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

New Customhouse
Denver 2, Colorado

October 15, 1951

Memorandum

To: Executive Secretary, Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: Final Report, DMA Docket 2021, Bonanza Mining Company, applicant, Bonanza Copper Mine, Ellsworth Mining District, 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 exploration loan of $387,563 be denied.

The brochure is enclosed.

Please refer to confidential letter by E. J. Using.

J. H. East, Jr.

for A. H. Koestmann

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

224 New Customhouse
Mining Division
Region IV

October 15, 1951

Memorandum

To: DMA Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Final Report, DMA Docket 2021, Bonanza Mining Company, applicant, Bonanza Copper Mine, Ellsworth Mining District, Arizona

The application of the subject docket was for an exploration loan of $387,563.00. Proposed work was to be shaft sinking, cross-cutting and drifting.

Examination by the field team of the shafts, drifts and stopes failed to show any mineable reserves, although in places there are small irregular masses of high grade chalcopyrite.

The examining team recommends denial of the application, with which we concur.

Paul T. Allsman

Paul T. Allsman

Arizona-New Mexico Branch
[redacted]
Box 4097
UNIVERSITY STATION

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

MINING DIVISION
REGION IV

Mining Division
Date Rec'd.
OCT 12 1951
BUREAU OF MINES
Denver, Colorado
TUCSON, ARIZONA

October 9, 1951

Memorandum

To : Paul T. Allsman, Denver , Colorado

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

Subject : Final Report, DMA Docket 2021, Bonanza Copper Mine, Bonanza Mining Co. & Bonanza Central Mining Co., Ellsworth Mining District, Yuma County, Ariz.

Enclosed are original and 7 copies of the above report by Morris J. Elsing and William T. Griswold of the Bureau of Mines. No separate geological report will be submitted by the Geological Survey.

This report has my approval.

Brochure is enclosed.

for Walter R. Storms.
Walter R. Storms

CC: P. T. Allsman (7)
C. A. Anderson
DMA-2021
DF

FOR VICTORY
BUY UNITED STATES SAVINGS BONDS AND STAMPS

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMA-2021, Bonanza Copper Mine

Bonanza Mining Co.

Bonanza Central Mining Co.

Ellsworth Mining District

Yuma County, Arizona

M. J. Elsing, Consulting Mining Engineer
U. S. Bureau of Mines

W. T. Griswold, Mining Engineer
U. S. Bureau of Mines

October 1951

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SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

By M. J. Elsing[1] and W. T. Griswold[2]

The Coordinating Committee of the Defense Minerals Administration requested the Field Team, Region IV, to examine and report on the Bonanza mine of the Bonanza Mining Co., situated in the Ellsworth mining district, Yuma County, Ariz. Such an examination was made by M. J. Elsing and W. T. Griswold of the Bureau of Mines on September 24-26, 1951.

The development work done at the Bonanza mine has been in a diabase dike, approximately 5 feet wide. This dike and some 18 other parallel dikes have intruded a pre-Cambrian granite-schist complex. The Bonanza dike contains small patches, stringers, and veinlets of rather high-grade chalcopyrite. In places there are minor amounts of chalcocite and other secondary copper minerals. A total of 435.3 tons of ore has been shipped to the smelters at Hayden and Superior, Ariz. The average grade of these shipments was 1.85 percent copper and 0.18 ounce gold per ton. This ore was sorted from some 5,000 tons of material from shaft sinking operations, drifts, and stopes. The net smelter returns were $23.75 per ton.

There are scores of places underground where small high-grade specimens can be obtained. From an inspection of the shaft, drifts, and stopes it is doubtful if one 5-foot round would break ore of a grade of 2 percent copper. There is no evidence to warrant the

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1/ Consulting Mining Engineer, U. S. Bureau of Mines, Arizona-New Mexico Branch, Mining Div., Region IV

2/ Mining Engineer, U. S. Bureau of Mines, Arizona-New Mexico Branch, Mining Div., Region IV

belief that additional work on the Bonanza dike would show material of a better grade than has already been found.

An inspection of the surface showings of other dikes showed no outcrops, gossans or other evidence that warrants the belief that exploration would discover ore. Considerable shallow surface work has been done on irregular limonitic showings of small size without disclosing ore.

The Bonanza Mining Co. was organized with a capital of 1,000,000 shares with a par value of $1.00 per share. F. P. MacDonald and his mother own 520,000 shares of the total stock. The company sold 20,000 shares at $1.00 and 115,000 shares at $2.50 per share. The sale of this stock, less a sales commission of 20 percent, should have netted the company $246,000. All except $6,800 of this sum has been expended. Because the sale of this stock was less than $300,000 the company does not come under the regulations of the Security and Exchange Commission. Apparently, rather than operate under the jurisdiction of the S.E.C. the applicant organized the Bonanza Central Mining Co. which owns ground adjoining the Bonanza mine. The capital of this latter company is 1,000,000 shares with a par value of $1.00 per share. MacDonald owns 520,000 shares of the new company. This company sold $168,000 worth of stock, spent $40,000, and has $128,000 in its treasury. The Bonanza Central Mining Co. is paying for the work now in progress at the Bonanza mine.

Briefly stated, the Bonanza has no ore and there is very little possibility of finding it. It looks very much as if the applicant

would get into difficulties with the law because of its methods of financing. It is believed that the Bonanza Mining Co. and the Bonanza Central Mining Co. are stock-selling promotions, and therefore it is recommended that their application for a loan of $416,425 be denied.

It is recommended also that denial be made as promptly as possible because it is believed that the presence at the property of engineers of the U. S. Bureau of Mines will be used in furthering the stock selling campaign. Prompt denial may deter this and thereby save other possible victims.

BONANZA COPPER MINE
BONANZA MINING CO.
BONANZA CENTRAL MINING CO.
ELLSWORTH MINING DISTRICT
YUMA COUNTY, ARIZONA
DMA-2021

Engineering Report

By M. J. Elsing
Consulting Mining Engineer
U. S. Bureau of Mines

W. T. Griswold
Mining Engineer
U. S. Bureau of Mines

October 1951

BONANZA COPPER MINE
BONANZA MINING CO.
BONANZA CENTRAL MINING CO.
ELLSWORTH MINING DISTRICT
YUMA COUNTY, ARIZONA
DMA-2021

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INTRODUCTION

The Coordinating Committee of the Defense Minerals Administration requested the Field Team, Region IV, to examine and report on the Bonanza mine of the Bonanza Mining Co., situated in the Ellsworth Mining District, Yuma County, Arizona. Such an examination was made by M. J. Elsing and W. T. Griswold of the Bureau of Mines on September 24-26, 1951.

F. F. MacDonald, president and general manager of the Bonanza Mining Co., originally applied to the Defense Mineral Administration for a production loan of $1,500,000. This application was given docket number DMA-780. Various conferences in Washington between MacDonald and Collins of the Bonanza Mining Co. and members of DMA resulted in changing the application from a development loan to an exploration loan for $416,425. The application for exploration is known as Docket DMA-2021.

ACKNOWLEDGMENT

Acknowledgments are due to F. F. MacDonald, president and general manager of the Bonanza Mining Co. and the Bonanza Central Mining Co. MacDonald accompanied the examiners over the property and gave all information asked for. Jack Collins, a stockholder, also acted as a guide. Edwin W. Mills, consulting engineer for the Bonanza Mining Co., was interviewed.

