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DEFENSE MINERALS ADMINISTRATION
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1699

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

224 New Customhouse
Denver 2, Colorado

March 4, 1953.

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention: 200

From: Field Team, Region IV

Subject: Final Report, DMA Docket 1699X, (Copper) Thomas Conway, Gold Nugget Claims, La Plata County, Colorado.

Enclosed are four copies of the final report on the subject docket, two copies of Form 3b and a copy of the letter of denial to the applicant.

W. H. King

W. H. King

A. H. Koschmann

A. H. Koschmann

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

MAR 6 1953

DMEA CENTRAL FILE (OTHER)

3-13-53
(date)

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

COPY

224 New Customhouse
Denver 2, Colorado

March 4, 1953.

Re: DMA Docket 1699X

Mr. Thomas Conway
P. O. Box 311
Durango, Colorado

Dear Mr. Conway:

Reference is made to your application for Government aid on the Gold Nugget claims.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of hielding material of acceptable grade, and in quantities that will significantly improve the mineral supply position for the National Defense Program.

A careful study of your property and data available to this agency, reveals that the probability of disclosing mineable reserves of copper by your proposed exploration program is not considered sufficiently promising to justify Government participation. Under these circumstances, we regret to advise that your application for exploration aid is denied.

Very truly yours,

/s/ W. H. King
Field Team, Region IV

/s/ A. H. Koschmann
Field Team, Region IV

HMC:cwm

cc: Administrator (DMEA)
WMTraver
Subject
Chron.
Koschmann (2)

Reviewed by
DMEA OPERATING COMMITTEE
3-13-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

March 4, 1953.

Memorandum

To: Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Final Report, RMA Docket 1699X, (Copper) Thomas Conway, Gold Nugget Claims, La Plata County, Colorado.

Enclosed are eight copies of the final engineering report on the subject docket.

The examining engineer recommends denial of the application because of the low grade of the copper deposit, the isolation, the inability of the applicant to finance his share of the exploration costs, and the inexperience of the applicant.

We concur in this recommendation.

W. H. King

W. H. King

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAR 5 1953

Reviewed by
DMEA OPERATING COMMITTEE
3-13-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 25, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMA 1699X (Copper), Gold Nugget Nos. 1 and 2 claims, Thomas Conway, La Plata County, Colorado

Please find enclosed the original and eight copies of the "Summary, Conclusions, and Recommendations", by E. N. Harshman and R. L. Bolmer, and Bolmer's memorandum report on the engineering phase of the loan request.

The report has been abbreviated for obvious reasons.

In view of the low grade of the Gold Nugget copper deposit, its isolation, the small likelihood of the applicant's being able to finance his share of the exploration cost, and his inexperience in mining and consequent inability to operate a project satisfactorily, the examining engineer recommends denial of the loan application.

I concur with his recommendation.

Also enclosed is the brochure furnished by the Region IV Field Team with instructions to make a field examination.

W. M. Traver

W. M. Traver

enclosures

cc 8
DMA 1699X
DMEA Chron

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

200 New Customhouse
Denver 2, Colorado

November 7, 1952

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMA Docket 1699X, Gold Nugget No. 1 and 2, La Plata County, Colorado.

Attached are 8 copies of the geological report by E. N. Harshman covering DMA Docket 1699X, Gold Nugget No. 1 and 2, La Plata County, Colorado.

The applicant proposes to explore a quartz vein, containing sparse copper sulfides, by a 100-foot shaft and a 200-foot drift at an estimated cost of $12,000.

Low grade copper mineralization occurs along pegmatitic quartz veins and along the hanging wall of a granite porphyry dike in the pre-Cambrian Vallecito conglomerate. Both primary and secondary copper sulfide minerals are present as scattered grains. Without exception the deposits are very low grade. The presence of secondary copper minerals in the shallow exploratory pits indicates that a zone of secondary enrichment exists at or near the surface and that at greater depth an even lower copper content can be expected. Harshman, therefore, recommends that an exploration loan be denied.

I concur in this recommendation.

A. H. Koschmann

A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (8)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 1699X, Thomas Conway

Gold Nugget Nos. 1 and 2 Claims

La Plata County, Colorado

Copper

E. N. Harshman, Geologist
Geological Survey

R. L. Bolmer, Mining Engineer
Bureau of Mines

February 24, 1953

Reviewed by
DMEA OPERATING COMMITTEE
3-13-53
(date)

DMEA 1699X

THOMAS CONWAY
GOLD NUGGET NOS. 1 AND 2 CLAIMS
LA PLATA COUNTY, COLORADO

Summary, Conclusions, and Recommendations

By E. N. Harshman
Geologist
Geological Survey

and

R. L. Bolmer
Mining Engineer
Bureau of Mines

DMEA 1699X

THOMAS CONWAY
GOLD NUGGET NOS. 1 AND 2 CLAIMS
LA PLATA COUNTY, COLORADO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By E. N. Harshman and R. L. Bolmer

It is recommended that the application by Thomas Conway, of Durango, Colo., for governmental assistance in a $12,000.00 copper exploration program at the Gold Nugget Nos. 1 and 2 claims, Needle Mountain District, La Plata County, Colo., (DMA 1699X) be denied.

It is concluded from an examination of the property and from conversation with the applicant that exploration of the property for copper is not feasible due to (1) the low grade and geological nature of the copper occurrence, (2) the isolation and inaccessibility of the property, (3) the fact that the applicant is unable to finance 50 percent of the exploration cost, and (4) the apparent inability of the applicant because of inexperience to operate an exploration project in a satisfactory manner.

GOLD NUGGET NO. 1 AND 2

LA PLATA COUNTY, COLORADO

DMA DOCKET 1699X

Geologic Report

By E. N. Harshman
U. S. Geological Survey

GOLD NUGGET NO. 1 AND 2
LA PLATA COUNTY, COLORADO

INTRODUCTION

Mr. Thomas Conway, P. O. Box 311, Durango, Colorado, has applied for government assistance to explore for copper on the unpatented Gold Nugget No. 1 and 2 lode mining claims, Needle Mountain Mining District, La Plata County, Colorado. The claims, owned by the applicant, are located about 22 miles (airline) northeast of Durango, Colorado, in T. 37 N., R. 6 W., New Mexico Principal Meridian.

The applicant proposes to explore a quartz vein, containing sparse copper sulfides, by a 200 foot drift and a 100 foot shaft. His estimated cost of the project is $12,000.

From the end of a Forest Service road, about 12 miles north of Vallecito Dam, the property is reached by 4 miles of trail, 3½ miles of which is well graded and maintained by the Forest Service.

The property was examined on October 7, 1952, in company with R. L. Bolmer, U. S. Bureau of Mines; Thomas Conway, the applicant; and J. C. MacLachlan, U. S. Geological Survey.

It is concluded that exploration on the claims will not lead to the discovery of copper deposits of minable grade and denial of the application is recommended.

GEOLOGY

The claims are underlain by the pre-Cambrian Vallecito conglomerate. This rock is metamorphosed, indurated, and sheared. It is composed of

small, well rounded, quartz, schist, and quartzite pebbles in a fine grained sandy matrix. Although somewhat contorted, the general strike of the formation is northeast and the dip is southeast. Cross and Howe (1905) estimated the thickness of the conglomerate to be at least 2000 feet.

The sediments have been intruded by dikes of a fine-grained, porphyritic, light colored rock, megascopically classified as a granite-porphyry. The dikes range in width from a few inches to at least 50 feet; those observed in the area transect the bedding in the Vallecito conglomerate.

Low grade copper mineralization occurs along pegmatitic quartz veins and along the contact between a granite-porphyry dike and the Vallecito conglomerate.

The vein deposit, which the applicant proposes to explore, outcrops on the steep east wall of the Vallecito Creek canyon, at an elevation of about 9000 feet (500 feet above the river). It crops out over a slope distance of several hundred feet and a vertical interval of about 50 feet. Exploration by a small open cut has exposed the vein to a depth of 8 feet below the surface. At this point it is 4 to 5 feet wide, strikes N. 45° E., and dips 65° N. The hanging wall of the vein is a very definite sharp contact, but the foot wall is irregular. It is possible that the deposit may be more closely related to a pegmatite than to a true fissure vein.

Both primary and secondary copper sulfide minerals are present as scattered grains, somewhat concentrated in bands near the hanging and foot walls of the vein. Pyrite and chalcopyrite were the only primary sulfide minerals recognized in the exposure. Secondary copper minerals are covellite and bornite. Malachite staining occurs along many of the joints.

A selected sample of the highest grade part of the vein, representing less than 25% of the total width, was assayed by the U. S. Bureau of Mines. The results of those assays follow:

	% Cu	oz. Au
Selected sample of highest grade streaks - total width about 1 foot	0.42	0.03

About the turn of the century, the contact deposit was developed by a 200 foot drift, a 40 to 50 foot winze, and several short adits and shallow pits, all located on the hanging wall contact of a 50 foot wide granite-porphyry dike and the Vallecito conglomerate. A zone of weak silicification, 6 inches to 12 inches wide, and containing pyrite, chalcopyrite, bornite, covellite, gold, and an insignificant amount of sheelite is exposed. Little or no alteration of either the dike rock or the conglomerate was noted in any of the exposures. Post mineral faulting has offset the contact deposit but displacements are small (fig. 2).

