IDAHO, SHOSHONE CO., DMA-816 -17
FRANK McKINLEY
GOLDEN CHEST MINE & KEENAN PROP.

USGSPO0000811

U. S. v. ASARCO No. 96-0221-N-EJL

**Sealed File** Nothing in Nothing out

FILE COPY
SURNAME:

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

June 19, 1951

Mr. Frank McKinley
622 McKinley Avenue
Kellogg, Idaho

Subject: DMA-816X
Re: Loan
Golden Chest Mine

My dear Mr. McKinley:

Receipt is acknowledged of your application and attachments of May 31, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-816X and was referred to Mr. George Holderer, Chief, Tungsten Branch on June 11, 1951.

In any future correspondence relating to your application, kindly refer to DMA-816X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL:Jeb
cc: Strobel-2
Files
Holderer
Lyon

June 18, 1951

Mr. Frank McKinley
622 McKinley Avenue
Kellogg, Idaho

Dear Mr. McKinley:

Your application for aid for an exploration project has been reviewed by the engineers in the Defense Minerals Administration.

Your application is rejected as you have not presented sufficient information and evidence to support a request for $300,000 as the Government's share in the project.

Very truly yours,

Tom Lyon

Tom Lyon
Director, Supply Division

CBHolderer:ec

CC: Adm. Reading File
Mr. Strobel
Mr. Holderer (2)
Files

6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Official

Docket No. 216-X

Commodity Tungsten

Total Amount 400,000—

Govt. Participation $300,000—

1. Name and Address of Applicant Frank McKinley
622 - McKinley Ave

2. Location of Property Kellogg, Idaho

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

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

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

5. Is the applicant's right to the property clearly stated?
(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

816-X

No exploration proposal is made herein. Past production of the mine according to USGS + USBM records was about 5,000 units (not 15,000 as given by applicant). No tungsten ore is now present in accessible workings.

Request for $300,000 loan toward a $400,000 project implies much larger tungsten possibilities than seem likely. Repayment of loan at 5% royalty would require output of 96,000 units $WO_3$ at $63.

Reject. Poor chance and no exhibits

DML
6-15-51

7. Are subordination agreements necessary?_____

   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_____

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

   c) Accessibility (question 12)*_____

   d) Water (question 13)*_____

   e) Power (question 13)*_____

   Is a field check needed on any of these points?_____

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)*_____

   Is a field check needed on this point?_____

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

   a) Is the project adequately described?_____

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

   b) Is there an adequate map or sketch of the proposed work?_____

   c) Is the proposed work "exploration" under the definition of Section 8, MO-5? No application proposed

      If not, what part of it is? exploration by applicant.

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed?_____

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

e) Are the cost estimates reasonable?_____

f) Should more information be requested from applicant?_____

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?_____ 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?_____ If so, attach a draft.

c) Are rents and charges reasonable?_____

d) Is a field check needed?_____ _____

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

a) Are there sufficient data?_____

b) Is the schedule adequate for the work proposed?_____

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

d) Are the proposed wages and salaries reasonable?_____

e) Is a field check needed?_____

14. Exhibit E (question 23-c)*

a) Is it applicable? _____

b) Sufficient data? _____

c) Reasonable? _____

d) Field check needed? _____

15. In your judgment, can the proposed work be done in the proposed time? _____

(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? No application proposal is submitted. Past production of the mine according to U.S.B.S. records was about 5,000 units - not 15,000 as given by applicant. No lease or claim present in any accessible workings. Repayment of $300,000 at 5% royalty to Bonus would require 56,000 units WO3 at 63 which is obviously impossible. No data nor exhibits furnished.

Reviewed by: J. B. Holdener
D. M. Lemmon for
JBH

Date 6/15/51



97692

6/5/51
A.E.C.

Defense Minerals Administration

Review of Application for Exploration Assistance

Denial

Docket No. 816-X

Commodity Tungsten

Total Amount $400,000—

Govt. Participation $300,000—

1. Name and Address of Applicant Frank McKinley
622 - McKinley Ave

2. Location of Property Kellogg, Idaho

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

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

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

5. Is the applicant's right to the property clearly stated?
(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

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   a) MF-201?_____

   b) MF-202_____

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

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      (Question 14 plus general knowledge of availability)*

   c) Accessibility (question 12)*_____

   d) Water (question 13)*_____

   e) Power (question 13)*_____

   Is a field check needed on any of these points?_____

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)*_____

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

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   c) Is the proposed work "exploration" under the definition of Section 8, MO-5? No exploration proposed

      If not, what part of it is? exploration by applicant.

