AUG 24 1951

Memorandum

Re: DMA-105[illegible]
John J. Fleming
Creede, Colorado

To: Reports & Records Unit
Administrative Management Div.

From: Chief, Lead-Zinc Branch

Subject: Transmittal of docket material to file

The subject docket was denied on June 15, 1951 and the docket material was returned to Reports and Records Unit at that time.

The attached letter with cost information sent in by the applicant crossed the denial letter in the mails. The information contained in this material does not indicate any reconsideration of the denial. It needs no acknowledgement, as it was covered by the denial letter.

Gunnard Johnson

T. P. Billings, Chief
Lead-Zinc Branch

FWO 9-71

L T McKnight:emp
G 8-21551
Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Branch
E. T. McKnight 4204 GSA
R. H. Mote
Reports and Records
Directors r. file 4214 GSA
Br. r. file 4214 GSA
Files

Inactive file

Approved: Tom Lyon

Tom Lyon, Director
Supply Division

REGIONAL DIRECTOR'S
OFFICE
REGION IV
JUN 25 1951
BUREAU OF MINES
DENVER, COLORADO

June 15, 1951

Memorandum

Re: Docket DMA-1058

To: Executive Secretary, D. M. A.

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

Subject: Recommendation for denial of application submitted by John J. Fleming, Creede, Colorado

Attached is the application, together with related correspondence, submitted by John J. Fleming of Creede, Colorado for a loan to explore the property of the Eileen Mining Company in Mineral County, Colorado. Because no evidence of proven reserves was given, the application was considered as an exploration loan.

The project proposed by the applicant consists of extending the present tunnel on the property a distance of 200 feet to intersect a vein. Two months will be required to complete the project at a total cost of $15,000. The applicant is prepared to contribute only his labor at reasonable rates, a mine car, and some small equipment as his share of the cost.

It was pointed out to the applicant that $15,000 for driving 200 feet of tunnel appeared excessively high, but he stated that that amount was required to cover unforeseen difficulties.

Because of the very high cost of the project, plus the fact that the applicant is unable to furnish his share of the cost, it is recommended that the application be denied and the attached letter sent to the applicant.

Attached is the docket consisting of the following:

2 copies of form WSRB-146
4 " " " MF-103
Letter from applicant dated April 20, 1951 with report on the property.
Letter dated May 8, 1951, to the applicant from Otto Herres,
Letter from applicant dated May 28, 1951.

Routine

EJLyons:emp
G 6/15/51
Approved:

Tom Lyon

Director, Supply Division

Otto Herres

Otto Herres, Chief
Lead-Zinc Branch

Copies to: J.H.East, Jr
Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
R. H. Mote
L. F. Strobel
Directors r. file 4244 GSA
Br. r. file 4214 GSA

JUN 2 5 1951

Re: Docket DMA-1058

Mr. John J. Fleming

Creede, Colorado

Dear Mr. Fleming:

We have received your letter of May 28 containing the cost estimates of your proposed project on the property of the Eileen Mining Company in Mineral County, Colorado.

According to Sec. 10 of Form DM-5, a copy of which was sent to you, no credit toward the applicant's share of the cost of the project can be given for his land or any existing improvements, facilities, buildings, or installations. On the basis of this, we could allow credit in the form of rental costs only for the mine car, such small equipment as the anvil and forge, and possibly the air line which were the only items listed as being owned by you and available for use. Because the rental value of this equipment, plus your labor at reasonable rates, are not sufficient to cover your share of the cost of the project, we regret that we are not able to approve an expenditure of Government funds for this work.

We wish to thank you for bringing the property to our attention and are returning the map which you submitted with your application as you requested.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

Attachment

EJLyon:temp
G 6/15/51

Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
R. H. Mote
L. F. Strobel
Directors r. file 4214 GSA
Br. r. file 42.4 GSA

MAY 28 1951

May 23, 1951

Re: Docket DMA-1058

Mr. John J. Fleming

Creede, Colorado

Dear Mr. Fleming:

Your application for a loan to explore the property of the Eileen Mining Company in Mineral County, Colorado, has been reviewed by the Lead-Zinc Branch.

