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

May 23, 1951

Memorandum

Re: Docket DMA-770
Lead-zinc

To: Executive Secretary, D. M. A.

From: Lead-Zinc Branch, D. M. A.

Subject: Application of
Arthur R. Hausmann
for lean to explore
Chatauqua Extension North Mining Claim

Applicant has expressed his inability to finance half of the cost of exploration under the proposal made by him, hence, this docket should be put in an inactive file.

Otto Herres

Otto Herres, Chief
Lead-Zinc Branch

ETMcKnight:emp
G 5/23/51

Copies to: J. H. East, Jr, Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
L. B. Moon
R. H. Mote
L. F. Strobel
Tom Lyon
Directors reading file 4214 GSA
Br. reading file 4214 GSA
Files

Approved:

Tom Lyon

Director, Supply Division

REGIONAL DIRECTOR'S
OFFICE
REGION IV
MAY 28 1951
BUREAU OF MINES
DENVER, COLORADO

May 23, 1951

Re: Docket DMA-770

Mr. Arthur H. Naumann
9321 South Ada Street
Chicago 20, Illinois

Dear Mr. Naumann:

This will acknowledge your letter of May 11 in which you point out the amount you have already expended toward the exploration of your mining property. I regret that, according to the existing regulations, no credit can be given for work done prior to signing of an exploration contract, and I understand that no exceptions can be made to this regulation.

In case an applicant has sufficient proven ore of commercial grade, it is possible for the Defense Minerals Administration, after due investigation, to recommend a direct loan from the RFC provided that the loan requested is not out of line with the tonnage of proven ore. The loan is to finance production from the proven ore, including any necessary preliminary development that will facilitate mining. Your original application indicated that your proven ore was of insufficient tonnage to warrant a mining loan, hence, your proposal had to be considered, if at all, under the exploration program.

If the situation should change so that you would be able to participate in the cost of exploration, we will be glad to consider an exploration application from you. We wish to thank you for bringing this property to our attention.

Very truly yours,

Otto Herres

Otto Herres, Chief
Lead-Zinc Branch

ETMcKnight:emp
G 5/23/51

Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
L. B. Moon
R. H. Mote
L. F. Strobel
Tom Lyon

Directors reading file 4214 GSA
Br. reading file 5212 GSA
Files

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

RECEIVED
APR 10 1951

APR 12 1951

In reply please
refer to DMA-770

Mr. Arthur R. Hausmann
9321 South Ada Street
Chicago 20, Illinois

Dear Mr. Hausmann:

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 sufficient proven reserves of strategic 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.

The program recently approved for encouragement of exploration of strategic materials calls for participation on the part of the applicant. For zinc, lead and copper deposits it will be necessary to match Government funds on an equal basis. 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.

A review of your application (DMA-770) for financial aid in an exploration and development program at the Chatauqua Extension North Mining Claim in Summit County, Colorado indicates that your proposal may be considered under this exploration program. Details concerning expenditures that will be considered chargeable to exploration aid will be subject to a final determination by negotiation, but as a preliminary appraisal, we believe that the program will apply to the total amount of your application, $16,000.

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.

ABCampbell:bsp
G 3/20/51

Very truly yours,

Otto Herres
OTTO HERRES, Chief
Lead-Zinc Branch

Copies to: Chief, Lead-Zinc Branch
USGS McKnight
L. B. Moon
R. H. Mote
L. F. Strobel
C. O. Mittendorf
Files

2 copies to J. H. East, Jr.
Exec. Officer, Region IV

Enclosures

February 15, 1951

Mr. Arthur H. Hausmann
9321 South Ada Street
Chicago 20, Illinois

Dear Mr. Hausmann:

This will acknowledge receipt of the original and one copy of your letter application for Government loan under the Defense Production Act.

Your loan application is being forwarded to the Defense Minerals Administration in Washington, D. C. for consideration.