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed?_____

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

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a) Is it applicable?_____

b) If so, are sufficient data furnished?_____ If so, attach a draft.

c) Is a field check needed?_____

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b) Sufficient data?_____ If so, attach a draft.

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

d) Are the proposed wages and salaries reasonable?_____

e) Is a field check needed?_____

14. Exhibit E (question 23-c)*

a) Is it applicable? _____

b) Sufficient data? _____

c) Reasonable? _____

d) Field check needed? _____

15. In your judgment, can the proposed work be done in the proposed time? _____

(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? No application proposal is submitted. Past production of the mine according to U.S.B.S. records was about 5,000 units at 15,000 as given by applicant. No longer was present in any accessible workings. Repayment of $300,000 at 5% royalty to Bonds would require $6,000 units WO3 at 63 which is obviously impossible. No data and no exhibits furnished.

Reviewed by: J. B. Holden
D. M. Kennedy for
JBH

Tom Lyon

Date 6/15/51



97692

Index DMA 816-X-Tungsten

Denial Transmitted to Strobel

1. 3 - Copies of MF-103
2. 3 " Report by Robt M. Lammell
3. 1 - Agreement after Preliminary Agreement.
4. 1 - Copy of letter to Applicant.

5. 1 - Copy NSRB-146

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

Dear Sir:

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

Docket No. 216-X-Mineral

Commodity Tungsten

Applicant Francis McKinley

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

Very truly yours,

Ron Lynn, Chairman
Coordinating Committee

For Bureau of Mines

For Geological Survey

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-816 A

Date received 6/5/51

Participation

Frank McKinley
622 McKinley Avenue
Kellogg, Idaho

Name and address of applicant

Date May 31, 1951

FILL IN THIS BLOCK

Date of application May 31, 1951

Estimated cost See DMA 816 Gammell report enc. $400,000.00

Mineral or metal Tungsten

Percentage of Government participation 75

Location of mine Summit Mining District Shoshone Co., Idaho

Date of filing MF-100 May 31, 1951

DMA Docket Number, if available DMA 816

## 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. No

*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. No

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

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

6. If owner, state what claims, liens, or encumbrances, if any, are against the property.

7. If lessee, attach a copy of the lease and state if it is in good standing. copy enclosed -this lease is in good standing

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. None

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)? Sufficient money is pledged contingent on this loan and future developments.

*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. See lease and DMA 816

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

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. Same All dumps excluded

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

*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. See Gammell report

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

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

15. State in detail how the ore could be shipped and how and where milled. See separate sheet

*16. History: See Gammell report and DMA 816

(*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:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Patented 5/31/51
JUN 5 - 1951
LANDON F. STROBEL
Executive Secretary

*18. Ore or mineral reserves: (If property is or has been operating.)

(*a*) Describe the ore or mineral deposits briefly. See Gammell report and DMA 816

(*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? Tungsten

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. Gammell report DMA 816

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 of the proposed openings and assay maps, sample lists, and other pertinent data. Gammell report DMA 816

## 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: This detailed information is now being compiled supplemental to information now in your hands.

(*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.

(*b*) Supervisors, by numbers and positions, with salaries of each.

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

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

(*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.

(*f*) Cost of rental for equipment which the operator proposes to rent.

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

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

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

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing the progress expected to be accomplished and the money expected to be spent. 18 months should complete the project.

## 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.

(Name of company) By (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

The scheelite occurs in a relatively high grade manner and is readily concentrated by simple gravity means. I have conducted concentration tests on this ore and find that excellent recovery and very hig-grade concentrates can be easily produced. The amount of ore developed will govern any decision as to the construction of a concentrator.

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-816 X

Date received 6/5/51

Participation

Frank McKinley
622 McKinley Avenue
Kellogg, Idaho

Name and address of applicant

Date May 31, 1951

FILL IN THIS BLOCK

See DMA 816
Gammell report enc.

Date of application May 31, 1951

Estimated cost $400,000.00

Mineral or metal Tungsten

Percentage of Government participation 75

Location of mine Summit Mining District
Shoshone Co., Idaho

Date of filing MF-100 May 31, 1951

DMA Docket Number, if available DMA 816

## 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. No

*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. No

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

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

6. If owner, state what claims, liens, or encumbrances, if any, are against the property.

7. If lessee, attach a copy of the lease and state if it is in good standing. copy enclosed -this lease is in good standing.