Considerable information was obtained from the amended prospectus of January 1, 1950 of the Bonanza Mining Co. This prospectus was used to assist in the sale of the company's stock.

LOCATION, TOPOGRAPHY AND PHYSICAL CHARACTERISTICS

The claims of the Bonanza Mining Co. and the Bonanza Central Mining Co. are located in the Ellsworth mining district, Yuma County, Ariz., in sections 22, 23, 26 and 27, T. 7 N., R. 13 W., Gila and Salt River Meridian. The combined properties include 94 unpatented mining claims, all of which have been recorded in the office of the County Recorder at Yuma, Ariz.

The mountain range in which the property is located rises abruptly from broad flat desert valleys. Most of the claims are located well up on the side of the mountain and extend over the crest. The topography is generally rough and is almost devoid of vegetation.

HISTORY AND PRODUCTION

The property was acquired about 1900 by F. F. MacDonald, Sr., father of the present F. F. MacDonald, who is now president of the Bonanza Mining Co. MacDonald claims that royalties from lease operations supported the MacDonald family for years. No records of the early production exist. A large part of the holdings of the company were inspected and there is no evidence on the surface or in underground workings that substantial amounts of ore have been produced. There are many shallow surface workings consisting of pits, trenches, small open cuts and one shallow shaft. If these workings did produce any ore it was in very minor amounts.

From May 5 to August 17, 1951 the Bonanza mine produced 435.3 tons of ore which was shipped to the Superior and Hayden smelters.

This ore was sorted from some 5,000 tons of material broken in the shaft, drifts, and stopes. The ore shipped contained 1.85 percent copper and 0.18 ounce gold per ton. The net smelter returns averaged $3.75 per ton. A breakdown of shipments is herewith shown.

Bonanza Mining Co.
Net Smelter Returns
May 5, 1951 to August 17, 1951

Date 1951	Dry Tons	Cu %	Au oz.	Ag oz.	Net Returns	Smelter
May 5	43.5	2.38	0.26	0.16	$ 317.44	A.S. & R.
May 19	40.5	1.53	.07	.10	-27.38	Magma
May 21	49.8	2.05	.26	.10	376.96	"
May 31	43.4	1.66	.19	.10	124.95	"
June 12	49.7	1.49	.14	.10	43.27	"
June 30	45.5	1.63	.12	.10	.02	A.S. & R.
July 12	55.5	1.75	.20	.10	217.68	Magma
July 17	36.4	1.27	.18	.40	138.15	"
July 23	35.7	2.28	.17	.30	189.79	"
Aug. 17	35.3	2.04	.26	.15	249.50	"
Totals	435.3	1.85	0.18	0.15	$1,630.38	

Net smelter returns, $3.75 per ton.
Smelting cost, approximately $5.50 per ton.
Freight rates were $2.60 per ton.

OWNERSHIP AND EXTENT

The Bonanza group of 39 claims is owned by the Bonanza Mining Co. The adjoining Bonanza Central group of 57 claims is owned by the Bonanza Central Mining Co. The companies have the same management and the same board of directors. The stockholders in each company are different. Each company has 1,000,000 shares of a par value of $1.00 per share. R. F. MacDonald and his mother own 520,000 shares of the stock of the Bonanza Mining Co., and MacDonald

owns 520,000 shares of the Bonanza Central Mining Co.

MacDonald advised that 20,000 shares of Bonanza Mining Co. stock had been sold at $1.00 per share, and 115,000 shares at $2.50 per share. The $2.50 stock netted the company $2.00 per share, $0.50 being allowed as commission and selling expense. The cost to the public of these shares was $307,500, selling expense was $61,500. The net amount received by the treasury was $246,000.

A total of $168,000 worth of stock of the Bonanza Central Mining Co. has been sold. The Bonanza Central has $128,000 in its treasury and the Bonanza Mining Co. has $6,800.

Work being done in the Bonanza mine is being paid for by the Bonanza Central Mining Co. MacDonald advised that as yet no agreement has been signed between the two companies. The sinking of the shaft and the drifting on the 600 level is charged to the Bonanza Central Mining Co. The nature of the proposed agreement is unknown. The Bonanza Mining Co. probably has sold all the stock that it is permitted to sell without coming under the regulations of the Security and Exchange Commission. It appears that rather than make an application for the sale of additional stock, which would have brought it under the jurisdiction of S.E.C., it has organized the Bonanza Central Mining Co. and sold its stock in order to continue work at the Bonanza mine.

The situation is extremely complicated. Present arrangements are unfair to those stockholders of the Bonanza Central Mining Co.

who do not hold a proportional interest in the Bonanza Mining Co. The legality of this arrangement is questionable.

DESCRIPTION OF DEPOSIT

The claims of the Bonanza Mining Co. and the Bonanza Central Mining Co. are located in a shear zone cutting pre-Cambrian schist and granite. In this shear zone there are said to be 19 or more parallel diabase dikes which vary from less than 1 foot to more than 20 feet in thickness. The Bonanza shaft has been sunk on one of these dikes. Near the surface the shaft dips at 45 degrees but at approximately 100 feet the shaft and dike have a dip of 70 to 80 degrees.

Ore occurs in stringers and veinlets, and in irregular small patches in the dike and on its contacts. Faulting and shearing have preceded and followed mineralization. The principal copper mineral is chalcopyrite. Small amounts of chalcocite, copper carbonates, and native copper were observed. In places these oxidized copper minerals are found below unoxidized chalcopyrite. The bottom of the zone of oxidation has not been reached but unaltered masses of diabase containing chalcopyrite are indicative of what will occur below the zone of complete oxidation. The diabase dike in which the shaft has been sunk is approximately 5 feet wide.

MINEABLE ORE RESERVES

MacDonald stated that every inch of work in the Bonanza shaft was in ore.

A report dated August 5, 1951 and signed by Edwin W. Mills, mining engineer, and L. Burton Rose, mining geologist, states "ore reserves based on the present development and the geologic structure evidence, are immense throughout the strong 1,000-foot by 3-mile shear zone with its nineteen near parallel dyke-veins".

A report dated March 2, 1951 and written by J. F. Foran, mining engineer, also submitted by the applicant, states "in its present state of development, assured reserves are negligible - under 5,000 tons - and have not been considered in this report".

An inspection of the shaft, the drifts, and the stopes does not show any ore. High-grade, small irregular masses of chalcopyrite were observed. In places there were small amounts of secondary chalcocite and some oxidized copper minerals. High-grade specimens can be obtained but there is not one face of ore in any part of the mine. It is believed that in no part of the mine would it be possible to drill a 5-foot round of holes and obtain 2 percent copper ore. MacDonald stated that the shipment of 435.3 tons of ore averaging 1.35 percent copper and 0.1[illegible] ounce gold per ton came from the mine just as it was broken. MacDonald's statement cannot be accepted. It is believed that most, if not all, of this ore was carefully sorted. There are reasons for this conclusion. There is a belt conveyor running from the ore bins to the dump. Beside the conveyor there was a sorting platform with ore on it which is definite proof that sorting has been done. An inspection of the dump showed no piece of ore as large as a hen's

egg. A few pieces of ore too small to pick from the belt were found. The outside part of the dump was waste and showed every indication that all ore readily sortable had been removed. The ratio of concentration by sorting has to be somewhat of a guess. The present underground openings indicate that, at least, 5,000 tons have been removed and 435.3 tons have been recovered. This would indicate a ratio of approximately 10 tons to 1. If the ratio was even 2 or 3-to-1 the ore would not be of commercial grade. From evidence seen underground it is believed that a ratio of sorting would be perhaps 5 to 1, which indicates that a recoverable copper content of the material mined might be 0.37 percent copper and 0.035 ounce of gold. The amount of silver is negligible.

