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

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

March 30, 1951

Mr. A. C. Daman, President
Denver Equipment Company
P. O. Box 5268
Denver 17, Colorado

DMA-899
Custom Mill
Montezuma, Colorado

Dear Mr. Daman:

Your letter dated March 23 to Dr. James Boyd concerning the desirability of a modern flotation mill for Montezuma, Colorado, has been referred to me for reply.

Government assistance for such projects as this is available in the form of purchase contracts for zinc concentrates produced by the mill for delivery to the Government or its agent. These procurement contracts are negotiated at the current market for zinc now 17½¢ E. St. Louis base and provide a floor for a period of years. The floor price protects the purchaser against any possible drop in the market before he obtains a return on his investment. We believe that such a contract will enable an applicant to secure private financing in the amount required to build a mill provided an adequate supply of ore is available.

In case assistance of this nature is of interest to you, I shall be glad to go into the matter further or possibly you might want to discuss it with Mr. J. H. East, Jr., Regional Director, at 224 New Customhouse Building, Denver 2, Colorado.

Very truly yours,

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

OHERRES:ks

cc: Mr. Strobel
Mr. Moon
Mr. Mote
Mr. McKnight
Mr. Herres
2 copies Executive Officer Field Team Region IV
224 New Customhouse Building, Denver 2, Colorado
Files

Form 6-98

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