U. S. Bureau of Mines assays of one sample cut across this mineralized zone follow:

	% Cu	oz. Au
Contact deposit - across 10 inches of silicified dike rock	0.25	0.75

No exploration on the contact deposit is proposed in the application for exploration assistance. It was examined, and a brief description is included in this report, because of its bearing on mineral deposition in the area. It is probable that the applicant will request exploration assistance on the contact deposit.

CONCLUSIONS AND RECOMMENDATIONS

Sulfide minerals, gold, and quartz have been deposited along fracture zones in conglomerate and along the hanging wall side of a granite-porphyry

dike. Without exception the deposits are very low grade and even with careful hand sorting, none of the material can be mined at a profit.

The presence of bornite and covellite in the shallow exploratory pits indicates that a zone of secondary enrichment exists at or near the surface and that at greater depth an even lower copper content can be expected.

It is recommended that the application for exploration assistance, DMA Docket 1699X, be denied.

REFERENCE

Cross, Whitman; Howe, Ernest; Irving, J. D.; and Emmons, W. H.; Needle Mountains, Colorado, U. S. Geological Survey, Folio 131, 1905.

DEPARTMENT OF INTERIOR
UNITED STATES GEOLOGICAL SURVEY

DMA 1699X

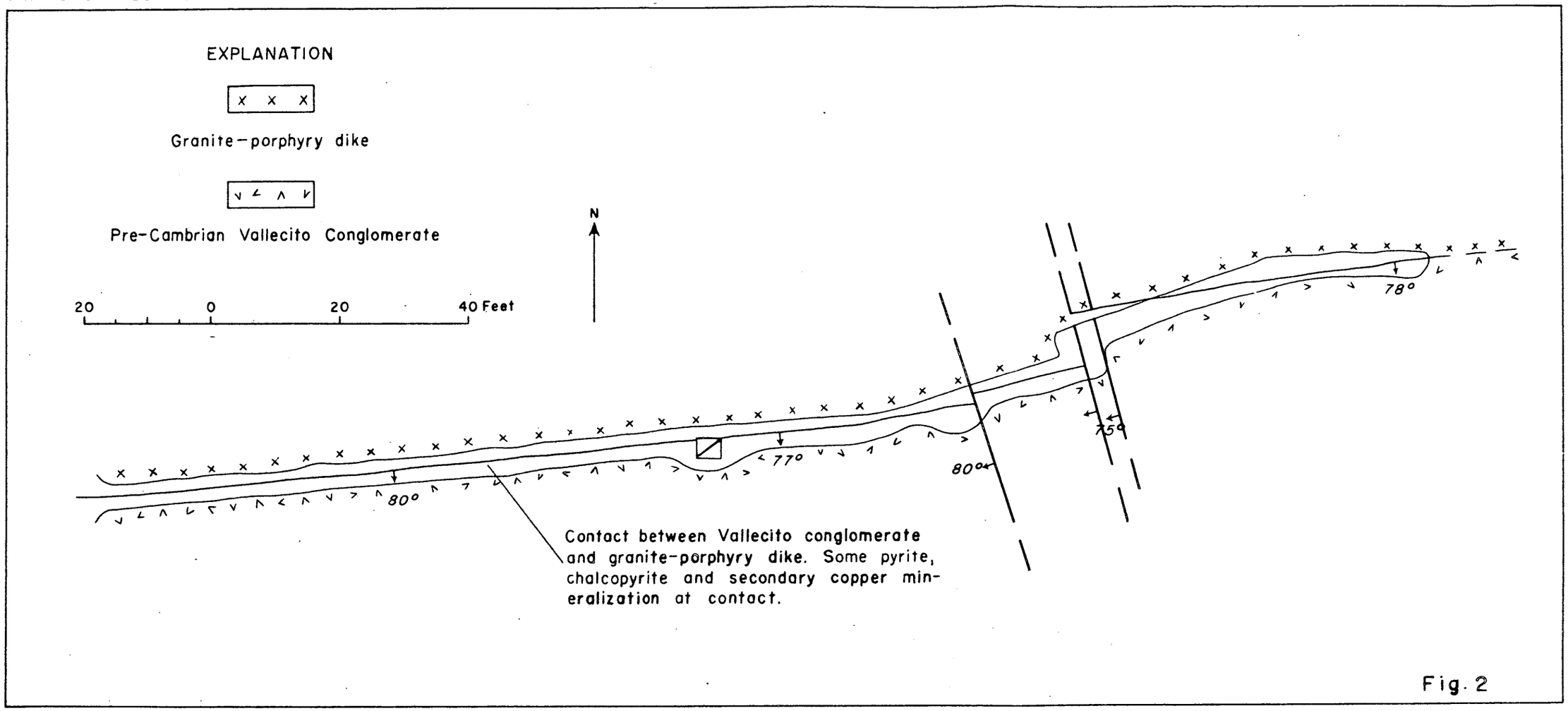

Fig. 2

E.N. Harshman Oct. 1952

GEOLOGIC PLAN, GOLD NUGGET NO.2 ADIT, LA PLATA COUNTY, COLORADO

DMEA 1699X

THOMAS CONWAY
GOLD NUGGET NOS. 1 AND 2 CLAIMS
LA PLATA COUNTY, COLORADO

Engineering Report

By R. L. Bolmer
Mining Engineer
Bureau of Mines

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 24, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: R. L. Bolmar

Subject: DMA 1699X (Copper), Gold Nugget Nos. 1 and 2 claims, Thomas Conway, La Plata County, Colorado

Introduction

Thomas Conway, P. O. Box 311, Durango, Colo., made application May 21, 1951, for governmental assistance to explore for copper his unpatented Gold Nugget Nos. 1 and 2 claims in the Needle Mountain District, La Plata County, Colo. Conway proposed to explore a copper-bearing vein by 200 feet of tunnel and 100 feet of shaft at an estimated cost of $12,000.00. The application, DMA 1699X, was referred to the Region IV Field Team for examination, October 17, 1951. Because of snow conditions, the property was inaccessible at that time. The applicant was contacted May 17, 1952, but stated that before proceeding with the application for assistance he wished to do some additional work at the property at his own expense. Conway was contacted again September 9, 1952; he indicated a desire to proceed with his application. The property was examined October 7, 1952, with Conway and with E. N. Harshman and J. C. MacLachlan, of the Geological Survey.

As a result of the examination and from conversation with the applicant, it was concluded that exploration of the property for copper was not feasible due to (1) the low grade and the geological nature of the copper occurrence, (2) the isolation and inaccessibility of the property, (3) the inability of the applicant to finance 50 percent of the exploration cost, and (4) the applicant's apparent inexperience and lack of knowledge necessary to operate an exploration project satisfactorily.

Location

The Gold Nugget claims are in T. 37 N., R. 6 W., New Mexico principal meridan, La Plata County, Colo., a rugged wilderness area of the San Juan National Forest north of Vallecito Reservoir (fig. 1). Vallecito Reservoir is accessible from Durango through Bayfield, via Colorado State Highway 284. The property is accessible by a 4-mile trail up Vallecito Creek, commencing from the end of a Forest Service road several miles north of Vallecito Dam. The claims are at an altitude of 9,000 feet on the steep slope of Vallecito Canyon, about 1/4 mile east of the trail.

Description of Deposit

The vein that the applicant proposes to explore crops out for several hundred feet up the steep canyon slope. The single small cut he has opened exposes a 4- to 5-foot quartz vein dipping

