DEC 17 1951

Re: Docket DMA-1826

Mr. Harold L. Pierce
699 La Loma Road
Pasadena 2, California

Dear Mr. Pierce:

In reply to your letter of September 10, 1951:

As stated in our letter of September 4, 1951, in order to obtain a direct loan the applicant must have proven reserves of ore of commercial grade in sufficient amounts to amortize the loan. Evidence of such reserves must be presented. This evidence should include a map and sections on which are shown the mine workings and the locations and attitudes of drill holes, if any, as well as the detailed geology. In addition, the assays of samples of the vein or mineralized zone or of the drill core or cuttings, with the lengths of the samples or depths of the drill core or cuttings assayed indicated, should be included. The type of ore, whether sulfide or carbonate, also must be known. A geologic report is desirable. If you will please send us information of this nature, we will be pleased to reconsider that part of your application that is described as the "first loan step" in your letter of September 10.

We are returning the two pages of pictures as you requested.

Very truly yours,

Gunnard Johnson

Gunnard E. Johnson, Acting Chief
Lead-Zinc Branch

Enclosures 2

Copy to Bailey 12/27

DEJOHNSON:ks
12/14/51

cc: Mr. Young
Mr. Douglas
Mr. Feiss
Mr. Lyon
G.E.Johnson
DMPA Files

Mr. H. C. Miller, Region III (2)

DEC 17 1951

DEC 1

Re: Docket DMA-1826
P-M Mining Co.
Darwin District
Inyo County, California
Direct loan, $550,000
Zinc, lead, copper

Memorandum

To: Reports ~~and Records~~ Unit
~~Administrative~~ Management Div.

From: Chief, Lead-Zinc Branch

Subject: Application submitted by Harold L. Pierce for direct loan.

Harold L. Pierce submitted an application for a direct loan of $550,000 for development work, purchase of mining equipment, and construction of a 100 ton flotation mill and a 100 ton deleaded zinc fume smelter. The applicant stated that his property, which is located in the Darwin District, Inyo County, California, contained 10,000 tons of blocked out oxidized ore but no grade was given. Because of this small tonnage, the lack of evidence that such tonnage existed, and the metallurgical problems involved in concentrating an ore of this type, the application was denied.

The applicant has now asked for reconsideration of his application. He points out that this application can be considered in stages, of which the first is a loan of $100,000 for a 50 ton mill and sink-float plant, to treat 18,000 tons of blocked out ore.

Because, according to his letterhead, the applicant is a registered engineer, he has been asked to submit evidence of the existence of proven ore on his property. On the basis of this data, it can be decided what further action should be taken.

Returned herewith are:

Letter from Harold L. Pierce dated Sept. 10, 1951
Docket DMA-1826, as received from Reports & Records for reconsideration of this case.

cpy to Bailey 12/26

T. P. Billings by GSP
T. P. Billings, Chief
Lead-Zinc Branch

Approved:

~~Director, Supply Division~~ Program Development Division

EJLyons:emp @ 10-16-51

Copies to: H. C. Miller, Region III (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
O. M. Bishop
Directors r. files 4214 GSA

Br. r. files 4214 GSA
Administrators file
DMA docket file

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

September 6, 1951

Mr. Harold Ladd Pierce
659 La Loma Road
Pasadena 2, California

Re: DMA-1826 - Empress Mine

Dear Mr. Pierce:

In reply to your letter of August 30 inquiring about the progress being made on processing your loan application, DMA-1826, this office has no information concerning it. We are, however, directing a copy of this letter to Mr. Tom Lyon, Chairman, Coordinating Committee, Defense Minerals Administration, Interior Building, Washington 25, D. C., so that he will know that you inquired about the status of your application. You will no doubt hear directly from Mr. Lyon in due time.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMA Field Team, Region III

Copy to: Tom Lyon, Chairman
Coordinating Committee
DMA, Washington 25, D. C.