The conclusion drawn is that there are no mineable ore reserves.

PRESENT STATUS

The Bonanza Mining Co. is in a real dilemma. Its allotment of stock has been sold. Its treasury is almost empty. It has been promising its stockholders that profit would result from shipping. Having failed in this it now proposes to mill the ore. It has purchased a jaw crusher, a gyratory crusher, vibrating screen, trommel and 2 bandalari jigs. It proposes to crush the ore to one-quarter inch and pass it through the jigs. The mill is to be erected at Enden and the ore will be hauled 8 miles from the mine to the millsite. The latest proposal is to make copper sulphate from the jig concentrates by a newly patented process, the use of which has been offered to the Bonanza Mining Co.

The mine has the following equipment:

1	Ottumwa hoist with 30-inch diameter drum driven by a 150 H.P. General Electric motor	$ 6,000
1	Standby 65 H.P. gas engine hoist	3,000
1	700-foot Ingersoll and Imperial Type 10 compressor (17 X 14 and 10 X 14 cylinders) driven by 100 H.P. motor	5,000
1	3 H.P. blower	400
2	Eimco loaders, 12B	5,000
5	Mine cars	1,000
1	Truck	1,000
1	C-P drifter	750
2	C-P jackhammers	500
2	Cocopaw hammers	1,500
1	GMC 2½-ton truck	2,500
750	Feet ventilating pipe	825
	Tools	500
		$27,975
	Salvage value after one year	22,312
	Cost to project	5,663

The above equipment is good and seems to be in good condition.

Exploration work at the Bonanza mine includes the following:

	Feet
Shaft ————————	600
500 Level drifts —	283
550 Level drifts —	60
600 Level drifts —	10

In addition to the above exploration, a diamond drill hole was drilled in 1949. This hole is located approximately 1,100 feet southeast of the Bonanza shaft. The hole is 745 feet deep and inclines at an angle of 65 degrees. It is reported that at a depth of 360 feet, 14 feet of ore averaging 4 percent copper was encountered. Great difficulty was had in obtaining core. A log of the hole and assay certificates were requested but these were not available. Without any substantiating evidence little credence should be given to these claims.

PROJECT PROPOSAL AND COSTS

Exploration and Development

The applicant proposed to do the following work at the Bonanza shaft:

1. Sink shaft from the 600 level to the 750 level.

2. Drive a drift on the 600 level on the vein, 3,000 feet to the northwest. A total of 1,400 feet will be in Bonanza Mining Co. ground.

3. Drive a drift on the 600 level on the vein, 2,000 feet to the southeast, all in Bonanza Mining Co. ground.

4. Drive a crosscut on the 600 level near the shaft, southwest into the footwall of the Bonanza vein for a distance of 1,500 feet.

The applicant estimates the cost of this work as follows:

Shaft sinking, 150 feet at $200 per foot - - - -	$ 30,000
Drifting, 5,000 feet at $35 per foot - - - - - -	175,000
Crosscutting, 1,500 feet at $35 per foot - - - -	52,500
	$257,500

New Equipment and Facilities

The applicant believes the following equipment is necessary:

Assay equipment - - - - - - - - - - - - - -	1,500
2 Trackless locomotives with one extra battery - - - - - - - - - - - - - - - -	11,000
Charger and panel - - - - - - - - - - - - -	2,500
Electric cable, 1,100 ft. - - - - - - - - -	1,500
1 Blower - - - - - - - - - - - - - - - - - - -	1,200
3,000 feet vent tube - - - - - - - - - - - -	7,000
	$24,700

The applicant proposes to build an assay office for $1,000, and living quarters for 40 men for $75,000. The hauling of water costs $25 per day and power costs $1,350 per month. The applicant agrees that the proposed work could be done in one year instead of two years as originally estimated. A summary of the entire cost of the project is as follows:

Direct costs of exploration - - - - -	$257,500
Assay office - - - - - - - - - - - - -	1,000
Dwellings - - - - - - - - - - - - - - -	75,000
Equipment purchases - - - - - - - - -	24,700
Equipment rentals - - - - - - - - - -	5,063
Utilities - - - - - - - - - - - - - - -	23,700
Total - - - - - - - - - -	$387,563

If the project offered sufficient possibilities to warrant the belief that exploration would open up commercial ore it could not be recommended on the basis of the proposed expenditures. Even if it were a good looking prospect the expenditure of $75,000 for housing could not be considered for one moment. There is no question that housing at Tenden, Salome, and Aguila is difficult. In spite of this it is believed that some men could be housed at those places. A bunk house probably could be built for 50 men for $7,500, preferably at Tenden. Its location there would probably be more satisfactory to the men and the building would have some value after the exploration program had been completed.

The project as planned could not use efficiently 2 Mancha locomotives on the 600 level, at least until the drifts were extended for 1,000 feet or more. Since the mine has only 5 mine cars, additional cars are much more important than 2 locomotives.

Transportation

There are no particular problems in connection with transportation. The mine is only [illegible] miles from [illegible]enden and most of the distance is travelled over a good desert road. The last mile near the mine is the worst part of the road but there are no really bad grades.

Manpower

The proposed list of employees to be used in this project is given herewith together with their rate of pay:

Supervision:

1	Superintendent	650 per month
1	Mine foreman	400 " "
1	Engineering consultant	250 " "
3	Shift bosses	13.50 per shift
1	Assayer-sampler	400 per month
1	Accountant and timekeeper	400 " "
1	Stenographer	300 " "

Total, 9 men at approximately 3,427.50 per month, or $381 each per month.

Labor:

3	Hoistmen	1.65 per hour
1	Electrician	2.25 " "
2	Electrician helpers	1.65 " "
1	Master mechanic	2.25 " "
[illegible]	Helpers	1.65 " "
4	Surface trammers	1.65 " "
1	Truck driver	1.65 " "
27	Miners	1.65 " "
6	Mucking machine operators	1.65 " "
3	Motormen	1.65 " "
3	Switchmen	1.65 " "
3	Nippers	1.67 " "
56	Men at	1.67 " "

The total manpower requirements are supervisionary personnel, 9 and labor, 56 men. There will be no difficulty in regard to obtaining supervisionary personnel. A total of 56 miners, surface men and other laborers are not available in the district. MacDonald advised that the proposed wage scale was a little higher than in most of the Arizona mining districts and because of this fact he thought men could be gotten from northern Arizona, California, and from the larger Arizona mines.

The proposed plan of operation is not feasible. Exploration on the 600 level and shaft sinking should not be attempted at the same time. When sinking operations are under way the skip should be available to the shaft crew at all times.