Sincerely yours,

J. H. East,
Regional Director

/al

cc-[illegible] files

December 28, 1950

Mr. Arthur R. Hansmann
9321 South Ada Street
Chicago, Illinois

Dear Mr. Hansmann:

This will acknowledge receipt of your letter dated December 26, 1950, in reference to your mining property near Montezuma, Colorado.

We are attaching an outline which will indicate the type of information you should provide with your application for Government aid to develop your property.

It is realized that you may not be able to furnish all the information indicated in the outline, but you should provide all data available. This may be sent to this office, or it may be forwarded to the Defense Minerals Administration, Interior Building, Washington 25, D. C.

Sincerely yours,

J. H. East, Jr.

J. H. East, Jr.
Regional Director

Attachment

JHE:lm

cc: PT Allsman
WM Traver

Air Mail

Chicago, Illinois.
December 26, 1950.

United States Bureau of Mines,
New Custom House,
Denver, Colorado.

Gentlemen:

Please send me the necessary forms to apply for financial assistance on a mining project as provided for in the Defense Production Act, recently passed by the United States Congress. As I am a Chicagoan, you may question my right to make this request so I give you these preliminary facts.

I am the sole owner of the Chatauqua Extension North Claim, Patent No. 20666, near Montezuma, Colorado. As this name implies, it is a part of the Chataqua vein, the past and recent production of which is well known and of record. I have driven a tunnel that has crosscut the vein at 290 feet and have exposed a good and large body of ore to the right of the crosscut. To the left is a fault, but recent workings indicate a close termination of the fault. All this work I have had done by hand, single-jacking, because I lacked sufficient funds to do otherwise. Immediate profitable and mass production is possible now, in fact, a certainty. However, to accomplish this I need funds for the purchase of machinery and equipment, also sufficient capital for a few months of machine operation.

This development work was done for me by Messrs. Leland and William Sharp, Montezuma, Colorado. Mr. Robert A. Theobald, attorney at Breckenridge and a member of the State Legislature of Colorado, is handling some legal matters for me. If you wish to verify these statements or further investigate this project, you may contact either or both Leland Sharp and Robert A. Theobald.

I firmly believe that my project and developments so far qualify for the Government assistance as set forth in the Defense Production Act and I anxiously await a prompt response from you.

Yours very truly,

Arthur R. Hausmann

JME

Arthur R. Hausmann,
9321 South Ada Street,
Chicago 20, Illinois.

P.S. I have been a member of the Colorado Mining Association for ten years.

February 15, 1951

Mr. Arthur R. Hausmann
9321 South Ada Street
Chicago 20, Illinois

Dear Mr. Hausmann:

This will acknowledge receipt of the original and one copy of your letter application for Government loan under the Defense Production Act.

Your loan application is being forwarded to the Defense Minerals Administration in Washington, D. C. for consideration.

Sincerely yours,

J. H. East, Jr. (lm)

J. H. East,
Regional Director

/el

cc-DMA files

Chicago, Illinois.
February 12, 1951.

Mr. J. H. East, Jr.,
Regional Director,
Bureau of Mines,
224 New Customhouse,
Denver 2, Colorado.

Dear Mr. East:

Pursuant to provisions of the Defense Production Act passed by Congress, I hereby enter my plea for assistance provided in this Act. Since no definite forms or application blanks have been provided to fit the various mining projects, I will follow the outline suggested in the form letter that I recently obtained from your office.

I am the sole owner of the Chatauqua Extension North mining claim, situated on the East slope of Glacier Mountain, Summit County , near the town of Montezuma, Colorado. This claim is virgin ground, but as the name implies, is a continuance of the Chatauqua vein, the past workings and production of which are of record. My associates are Messrs. Leland and William Sharp, who are doing the manual work.