HCMiller:ejs

Files
Chron

Refer to	Noted	Date
	Heller	9/10
Answered		

Re: DMA-1826

SEP 4 1951

Mr. Harold L. Pierce
659 La Loma Road
Pasadena, California

Dear Mr. Pierce:

Your application (DMA-1826) for a direct Federal loan of $550,000 for equipping and operating a mine in the Darwin mining district, Inyo County, California, and for the purchase and construction of a selective flotation mill and a zinc fuming smelter has been reviewed by the Defense Minerals Administration.

A necessary qualification for a direct loan is that the applicant should have proven reserves of strategic minerals in large enough tonnage to secure the loan. No loan can be approved until an adequate reserve is established. The review of your application has shown that your proven reserves are not sufficient to warrant the expenditure of the Government funds proposed in your application. I regret, therefore, that your application cannot be approved.

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

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

Copy to Bailey 9/10

ABCampbell:emp
G 8-29-51
Copies to: H. C. Miller (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
R. H. Mote
Reports & Records
Directors r. file 4214 GSA
Br. r. files 4214 GSA
Files

H. C, Miller Region III

Refer to	Noted	Date
	Hell	9/10
Answered		

SEP 4 1951

Memorandum

Re: [illegible]A-1826
P-M Mining Co.
Darwin District
Inyo County, Calif.
Direct loan $550,000
Zinc, lead, copper

To: Reports and Records Unit
Administrative Management Div.

From: Chief, Lead-Zinc Branch

Subject: Denial of direct loan

The applicant has requested a direct loan of $550,000 to be used as follows:

(a)	Purchase of mining equipment	$25,000
(b)	Development work	25,000
(c)	Construction of 100 ton flotation mill	1[illegible]0,000
(d)	Construction of 100 ton deleaded zinc fume smelter	350,000

The application states that the mine contains 10,000 tons of blocked out ore of unspecified grade. Past production has indicated a net profit of $20 per ton of ore produced. It is apparent, therefore, that the proven reserves, even if conservatively estimated by the applicant, are insufficient to secure a loan of this magnitude.

The practicability of the applicant's proposed method of concentrating oxidized zinc ore is questioned, for both the Anaconda Copper Company and the Signal Oil Company have conducted exhaustive metallurgical tests of the oxidized ores of the Darwin district but have failed to achieve satisfactory concentrates.

In general, the entire application with exhibits is incoherent and gives the impression that the applicant is a man with little technical knowledge concerning the problems involved in the project which he proposes.

In view of the insufficient proven ore reserves to secure a loan of $550,000 and the unproven metallurgical problem involved in the project, the Lead-Zinc Branch recommends that the application for the loan be denied.

Returned herewith is the following docket material:

1 copy NSRS Form-146
Statement of facts as to location and nature of mineral deposit.
Flow sheets and discussion of mill and smelter claim map.
Correspondence from applicant.

Gunnard Johnson

J. F. Billings, Chief
Lead-Zinc Branch

Approved:
Tom Lyon

Director, Supply Division

Joseph Bailey 9/10

ABCampbell:emp
G 8-29-51
Copies to: H. C. Miller (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4214 GSA
R. H. Mote
Reports & Records
Directors r. file 4214 GSA
Br. r. file 4214 GSA
Files

HAROLD LADD PIERCE
REG. PROF. ENGINEER, M. E. #2580
659 LA LOMA ROAD
PASADENA 2, CALIFORNIA
SYCAMORE 9-3793

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED
SEP - 5 1951
SAN FRANCISCO, CALIFORNIA

Aug. 30, 1951

United States
Department of the Interior
Defense Minerals Administration
Bureau of Mines
180 Montgonery St
San Francisco

Attention: H.L.Miller, Regional Manager

Dear Mr. Miller:

I called you last week about no action on our application for loan on the proposal that we filed with you many months ago. A copy of the filing that we made in Washington is attached.

