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

AUG 10 1951

Re: DMA-13967

Mr. C. W. Burcham
Box 681
Kingman, Arizona

Dear Mr. Burcham:

Your application for a Government exploration loan, on which you propose to contribute your share as work, has been reviewed by the Defense Minerals Administration.

Vanadium is not a critical material that is eligible for aid under this exploration program. Lead and molybdenum are eligible for 50 per cent Government aid. However, your contribution as a supervisor of the proposed project is insufficient to meet half of the $15,000 that the project will cost. Furthermore, the proposed work is in an unfavorable geologic setting for the discovery of significant amounts of lead or molybdenum and the chief value of the ore is likely to be in gold. Under these circumstances we do not consider a Government loan on your proposal to be a justifiable expenditure of public funds that have been appropriated for national defense, and I regret that the loan must be denied.

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

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

FWO
8-17-57

ETMcKnight:emp
G 8-3-51
Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
R. H. Mote
Reports & Records
Directors r. file 4214 GSA
Br. r. file 4214 GSA
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J. H. East, Jr. Region IV

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Memorandum

To: Reports and Records Unit
Administrative Management Div.

From: Chief, Lead-Zinc Branch

Subject: Denial of loan

Re: DMA-1396
C. W. Burcham
Gold Basin District
(north of Wallapai
district)
Exploration loan, $15,000
Lead

Applicant proposes to contribute his labor, as a supervisor, for his half of the project. Costs are approximately as follows, as near as they can be supplied by reviewers:

Repair to small house on property	$ 1,500
Construction of additional facilities	1,000
New equipment	300
Rental of equipment	200
Rental of operator's equipment (none listed)	75
Small tools	30
Miner's salary, $13.50 per day, for 6 months (no total given)	2,000 (?)
Supervisor's salary for 6 months, rate not stated	2,000 (?)
Other items (sic)	8,400
	$15,505

Obviously, applicant's salary, at about $2000, is not sufficient to pay half of this cost.

The prospect is in the Gold Basin district which is a poor extension of the Wallapai (Chloride) district to the north. The deposits are quartz veins containing gold and a little lead, copper, molybdenum and vanadium, chiefly as oxidized minerals. The veins occur in pre-Cambrian crystalline rocks. The base metals have not been important enough to warrant any development below the oxidized zone. Applicant proposes to drive 200 feet of shaft, 100 feet of drift.

As part of the review of the Tennessee-Schuylkill application (DMA 25 and 50) and of the Mohave Metal Mining and Reduction Company's application (DMA-494), both of which included proposals for custom milling, the field team made a thorough study of the whole Wallapai district. The field team concluded that the veins in the base metal

sulfide zone are submarginal under present metal prices and costs. The sulfide ore shoots in the veins are comparatively short and narrow. The field team recommended that no loan for exploration of base metals in the district be made. Although a blanket recommendation of this type must be applied with caution when extended beyond the immediate limits of the studied area, the geologic occurrence in the Gold Basin area to the north is identical with that in the Chloride area and the history of the camp has been that of a poorer district in which deeper development on the veins has not even been attempted. The chief objective of the proposed exploration would be gold in the oxidized zone.

It is, therefore, recommended that the application be denied, and that the attached letter be sent to applicant.

Returned herewith are: 3 copies SF-103 without any attached sheets.

R. L. Billings, Chief
Lead-Zinc Branch

Approved: Tom Lyon

Director, Supply Division

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