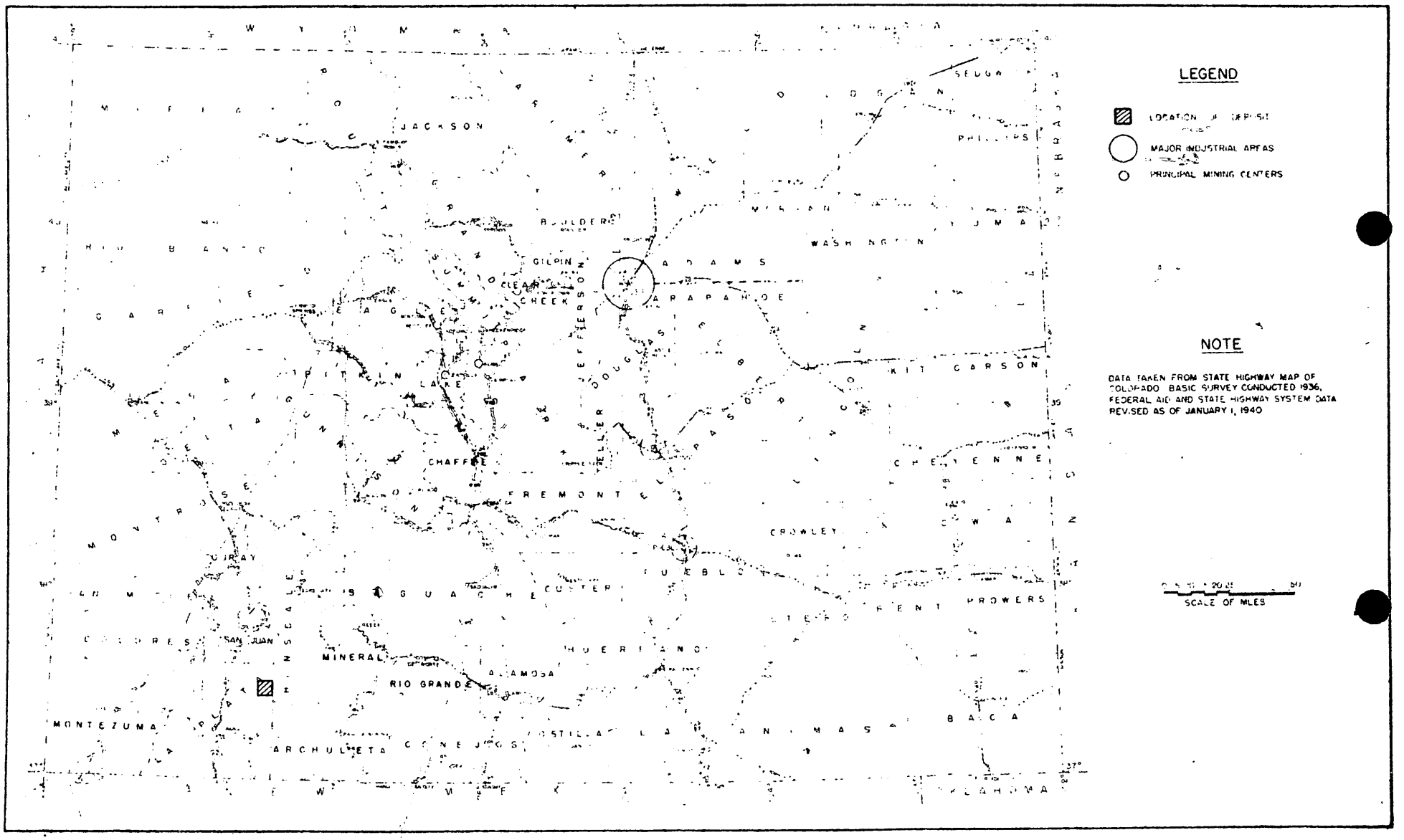

Fig. 1 - LOCATION MAP, GOLD NUGGET NO. 1 AND 2 CLAIMS, NEEDLE MT. DISTRICT, LA PLATA CO., COLO. — DMA 1699X

steeply in the Vallecito conglomerate. For the most part, the vein quartz is barren of mineralization but near the hanging wall contact does contain small scattered grains of pyrite, chalcopyrite, bornite, and covellite. The copper mineralization appears more extensive due to copper staining along tight vein fractures. A chip sample, taken of the stained and mineralized spots occurring over the vein area in the cut, assayed 0.42 percent copper. The vein over widths of 4 to 5 feet probably would average not more than one-fourth as much in copper.

Facilities

The property includes a good, livable cabin. The only mining equipment evident at the property, other than small hand tools, was a Foster and Hosler "Granite" 6-inch by 6-inch compressor, powered by a Ford Model "A" engine. Neither the compressor nor the engine appeared to be in operating condition. The outcrop is about 500 feet above Vallecito Creek, the nearest water source for mining purposes. The trail from the creek to the claims is unimproved and traverses heavy timber and underbrush.

At his home in Durango, the applicant has an old model jackhammer and an Oro Line Model G 2-cylinder compressor without engine. It is guessed that the capacity of both the applicant's compressors would be required to operate one jackhammer efficiently. The second compressor would have to be disassembled and transported to the property by pack animal, as would other necessary operating equipment and supplies.

Conclusions and Recommendations

The copper occurrence on the applicant's property is too low-grade to be commercial and there is no indication that the grade would improve through exploration laterally or with depth. Even if higher grade copper could be anticipated, the isolation of the property from highways, supply centers, copper mills, and smelters would be sufficient reason for not considering an exploration project. An exploration program probably could be undertaken at high cost and unusual difficulties, but only copper concentrates in limited quantities could be taken from the property by pack animal should a discovery be made. The property has no milling facilities and, even if permission for road construction could be obtained, the terrain is so rugged as to make the cost prohibitive.

The applicant is a laborer for the Denver and Rio Grand Western Railroad in Durango. His income, at best, is only moderate. He intends to finance one-half of the proposed program by his labor on the project. He has no apparent assets other than a modest home in Durango, an old model automobile, the two claims with the improvements described, and the mining equipment mentioned. His current monthly income would cease while working on the project. He did not indicate how his family would be supported during the duration of the project. It is evident that the applicant cannot finance satisfactorily 50 percent of an exploration program of any amount. There, also, is some doubt as to the applicant's experience at mining. It is questionable whether he is qualified to manage an exploration project and carry it to a successful conclusion.

It is recommended that the application for exploration assistance be denied.

R. L. Bolmer
Mining Engineer

RLB/cb

cc 8

1699

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

224 New Customhouse
Denver 2, Colorado

March 4, 1953.

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention: 200

From: Field Team, Region IV

Subject: Final Report, DMA Docket 1699X, (Copper) Thomas Conway, Gold Nugget Claims, La Plata County, Colorado.

Enclosed are four copies of the final report on the subject docket, two copies of Form 3b and a copy of the letter of denial to the applicant.

W. H. King
W. H. King

A. H. Koschmann
A. H. Koschmann

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAR 9 1953

Reviewed by
DMEA OPERATING COMMITTEE
3-13-53
(date)

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

224 New Customhouse
Denver 2, Colorado

March 4, 1953.

Re: DMA Docket 1699X

Mr. Thomas Conway
P. O. Box 311
Durango, Colorado

Dear Mr. Conway:

Reference is made to your application for Government aid on the Gold Nugget claims.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding material of acceptable grade, and in quantities that will significantly improve the mineral supply position for the National Defense Program.

A careful study of your property and data available to this agency, reveals that the probability of disclosing mineable reserves of copper by your proposed exploration program is not considered sufficiently promising to justify Government participation. Under these circumstances, we regret to advise that your application for exploration aid is denied.

Very truly yours,

W. H. King

W. H. King
Field Team, Region IV

A. H. Koschmann

A. H. Koschmann
Field Team, Region IV

HMC:cwm

cc: Administrator (DMEA)
WMTraver
Subject
Chron.
Koschmann (2)

DMEA
3-13-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

March 4, 1953.

Memorandum

To: Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Final Report, DMA Docket 1699X, (Copper) Thomas Conway, Gold Nugget Claims, La Plata County, Colorado.

Enclosed are eight copies of the final engineering report on the subject docket.

The examining engineer recommends denial of the application because of the low grade of the copper deposit, the isolation, the inability of the applicant to finance his share of the exploration costs, and the inexperience of the applicant.

We concur in this recommendation.

W. H. King
W. H. King

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAR 27 1953

Reviewed by
DMEA OPERATING COMMITTEE
3-13-53
(date)

Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 25, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMA 1699X (Copper), Gold Nugget Nos. 1 and 2 claims, Thomas Conway, La Plata County, Colorado

Please find enclosed the original and eight copies of the "Summary, Conclusions, and Recommendations", by E. N. Harshman and R. L. Bolmer, and Bolmer's memorandum report on the engineering phase of the loan request.

The report has been abbreviated for obvious reasons.

In view of the low grade of the Gold Nugget copper deposit, its isolation, the small likelihood of the applicant's being able to finance his share of the exploration cost, and his inexperience in mining and consequent inability to operate a project satisfactorily, the examining engineer recommends denial of the loan application.

I concur with his recommendation.

Also enclosed is the brochure furnished by the Region IV Field Team with instructions to make a field examination.

W. M. Traver

W. M. Traver

enclosures

cc 8
DMA 1699X
DMEA Chron

Reviewed by
DMEA OPERATING COMMITTEE
3-13-53
(date)

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

200 New Customhouse
Denver 2, Colorado

November 7, 1952

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMA Docket 1699X, Gold Nugget No. 1 and 2, La Plata County, Colorado.

Attached are 8 copies of the geological report by E. N. Harshman covering DMA Docket 1699X, Gold Nugget No. 1 and 2, La Plata County, Colorado.

The applicant proposes to explore a quartz vein, containing sparse copper sulfides, by a 100-foot shaft and a 200-foot drift at an estimated cost of $12,000.

Low grade copper mineralization occurs along pegmatitic quartz veins and along the hanging wall of a granite porphyry dike in the pre-Cambrian Vallecito conglomerate. Both primary and secondary copper sulfide minerals are present as scattered grains. Without exception the deposits are very low grade. The presence of secondary copper minerals in the shallow exploratory pits indicates that a zone of secondary enrichment exists at or near the surface and that at greater depth an even lower copper content can be expected. Harshman, therefore, recommends that an exploration loan be denied.

I concur in this recommendation.

A. H. Koschmann

A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (8)

Reviewed by
DMEA OPERATING COMMITTEE
3-13-53
(Date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMEA 1699X, Thomas Conway

Gold Nugget Nos. 1 and 2 Claims

La Plata County, Colorado

Copper

E. N. Harshman, Geologist
Geological Survey

R. L. Bolmer, Mining Engineer
Bureau of Mines

February 24, 1953

Reviewed by
DMEA OPERATING COMMITTEE
3-13-53
(date)

DMEA 1699X

THOMAS CONWAY
GOLD NUGGET NOS. 1 AND 2 CLAIMS
LA PLATA COUNTY, COLORADO

Summary, Conclusions, and Recommendations

By E. N. Harshman
Geologist
Geological Survey

and

R. L. Bolmer
Mining Engineer
Bureau of Mines

DMEA 1699X

THOMAS CONWAY
GOLD NUGGET NOS. 1 AND 2 CLAIMS
LA PLATA COUNTY, COLORADO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By E. N. Harshman and R. L. Bolmer

It is recommended that the application by Thomas Conway, of Durango, Colo., for governmental assistance in a $12,000.00 copper exploration program at the Gold Nugget Nos. 1 and 2 claims, Needle Mountain District, La Plata County, Colo., (DMA 1699X) be denied.