Through my own efforts and resources I have had constructed, a tunnel that cross-cuts the vein at about 290 feet. To the right at intersection of vein is a body of very good ore. We have drifted along this about 30 feet and are now working on a raise through this ore body. We have gone about 70 feet up and the ore is improving as we progress, have 3 feet of good milling ore. To the left, the vein at tunnel level has been rather barren. We have drifted in this direction 130 feet and the vein is showing improvement. All this work has been done by hand-single-jacking. The out buildings consist of a blacksmith shop and almost completed ore bins from which ore can be dropped into trucks.

With financial assistance I propose to purchase a compressor etc. We will need a 220 cubic foot compressor, one jack hammer (drifter) and one stoper and all the other necessary equipment to go with them, also eight hundred feet of pipe and a like footage of rails. A. compressor house will also have to be built.. With this equipment we can pull out ore almost immediately, but we believe it better to first drift another 100 feet or more to the right before stoping, and also bring the raise to grass roots. To the left we plan to drift another 300 feet along the vein before stoping.

The price of this machinery and equipment is an important factor in determining the amount of money needed, We estimate that $8,000.00 to $9,000.00 will be required to buy

and install this equipment, and a like amount will most likely be expended to drift the proposed 400 feet and complete the raise. This makes a total of $18,000.00 we believe should be available to assure success.

I am attaching two maps, in duplicate, showing the location of my property in relation to others in the immediate vicinity. The original of these maps were prepared by Mr. P. P. Barbour, licensed surveyor at Georgetown, Colorado.

As stated before, two men have been working quite steadily for over four years to bring this project to the state that it is today. These men are miners of many years work and experience in this region; they are also expert mill operators. We will need two more men when mechanized and Mr. Leland Sharp assured me that they will be available.

The ore will be trucked two miles to the Plymouth Mill at Montezuma, all down hill. This hauling will be by hire or by contract, as the foregoing amount requested does not include purchase of truck.

It is difficult to determine the rate of ore production as that will depend on the with and richness of the vein after the proposed development is completed. The drifting of 400 feet may be completed in three or four months, so full production may be underway by five months.

The road cutting through a corner of my property is a County road, kept in good condition and usable the year round. My private road leads from this County road directly to the hoppers in the ore bins.

Other mines in this vicinity have been operating profitably in recent years with lead and zinc prices as low as fifteen cents. I am sure I can do as well when mechanized. I can not give the tonnage of measured ore because the exposed ore body is only partially blocked out.

I am attaching some assays made from samples and specimens, also, results of a few tons shipped to The American Smelting & refining Company, in December 1949. I believe the latter give a fair estimate of the production value that can be expected.

Mr. T. S. Lovering, made a comprehensive survey of the geology and ore deposits of the Montezuma Quadrangle, described as Professional Paper 178, published by the U. S. Department of the Interior in 1935. I direct your attention to his report on the Chatauqua workings at the close of the last

century. These workings have been revived in recent years and produced profitably. I have been so informed and have every reason to believe that my section of this vein will equal and exceed the other workings in value. Inspection of my property and verification of these statements are invited.

This is the first request by me for financial assistance, so if this data is not correctly or fully presented, I ask your indulgence and the opportunity to fulfil your requirements. I have tried to induce private capital to come to my aid but without success.

I earnestly beseech this financial assistance which will help many others besides myself and especially our country now in its search and need for the metals contained in my property.

Sincerely yours,

Arthur R. Hausmann

Arthur R. Hausmann,
9321 South Ada Street,
Chicago 20, Illinois.

P.S.

My depository for the last six years has been the
Mercantile National Bank of Chicago,
541 West Jackson Boulevard,
Chicago 7, Illinois.

FORM C-247
5M—4-49—10495

AMERICAN SMELTING AND REFINING CO.