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. None

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)? Sufficient money is pledged contingent on this loan and future developments.

*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. See lease and DMA 816

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

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. Same All dumps excluded

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

*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. See Gammell report

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

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

15. State in detail how the ore could be shipped and how and where milled. See separate sheet

*16. History: See Gammell report and DMA 816

(*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.

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(*a*) If mine is in production, furnish the following information:

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

DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Received
JUN 5 - 1951
Executive Secretary
LANDON F. SHROBEL

*18. Ore or mineral reserves: (If property is or has been operating.)

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

(*b*) Submit available maps and assay data. See Gammell report and DMA 816

(*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? Tungsten

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

NOTE.—The Government will not participate in a project that will require more than 2 years to complete. DMA 816

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. Gammell report DMA 816

## 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. This detailed in-

(*b*) Supervisors, by numbers and positions, with salaries of each. formation is now being com-

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings. piled supplemental to

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

(*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. now in your hands.

(*f*) Cost of rental for equipment which the operator proposes to rent.

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

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

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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. 18 months should complete the project.

## 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.

By [signature]

(Name of company) (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

The scheelite occurs in a relatively high grade manner and is readily concentrated by simple gravity means. I have conducted concentration tests on this ore and find that excellent recovery and very hig-grade concentrates can be easily produced. The amount of ore developed will govern any decision as to the construction of a concentrator.

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-816 X

Date received 6/5/51

Participation

Frank McKinley
622 McKinley Avenue
Kellogg, Idaho

Name and address of applicant

Date May 31, 1951

FILL IN THIS BLOCK

Date of application May 31, 1951

Estimated cost See DMA 816 Gammell report enc. $400,000.00

Mineral or metal Tungsten

Percentage of Government participation 75

Location of mine Summit Mining District
Shoshone Co., Idaho

Date of filing MF-100 May 31, 1951

DMA Docket Number, if available DMA 816

## INSTRUCTIONS

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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. See lease and DmA 816

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

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. Same All dumps excluded

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

*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. See Gammell report

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

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

15. State in detail how the ore could be shipped and how and where milled. See separate sheet

*16. History: See Gammell report and DmA 816

(*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:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 5 - 1951
LANDON F. STROBEL
Executive Secretary

*18. Ore or mineral reserves: (If property is or has been operating.)

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

(*b*) Submit available maps and assay data. See Gammell report and DMA 816

(*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? Tungsten

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

NOTE.—The Government will not participate in a project that will require more than 2 years to complete. DMA 816

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. Gammell report DMA 816

## 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. This detailed in-

(*b*) Supervisors, by numbers and positions, with salaries of each. formation is now being com-

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings piled supplemental to

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

(*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. now in your hands.

(*f*) Cost of rental for equipment which the operator proposes to rent.

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

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

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

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. 18 months should complete the project.

## 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.

By Frank McGhee

(Name of company) (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

The scheelite occurs in a relatively high grade manner and is readily concentrated by simple gravity means. I have conducted concentration tests on this ore and find that excellent recovery and very hig-grade concentrates can be easily produced. The amount of ore developed will govern any decision as to the construction of a concentrator.

FILE COPY
SURNAME:

Bradley
Ballard

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

April 26, 1951

Memorandum

To: Landon F. Strobel, Executive Secretary

Through: Director, Supply Division

From: Tungsten Commodity Committee

Subject: DMA - 816 Frank McKinley, 622 McKinley Avenue
Kellogg, Idaho; Golden Chest Mine
Sec. 9, T.49 N., R. 5W. Shoshone County, Idaho

The applicants request for a straight loan of $219,000 for exploration and development of a former tungsten mine has been reviewed by this committee and must be denied in its present form. The following is a summary of our conclusions and recommendations:

The project might add a few thousand units of $WO_3$ to the supply. However, no tungsten ore is in sight in the mine, and it is problematical whether enough can be found to make a successful operation. The past production from this mine was about 900 units of $WO_3$ in 1907 and 4,125 units in 1916. In 1942, only small amounts of scheelite were visible in the mine workings when examined by S. W. Hobbs of the Geological Survey. The distribution of scheelite is so erratic in the vein that tungsten production can be only a minor by-product of gold production.