It is concluded from an examination of the property and from conversation with the applicant that exploration of the property for copper is not feasible due to (1) the low grade and geological nature of the copper occurrence, (2) the isolation and inaccessibility of the property, (3) the fact that the applicant is unable to finance 50 percent of the exploration cost, and (4) the apparent inability of the applicant because of inexperience to operate an exploration project in a satisfactory manner.

GOLD NUGGET NO. 1 AND 2

LA PLATA COUNTY, COLORADO

DMA DOCKET 1699X

Geologic Report

By E. N. Harshman
U. S. Geological Survey

GOLD NUGGET NO. 1 AND 2
LA PLATA COUNTY, COLORADO

INTRODUCTION

Mr. Thomas Conway, P. O. Box 311, Durango, Colorado, has applied for government assistance to explore for copper on the unpatented Gold Nugget No. 1 and 2 lode mining claims, Needle Mountain Mining District, La Plata County, Colorado. The claims, owned by the applicant, are located about 22 miles (airline) northeast of Durango, Colorado, in T. 37 N., R. 6 W., New Mexico Principal Meridian.

The applicant proposes to explore a quartz vein, containing sparse copper sulfides, by a 200 foot drift and a 100 foot shaft. His estimated cost of the project is $12,000.

From the end of a Forest Service road, about 12 miles north of Vallecito Dam, the property is reached by 4 miles of trail, 3½ miles of which is well graded and maintained by the Forest Service.

The property was examined on October 7, 1952, in company with R. L. Bolmer, U. S. Bureau of Mines; Thomas Conway, the applicant; and J. C. MacLachlan, U. S. Geological Survey.

It is concluded that exploration on the claims will not lead to the discovery of copper deposits of minable grade and denial of the application is recommended.

GEOLOGY

The claims are underlain by the pre-Cambrian Vallecito conglomerate. This rock is metamorphosed, indurated, and sheared. It is composed of

small, well rounded, quartz, schist, and quartzite pebbles in a fine grained sandy matrix. Although somewhat contorted, the general strike of the formation is northeast and the dip is southeast. Cross and Howe (1905) estimated the thickness of the conglomerate to be at least 2000 feet.

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Low grade copper mineralization occurs along pegmatitic quartz veins and along the contact between a granite-porphyry dike and the Vallecito conglomerate.

The vein deposit, which the applicant proposes to explore, outcrops on the steep east wall of the Vallecito Creek canyon, at an elevation of about 9000 feet (500 feet above the river). It crops out over a slope distance of several hundred feet and a vertical interval of about 50 feet. Exploration by a small open cut has exposed the vein to a depth of 8 feet below the surface. At this point it is 4 to 5 feet wide, strikes N. 45° E., and dips 65° N. The hanging wall of the vein is a very definite sharp contact, but the foot wall is irregular. It is possible that the deposit may be more closely related to a pegmatite than to a true fissure vein.

Both primary and secondary copper sulfide minerals are present as scattered grains, somewhat concentrated in bands near the hanging and foot walls of the vein. Pyrite and chalcopyrite were the only primary sulfide minerals recognized in the exposure. Secondary copper minerals are covellite and bornite. Malachite staining occurs along many of the joints.

A selected sample of the highest grade part of the vein, representing less than 25% of the total width, was assayed by the U. S. Bureau of Mines. The results of those assays follow:

	% Cu	oz. Au
Selected sample of highest grade streaks - total width about 1 foot	0.42	0.03

About the turn of the century, the contact deposit was developed by a 200 foot drift, a 40 to 50 foot winze, and several short adits and shallow pits, all located on the hanging wall contact of a 50 foot wide granite-porphyry dike and the Vallecito conglomerate. A zone of weak silicification, 6 inches to 12 inches wide, and containing pyrite, chalcopyrite, bornite, covellite, gold, and an insignificant amount of sheelite is exposed. Little or no alteration of either the dike rock or the conglomerate was noted in any of the exposures. Post mineral faulting has offset the contact deposit but displacements are small (fig. 2).

U. S. Bureau of Mines assays of one sample cut across this mineralized zone follow:

	% Cu	oz. Au
Contact deposit - across 10 inches of silicified dike rock	0.25	0.75

No exploration on the contact deposit is proposed in the application for exploration assistance. It was examined, and a brief description is included in this report, because of its bearing on mineral deposition in the area. It is probable that the applicant will request exploration assistance on the contact deposit.

CONCLUSIONS AND RECOMMENDATIONS

Sulfide minerals, gold, and quartz have been deposited along fracture zones in conglomerate and along the hanging wall side of a granite-porphyry

dike. Without exception the deposits are very low grade and even with careful hand sorting, none of the material can be mined at a profit.

The presence of bornite and covellite in the shallow exploratory pits indicates that a zone of secondary enrichment exists at or near the surface and that at greater depth an even lower copper content can be expected.

It is recommended that the application for exploration assistance, DMA Docket 1699X, be denied.

REFERENCE

Cross, Whitman; Howe, Ernest; Irving, J. D.; and Emmons, W. H.; Needle Mountains, Colorado, U. S. Geological Survey, Folio 131, 1905.

DEPARTMENT OF INTERIOR
UNITED STATES GEOLOGICAL SURVEY

DMA 1699X

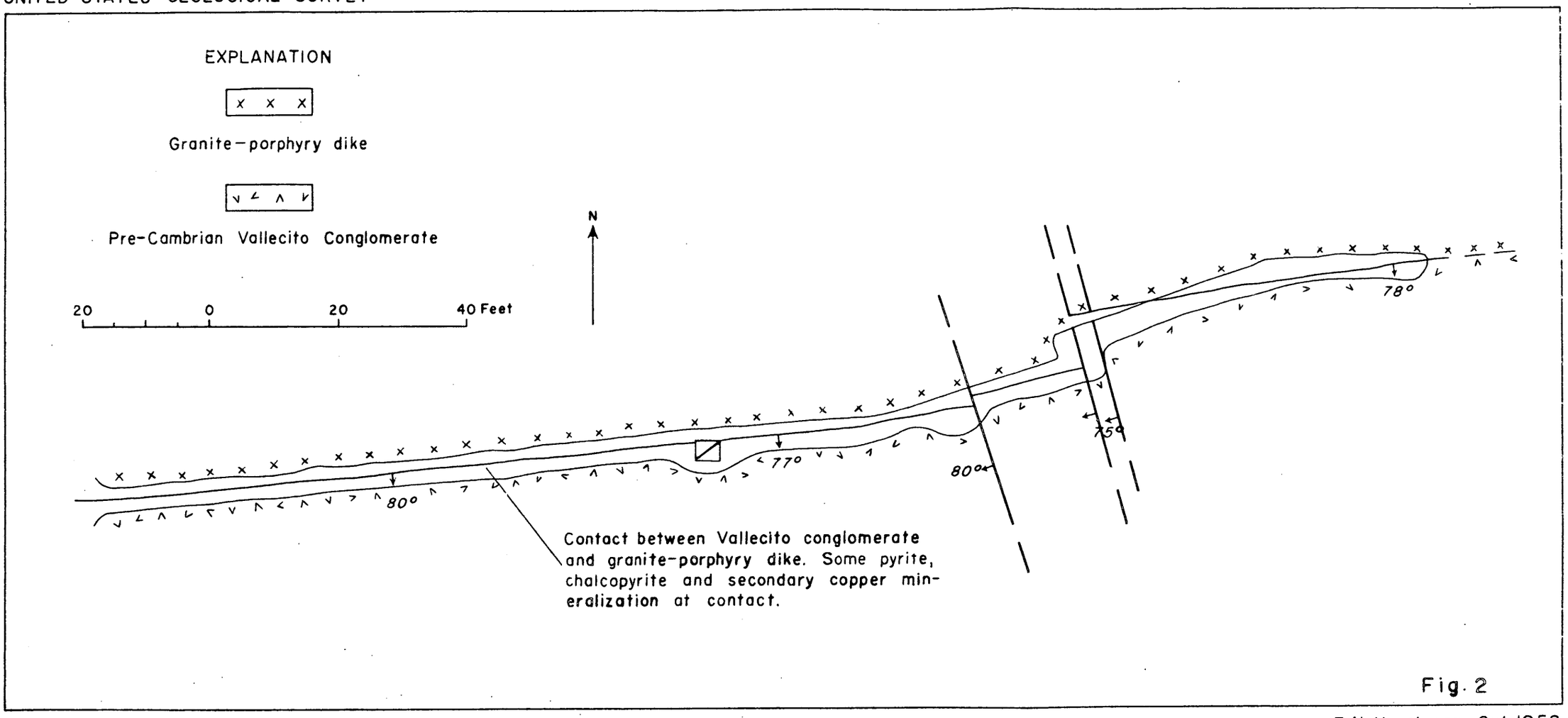

Fig. 2

E.N. Harshman Oct. 1952

GEOLOGIC PLAN, GOLD NUGGET NO.2 ADIT, LA PLATA COUNTY, COLORADO

DMEA 1699X

THOMAS CONWAY
GOLD NUGGET NOS. 1 AND 2 CLAIMS
LA PLATA COUNTY, COLORADO

Engineering Report

By R. L. Bolmer
Mining Engineer
Bureau of Mines

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 24, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: R. L. Bolmer