A copy of the last and only letter that I received from a Landon Strobel, Executive Secty is as follows dated July 17, 1951.

Subject: DMA-1826
RE: Loan
Empress Mine

Dear Mr. Pierce:

Receipt is acknowledged of your loan application and attachments of June 1, 1951 for a loan under tje Defemse Production Act of 1950.

The application was assigned Docket Number DMA 1826 and referred to Mr. Otto Herres, Chief Lead , Zinc Branch.

Any future correspondence kindly refer to DMA 1826

Landon F. Strobel.

P.S. This appears to be a process of letting small business men to die on the vine or try to kid somebody after months of waiting that maybe there is some need for these strategic materials but thats for the next War maybe.

We are prepared to care our end of the deal and are shipping about 200 tons a month to the smelter because we have a product that they want but we cant make anymoney unless we can build a flotation plant for the suldhides and a sink float and small deleading zinc smelter for the lowerr grade carbonate which we have blocked and process tested to prove up.

Can you give us any assistance in our problem ? Who is the key man? We have a group of associates and experienced personnel to carry on this program if we can get the Govt loan.

We now require a minimum $100,000 loan to buy the balance of equipment and set up the 100 ton sulphide flotation plant and later a $250,000 loan fo r the sink float concentrator and deleading zinc smelter.

Sincerely,

Harold Pierce

P.P.S. Kindly keep a copy of the attached report for your file. Required copies and application sent to Washington in May 1951.

Budget Bureau No. 42-R425.4
Approval Expires June 30, 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Washington 25, D. C.

STATEMENT OF FACTS AS TO THE LOCATION AND NATURE OF MINERAL DEPOSITS

The Bureau of Mines is directed by Sec. 7(a) of Public Law 520 - 79th Congress - to investigate domestic mineral resources with a view to developing greater reserves of those minerals which are essential to national defense or industry, and of which our present or probable future supplies are inadequate. The development program resulting from this legislation is based largely on the systematic examination of known mineral occurrences; a few carefully selected deposits are developed further by trenching, test-pitting, drilling, or other means. A development project must show promise of making a substantial contribution to the national security or economy, relative to the effort expended. The emphasis placed upon different mineral commodities will vary from time to time in accordance with changes in the trend of industrial demand and the needs of the stockpiling program.

It is not intended that the Bureau's development work shall duplicate or supplant the efforts of private industry, hence its projects are largely centered on deposits which are marginal in character or for some reason do not appear to justify private investment.

The results of preliminary examinations are not ordinarily released for publication, nor can the examination reports be made available to owners or other than Government agencies. The factual data resulting from development projects, including sampling and assaying data, are made available to owners upon conclusion of the projects, however, and are published as soon as possible afterward.

Applications for examinations or development projects are unnecessary, but initial investigation may be greatly assisted by complete factual information from interested parties. Examinations and other investigations will be made only in accord with the best judgment of the Bureau's engineers and the limitations of funds and personnel.

The following statement lists data especially desired. A supplementary sheet may be used if necessary for extended remarks.

STATEMENT

Made by HAROLD L. PIERCE Address 659 La Loma Rd, Pasadena, Calif. Date Nov. 10, 1950
EMPRESS MINE, CERRA DE PASCO MINE - 6 claims - 2 mill sites.
Some Cu. Cobalt
Name of Property W.E.MCCULLEY-6 claims, H.L.PIERCE - 6 claims Metal LEAD,ZINC,SILVER
H.L.Pierce, Pasadena under joint contract agreement with
W.E.McCulley, Darwin Joint owners
Now being opened up by McCulley shipping 20 cars high grade 1949-50
EMPRESS leased or optioned to above.
Situated in: Zinc Hill area Darwin Mining District California near to Old Miller Mine now Colorado Group owned by Combined Metals Co. now putting thru 1,000 tunnel in Zinc Hill 11,12,13 - T19S - R41E
Section 6 & 4; Township T19S; Range R 42 E; INYO (County) California (State)

Give detailed directions for reaching property from nearest town:
Approx. 6mi. East on Panamint Springs Road to W.E.McCulley Spring and Camp then 2 miles further toward Panamint Springs to Miller or Colorado Mine bunkers for McCulley Road to cuts and tunnels on Pierce and Cerra de Pasco claims and to operations and blocked out sulphide on Empress and cuts across carbonate zinc and lead on Pierce claims.