However, we are informing the applicant of this decision and suggesting that he may qualify for an exploration loan.

P. R. Bradley
P. R. Bradley, Jr., Chairman
Tungsten Commodity Committee

Approved:

Tom Lyon
Director, Supply Division

CC: Ad. Reading File
Mr. Lyon
Mr. Strobel
Mr. Bradley
Regional Field Team Region II
Files

TJBallard:ec

DMA 816

FILE COPY
SURNAME:

Malcolm
Ballard

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

April 23, 1951

Mr. Frank McKinley
622 McKinley Avenue
Kellogg, Idaho

In reply please refer to DMA-816
Golden Chest Mine, Shoshone County, Idaho

Dear Mr. McKinley:

Your application for a loan of $219,000 to develop tungsten ores in the Golden Chest Mine, Summit Mining district, Idaho has been considered by the Defense Minerals Administration. The mine has no measurable tungsten ore according to your description of the workings accessible in 1947, and according to a memorandum prepared by a government geologist following a brief examination in 1942. Maps of the mine and a description, based on work done in 1935, were published in 1938 by Philip J. Shenon in Pamphlet No. 47 of the Idaho Bureau of Mines and Geology. Apparently the only work done since 1935 was an extension of the Idaho No. 3 level north beneath the Katie and Dora shoots, and the sinking of a 200-foot winze on the Klondike shoot from the Idaho No. 3 level. The past history of the mine shows that the only sizeable pocket of scheelite ore was found in the Klondike shoot, above the Idaho No. 3 level.

Your proposal to repay a loan of $219,000 from 5 percent of net sales implies an expected total production of $4,500,000, plus enough to cover interest. At $65 per unit, this is roughly 15 times the 5,000 units that were produced in past operations on this property, and is a much greater production than expectable from our knowledge of the property.

In the absence of any developed tungsten ore, the Defense Minerals Administration is unable to approve the loan requested. However, you might wish to apply for an exploration loan, requirements for which include at least 25 percent participation by private capital. We are enclosing Form MO-5 concerning the regulations relative to exploration loans, 5 copies of MF-100 technical data form, and 5 copies of MF-103 exploration application form. If you care to participate in an exploration loan, please complete the enclosed forms and return four copies of each to this office.

Very truly yours,

George Malcolm

George L. Malcolm
Acting Chief, Tungsten Branch

Enclosure
DMLemmon/T.J.Ballard/mh

cc: Adm. Reading File
Strobel
~~Douglas~~
~~Moon~~
Senator Dworshak
Lemon
Field Team II
Bradley
Files

FILE COPY
SURNAME:

Malcolm Mallard
Tom Strobel: pmf

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

April 23, 1951

Hon. Henry C. Dworshak
United States Senate
Washington 25, D. C.

In reply please refer to
DMA-816 and 817

Dear Senator Dworshak:

This will acknowledge the receipt of your letter of March 6, 1951 enclosing the two applications of your constituent Mr. Frank McKinley, 622 McKinley Avenue, Kellogg, Idaho for loans on his tungsten properties.

The rather extensive information which the Geological Survey has on these properties indicates there are insufficient reserves to warrant loans of $99,000 and $219,000 on these properties.

However, it is possible they may qualify for an exploration loan, and we are writing Mr. McKinley to this effect. Copies of our letters to Mr. McKinley are enclosed.

Sincerely yours,

JAMES DOUGLAS

Acting
Administrator

Enclosures
T.J. Ballard/mh
cc: Adm. Reading File
Mr. Strobel
Mr. Douglas
Mr. Bradley (2)
Mr. Moon
Field Team II
Files ✓

DMA-816

858

April 25, 1951

FILE CONTENTS

DMA 816, Frank McKinley, 622 McKinley Avenue
Kellog, Idaho, Golden Chest Mine, Summit Manganese
District, Shoshone County, Idaho, $219,000

Referral Sheet
Letter from Henry C. Dworshak to Boyd enclosing
application. 3- 6-51
Supplemental information to accompany application
Applicatn form 146

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

[illegible], 1951

Senator [illegible]
United States Senate
Washington 25, D. C.

In reply please refer to
[illegible]

Dear Senator [illegible]:

This will acknowledge the receipt of your letter of March 4, 1951 enclosing the two applications of your constituent Mr. [illegible], [illegible] Kentucky Avenue, [illegible], Idaho for loans on his tungsten properties.