Subject: DMA 1699X (Copper), Gold Nugget Nos. 1 and 2 claims, Thomas Conway, La Plata County, Colorado

Introduction

Thomas Conway, P. O. Box 311, Durango, Colo., made application May 21, 1951, for governmental assistance to explore for copper his unpatented Gold Nugget Nos. 1 and 2 claims in the Needle Mountain District, La Plata County, Colo. Conway proposed to explore a copper-bearing vein by 200 feet of tunnel and 100 feet of shaft at an estimated cost of $12,000.00. The application, DMA 1699X, was referred to the Region IV Field Team for examination, October 17, 1951. Because of snow conditions, the property was inaccessible at that time. The applicant was contacted May 17, 1952, but stated that before proceeding with the application for assistance he wished to do some additional work at the property at his own expense. Conway was contacted again September 9, 1952; he indicated a desire to proceed with his application. The property was examined October 7, 1952, with Conway and with E. N. Harshman and J. C. MacLachlan, of the Geological Survey.

As a result of the examination and from conversation with the applicant, it was concluded that exploration of the property for copper was not feasible due to (1) the low grade and the geological nature of the copper occurrence, (2) the isolation and inaccessibility of the property, (3) the inability of the applicant to finance 50 percent of the exploration cost, and (4) the applicant's apparent inexperience and lack of knowledge necessary to operate an exploration project satisfactorily.

Location

The Gold Nugget claims are in T. 37 N., R. 6 W., New Mexico principal meridan, La Plata County, Colo., a rugged wilderness area of the San Juan National Forest north of Vallecito Reservoir (fig. 1). Vallecito Reservoir is accessible from Durango through Bayfield, via Colorado State Highway 284. The property is accessible by a 4-mile trail up Vallecito Creek, commencing from the end of a Forest Service road several miles north of Vallecito Dam. The claims are at an altitude of 9,000 feet on the steep slope of Vallecito Canyon, about 1/4 mile east of the trail.

Description of Deposit

The vein that the applicant proposes to explore crops out for several hundred feet up the steep canyon slope. The single small cut he has opened exposes a 4- to 5-foot quartz vein dipping

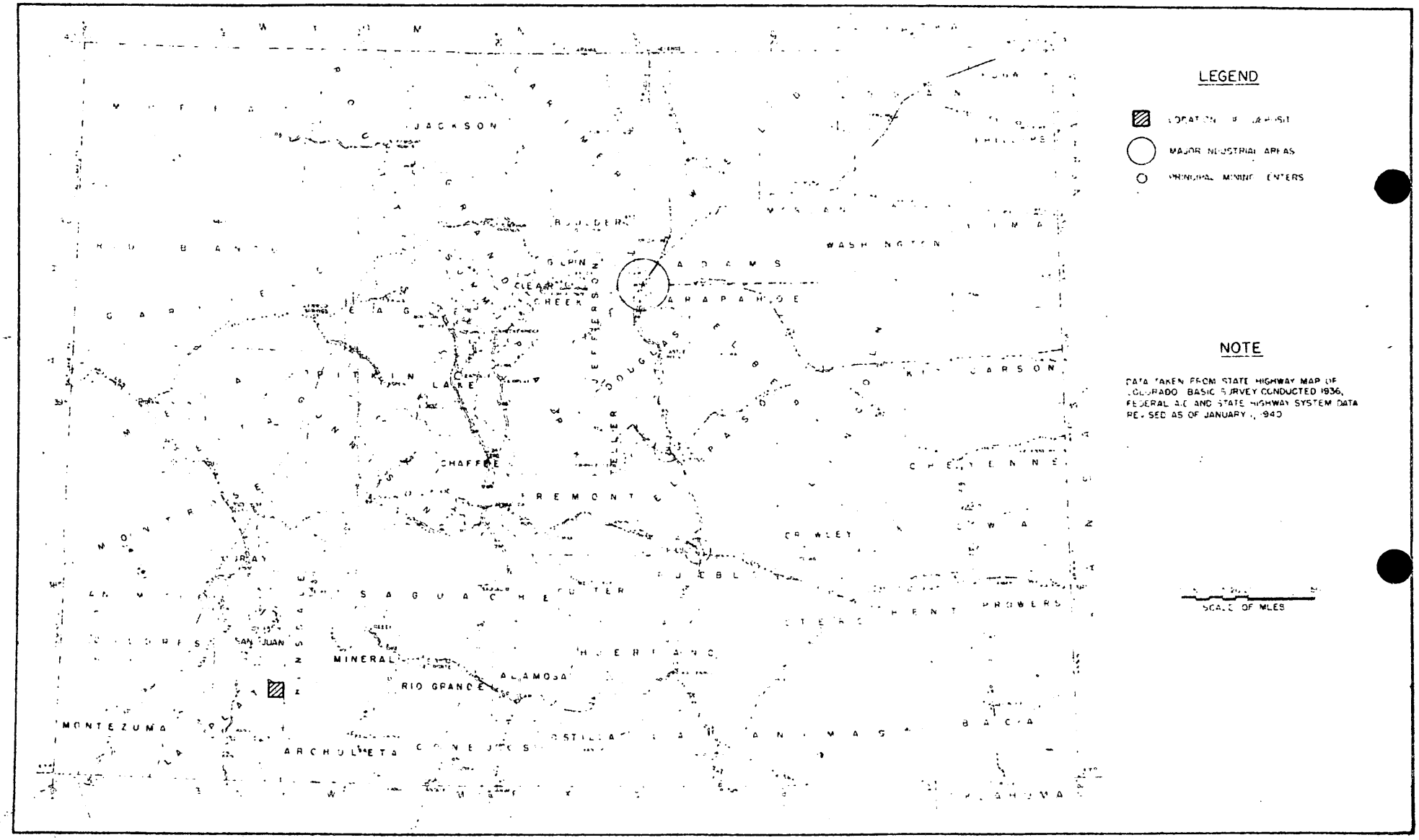

Fig. 1 - LOCATION MAP, GOLD NUGGET NO. 1 AND 2 CLAIMS, NEEDLE MT. DISTRICT, LA PLATA CO., COLO. — DMA 1699X

steeply in the Vallecito conglomerate. For the most part, the vein quartz is barren of mineralization but near the hanging wall contact does contain small scattered grains of pyrite, chalcopyrite, bornite, and covellite. The copper mineralization appears more extensive due to copper staining along tight vein fractures. A chip sample, taken of the stained and mineralized spots occurring over the vein area in the cut, assayed 0.42 percent copper. The vein over widths of 4 to 5 feet probably would average not more than one-fourth as much in copper.

Facilities

The property includes a good, livable cabin. The only mining equipment evident at the property, other than small hand tools, was a Foster and Hosler "Granite" 6-inch by 6-inch compressor, powered by a Ford Model "A" engine. Neither the compressor nor the engine appeared to be in operating condition. The outcrop is about 500 feet above Vallecito Creek, the nearest water source for mining purposes. The trail from the creek to the claims is unimproved and traverses heavy timber and underbrush.

At his home in Durango, the applicant has an old model jackhammer and an Oro Line Model G 2-cylinder compressor without engine. It is guessed that the capacity of both the applicant's compressors would be required to operate one jackhammer efficiently. The second compressor would have to be disassembled and transported to the property by pack animal, as would other necessary operating equipment and supplies.

Conclusions and Recommendations

The copper occurrence on the applicant's property is too low-grade to be commercial and there is no indication that the grade would improve through exploration laterally or with depth. Even if higher grade copper could be anticipated, the isolation of the property from highways, supply centers, copper mills, and smelters would be sufficient reason for not considering an exploration project. An exploration program probably could be undertaken at high cost and unusual difficulties, but only copper concentrates in limited quantities could be taken from the property by pack animal should a discovery be made. The property has no milling facilities and, even if permission for road construction could be obtained, the terrain is so rugged as to make the cost prohibitive.

The applicant is a laborer for the Denver and Rio Grand Western Railroad in Durango. His income, at best, is only moderate. He intends to finance one-half of the proposed program by his labor on the project. He has no apparent assets other than a modest home in Durango, an old model automobile, the two claims with the improvements described, and the mining equipment mentioned. His current monthly income would cease while working on the project. He did not indicate how his family would be supported during the duration of the project. It is evident that the applicant cannot finance satisfactorily 50 percent of an exploration program of any amount. There, also, is some doubt as to the applicant's experience at mining. It is questionable whether he is qualified to manage an exploration project and carry it to a successful conclusion.

It is recommended that the application for exploration assistance be denied.