Without waste pockets or adequate room on the 600 station for car storage, efficient operations cannot be conducted. Shaft sinking could be completed in 35 to 40 days and after this was done, exploration on the 500 level would proceed with greater speed, less cost, and with much greater safety. Fewer men would be required and the housing problem would not be so serious.

Power

A power line has been built to the mine and cheap electric power is available. The applicant estimates that the cost of power will be approximately $1,350 per month.

Water

Water is a very serious problem. At present all water is hauled to the mine from a well in the valley. A well and pipe line to the mine would cost no less than $75,000, and perhaps double this amount.

PRODUCTION PLAN

The applicant proposes to produce 100 tons of ore per day. On the basis of past performances it is estimated that probably 70 tons of sorted ore would be obtained with a grade similar to that already produced, or 1.[illegible]5 percent copper and 0.1[illegible] ounce gold per ton.

It is doubtful if the proposed method of milling would result in a recovery of more than 50 percent of the values. The whole program is so impossible that no attempt has been made to calculate the cost of producing copper.

PROPOSED FINANCING

The applicant expects to pay one-half of the total expenditures if the exploration loan is granted. The Bonanza Mining Co. can contribute very little as it has only [illegible], 00 in the treasury. The Bonanza Central Mining Co. is depleting its treasury at the rate of perhaps [illegible]500 per day. A part of the matching funds will have to be raised by the sale of additional stock. The Bonanza Mining Co. cannot sell additional stock unless it is willing to operate under the regulations of S.E.C. Apparently it does not wish to do this. The only other course left is to sell additional Bonanza Central stock. If the whole program is completed as planned, less than 20 percent of the expenditures would be made on Bonanza Central ground. Obviously it is unfair to Bonanza Central shareholders to spend their company's money in the exploration of the Bonanza mine. It is proposed to sell 50,000 shares of Bonanza Central stock. It is very likely that stock selling agents of the company will take full advantage of the fact that engineers of the U. S. Bureau of Mines have examined the property with a view to granting a loan. The setup is perfect for a last drive to sell stock.

CONCLUSION

The conclusion that the Bonanza project is a stock selling scheme is indicated by the Amended Prospectus of January 1, 1950. This prospectus ranks with the early day promotional advertisements of wonder mines. A cross section of the property is shown. This

drawing contains many notations which by themselves are not untrue. Examples of these notations are as follows:

"Area to be Blocked Out"

"30 to 40 days of drift"

"500,000 cubic feet 50,000 tons"

"Present assays from Shaft Average $40.00 per ton"

"Undeveloped Area Approx. 1½ miles long - 1,000 ft. Wide"

By inference and deduction a layman could be completely misled. From the data presented one can figure the possibility of 500,000,000 tons of $40 ore. The company's consulting mining engineer stated that the ore body eventually would be mined by steam shovels in a great open pit.

RECOMMENDATIONS

Because the Bonanza and the Bonanza Central have no ore and very little possibility of finding ore, and because the project is apparently a stock selling promotion, it is recommended that the loan be denied as promptly as possible.

The Bonanza Mining Co. and the Bonanza Central Mining Co. have more than 1,000 stockholders. Prompt denial may help prevent the sale of some of the 50,000 shares it is proposed to sell and thereby save additional victims.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Ariz 2021

June 27, 1952

Mr. LaMar W. Lamb
Mountain View Ranch
Cowles, New Mexico

Dear Mr. Lamb:

This will acknowledge receipt of your letter of June 24, 1952, concerning the Bonanza Mining Company.

This office is part of the Accident Prevention Branch of the Bureau of Mines and the only association we have had with the Bonanza Mining Company was to schedule an accident-prevention class to be started last April. However this class was not started due to the sudden closing of the mine.

I am forwarding a copy of your letter to Mr. alter R. Storms, Chief, Arizona-New Mexico Research & Development Branch, Bureau of Mines, University Station, Tucson, Arizona, and to the Arizona Department of Mineral Resources, Minerals Exhibits Building, State Fairgrounds, Phoenix, Arizona. Possibly you may hear further from one or both of these sources.

If you should reopen the mine and have any safety problems, feel free to call on this office at any time.

Sincerely yours,

Allen D. Look

ALLEN D. LOOK
Chief, Arizona Section

cc: J. H. East
E. H. Denny
W. R. Storms
R. I. C. Manning
Angelo Pais (through John Garcia)
Files

ADL/s

Mountain View Ranch

Cowles, New Mexico

June 24, 1952

Mr. Allen P. Look, Chief, Arizona Section
420 Ellis Building
Phoenix, Arizona

Dear Mr. Look:

I have recently associated my elf in business with a group of men who own the "Bonanza Mining Company." I will officiate in the capacity of General Manager. Before starting work, I would like to acquaint myself with all information available concerning the "Bonanza Mining Company."

In the Annual Report of the Arizona State Inspector of Mines, mention is made only of Roy R. McDonald, Manager; Character of Ore: Gold, Silver, Copper. Average number of men employed: 16. Inspected 4 times in 1951.

I have been able to procure only the above mentioned information.

Will you please tell me how I might know more about this mine, and what the intelligent approach would be to find out if it could be opened as a paying proposition.

For reference concerning the authenticity of this letter, I refer you to Mr. David Barrow, c/o Grace-Barrow Chevrolet Co., Denton, Texas, President of "Bonanza Mining Company."

Mr. Look, I would appreciate no end receiving this information, and assure you that I will be looking forward to meeting and working with you.

Very truly yours,

/s/ LaMar W. Lamb

LaMar W. Lamb

P. S. Angelo J. Rais, Deputy to John A. Garcia, State Mine Inspector, suggested that I write you for the above requested information.

L. W. L.

C
O
P
Y

Docket

224 New Customhouse
Denver 2, Colorado

November 30, 1951

Hon. Carl Hayden
United States Senate
Washington 25, D. C.

Re: DMA Docket 2021

My dear Senator Hayden:

In the absence of Mr. J. H. East, Jr., Executive Officer, DMA Field Team, Region IV, your letter of November 27 requesting information in connection with the present status of an application for exploration aid filed by the Bonanza Mining Company, DMA Docket 2021, has been brought to my attention for reply.

The following is quoted from a letter dated October 26, 1951, to the Bonanza Mining Company, Box 4336, Phoenix, Arizona from our Washington office:

"On the basis of the evidence submitted with your application and other material, data and evidence available to the Government, it is felt that the geological possibilities are not such as to justify Government participation in an exploration project at this time.

"An examination of the underground workings shows no mineable ore. Although there are many places underground where small high grade specimens can be obtained, it is doubtful if there is any place exposed where a blasted 5 foot round would produce ore with a grade of 2 percent copper. A total of 435.3 tons of ore having an average grade of 1.85 percent copper and 0.18 ounce gold per ton has been shipped to smelters at Hayden and Superior, Arizona. It is estimated that this ore was hand sorted from approximately 2200 tons of material extracted from shaft sinking, drifts and stopes. As there is no record of other shipments, and as no ore is exposed in the dump it is estimated that the grade of ore extracted from the mine workings was approximately 0.37% copper and 0.035% gold per ton. Ore of this grade could not provide the basis of a feasible mining operation under any present or any forseeable future conditions.

