SEP 10 1951

Re: DMA-1713

REGIONAL DIRECTOR'S
OFFICE
REGION IV
SEP 12 1951
BUREAU OF MINES
DENVER, COLORADO

Mr. Steve Simon

Falfa, Colorado

Dear Mr. Simon:

The application of the Lone Mining Group for a loan to explore holdings of the group south of Silverton has been reviewed by the Defense Minerals Administration.

The veins on your property are in the schists, well below the rocks that have produced the bulk of the ore in the Silverton area. In general, the veins in the schist are narrower and have lower values in lead and zinc, so that they are not favorable prospects for these metals. We do not consider that the chances of finding any significant tonnage of lead and zinc in your tunnels are good enough to warrant an expenditure of funds that have been appropriated to strengthen national defense. I regret, therefore, that we are unable to approve your project.

I wish to thank you for bringing this property to our attention.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

ETMcKnight:emp
G 9-6-51

Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
R. H. Mote
Directors r. files 4214 GSA
Br. r. files 4214 GSA
Administrators r. file
DMA docket files

REGIONAL DIRECTOR'S
OFFICE
REGION IV
SEP 12 1951
BUREAU OF MINES
DENVER, COLORADO

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Memorandum

Ref DMA-1713 X
Ione Mining Group
4 mi. south of Silverton, Colorado
Exploration loan, $10,000
Lead, antimony

To: Reports and Records Unit
Administrative Management Div.

From: Chief, Lead-Zinc Branch

Subject: Denial of loan

Applicant proposes to spend 1 year in opening old tunnels and retimbering. Past working was carried on between 1878 and 1893, and have not been worked since. Early working was for silver, and applicant says that less was discarded onto dumps.

The workings, according to M. S. Burbank of the Geological Survey, are in the pre-Cambrian gneisses, below the formations that are favorable for base metals in the San Juans. The pre-Cambrian has made only an insignificant production of lead and zinc from narrow veins. The claim of antimony made by the applicant is apparently based on hearsay as to what the 1390 ore contained, and there is no evidence that any significant antimony is contained in the ores.

It is recommended that the application be denied and the enclosed letter sent to applicant.

Returned herewith are:

3 copies of MF-103, one of them accompanied by a crude sketch.

J. P. Billings, Chief
Lead-Zinc Branch

Approved:

Tom Lyon

Director, Supply Division

ETMcKnight:emp
G-9-6-51

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