R. L. Bolmer
Mining Engineer

RLB/cb

cc

9/22/52 jfm

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

224 New Customhouse
Denver 2, Colorado

September 9, 1952

Defense Minerals Administration
SEP 15 1952

Mr. Thomas Conway
P. O. Box 311
Durango, Colorado

Re: DMA Docket 1699X

Dear Mr. Conway:

Please inform this office within the next 30 days as to what you plan regarding your request for exploration assistance under Docket No. DMA 1699X. Otherwise it will be assumed that you are no longer interested and the file will be closed.

Very truly yours,

W. H. King

W. H. King
Executive Officer
Field Team, Region IV

JFS:jp
cc Subject
Chron
Secretary to the Operating Committee (2)
WMTraver
AHKoschmann (2)

700

FILE COPY
SURNAME:

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

C C
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P P
Y

July 7, 1952

Memorandum

To: Robert E. Adams, Administrative Officer

From: Grace L. Ault, Secretary to
Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division

Subject: Applications handled by Region IV
under delegation of authority

You will recall that as a result of our discussion of our Divisional Report for the month of June you pointed out a difference in the number of applications we showed as pending Field Team examinations, and as a result we returned the docket in DMA-1464X Moises Mirabel to Mails and Files for the reason that it is within the delegation of authority of Region IV to process.

I have reviewed those applications which we show on our list of pending applications to see if there were others which might be adding to this duplication, statistically speaking. Since both of the attached dockets apparently are being handled by Region IV because of the amounts involved (DMA-1699X - $12,000, DMA-2032 - $10,000) I am returning them for you to check your records. If you agree that these should not be carried on our pending list, they will be deducted from our total for the Month of July.

/s/ Grace L. Ault

C C
O O
P P
Y

2/25/52 glo

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

224 New Customhouse
Denver 2, Colorado

February 19, 1952

Memorandum

To: C. O. Mittendorf, Acting Administrator, Defense Minerals Exploration Administration

From: Field Team, Region IV

Subject: Docket DMEA 1304X, Shattuck Denn Mining Corporation, Kay Copper Mine, Yavapai County, Arizona, and Docket DMA 1699X, Thomas Conway, Durango, Colorado (Copper) Mining Claims in Laplata County. Your memorandum of February 12, 1952.

In accordance with the request contained in a letter dated November 14, 1951, from Mr. Thomas Bardon, President, Shattuck Denn Mining Company, DMA Docket 1304X, Kay Copper Mine, Yavapai County, Arizona, was placed in our inactive files. A copy of Mr. Bardon's letter is attached for your files.

Our Colorado field office was informed by telephone on October 30, 1951, by Mr. Thomas Conway that his property, Docket DMA 1699x, was inaccessible because of early snow at extremely high altitude. Mr. Conway also stated that he could not participate financially to the extent required by the application. He stated that he would inform Mr. Tom Lyons of the situation, but we have no information to indicate that he has done so.

The docket was placed in our inactive files pending further information or request by the applicant.

Department of the Interior
Defense Minerals Administration
Received
FEB 20 1952

W. H. King
W. H. King, for J. H. East, Jr.

A. H. Koschmann
A. H. Koschmann

Enclosure

WHK:ld

cc: Docket, chron. Koschmann

DMA-1699X

700
FILE COPY
Surname:

Ellis
Thayer

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON 25, D. C.

FEB 1 2 1952

Mr. J. H. East, Jr.
Executive Officer, DMEA Field Team IV
224 Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA-1304X (Copper)
Shattuck Denn Mining Corporation
Kay Copper Mine, Yavapai County, Arizona
and
Docket No. DMA-1699X (Copper)
Thomas Conway, Durango, Colorado
Mining claims in Laplata County

Dear Mr. East:

The monthly reports submitted by your office for December and January have greatly assisted our Commodity Divisions in keeping records current on applications being investigated by the Field. The Rare and Miscellaneous Metals Division, however, has noted that no reference was made in either of these reports to the above captioned applications which, according to our records, were referred to Region IV on September 14, 1951, and October 17, 1951, respectively. There have been no inquiries to this office from any source regarding these dockets since that time, but it would be helpful to be informed at your convenience, the status of these applications.

Sincerely yours,

C. O. Mittendorf (fw)

ACTING Chairman, Operating Committee

APPROVED:
J. H. Hedges

For Bureau of Mines (fw)

J. P. Thayer

For Geological Survey (fw)

EWEllis/gla 2-7-52
cc to: Adm. Reading File
Dockets (2) DMEA-1304X DMA-1699X
Messrs. Johnson, C. H. Rm. 3621
Nelson, Ned Rm. 4216 GSA
Ellis

E.P.L. 7/12/52

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

DEPARTMENT OF THE INTERIOR
RECEIVED
NOV 7 1951
Defense Minerals Administration,
Production Expansion Division.

224 New Customhouse
Denver 2, Colorado

Defense Minerals Administration
RECEIVED
NOV 5 1951

November 1, 1951

Memorandum

To: C. O. Mittendorf

From: Executive Officer, DMA Field Team, Region IV

Subject: DMA Docket 1699X, Thomas Conway, Gold Nugget No. 1 & 2, Copper Claims, La Plata County, Colorado

It is impossible to make an examination of this application because this property is inaccessible due to snow conditions. Mr. Conway was contacted by telephone yesterday, and he has agreed to a postponement until the spring of 1952.

It is doubtful if the applicant will be able to furnish the finances for his share of the contract. We are placing the application in our inactive file. This letter is written for your records.

J. H. East, Jr.

J. H. East, Jr.

OFFICIAL FILE COPY

To

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

224 New Customhouse
Denver 2, Colorado

November 1, 1951

Memorandum

To: C. O. Mittendorf

From: Executive Officer, DMA Field Team, Region IV

Subject: DMA Docket 16991, Thomas Conway, Gold Nugget No. 1 & 2, Copper Claims, La Plata County, Colorado

It is impossible to make an examination of this application because this property is inaccessible due to snow conditions. Mr. Conway was contacted by telephone yesterday, and he has agreed to a postponement until the spring of 1952.

It is doubtful if the applicant will be able to furnish the finances for his share of the contract. We are placing the application in our inactive file. This letter is written for your records.

J. H. East, Jr.

J. H. East, Jr.

310
FILE COPY
SURNAME:

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

Gowen
Nelson
Johnson, Han
Ron
Moore

A.E.C.

OCT 17 1951

Mr. Thomas Conway
Post Office Box 311
Durango, Colorado

Re: Docket No. DMA-1699X

Dear Mr. Conway:

This is to inform you that your application for exploration aid, Docket DMA-1699X has been referred to the Regional office at 224 New Customhouse Building, Denver 2, Colorado. You may expect a representative of the DMA Field Team to call on you in the near future to discuss your application.

Very truly yours,

Signed cc 10/18

Tom Lyon, Director,
Supply Division

JBGowen:ss
10/12/51
Copy to: Administrator's Reading File
Executive Officer, Region IV, Mr. J. H. East, Jr. 224 New Customhouse
Denver 2, Colorado
D.MacLaren
J.B.Gowen
C.E.Johnson
Files - DMA Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
MINERAL INTERNAL ADMINISTRATION
WASHINGTON, D. C.

OCT 17 1951

~~Mr. Thomas Conway~~
~~Post Office Box 311~~
~~Durango, Colorado~~

Mr. J. H. East,
234 New Customhouse Bldg.
Denver 2, Colorado

Dear Sir:

We attach "Review of Application for Exploration Assistance" on:

Docket No. 1669X

Commodity Copper

Applicant ~~Mr. Thomas Conway, Post Office Box 311, Durango, Colorado~~

Please expedite the consideration of this application with particular reference to the points raised in the attached "Review."

Very truly yours,

Chairman
Coordinating Committee

For the Bureau of Mines

For the Geological Survey

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

Mr. Thomas Conway
Post Office Box 311
Durango, Colorado

Dear Sir:

We attach "Review of Application for Exploration Assistance" on:

Docket No. 1669X

Commodity Copper

Applicant ~~Mr. Thomas Conway, Post Office Box 311, Durango, Colorado~~

Please expedite the consideration of this application with particular reference to the points raised in the attached "Review."

Very truly yours,

Chairman
Coordinating Committee

For the Bureau of Mines

For the Geological Survey

6/5/51

Defense Minerals Administration 10-11-51

Review of Application for Exploration Assistance

Docket No. 1669X

Commodity COPPER

Total Amount $12,000.00

Govt. Participation $6,000.00

1. Name and Address of Applicant THOMAS CONWAY
POST OFFICE BOX 311, DURANGO, COLORADO

2. Location of Property NEELDE MOUNTAIN MINING DISTRICT,
LA PLATA COUNTY, COLORADO

3. Mineral or metal COPPER Is it listed in Section 9 of MO-5? YES

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good

b) Poor

c) None

d) Don't know—needs field examination ✓ (at least, contact Applicant)

e) Is there an alternative and favorable project?
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? YES OWNER
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? —

Does the lease have sufficient time to run to cover a future productive period? —

*question numbers are those of MF-103

7. Are subordination agreements necessary? No

a) MF-201? —

b) MF-202 —

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes

b) Equipment and supplies Yes
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* No

d) Water (question 13)* Yes

e) Power (question 13)* Yes

Is a field check needed on any of these points? Yes - Road

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* No-but he is going to hire an experienced person

Is a field check needed on this point? ~~No~~ Yes, "experienced" person to be hired

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? Not Quite

If not, are there sufficient data given so that you can describe the project? Yes If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? No

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes

If not, what part of it is? —

Is this part a worthwhile exploration project? —

d) Are the cost estimates detailed? No

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? YES, partially If so, attach a draft.

e) Are the cost estimates reasonable? YES

f) Should more information be requested from applicant? YES - Maps number of work days per week furnish breakdown costs

g) Is a field examination necessary to complete Exhibit A? YES

11. Exhibit B (question 23-d)*

a) Is it applicable? YES

b) If so, are sufficient data furnished? No If so, attach a draft.

c) Is a field check needed? YES

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? e & f NOT g is

b) Sufficient data? No If so, attach a draft.

c) Are rents and charges reasonable? Dont know what he proposes to rent

d) Is a field check needed? YES

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? No

b) Is the schedule adequate for the work proposed? Dont know number of days per week of work

c) Is the schedule excessive for the work proposed? SAME

d) Are the proposed wages and salaries reasonable? YES

e) Is a field check needed? YES - Number of days per week of work.