"There is no evidence to warrant the belief that additional work on the Bonanza dike would show material of better grade than has already been found.

"An inspection of the surface showings of other dikes showed no outcrops, gossans or other evidence that warrants the belief that exploration would discover ore. Considerable shallow surface work has been done on irregular limonite showings of small size without disclosing ore.

"In the absence of detailed sample and assay maps of the mine and surface workings or other geological data, the above statements are accepted as representing the geological situation at the Bonanza and Government participation in further exploration is not felt to be justified."

Very truly yours,

T. A. Christensen
Acting Regional Director, Reg. IV

WHK:ld

cc: DMA docket, chron.
Kepchmann
Storms

KENNETH MCKELLAR, TENN., CHAIRMAN
CARL HAYDEN, ARIZ.
RICHARD B. RUSSELL, GA.
PAT MCCARRAN, NEV.
JOSEPH C. O'MAHONEY, WYO.
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HARLEY M. KILGORE, W. VA.
JOHN L. MCCLELLAN, ARK.
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STYLES BRIDGES, N. H.
HOMER FERGUSON, MICH.
KENNETH S. WHERRY, NEBR.
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LEVERETT SALTONSTALL, MASS.
MILTON R. YOUNG, N. DAK.
WILLIAM F. KNOWLAND, CALIF.
EDWARD J. THYE, MINN.
ZALES N. ECTON, MONT.

EVERARD H. SMITH, CLERK
CECIL H. TOLBERT, ASST. CLERK

United States Senate

COMMITTEE ON APPROPRIATIONS

REGIONAL DIRECTOR'S
OFFICE
REGION IV
NOV 30 1951
BUREAU OF MINES
DENVER, COLORADO

November 27, 1951

Mr. J. H. East, Jr.
Executive Officer
Field Team, Region IV
Defense Minerals Administration
224 New Customhouse
Denver 2, Colorado

Dear Mr. East:

Referring to Mr. Denny's courteous letter of September 6, copy of which is attached for your ready identification, I shall appreciate your advice as to the present status of the application for exploration aid filed by the Bonanza Mining Company of Arizona.

Yours very sincerely,

Carl Hayden
U. S. S.

P. S. Please address reply to me; sending me original and one copy. Kindly return enclosures.

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

DMA

OCT 31 1951

OCT 26 1951

Bonanza Mining Company
Box 4336
Phoenix, Arizona

Re: DMA Docket 2021

Gentlemen:

Your application for exploration aid has been reviewed by the Defense Minerals Administration and we are sorry to inform you that it must be denied.

On the basis of the evidence submitted with your application and other material, data and evidence available to the Government, it is felt that the geological possibilities are not such as to justify Government participation in an exploration projectat this time.

Specifically, the above conclusions are based on the following:

An examination of the underground workings shows no mineable ore. Although there are many places underground where small high grade specimens can be obtained, it is doubtful if there is any place exposed where a blasted 5 feet round would produce ore with a grade of 2 percent copper. A total of 435.3 tons of ore having an average grade of 1.85 percent copper and 0.18 ounce gold per ton has been shipped to smelters at Hayden and Superior, Arizona. It is estimated that this ore was hand sorted from approximately 2200 tons of material extracted from shaft sinking, drifts and stopes. As there is no record of other shipments, and as no ore is exposed in the dumps it is estimated that the grade of ore extracted from the mine workings was approximately 0.37% copper and 0.035% gold per ton. Ore of this grade could not provide the basis of a feasible mining operation under any present or any forseeable future conditions.

There is no evidence to warrant the belief that additional work on the Bonanza dike would show material of better grade than has already been found.

An inspection of the surface showings of other dikes showed no outcrops, gossans or other evidence that warrants the belief that exploration would discover ore. Considerable shallow surface work has been done on irregular limonite showings of small size without disclosing ore.

Returned

In the absence of detailed sample and assay maps of the mine and surface workings or other geological data, the above statements are accepted as representing the geological situation at the Bonanza and Government participation in further exploration is not felt to be justified.

Very truly yours,

SIGNED

Tom Lyon, Director
Supply Division

JBGowen:pk
10/23/51

Copy to: Administrator's Reading File
Field Team, Region IV
Mr. Gowen
Mr. Johnson 3619
Mr. Maclaren--Mr. Nelson
Files-DMA Docket

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

DMA

OCT 25 1951

DIRECTOR'S OFFICE
REGION IV
OCT 31 1951
BUREAU OF MINES
DENVER, COLORADO

Memorandum

To: Administrative Management Division

From: Director, Supply Division

Subject: Application for Exploration aid of the Bonanza Mining Co., P. O. Box 4336, Phoenix, Arizona, DMA 2021, Commodity-Copper

Denial of this application is recommended by DMA Field Team Region IV for the following reasons:

1. An examination of the underground workings shows no mineable ore. Although there are many places where good copper mineral specimens can be taken from mineralized seams in the dyke, there is no face of ore exposed, and no place was found where a blasted round would produce a commercial grade of ore.

2. Of a total of approximately 5000 tons of vein-dyke material extracted from mine workings on the "vein", a total of 435.3 tons of ore having an average grade of 1.85% copper, and 0.18 ounce gold per ton has been sorted and shipped to smelters at Hayden and Superior, Arizona. The net smelter returns were $3.75 per ton.

An examination of the dump shows no visible copper ore. The estimated average grade of the 5000 tons of vein-dyke material extracted from the mine workings would be 0.37% recoverable copper and 0.035 ounce recoverable gold per ton which could not provide the basis of a feasible mining operation under any present or foreseeable future conditions.

3. An inspection of the surface showings of the Bonanza and other dikes showed no outcrops, gossans or other evidence that warrants the belief that exploration would discover ore. Considerable shallow surface work has been done on irregular limonite showings of small size without disclosing ore.

4. There is a question as to the method of financing the applicant's share.

A letter has been prepared to the applicant notifying him of this denial.

Transmitted herewith for your disposal is the entire file consisting of the following:

1 Form MF-100
4 Forms MF-103 with 5 answer sheets each
2 DMA Review of Application for Exploration Assistance
1 Field Team report on the Bonanza Mining Company
1 Prospectus of the Bonanza Mining Company
3 Reports on the Bonanza & Bonanza-Central Mines
2 Reports by J. E. Foran dated March 3, 1951
8 Magmer Copper Company smelter sheets
3 Assay certificates
3 American Smelting & Refining Company Smelter sheets
1 Page from the Spark Flame Newspaper
1 DMA Status Change Notice
1 Reprint from the Yuma Daily Sun with clipping attached
2 Letters to Roy R. MacDonald from R. E. Adams and Tom Lyon, Sept. 5, 1951
2 Form letters from T. Lyon to J. H. East, Sept. 5, 1951
1 Map of Bonanza Mine with assay values
5 Claim Maps.

SIGNED

Tom Lyon, Director
Supply Division

Attachment

RVWaugh:JBGowen:pk
10/19/51

Copy to: Administrator's Reading File
Field Team, Region IV
Mr. Gowen
Mr. Johnson 3621
Mr. MacLaren
Files-DMA Docket

Form 6-95

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REFERENCE SLIP

DATE 11/30/51

REFERRED TO:

1. King
2.
3.
4.

FOR:

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

REMARKS: Letter from Carl Hayden, Senator, Re: Bonanza Mining Company, requesting present status of application for exploration aid.

