J. H. East, Jr. Region IV

APR 12 1951

In reply please
refer to DMA-458

Mr. W. A. Rogers
Rocky Mountain Diamond Drilling Company
Box 143
Fairplay, Colorado

Dear Mr. Rogers:

One of the purposes of the Defense Production Act of 1950 is the encouragement of exploration, development and mining of strategic minerals and metals. Where an applicant has proven reserves of stratetic materials, Federal aid in mining can be given through procurement contracts for such materials as are in short supply. On the strength of these contracts, the applicant can obtain private financing in most instances. At the present time procurement contracts for zinc production are being negotiated by the Defense Minerals Administration, but no specific program has been set up for procurement of lead.

A review of your application (DMA-458) for financial aid in unwatering, rehabilitating, and mining your Alma Shaft in Park County, shows only a small reserve which is at present under water. The zinc content of this reserve is not very great, and perhaps a larger tonnage would need to be proved up to justify a procurement contract large enough to obtain the full financing that you request. We believe that any additional exploration could be aided by the program recently approved by the Defense Minerals Administration for encouragement of exploration of strategic materials. Under this program, it will be necessary for an applicant to match Government funds on an equal basis in exploring for zinc and lead. Funds advanced by the Government will be considered a loan, to be repaid if the exploration is profitable, but to be canceled if unsuccessful. The details of the plan, explaining the projects that will be eligible for assistance, the terms and schedules of financing, repayment, and other pertinent information, are enclosed.

If you believe that you can demonstrate enough ore in the ground to rate a procurement contract, and do not want to enter into an exploration project for further ore, it will still be necessary to dewater the mine and do enough work to make it accessible for examination. We believe that this dewatering can be done under the exploration program, by which the Government will advance half of the $8100, or possibly more, that is needed to make the ore accessible.

FILE
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Before we can proceed further with consideration of your application, which may or may not require a field examination, please indicate your willingness to provide your share of the funds needed to carry out the proposed exploration. Any modification of your original proposal that you may wish to make will be considered, but you should be specific concerning the work you wish to undertake.

Very truly yours,

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

Enclosures

ETMcKnight:emp
G 4/6/51
Copies to: J. H. East, Jr. (2)
Region IV
Chief, Lead-Zinc Br.
ET McKnight 4204 GSA
L. B. Moon
R. H. Mote
L. F. Strobel
C. O. Mittendorf
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
ROCKY MOUNTAIN REGION
REGION IV

OFFICE OF
REGIONAL DIRECTOR

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

January 4, 1951

delivered by hand to Allsman. 1/4/51

Mr. W. A. Rogers
Rocky Mountain Diamond Drilling Company
Box 143
Fairplay, Colorado

Dear Mr. Rogers:

This will acknowledge receipt of your report relative to Government mining loan for the Rocky Mountain Diamond Drilling Company.

Your report will be forwarded to the Defense Minerals Administration, Washington, D. C., for their consideration.

Sincerely yours,

J. H. East, Jr.
(lm)

J. H. East, Jr.
Regional Director

/vmt

cc: PT Allsman

(orig reports & data rec'd. Attached carbon only copy).

JHE

1. Weber Shaft, Consolidated Montgomery Mining District, Fairplay, Colorado. (Formerly a part of the Alma Syndicate, Inc.).

   Now operating under the name, Rocky Mountain Diamond Drilling Company, Box 143, Fairplay, Colorado.

   No previous record of operation.

2. No past record of production.
   Present rate of production, approximately 30 tons per week.

3. a. No maps shwoing proposed new work.

   b. 1 old style Compressor, 150 c.f.m.
      1 small Denver Gardner Hoist, 7½ Horse, New.
      1 stoper, poor condition.
      1 jack hammer, poor condition.
      1 liner, poor condition.
      1 Fairbanks Morse Water Pump, 315 Gals. per min.

   c. Diamond Drill hole - horizontal to surface for drainage.
      Proposed depth 700' to 1000'. Cost: Drilling, $7,500.00
      Casing Cost: Approximately 250 ft., $600.00.
      Compressor: 700 C.F.M., $18,000.00 installed.
      Stopers, each $750.00, for 2, $1500.00.
      2 Liners, each $850.00. Total, $1600.00.
      1 Small Mucker, $10,000.00.
      1 Jack Hamer, $500.00.
      Safety Exit, 240 ft. at $40.00 per ft., total, $9,600.00.
      Compressor House and Hoist Room, requested by State Mine Inspector, $5,000.00.
      Reline Shaft and Man Way, Timber Cost: $1,000.00; Labor: $2,000.00, at $2.25 per hr. per man.
      Larkger Hoist with Electrick Motor, $8,000.00.

   D. 2 Miners - 2 Muckers - 1 Mechanic.

   e. 4 Miners - 4 Laborers - 1 Timberman. Local labor, good.

   f. A S & R, Leadville, 70 miles. Truck.

   g. Approximately 150 tons per week.

   h. Approximately 6 months.

   i. Good gravel road.

   j. Refer to enclosed report of Geologist.

4. Refer to enclosed reports of Geologist.

5. Refer to enclosed reports of Geologist.

6. Refer to enclosed Letter of Recommendation of Wallace A. Rogers.

7. None at present.

8. New Work.