Name and address of local resident who can direct to the deposit W.E.McCulley at Darwin.

History of deposit Zinc Hill zinc, lead and silver mines have been worked successfully on the East slope of Zinc Hill for years with over $1,000,000 from the Marietta now operating, $2,000,000 from the Modoc, and from the North end of the West slope the old Miller or now Colorado with some 6,000 tons that av. 25% zinc and 10% lead, 10 oz. Ag. Opening of the Empress with 20 cars shipped, Cerra dePasco et al of our group has opened up the central and southern opportunities of large formations of sulphides and carbonates now only recently exposed. We have nearly a mile along the contact for development.

Shipments of ore made. We have developed thru research a practical method of recovery of the large beds of oxides and carbonates along with the flotation of the zinc, lead and copper sulphides.

Known dimensions of the deposit. Sulphides- a 14 ft formation exposed at one end for 300 ft. cut again 1,000 ft & 3,000 ft Carbonates cut on a 50 ft formation for 1,000 ft. on the surface and two tunnels short.

Inclination: 70° dip at 30° E of N with dikes about E and W with large areas in small fissures in the carbonates contacting nodules of sulphalerite and galena

Workings: 500 ft. of tunnels and ore in place in Colorado on North, 100 ft to tunnels on Empress on galena veins, 50 ft on Cerra de Pasco sphalerite and galena 25% zinc 10% lead Ag. cuts on 14 ft formation av. 15% lead, 15 oz. silver and 5% zinc, 1,000 ft cuts on 10% zinc carb.

General description of mineral showings:

Formations empress high grade to ship av. net $65 ton, 20 cars last 18 mo. two cars of carbonates are being shipped to Tooele Utah Anaconda plant from Cerra de Pasco. We desire to drive a 200 ft. tunnel 100 ft. below the new 14 ft. 300 ft. ore shoot in the silicious ore, and extend the tunnel on the contact on the sulphides in the limestone in the Cerra de Pasco for 100 ft. and also on the road 600 ft south on the bedding of carbonates of zinc and lead in the gossen and also a 100 ft extension of the contact of the sulphides approx 1,000 ft south. This would block sufficient ore for a 100 ton 3 flotation line mill and a sink float jig circuit for the carbonate concentration of 100 ton cap. We desire financial assistance to carry on this development and to finance the equipment. See attached test runs for the flow sheets, and plant drawings.

Require $200,000 for 100 Ton sulphide flotation plant & 300,000 for mill plant concentrate and deleaded zinc smelter. Will sell properties to syndicate for $250,000 at 10% bond & lease contract with 20% participating interest.

Sampling and assays: See attached sheets and above descriptions.

Maps or sketches, especially those showing location of individual samples; their widths and values. See attached map.

Engineer's report by Eisenhour Lab. L.C.Penhoel.

SCHEDULE A

P-M SMELTER COMPANY OPERATING PLAN

Production of Zinc Fume from Oxidized ore carbonates: 3000 tons monthly run of mine, 1000 tons monthly bulk concentrates (including sulphides) assaying 25% zinc and 12% lead av. from which produce about 370 tons of fume containing 200 tons recovered zinc and 1000 tons recovered lead.

After deleading of fume, produce 250 tons Zinc fume netting 200 tons of zinc. Ship 100 tons of lead to Selby and Zinc fume to Anaconda, Montana or Coffeeville, Kans. Return agreed specification die cast metal to Los Angeles.