DMA-1699X

EXHIBIT A.

21. The applicant proposes to drive a tunnel approximately 200 feet on the vein and to sink a shaft approximately 100 feet in depth. - One year.

LABOR - 2 MINERS @ $1.50/HR. ($24.00/day how many days?)

ROOF REPAIRS 100.00

STRUCTURE 500.00

RENTAL OF EQUIPMENT OWNED BY APPLICANT $16/DAY

EQUIPMENT 2000.00

SUPPLIES 500.00

23. d. INSTALLATION OR CONSTRUCTION $500.00

e. NOT APPLICABLE

f. NO APPLICABLE

g. RENTAL OF EQUIPMENT OWNED BY APPLICANT @ $16/DAY (how many days?)

h. STEEL & POWDER $2000.00

i. GAS & OIL 500.00

a. LABOR - 2 MINERS @ $1.50/HR.

b. NO SUPERVISORS

C. ROOF REPAIRS 100.00

14. Exhibit E (question 23-c)*

a) Is it applicable? YES

b) Sufficient data? YES

c) Reasonable? YES

d) Field check needed? NO

15. In your judgment, can the proposed work be done in the proposed time? Can't judge

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question? Check on Geology and feasibility of project. Work out a deal whereby the applicant can apply his labor toward his share of the cost. Since he does not have enough money, have applicant clarify total labor and total rental cost estimates

Note: This is a case where an examination is not clearly justified, but it is doubtful that the applicant is capable of furnishing a good enough description of the project to enable us to decide. We therefore request that an engineer or geologist contact the applicant when in the Durango district and talk with him to decide whether whether an examination is justified.

Reviewed by: R. Waugh

D. R. Mathews

C. Johnson

J. B. Gowen

Date 10/11/51

INT.-DUP. SEC., WASH., D.C. 99009

6/5/51

Defense Minerals Administration 10-11-51

Review of Application for Exploration Assistance

Docket No. [illegible]

Commodity [illegible]

Total Amount $[illegible]

Govt. Participation $[illegible]

1. Name and Address of Applicant [illegible]

[illegible] Box [illegible] [illegible]

2. Location of Property [illegible]

[illegible]

3. Mineral or metal [illegible] Is it listed in Section 9 of MO-5? [illegible]

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good

b) Poor

c) None

d) Don't know—needs field examination ✓ (At least, contact Applicant)

e) Is there an alternative and favorable project?
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? [illegible]
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? —

Does the lease have sufficient time to run to cover a future productive period? —

*question numbers are those of MF-103

7. Are subordination agreements necessary? No

a) MF-201? —

b) MF-202 —

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes

b) Equipment and supplies Yes
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* No

d) Water (question 13)* Yes

e) Power (question 13)* Yes

Is a field check needed on any of these points? No - Know

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* No - [illegible]

[illegible]

Is a field check needed on this point? ~~No~~ Yes - "experienced" person to be hired

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? No - Know

If not, are there sufficient data given so that you can describe the project? Yes If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? No

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes

If not, what part of it is? —

Is this part a worthwhile exploration project? —

d) Are the cost estimates detailed? No

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? Yes, partially If so, attach a draft.

e) Are the cost estimates reasonable?

f) Should more information be requested from applicant? Maps number of work days per week furnish breakdown of costs

g) Is a field examination necessary to complete Exhibit A?

11. Exhibit B (question 23-d)*

a) Is it applicable?

b) If so, are sufficient data furnished? No If so, attach a draft.

c) Is a field check needed?

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable?

b) Sufficient data? No If so, attach a draft.

c) Are rents and charges reasonable?

d) Is a field check needed? Yes

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? No

b) Is the schedule adequate for the work proposed? Don't know number of days per week of work

c) Is the schedule excessive for the work proposed? SAME

d) Are the proposed wages and salaries reasonable? Yes

e) Is a field check needed? Yes - [illegible]

DMA-1699R

EXHIBIT A

21. The applicant proposes to have, through approximately 200 feet of the vein and to sink a shaft approximately 100 feet in depth - one level.

LABOR - 2 MINERS @ $15.0/HR ($24.00/day - how many days?)

ROOF REPAIRS	100.00
STRUCTURE	500.00
RENTAL OF EQUIPMENT OWNED BY APPLICANT $16/DAY	
EQUIPMENT	2000.00
SUPPLIES	500.00

23 d. INSTALLATION OF CONSTRUCTION	$500.00
e. NOT APPLICABLE	
f. NO APPLICABLE	
g. RENTAL OF EQUIPMENT OWNED BY APPLICANT @ $16/DAY	
h. STEEL POWDER	$2000.00
i. GAS & OIL	500.00
a. LABOR - 2 MINERS @ $15.0/HR	
b. NO SUPERVISORS	
c. ROOF REPAIRS	100.00

14. Exhibit E (question 23-c)*

a) Is it applicable? Yes

b) Sufficient data? Yes

c) Reasonable? Yes

d) Field check needed? No

15. In your judgment, can the proposed work be done in the proposed time? [illegible]

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question? [illegible] [illegible] [illegible]

1400 200.

Note to Field Team:

This is a case where an examination is not clearly justified, but on the other hand it is doubtful that the applicant is capable of furnishing a good enough description of the project to enable us to decide. We therefore request that an engineer or geologist contact the applicant when in the Durango District and talk with him to decide whether an examination is justified.

Re 1699X

9/26/81

Mike -

This is a case where an examination is not clearly justified, but on the other hand I doubt that the applicant is capable of furnishing a good enough description of the project in writing to enable us to decide. Therefore, I should like to see a note added to the usual referral form, telling the Field Team that we are ~~doubt~~ in doubt as ~~to~~ to the justification for an examination, but are not likely to learn more by correspondence, therefore are asking to have an engineer or geologist contact applicant when in that ~~the~~ district (Durango) and talk with him to decide if a regular examination is justified. If one is, then FT should proceed to have it made. If not, let us know. The letter to the applicant should be modified to say that (I have signed the Review.) a representative of the DMA Field Team will call on him ~~to~~ to discuss application. ~~CJ~~.

CJ.

310
FILE COPY
SURNAME:

RVWaugh
Gowen

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

9-13

Mr. Thomas Conway
Box 511
Durango, Colorado

Re: DMA Docket No. 1699X

Dear Mr. Conway:

This is to acknowledge your letter of September 6, 1951 requesting information on the status of your application. It has been referred to the Copper Branch, Defense Minerals Administration for reply.

Your application is being processed at present. Since there are various steps and offices through which applications must go to be fully processed plus the fact that there is a shortage of personnel, it takes a little time before applicants are notified as to the progress of their projects.

Your enclosed sample report from the Colorado School of Mines will be included with your file.

Very truly yours,

J. B. Gowen

J. B. Gowen, Chief
Copper Branch

not stipped in RR.

RVWaugh:ez
9/13/51
Copy to: Adm. Reading File
Executive Officer, DMA Field Team IV
Copper Branch
Files - DMA Docket

MF-500

16997

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 9-11-51

REFERRED TO:

1. Code 310
2.
3.
4.

SEP 11 1951

FOR:

- [ ] Action
- [ ] Approval
- [ ] Comment
- [ ] Conference
- [ ] Consideration
- [ ] Filing
- [ ] Instructions
- [ ] Investigation
- [ ] Initials
- [ ] Mailing
- [ ] Previous correspondence
- [ ] Recommendation
- [ ] Record of
- [ ] Referring to
- [ ] Reply for signature of
- [ ] Rewriting
- [ ] Signature
- [ ] Suggestions
- [x] Your information

REMARKS:

Check (X) before the items needing attention.

Edwards

Initials of sender.

A. E. C

GPO 16—63815-1

Durango Colo
Sept 6 1951

Defence Minerals Administration
Washington 25 DC

D ma 1699X
Exploration Loan
Gold Nugget No 1 & 2
Lode mining Claims

I am writing in regard to exporation loan number D ma 1699X
I haven't heard since June 21 from the D ma
I have my drilling equipment set up and am ready to start work
I am enclosing a sample report from the Colorado School of mines
I wish I could hear from the D m a as to what they intend to do about this Loan

Sincerly Yours
Thomas Conway
Box 311 Durango Colo

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.