ARKANSAS VALLEY PLANT

LEADVILLE, COLO. Jan 23,1950

BOUGHT OF Arthur H Hausmann (Chatau-ua Extension) (938)

LOT NO. SMELTER 5864 MINE 1

ADDRESS

CLASS Crude

SHIPPING POINT Montezuma, Colo

QUOTATIONS OF 12/5-10/49 SILVER .90 LEAD 12.00 COPPER

ASSAYS	GOLD OZ. PER TON	SILVER OZ. PER TON	LEAD PER CENT	COPPER PER CENT	INSOL. PER CENT	IRON PER CENT	MANGANESE PER CENT	LIME PER CENT	ZINC PER CENT	SULPHUR PER CENT
A. S. & R. CO.										
UMPIRE										
SETTLEMENT ASSAY	0.03	5.1	16.9	0.2	31.8	5.8			14.1	11.1

CAR INITIAL	NUMBER	WEIGHT	FROZEN WT.
RO	46085	5760	

PAYMENTS PER TON			DEDUCTIONS PER TON	
GOLD .01925	@	.95	BASE CHARGE	8.000
SILVER 3 ounces.	@	3.69	INSOLUBLE Pb Dr.	.316
LEAD Less 90%	@ 2.00 PER UNIT	27.72	ZINC	1.830
COPPER, LESS	@ PER UNIT		SULPHUR	2.025
GROSS VALUE OF METALS		32.36	EXCESS VALUE	
			IRON CREDIT	
			LIME CREDIT	
LESS TOTAL DEDUCTIONS		12.16	TOTAL DEDUCTIONS	12.165

WEIGHT OF LOT 5760

WEIGHT OF SACKS.

WET WEIGHT

LESS MOISTURE 2.5 %

DRY WEIGHT 5616 @ $ 20.20 PER TON 56.72

Rec'd 12/9/49

This lot contains 14 ozs of silver.