Because the only major items of expense listed in your application are $2,000 for miners' wages, powder, fuses, and caps, and $1,000 for a muck drill, we believe that your estimate of $15,000 to drive 200 ft. of tunnel is very high. Unless you can satisfactorily justify this high cost, we suggest that you furnish us with a new cost estimate applying only to the exploration work you are planning to undertake.

We also would like to point out that because you are prepared to furnish only your labor as your share of the cost, the Government could not contribute in cash more than the cost of your labor, figured at reasonable rates, for the duration of the project which you estimate would be two months.

We will hold your application until we hear from you.

Very truly yours,

Otto Herres

Otto Herres, Chief
Lead-Zinc Branch

EJLyons: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

1951

May 8, 1951

In reply please
refer to MA-1058

Mr. Jann J. Fleming
Creede,
Colorado

Dear Mr. Fleming:

Your application (MA-1058) for a loan of $15,000 to develop and bring into production the property of the Eileen Mining Company in Mineral County, Colorado, has been reviewed by the Lead-Zinc Branch of the Defense Minerals Administration.

In order to obtain a Government loan of this type, the property must be shown to have sufficient proven reserves of mineable grade to amortize the loan.

Because the information submitted with your application does not indicate any proven reserves for your property, we believe that your proposal should be considered under the exploration program of the Government. According to the regulations for this program the applicant, in the case of zinc, lead, and copper deposits, must share one-half of the cost of the project. The applicant may provide his share in the form of cash, his labor at reasonable rates, rental of equipment owned by him, and similar contributions. Detailed information is given in the enclosed forms.

If you wish to participate in the exploration program, please fill out and return the enclosed application and general technical data forms. Please describe exactly, with maps if possible, the work you wish to undertake. If you wish to make any changes in your original proposal, you may do so. A field examination of your property may be required before any loan is approved.

We will keep the map and report you sent us until you let us know your decision.

Very truly yours,

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

EJLyons/amp/dro 5-8-51
Copies to: J.H.East, Jr.
Region IV (2)
Chief, Lead-Zinc Br.
E.T. McKnight 4204 GSA
L.B. Moon
F.H. Mets
L.F. Strebel
Enclosures T. Lon
Files

May 8, 1951

In reply please
refer to MM-1058

Mr. John J. Fleming
Creede,
Colorado

Dear Mr. Fleming:

Your application (MM-1058) for a loan of $15,000 to develop and bring into production the property of the Alpen Mining Company in Mineral County, Colorado, has been reviewed by the Lead-Zinc Branch of the Defense Minerals Administration.

In order to obtain a Government loan of this type, the property must be shown to have sufficient proven reserves of sizeable grade to amortize the loan.

Because the information submitted with your application does not indicate any proven reserves for your property, we believe that your proposal should be considered under the exploration program of the Government. Among the requisites for this program the applicant, in the case of zinc, lead, and copper deposits, must share one-half of the cost of the project. The applicant may provide his share in the form of cash, his labor at reasonable rates, rental of equipment owned by him, and similar contributions. Detailed information is given in the enclosed forms.

If you wish to participate in the exploration program, please fill out and return the enclosed application and general terminal date forms. Please describe exactly, with maps if possible, the work you wish to undertake. If you wish to make any changes in your original proposal, you may do so. A field examination of your property may be required before any loan is approved.

We will keep the map and report you sent us until you let us know your decision.

Very truly yours,

Otto Herres

Otto Herres, Chief
Lead-Zinc Branch

RJLyons/amp/drc 5-8-51
Copies to: J.H.Hast, Jr.
Region IV (2)
Chief, Lead-Zinc Br.
E.T. McKnight 4204 GSA
L.B. Moon
R.H. Nete
L.F. Strobel
Enclosures T. Son
Files