Check (X) before the items needing attention.

Initials of sender.

GPO 16—51162-1

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

NOV 1 8 1951
BUREAU OF MINES
DENVER, COLORADO

NOV 1 3 1951

Hon. Ernest W. McFarland
United States Senate
Washington 25, D. C.

Re: Docket No. DMA-2021

My dear Senator McFarland:

This is to acknowledge your letter of November 6, 1951 requesting information as to the action taken on the exploration loan of Bonanza Mining Company of Gordon, Arizona, DMA-2021.

On the basis of the evidence submitted with the company's application and the material and evidence made available by a field team investigation, it was felt that the geological possibilities were not such as to justify Government participation in an exploration project at this time. Accordingly, this application was regrettably denied on October 26, 1951.

An examination of the underground workings shows no mineable ore. Although there are many places underground where small high grade specimens can be obtained, it is doubtful if there is any place exposed where a blasted five foot round would produce ore with a grade of two per cent copper. A total of 453.3 tons of ore having an average grade of 1.85 percent copper and 0.18 ounce gold per ton has been shipped to smelters at Hayden and Superior, Arizona. It is estimated that this ore was hand sorted from approximately 2200 tons of material extracted from shaft sinking, drifts and stopes. As there is no record of other shipments, and as no ore is exposed in the dumps it is estimated that the grade of ore extracted from the mine workings was approximately 0.37% copper and 0.035% gold per ton. Ore of this grade could not provide the basis of a feasible mining operation under any present or any foreseeable future conditions.

There is no evidence to warrant the belief that additional work on the Bonanza dike would show material of better grade than has already been found.

JFS

An inspection of the surface showings of other dikes showed no outcrops, gossans or other evidence that warrants the belief that

exploration would discover ore. Considerable shallow surface work has been done on irregular ilmenite showings of small size without disclosing ore.

In the absence of detailed sample and assay maps of the mine and surface workings or other geological data, the above statements are accepted as representing the geological situation at the Bonanza and Government participation in further exploration is not felt to be justified.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Administrator

RVHaugh:rw
11-9-51

Copy to: Mr. Jack Collins

Administrator's Reading File
Deputy Administrator's Reading File
Executive Officer, DMA Field Team IV
Mr. Lyon
Copper Branch
DMA Docket

911

UNITED STATES SENATE
Office of the Majority Leader
Washington, D. C.

November 6, 1951

Administrator
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Sir:

This is written in reference to the Bonanza Mining Company of Wenden, Arizona, DMA Docket No. 2021.

Mr. J. H. East, Jr., Regional Director, Region IV, has advised me that the final report of the examination of the Bonanza Mining Company property by the geologists and engineers was forwarded to you on October 15. It would be appreciated if you would advise me of the final action taken on this application for an exploratory mining loan.

With all good wishes, I am

Sincerely yours,

(sgd)
Ernest W. McFarland

C O P Y

Wom
gzs

October 31, 1951

Hon. Ernest W. McFarland
United States Senate
Washington, D. C.

My dear Senator McFarland:

This will acknowledge receipt of your letter dated October 22 in reference to the Bonanza Mining Company of Wendon, Arizona, DMA Docket No. 2021.

The final report of the examination of the Bonanza Mining Company property by the geologists and engineers was forwarded to the Administrator of the Defense Minerals Administration on October 15, 1951.

The action taken by the Defense Minerals Administration can be ascertained from the Executive Secretary.

Very truly yours,

J. H. East, Jr.
Regional Director

JHE:oj

Copy to: Director's Reading File
P T. Allsman

October 31, 1951

Hon. Ernest W. McFarland
United States Senate
Washington, D. C.

My dear Senator McFarland:

This will acknowledge receipt of your letter dated October 22 in reference to the Bonanza Mining Company of Wendon, Arizona, DMA Docket No. 2021.

The final report of the examination of the Bonanza Mining Company property by the geologists and engineers was forwarded to the Administrator of the Defense Minerals Administration on October 15, 1951.

The action taken by the Defense Minerals Administration can be ascertained from the Executive Secretary.

Very truly yours,

J. H. East, Jr.
Regional Director

JHE:oj

Copy to: Director's Reading File
P T. Allsman

ERNEST W. McFARLAND
ARIZONA

United States Senate
Office of the Majority Leader
Washington, D. C.

October 22, 1951

REGIONAL DIRECTOR
OFFICE
REGION IV
OCT 25 1951
BUREAU OF MINES
DENVER, COLORADO

Mr. J. H. East, Jr.
Executive Officer
DMA Field Team, Region IV
Department of the Interior
224 New Customhouse
Denver 2, Colorado

Dear Mr. East:

In reviewing my files, I note that on October 2nd I wrote you in further reference to DMA Docket No. 2021, and the application by the Bonanza Mining Company of Wendon, Arizona for an exploratory mining loan.

I would appreciate an informative report on this matter at your earliest convenience.

Sincerely yours,

Ernest W. McFarland

Ernest W. McFarland

gfe

[illegible] New Customhouse
Denver 2, Colorado

October 15, 1952

Memorandum

To: Executive Secretary, Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: Final Report, DMA Docket [illegible], Bonanza Mining Company, Applicant, Bonanza Copper Mine, Ellsworth Mining District, 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 exploration loan of $[illegible],[illegible]5 be denied.

The brochure is enclosed.

Please refer to confidential letter by K. J. Kling.

J. H. Earl, Jr.

for Ogden Tweto
K. H. [illegible]

WDM:oj
cc: DMA Sub. and Chron.

October 9, 1951

Hon. Ernest W. McFarland
United States Senate
Washington, D. C.

My dear Senator McFarland:

This will acknowledge your letter dated October 2, 1951, relative to an exploration loan of the Bonanza Mining Company of Wendon, Arizona.

The final report is being typed and should be in my office within a few days. The preliminary information available indicates that very little ore is indicated in this mine, and it is probable that the field engineers will recommend a denial of the application. We will write you regarding this loan application when the information has been received.

Sincerely yours,

J. H. East, Jr.
Regional Director

Copy to: Director's Reading File

JHE:ftm
DMA File

ERNEST W. McFARLAND
ARIZONA

Acknowledge
Please
Reply
information
for me
JHE

United States Senate
Office of the Majority Leader
Washington, D. C.

October 2, 1951

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

Mr. J. H. East, Jr.
Executive Officer
DMA Field Team, Region IV
Department of the Interior
224 New Customhouse
Denver 2, Colorado

Dear Mr. East:

This is written in further reference to my letter of August 30, concerning DMA Docket No. 2021, and the application by the Bonanza Mining Company of Wendon, Arizona for an exploratory mining loan.

If further information is now available on this matter, I would appreciate receiving a report.

Very sincerely,

Ernest W. McFarland

Ernest W. McFarland

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

MINING DIVISION
REGION IV

Mining Division
Date Rec'd.
OCT 8 1951
BUREAU OF MINES
Denver, Colorado
TUCSON, ARIZONA

October 4, 1951

Memorandum

To : Paul T. Allsman, Denver, Colorado

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

Subject : Confidential Letter, DMA Docket 2021, Bonanza Mining Co., Yuma County, Ariz.