FREIGHT ADVANCED, @ Sampling & Trans Tax. 9.17

MOISTURE

SAMPLING 5.00

Hauling & Trans Tax Earl G Smith

FROZEN ORE 11.87

UMPIRE

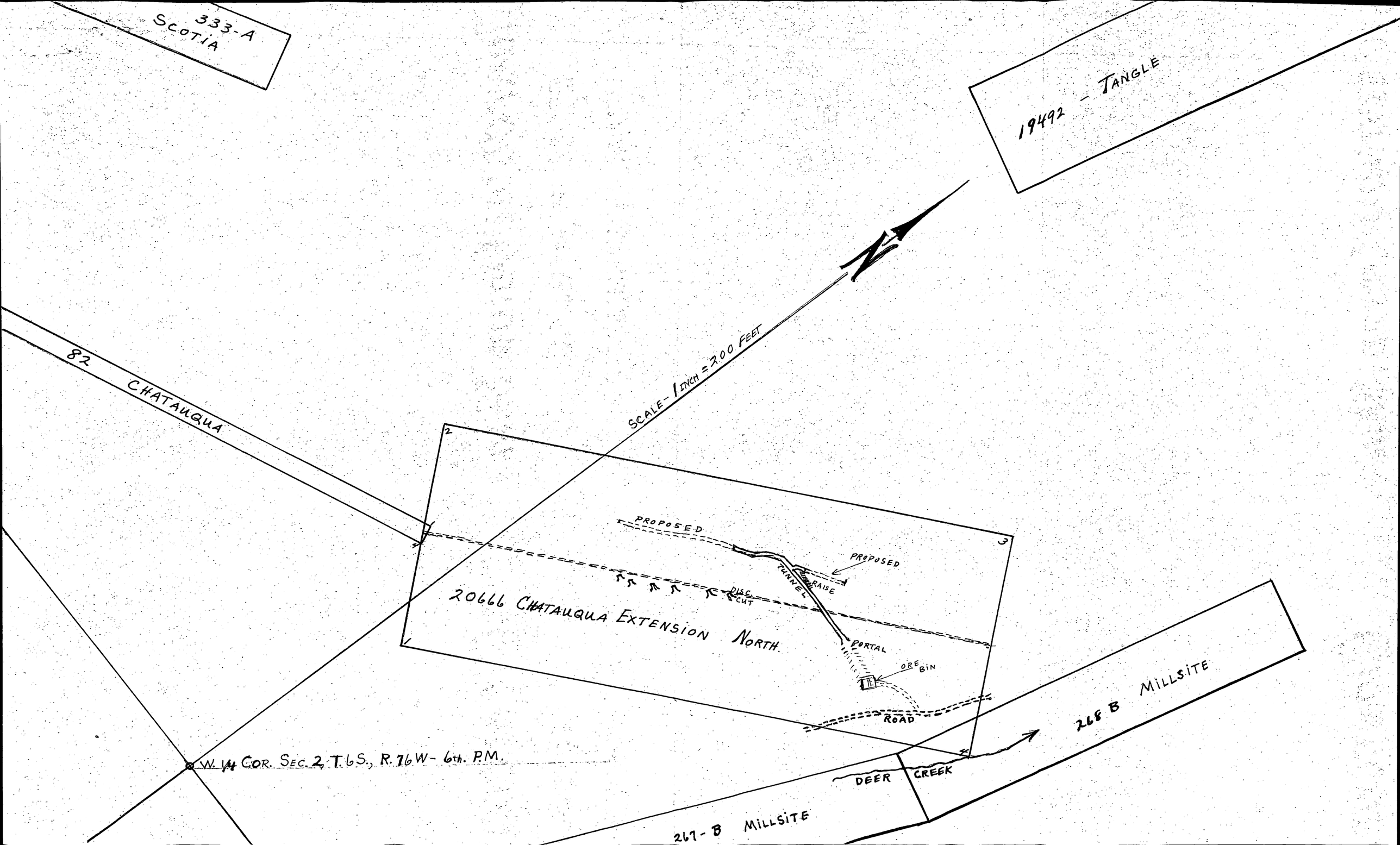
CORRECT WR

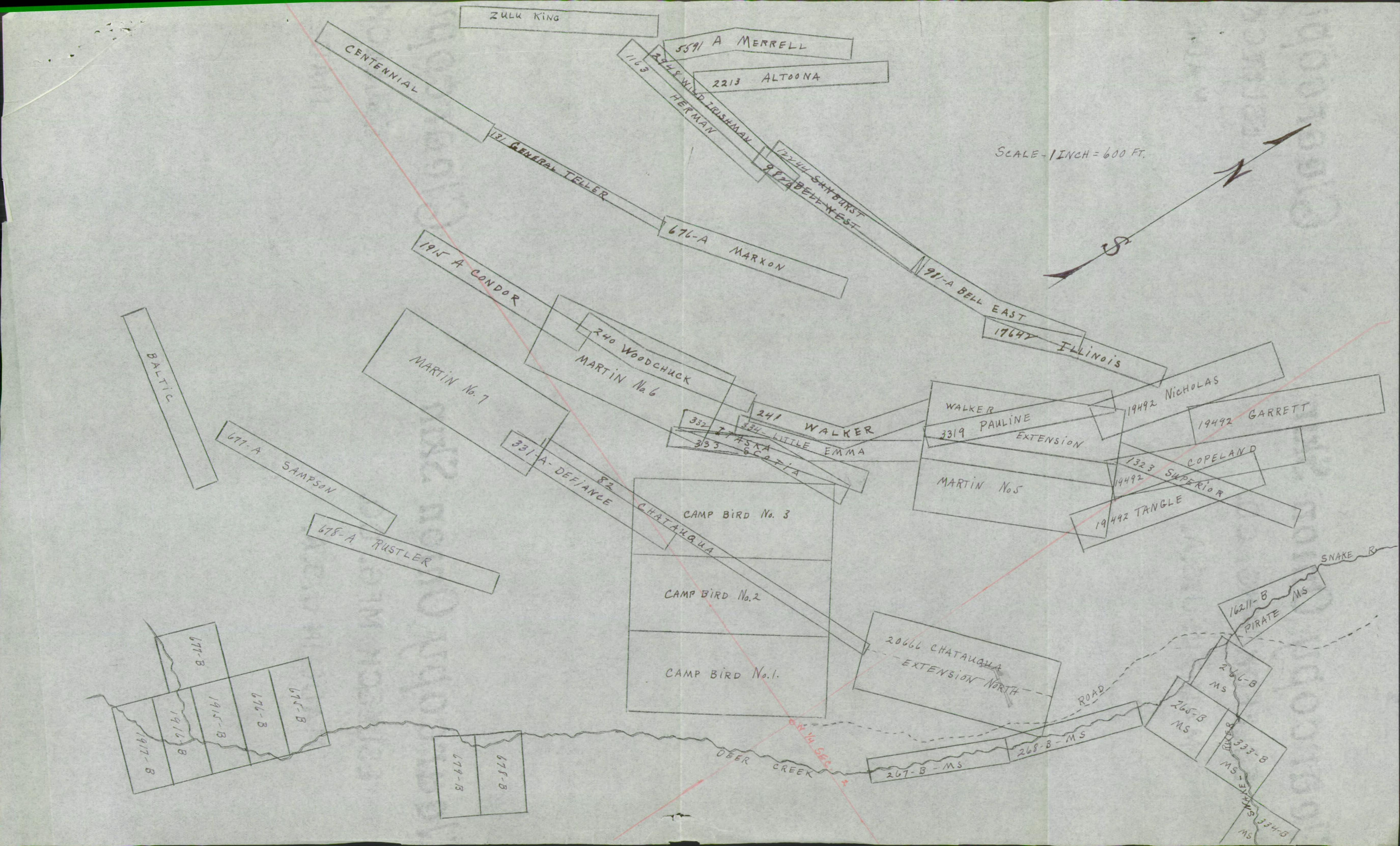
CHECKED JO

% ROYALTY

RATES, EXCEPT ON CONTRACTS, SUBJECT TO CHANGE WITHOUT NOTICE.

NET PROCEEDS $ 30.68


333-A
SCOTIA
19492 - TANGLE
82
CHATAUQUA
SCALE- 1 INCH = 200 FEET
2
3
1
PROPOSED
PROPOSED
TUNNEL
RAISE
DISC. CUT
20666 CHATAUQUA EXTENSION NORTH.
PORTAL
ORE BIN
ROAD
W. 1/4 COR. SEC. 2, T. 6 S., R. 76 W - 6th. P.M.
DEER
CREEK
268 B MILLSITE
267-B MILLSITE


ZULU KING
CENTENNIAL
5591 A MERRELL
2213 ALTOONA
1163 HERMAN
2445 WILD IRISHMAN
12244 SUNBURST
8122 BELL WEST
131 GENERAL TELLER
676-A MARXON
SCALE - 1 INCH = 600 FT.
N
S
91-A BELL EAST
17647 ILLINOIS
191-A CONDOR
240 WOODCHUCK
MARTIN No. 6
MARTIN No. 7
BALTIC
677-A SAMPSON
678-A RUSTLER
331-A DEFIANCE
82 CHATAUQUA
332 TASKA
333 SCOTIA
334 LITTLE EMMA
241 WALKER
WALKER
3319 PAULINE
EXTENSION
19492 NICHOLAS
19492 GARRETT
1323 COPELAND
19492 SUPERIOR
19492 TANGLE
MARTIN No. 5
CAMP BIRD No. 3
CAMP BIRD No. 2
CAMP BIRD No. 1
20666 CHATAUQUA
EXTENSION NORTH
SNAKE R.
16211-B MS
PIRATE
266-B MS
265-B MS
333-B MS
334-B MS
ROAD
268-B-MS
267-B-MS
DEER CREEK
677-B
676-B
675-B
1917-B
1916-B
1915-B
679-B
678-B