their proposed project
3) Proposed mining and milling methods and estimated costs
4) Necessary equipment and estimated cost
5) Assays of mine and churn drill samples

6) Competency of the applicants
7) Recommendations

Please return the Forms MF-100 and the letters of application with the report of the Field Team.

Very truly yours,

Tom Lyon, Chairman
Coordinating Committee

for the Bureau of Mines

for the Geological Survey

Enclosures

DRMacLaren:jp

Copy to: Executive Officer, DMA Field Team, Region IV
Copper Branch, Rm. 2614
Administrator's Reading File
Coordinating Committee
Mr. Mac Laren
Mr. C. M. Johnson
Files