Mining cost $2.50 a ton sink float $1.50 total $4.00 or $12.00 concentrates ton
Freight on concentrate to L. A. from Darwin - 200 miles $ 8.00
Cost of concentrate laid down in L. A. $20,000 -1000TS $20.00 cost. Per lb. zinc 5¢

Operating cost Smelter, Los Angeles			
200 tons of coke @ $6	$ 1,200		
Gas and oil	300		
Supervision overhead	1,200		
Labor 500 shifts @ $15	7,500		
Power, water, rental, maintenance	1,300		
Taxes, insurance	1,000		
Legal and professional	500		
	$13,000	Smelter concentration cost	
Credit 100 tons lead @ 10¢ lb. plus	20,000		
Net operating credit plus	$ 7,000	for 200 tons recoverable zinc -	2¢ lb.
		Net of	3¢ lb.
Freight on 250 tons zinc fume $12 T			
Great Falls, Mont. or Coffeeville	$ 3,000		
Smelting charges @ $40 T	10,000		
Actual cost of zinc not paid			
Smelter contract 30 T at $100	3,000		
	$16,000		4¢ lb.
Total cost of metal, mine, smelter and Anaconda	$22,000		7¢ lb.
Return freight on metal estimated			
200 tons of special metal die	$ 4,000		1¢ lb.
Total cost of die metal	$26,000		
Value of metal f.o.b. L.A. special 200 tons at 15.75 cents per lb. $63,000			

Profit per month on difference in price $37,000 or $444,000 a year on die cast metal only and lead

See Schedule B for additional possible annual profits of $400,000 a year on 12 tons of zinc oxide, silver and copper on an additional 100 tons a day production from the mines owned by the group or purchase of additional concentrates on a less profitable basis from other mines.

March 1, 1951

PLAN FOR SETTING UP P-M SMELTER COMPANY

INVESTMENT AND GUARANTEES REQUIRED FROM ZINC DIE CASTING GROUP OR BANKERS
By Harold Ladd Pierce & Associates, Mine Owners and Smelter Operators

Total Budget of $500,000 & guarantee $250,000 purchase price of mines under bond and lease contract.

Monthly capacity smelter 300 tons of zinc fume and oxide and lead concentrate with annual net profit of approximately $600,000. Priorities on 250 tones Zinc die cast metal can be obtained in contract with smelter under this plan.
Requirements; Smelter

$150,000	payment on guarantee to pay $150,000 for above smelter equipment
50,000	conversion cost of smelter to produce fume and oxide
50,000	operation capital for smelter
	$250,000

Mines, Empress, Cerra de Pasco, Pierce and others furnishing ore

$ 15,000	core drilling, assaying, surveying for sink float and flotation plants
85,000	cost of sink float and small flotation plant and crushing units
$150,000	mine operating capital
	$250,000

Total $500,000 plus guarantees to purchase $250,000 mines and water rights.

Note: An immediate minimum payment of $15,000 is necessary to secure option on the equipment and/or the plant complete and to complete core drilling and test runs to confirm complete process and mines to be used. The cost of the smelter today would be close to $750,000 and the mines have been under option for sale when zinc was $.08 a pound for $250,000 which necessitates prompt action on the part of the finance group if they wish to enjoy a controlling interest with our group in this attractive proposal.

This program can be taken in steps to prove each worth.

LOAN REQUESTED

$100,000 loan to complete purchase and installation of 100 ton 3 stage flotation plant on mill site Zinc Hill.
Security. more than $100,000 value of blocked out ore now being shipped
Working capital being furnished by new company.

$250,000 loan for construction of sink float concentrator on Zinc Hill and 100 ton deleading zinc oxide smelter at Olanche
Security . More than $250,000 net value of ore on P-M Mine Syndicate properties and earnings expected from sulphide operation as added security