100

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

Refer to	Noted	Date
	Pilell	10/9
Answered		

OCT 4 1951

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED
OCT 9 - 1951
SAN FRANCISCO, CALIFORNIA

Memorandum

To: Industrial Minerals Branch

From: Minor and Rare Metals Branch

Subject: Loan application, DMA-1 L3, San Diego Plant, California

Study of the data submitted discloses insufficient evidence of such liquid working reserves to justify the requested loan. The working supply situation is not sufficiently critical at this time to afford a basis for departure from normal economic standards in considering this application.

Weston Bollinger

Weston Bollinger, Chief
Minor and Rare Metals Branch

Gordon/ch ID-L-1
cc: Adm. Reading File
Lynn
Bourret
Meyer
Hainight
Field Team - III
DMA docket file

Copy to Bailey 10/9

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

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED
AUG 17 1951
SAN FRANCISCO, CALIFORNIA
AUG 14 1951

Refer to	Noted	Date
	Hell	8/20
Answered		

Memorandum

To: Administrative Management Division

Through: Director, Supply Division

From: Tungsten Branch

Subject: Mag-Ked Exploration and Development Company
10521 Jardine Street DMA 1342 Tungsten
Sunland, California

Property: Magnolia and Eudora groups
Inyokern, California

Conclusions: The applicant has not demonstrated the existence of ore reserves which would warrant a loan of $50,000. The one foot vein, 50 feet in length, running 8% WO, should be explored further. It was suggested to the applicant that he file an exploration loan.

Recommendations: The proposal is denied.

SIGNED

George E. Holderer
Chief, Tungsten Branch

cfy to Bailey 8/20

Approved:

Tom Lyon

Director, Supply Division

DEPARTMENT OF INTERIOR 340
BUREAU OF MINES
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AUG 17 1951
SAN FRANCISCO, CALIFORNIA

UNITED STATES
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WASHINGTON 25, D. C.

Answered

AUG 14 1951

Mr. Ralph Siebert
Mag-Mad Exploration and Development Co.
10521 Jardine Street
Sunland, California

In reply please refer to
DMA 1242 Tungsten

Dear Mr. Siebert:

We have reviewed your application for a production loan of $50,000 for development of tungsten prospects near Inyokern, California.

Neither the costs of the proposed work nor the amount of drifts and raises have been itemized in your application. Defense Minerals Administration does not itself make production loans, but arranges for them by certification to the regular lending agencies of the Government such as RFC. This certification must show an ore reserve, blocked out at least in part, adequate to permit repayment of the loan. Your description of a vein 1 foot wide exposed in an adit 50 feet long and containing about 4 percent of WO_3 is not demonstrative of an ore reserve adequate to repay the loan requested. Therefore, we regret that we must deny your application.

The work that you propose to do appears to be largely exploratory in nature, and might at least in part be financed as an exploration loan on a participating basis. We are enclosing a copy of form MD-5 and 5 copies of form MF-103 in case you wish to file for this assistance. For your information, a copy of the exploration contract, form MF-200, is also enclosed to show the information that must be furnished for exhibit A. Although funds have not yet been made available for these loans in the new fiscal year starting July 1, it is anticipated that they will be provided by the new appropriation bill when it is passed.

Inasmuch as your property is now equipped and you have a small shoot of high-grade ore nearly ready for mining, perhaps the best thing you could do would be to stope this ore out and ship it to a custom mill, thus providing capital for additional work. The U. S. Vanadium Corporation at Bishop, California accepts custom ore, and might be able to treat your production. This solution to your problem would be far quicker than awaiting completion of the formalities of a Government loan.

Very truly yours,

Tom Lyon

Tom Lyon
Director, Supply Division

Enclosure