Enclosed are original and 7 copies of a confidential letter by Morris J. Elsing of the Bureau of Mines about the above company.

The final report is being typed and will be mailed to you at a later date.

Walter R. Storms

Walter R. Storms

CC P. T. Allsman (7)
G. A. Anderson
DMA-2021
DF

FOR VICTORY
BUY UNITED STATES SAVINGS BONDS AND STAMPS

Mining Division
Date Rec'd.
OCT 8 1951
BUREAU OF MINES
Denver, Colorado

MINING DIVISION
REGION IV

October 4, 1951

Memorandum

To : Paul T. Allsman, Denver, Colorado

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

Subject : Confidential Letter, BMA Docket 2021, Bonanza Mining Co., Yuma County, Ariz.

Enclosed are original and 7 copies of a confidential letter by Morris J. Elsing of the Bureau of Mines about the above company.

The final report is being typed and will be mailed to you at a later date.

Walter R. Storms

CC P. T. Allsman (7)
C. A. Anderson
BMA-2021
DF

WRStorms:frj

Mining Division
Date Rec'd.

OCT 8 1951

BUREAU OF MINES
Denver, Colorado

MINING DIVISION
REGION IV

October 4, 1951

Memorandum

To : Paul T. Allsman, Denver, Colorado

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

Subject : Confidential Letter, DMA Docket 2021, Bonanza Mining Co., Yuma County, Ariz.

Enclosed are original and 7 copies of a confidential letter by Morris J. Elsing of the Bureau of Mines about the above company.

The final report is being typed and will be mailed to you at a later date.

Walter R. Storms

CC P. T. Allsman (7)
C. A. Anderson
DMA-2021
DF

WRStorms:frj

Mining Division
Date Rec'd.
OCT 8 1951
BUREAU OF MINES
Denver, Colorado

MINING DIVISION
REGION IV

October 4, 1951

Memorandum

To : Paul T. Allsman, Denver, Colorado

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

Subject : Confidential Letter, DMA Docket 2021, Bonanza Mining Co., Yuma County, Ariz.

Enclosed are original and 7 copies of a confidential letter by Morris J. Elsing of the Bureau of Mines about the above company.

The final report is being typed and will be mailed to you at a later date.

Walter R. Storms

CC P. T. Allsman (7)
C. A. Anderson
DMA-2021
DF

WRStorms:frj

Mining Division
Date Rec'd.

OCT 8 1951

BUREAU OF MINES
Denver, Colorado

MINING DIVISION
REGION IV

October 4, 1951

Memorandum

To : Paul T. Allsman, Denver, Colorado

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

Subject : Confidential Letter, MMA Docket 2021, Monsanto Mining Co., Yuma County, Ariz.

Enclosed are original and 7 copies of a confidential letter by Morris J. Blaing of the Bureau of Mines about the above company.

The final report is being typed and will be mailed to you at a later date.

Walter R. Storms

CC P. T. Allsman (7)
C. A. Anderson
MMA-2021
BF

WRStorms:frj

Mining Division
Date Rec'd.
OCT 8 1951
BUREAU OF MINES
Denver, Colorado

MINING DIVISION
REGION IV

October 4, 1951

Memorandum

To : Paul T. Allaman, Denver, Colorado

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

Subject : Confidential Letter, MMA Docket 2021, Sonoma Mining Co., Yuma County, Ariz.

Enclosed are original and 7 copies of a confidential letter by Morris J. Klaing of the Bureau of Mines about the above company.

The final report is being typed and will be mailed to you at a later date.

Walter R. Storms

CC P. T. Allaman (7)
C. A. Anderson
MMA-2021
DF

WRStorms:frj

Mining Division
Date Rec'd.

OCT 8 1951

BUREAU OF MINES
Denver, Colorado

MINING DIVISION
REGION IV

Memorandum

To : Paul T. Allsman, Denver, Colorado

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

Subject : Confidential Letter, MMA Docket 2021, Bonanza Mining Co., Yuma County, Ariz.

Enclosed are original and 7 copies of a confidential letter by Morris J. Elsing of the Bureau of Mines about the above company.

The final report is being typed and will be mailed to you at a later date.

Walter R. Storms

CC P. T. Allsman (7)
C. A. Anderson
MMA-2021
BF

WRStorms:frj

Mining Division
Date Rec'd.

OCT 8 1951

BUREAU OF MINES
Denver, Colorado

MINING DIVISION
REGION IV

October 4, 1951

Memorandum

To : Paul T. Allaman, Denver, Colorado

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

Subject : Confidential Letter, DMA Docket 2021, Bonanza Mining Co., Yuma County, Ariz.

Enclosed are original and 7 copies of a confidential letter by Morris J. Elsing of the Bureau of Mines about the above company.

The final report is being typed and will be mailed to you at a later date.

Walter R. Storms

CC P. T. Allaman (7)
C. A. Anderson
DMA-2021
DF

WRStorms:frj

[illegible] New Cornelsheuse
Mining Division
Region IV

October 14, [illegible]

Memorandum

To: [illegible] Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Final Report, [illegible] Project [illegible], Duquesne Mining Company, [illegible], Michigan Copper Mine, Ellsworth Mining Division, Michigan

The application of the subject district was for an exploration lease of [illegible]. Proposed work was to be shaft sinking, drifting and drilling.

Examination by the field team of the shaft, drifts and stopes failed to show any valuable resources, although in places there are small irregular masses of high grade chalcopyrite.

The examining team recommends denial of the application, with which we agree.

Frank T. Gibson

WDM:oj
cc: AWKoschmann
DMA Subject and Chron.

224 New Customhouse
Denver 2, Colorado

September 11, 1951

Mr. Edwin W. Mills
Salome, Arizona

Dear Mr. Mills:

After sending you our telegram of today regarding your application, DMA Docket 2021, we received the brochure in the following mail.

The brochure will be sent to the field today and will be processed as soon as we have engineers available to examine your property.

Yours very truly,

J. H. Hart, Jr.
Executive Officer
DMA Field Team, Region IV

JHH:ld

cc: Storms
Kaufmann
DMA

STANDARD FORM No. 14A
APPROVED BY THE PRESIDENT
MARCH 10, 1926

WESTERN UNION

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

GOVERNMENT PRINTING OFFICE 6—7134

FROM INTERIOR DEPARTMENT
224 New Customhouse
BUREAU of Mines, Region IV

CHG. APPROPRIATION CHARGE-STRAIGHT TELEGRAM

Denver, Colo., Sept. 11, 1951

JHE:ftm

Mr. Edwin W. Mills
Salome, Arizona

REURTEL OF TENTH. APPLICATION DMA 2021 HAS NOT BEEN RECEIVED BY THIS OFFICE.