SEP 10 10 59 AM '51

1-94 K

COLORADO SCHOOL OF MINES

EXPERIMENTAL ORE DRESSING AND METALLURGICAL PLANT

GOLDEN, COLORADO July 25, 1951

Mr. Thomas Conway

Box 3111

Durango, Colorado

Record No. 3476

Dear Sir:

The sample.... which you sent us has been examined and tested with the following results:

Your Mark		See Reference Below
	Siliceous Vein Material with chalcopyrite, malachite and wolframite	C
	Contains gold, silver, copper and tungsten	

Identifications given above are based on visual inspection and simple tests; they are believed to be reliable but are not guaranteed. Exact determinations can be furnished at a cost depending on the amount of work necessary to make them.

REFERENCES: A—Sample has no commercial value; that is there is no open market for it, or it is too low grade to pay for production and marketing.
B—Sample might have commercial value if in very large quantity under extremely favorable conditions.
C—Sample might have commercial value if in sufficient quantity to justify a local treatment plant.
D—Sample has commercial value in crude state under ordinary mining conditions.

NOTES: Whether or not a mineral deposit has commercial value is an involved economic problem. The principal factors which must be considered are: grade of ore, character of ore as it affects cost and method of treatment, size and character of deposit, location of deposit with respect to markets for the ore or its products, and local conditions affecting cost of mining and treatment. In the case of non-metallic minerals and rarer metals marketing is usually more important than mining. Whether there is a demand for the product, or whether a demand can be created, at a price which insure profitable operation must be investigated. Sometimes local conditions give a mineral deposit, such, for instance, as a gravel bank, considerable commercial value where ordinarily and instrinsically the material is worthless.

If this report does not tell what you want to know about the samples, or is not plain, please do not hesitate to write for further information.

Yours very truly,

COLORADO SCHOOL OF MINES
EXPERIMENTAL PLANT
By A. L. Pierce

FILE COPY
SURNAME:

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

June 21, 1951

Mr. Thomas Conway
Post Office Box 311
Durango, Colorado

Subject: DMA-1699X
Re: Exploration Loan -
Gold Nugget No. 1 and 2
Lode Mining claims

My dear Mr. Conway:

Receipt is acknowledged of your application and attachments of May 21, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned docket Number DMA-1699X and referred to Mr. J. B. Gowen, Chief, Copper Branch on June 19, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1699X.

Sincerely yours,

LANDON F. STROBEL

jc

Landon F. Strobel
Executive Secretary

L. F. Strobel:jc
cc: Strobel
✓ File
Gowen
Lyon

May 7, 1951

Mr. Thomas Conway
Box 311
Durango, Colorado

Dear Mr. Conway:

This is to acknowledge receipt of your letter of April 26, 1951. For your information and in case you desire to file an application for a government loan we are enclosing a copy of a press release dated April 11, 1951, a copy of the pertinent regulations, Form MO-5, and five copies each of the Form MT-103 (Application for Aid for an Exploration Project).

We wish to thank you for your interest in the Copper program.

Very truly yours,

J. B. Gowen, Acting Chief
Copper Branch, DMA

Enclosures:

JWAlt:ba

Copy to Executive Secretary, W. C. I.
Copper Branch, W. C. I.
F i l e s

Durango, Colorado
April 26, 1951

Mr. James Boyd, Acting Director
Minerals Admintration for Defense
Room 6416 Department of Interior
Washington 25, D. C.

Dear Sir:

I understand that the Federal Government is loaning money for the purpose of prospecting and mining of metals for defense.

I would like to have you write me and explain this matter to me. I have some mining claims here in the Laplata County, Colorado. Containing copper, gold and silver. I would like to develop and explore this property if I could get some finance.

There is little known about this preticular area where these claims are located and I am unable to give a geologist or engineers report. However I do know know there is very good ore. But I do not know if there is big enough ore body to work at a profit. I hop to hear from you soon.

Yours truly

Thomas Conway
Box 311
Durango, Colorado

COPY

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. Dma-1699X

Date received 6/18/51

Participation

Thomas Conway
Post Office Box 511
Durango, Colorado.

Name and address of applicant

Date May 21, 1951

FILL IN THIS BLOCK

Date of application May 21, 1951

Estimated cost $ 12,000.00

Mineral or metal Copper

Percentage of Government participation 50 per cent

Location of mine near Vallecito River, approximately 12 miles on up the Vallecito River above the Vallecito Reservoir, in northeastern part of La Plata County, in the State of Colorado.

Date of filing MF-100

DMA Docket Number, if available

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? Individual

*2. If a partnership, state names and addresses of partners. Individual

*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. Individual

*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project. Statement attached.

*5. Are you the owner or the lessee of the property? Owner of property. Unpatented claims.

6. If owner, state what claims, liens, or encumbrances, if any, are against the property. No liens against claims.

7. If lessee, attach a copy of the lease and state if it is in good standing. Owner by virtue of Location Certificate.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement. Attached.

9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)? $ 200.00. Not sufficient to pay his part of costs.

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property. Attached.

(*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted. Attached.

NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any. Attached.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads. Attached.

*13. State source and quantity of water available for operations and its sufficiency at all seasons. Vallecito River available State amount of power to be used, rate per hour or other cost, and source. Gas motor to be used.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work. Attached.

15. State in detail how the ore could be shipped and how and where milled. Attached.

*16. History:

(*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.

(*b*) State briefly the known history and production of adjoining and neighboring properties.

(*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:

(*a*) If mine is in production, furnish the following information: Not in production.

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.) No mineral reserves blocked out at all.

(*a*) Describe the ore or mineral deposits briefly.

(*b*) Submit available maps and assay data.

(*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? Copper.

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. Attached.

NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:

(*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each. 2 miners at $1.50 per hour

(*b*) Supervisors, by numbers and positions, with salaries of each. None

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings. Roof repairs $100.00

(*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings. $ 500.00

(*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each. None so far as is now known.

(*f*) Cost of rental for equipment which the operator proposes to rent. None.

(*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work. $ 16.00 per day.

(*h*) Cost of materials and supplies, including items of equipment costing less than $50 each. Steel and powder $2000.00

(*i*) Cost of power, water, utilities, and any other items not provided for above. Gas and oil $ 500.00

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent. Property to be worked continuously by applicant and another miner until tunnel and shaft are completed if at all possible.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

May 21, 1951 (Name of company)

By Thomas Conway (Signature of authorized official)

(Date)

(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Thomas Conway
Post Office Box 811
Durango, Colorado

4. Applicant has had approximately three years of experience working in quartz mines and approximately one month as actual miner in coal mine. Applicant plans to obtain the services of an experienced hard rock miner to work with applicant on the property. Apllicant plans to manage the mine with the advice and suggestions of the miner to be employed.

8. Financial Statement-- Assets

House and 4 lots owned jointly with wife--Ida Conway located at 640 East 31st Street, Durango, Colorado	$ 4,000.00
Automobile	300.00
Mining Equipment	400.00
Cash for qdditional euipqment	200.00
Wages due from D. and R. G. RR	140.00
Improvements on mining claims	1,500.00
Total assets	$ 6,540.00

Liabilities

Balance owed on house	$ 875.00
Notes payable-- Burns National Bank of Durango	75.00
Miscellaneous accounts payable	100.00
Total Liabilities	$ 1,050.00
Net Worth	$ 5,490.00

10. The Gold Nugget No. 1 Lode Mining Claim, located in the Needle Mountain Mining District, the location certificate for which is recorded under reception number 199926 of La Plata County, Colorado, records, and was filed for record December 4, 1948, and recorded in Book 246 at Page 142 of La Plata County records.

The Gold Nugget No. 2 Lode Mining Claim, located in the Needle Mountain Minin g District, the location certificate for which is recorded under reception number 199925 of La Plata County, Colorado, records, and was filed for record December 4, 1948, and recorded in Book 246 at Page 141 of La Plata County records.

11. Present names are: Gold Nugget No. 1 and Gold Nugget No. 2 Lode Mining claims, anf were formerly known as the Bobby Group of claims numbered 1 to 6 inclusive.

12. The properties are located approximately four miles from the U. S. Forest Service road, however the Forest Service is building a first class trail about 500 feet from the cabin on the claims. Approximately 2½ miles thence along the Forest Service road to Colorado Highway 219, thence approximately 28 miles to the City of Durango over Colorado Highway 219.

14. There is a cabin located on the property for living quarters, adequate fuel and drilling equipment to be transported to the property.

15. There is copper smelter located at Salt Lake City, Utah, to which the ore may be shipped either by rail or truck from Durango, Colorado, where the ore may be smelted and the copper obtained.

Thomas Conway
Post Office Box 511
Durango, Colorado.

18. Little past history is known or available as to these properties however good commercial ores have been shipped from properties about two miles north and five miles east from this property.

No available production records from past operations. An assay taken August 24, 1949, of surface rock showed 1.25 per cent of copper(wet) and on September 19, 1949 an assay made of surface rock showed .58 per cent copper(wet) while a second assay taken the same day of surface rock showed 2.25 per cent copper(wet).

21. Propose to drive a tunnel approximately 200 feet on the vein and to sink a shaft approximately 100 feet in depth. The work is estimated to take approximately one year.

22. Several geologists have in the past examined this property and have appraised it as having good possibilities, however none has ever made a written report upon this area. The U. S. Geolelical Survey is reported to have made an inspection of the area and to have reported that the area had good possibilities, however nor copy of any such report seems to be available to applicant.