J. H. East, Jr.

KE-4151, Ext. 8155
CC: Accounts
DMA Files

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1201

W. P. MARSHALL, PRESIDENT

SYMBOLS
DL=Day Letter
NL=Night Letter
LT=Int'l Letter Telegram
VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

1959 SEP 10 PM 8 59

LA455

L TSA756 NL PD=TUCSON ARIZ 10:

=J H EAST JR, EXECUTIVE OFFICE:

=DMA FIELD OFFICE 224 NEW CUSTOM HOUSE DVR=

WILL GREATLY APPRECIATE YOUR EXPEDITING DMA FILE NUMBER 2021 AND ADVISING ME OF ITS PRESENT STATUS BY RETURN COLLECT TELEGRAM AS TIME IS OF THE ESSENCE IN THIS PARTICULAR CASE. HAVE HAD GOOD INTERVIEW WITH OUR GOOD FRIEND STORMS PLEASE SEND YOUR REPLY TO ME AT SALOME ARIZONA BEST WISHES:

=EDWIN W MILLS VICE CHAIRMAN BOARD OF GOVERNORS DEPT OF MINERAL RESOURCES=

TRONS CONCERNING ITS SERVICE

SENDER IS AWAITING A SPEEDY

answer

PLEASE GIVE IT TO THE MESSENGER
OR TELEPHONE

WESTERN UNION

2477-D (6-48)

224 New Customhouse
Denver 2, Colorado

September 6, 1951

Hon. Carl Hayden
United States Senate
Washington, D. C.

Dear Senator Hayden:

In the absence of Mr. Hunt your air mail letter of August 30 concerning an application for exploration aid by the Bonanza Mining Company of Arizona has come to my attention for reply.

The brochure on docket DMA 2001 has not yet been received in this office. However, as soon as it is received it will be promptly forwarded to the Field Team for such examination as is requested by Washington.

You will be advised when the report has been completed.

Yours very truly,

E. H. Denny for
J. H. Rank, Jr., Executive Officer
DMA Field Team, Region IV

rTA:ld

cc: Kozelmann
DMA

KENNETH MC KELLAR, TENN., CHAIRMAN
CARL HAYDEN, ARIZ.
RICHARD B. RUSSELL, GA.
PAT MC CARRAN, NEV.
JOSEPH C. O'MAHONEY, WYO.
DENNIS CHAVEZ, N. MEX.
BURNET R. MAYBANK, S. C.
ALLEN J. ELLENDER, LA.
LISTER HILL, ALA.
HARLEY M. KILGORE, W. VA.
JOHN L. MC CLELLAN, ARK.
A. WILLIS ROBERTSON, VA.
STYLES BRIDGES, N. H.
HOMER FERGUSON, MICH.
KENNETH S. WHERRY, NEBR.
GUY CORDON, OREG.
LEVERETT SALTONSTALL, MASS.
MILTON R. YOUNG, N. DAK.
WILLIAM F. KNOWLAND, CALIF.
EDWARD J. THYE, MINN.
ZALES N. ECTON, MONT.
EVERARD H. SMITH, CLERK
CECIL H. TOLBERT, ASST. CLERK

United States Senate

COMMITTEE ON APPROPRIATIONS

REGIONAL DIRECTOR'S OFFICE
REGION IV
AUG 31 1951
BUREAU OF MINES
DENVER, COLORADO

August 30, 1951

AIR MAIL

Mr. John H. East, Jr.
Regional Director
Bureau of Mines
Department of the Interior
Denver, Colorado

Dear Mr. East:

I have just learned that an application for exploration aid filed by the Bonanza Mining Company, Arizona, has been forwarded to your office from Washington, for the purpose of examination of the mine property. The Docket Number is DMA-2021.

I will be deeply obliged if you can cause the field examination to be made as promptly as possible, and the results sent to Washington. I will be glad for your advice as to when the examination has been completed.

Yours very sincerely,

Carl Hayden

United States Senator
from Arizona

224 New Customhouse
Denver 2, Colorado

September 6, 1951

Hon. Ernest W. McFarland
United States Senate
Washington, D. C.

Dear Senator McFarland:

In the absence of Mr. East your air mail letter of August 30 concerning an application for exploration aid by the Bonanza Mining Company of Arizona has come to my attention for reply.

The brochure on DMA Docket 2021 has not yet been received in this office. However, as soon as it is received it will be promptly forwarded to the Field Team for such consideration as is requested by Washington.

You will be advised when the report has been completed.

Yours very truly,

E. E. Denny for
J. H. East, Jr., Executive Officer
DMA Field Team, Region IV

FTA:ld

cc: Koschmann
DMA

ERNEST W. McFARLAND
ARIZONA

Acknowledge
Mr. Lundle
JHE

United States Senate
Office of the Majority Leader
Washington, D. C.

August 30, 1951

REGIONAL DIRECTOR'S
OFFICE
REGION IV
SEP 4 1951
BUREAU OF MINES
DENVER, COLORADO

Mr. J. H. East, Jr.
Regional Director
Bureau of Mines
Department of the Interior
224 New Customs House
Denver 2, Colorado

Re: DMA Docket No. 2021

Dear Mr. East:

This is written in behalf of the Bonanza Mining Company of Wendon, Arizona, and its application for an exploratory mining loan.

I am advised by the DMA office here in Washington that the complete file is being forwarded to you this date with instructions that a field survey of the property be made.

I would appreciate your expediting the processing of this application and informing me when the necessary papers have been returned to Washington for final action.

With all good wishes, I am

Very truly yours,

Ernest W. McFarland

Ernest W. McFarland

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

REGIONAL DIRECTOR'S
OFFICE
REGION IV
SEP 12 1951
BUREAU OF MINES
DENVER, COLORADO

SEP 5 1951

Mr. Guy MacDonald
Bonanza Mining Company
P. O. Box 4336
Phoenix, Arizona

re: Docket DMA-2021

Dear Mr. MacDonald:

This is to inform you that your application for exploration aid for the Bonanza Mining Company has been referred to the Field Team for further investigation. You will hear from Mr. J. A. Hart, Executive Officer, DMA Field Team Region IV, or one of his staff when they are ready to examine your property.

The examining engineers will require certain additional information concerning the detailed itemized cost of each item of your project. To expedite the investigation this information should be immediately available when they require it.

Very truly yours,

SIGNED

Tom Lyon, Director
Supply Division

JB Gowen
~~JWVaugh~~:rw
8-31-51

Copy to: Administrator's Reading File
Reports and Records Branch
Executive Officer, DMA Field Team II
Coordinating Committee
Mr. Gowen
Mr. MacLaren
Files - DMA Docket

Dr. Jack Collins
1335 W. Jamaica
Phoenix, Ariz.

received

224 New Customhouse
Denver, Colorado

September 12, 1951

Memorandum

To: W. R. Storms (With Brochure)

(Through Chief, Mining Division, Region IV)
C. A. Anderson

From: DMA Field Team, Region IV

Subject: DMA Docket 2021, Bonanza Mining Company, Bonanza Copper Mine, Ellsworth Mining District, Yuma County, Arizona

Enclosed is application of the subject docket for an exploration project at an estimated cost of $416,425.00, with a review by the Coordinating Committee.

This project might develop substantial reserves of copper ore in a short time, but its feasibility, alternative projects, and geological probabilities of discovery require checking.

Please arrange for a joint examination, and if the project is approved, present with the application the necessary data for Exhibit A of Exploration Project Contract.

J. H. East, Jr.

A. H. Koschmann

Enclosures

WDM:oj
cc: DMA Subject and Chronological
cc: AH Koschmann