The rather extensive information which the Geological Survey has on these properties indicates there are insufficient reserves to warrant loans of $[illegible] and $[illegible] on these properties.

However, it may be that he may qualify for an exploration loan, and we are [illegible]. Copies of our letter to Mr. [illegible] are enclosed.

Sincerely yours,

Administrator

Enclosures
T.J.[illegible]/nh
cc: Adm. Reading File
Mr. Strobel
Mr. Douglas
Mr. [illegible] (2)
Mr. [illegible]
Field Team VI
Files

Let. to Mr. McKinley –
4-16-51
out (Mr. Lyons' off)
m Maguire

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

April 16, 1951

Mr. Frank McKinley
622 McKinley Avenue
Kellogg, Idaho

In reply please refer to [illegible]-216
Silver Chief Mine, Shoshone County, Idaho

Dear Mr. McKinley:

[illegible]

[illegible]

[illegible]

Very truly yours,

George Malcolm
George M. Malcolm
Acting Chief, Industrial Branch

Enclosure
FMLemon/T.J.Pallard/mh
cc: Adm. Reading File
Carroll
~~Douglas~~
~~Mann~~
Senator Dworshak
Lemon
Field Div. II
Bradley
Files

PLEASE RETURN THIS COPY TO P. R. BRADLEY
room 3624

March 1, 1951

FRANK McKINLEY

IDAHO

DMA 816

tungsten

Quinn 8/6

C

Pg 2

OK
RCB

Memo

To: Landon F. Strobel, Executive Secretary

Through: Director, Supply Division 666

From: Tungsten Commodity Committee

Subject: DMA 816 Frank McKinley, 622 McKinley Ave.
Tungsten Kellogg, Idaho; Golden Chest Mine
Sec. 9, T. 49 N., R. 5 E. Shoshone County,
Idaho.

The applicant's request for a straight loan of $219,000 for exploration and development of a former tungsten mine has been reviewed by this committee and must be denied in its present form. The following is a summary of our conclusions and recommendations:

The project might add a few thousand units of $WO_3$ to the supply. However, no tungsten ore is in sight in the mine, and it is problematical whether enough can be found to make a successful operation. The past production from this mine was about 900 units of $WO_3$ in 1907 and 4,125 units in 1916. In 1942, only small amounts of scheelite were visible in the mine workings when examined by S.W. Hobbs of the Geological Survey. The distribution of scheelite is so erratic in the vein that tungsten production can be only a minor by-product of gold production.

However, we are informing the applicant of this decision, and suggesting that he may profit

for an exploration loan.

PRB. Jr
Chairman, Livingston
Commodity Committee

Approved:

# File Contents

DMA 816, Frank McKinley, 622 McKinley Ave. Kellogg, Idaho, Golden Chest Mine, Summit Mng. Dist., Shoshone County, Idaho, $19,000

Referral sheet

Letter from Henry C. Dworshak to Boyd enclosing applications

Supplemental information to accompany application.

Application form 186

Draft

DMA-816
Tungsten

A. Applicant: Frank McKinley
622 McKinley Ave.
Kellogg, Idaho

B. Property: Golden Chest Mine
Sec. 9, T. 49 N., R. 5 E.
North side Pritchard Creek
1.5 miles SE from Murray, Shoshone County, Idaho.

C. Conclusions

1. This project might add a few thousand units of $WO_3$ to the U.S. supply.

2. An exploration program is required, details for which have not been submitted. No tungsten ore is in sight in the mine, and it is problematical whether enough can be found to make a successful operation.

3. Requirements for equipment and labor can be met.

4. The applicant proposes government financing without private participation.

5. Competence of applicant is unknown.

D. Recommendations

The applicant should be informed that DMA will make exploration loans only on a participation basis. A letter to this effect has been prepared for signature of the Director, Supply Division.

If application is made for an exploration loan, the proposal should be referred to the field team, Region II (Spokane) for recommendations.

E. Applicant's Proposal

A straight loan of $219,000 for exploration and development of an old mine that formerly produced some tungsten. Funds to be used for surface trenching ($6,000), diamond drilling ($16,000), sinking, drifting and cross cutting ($90,000), mine rehabilitation ($30,000), equipment ($55,000), and surface buildings and water system ($22,000).

F. The proposal might increase the domestic tungsten supply by a small amount, but not in proportion to the funds and equipment required.

G. Technical feasibility

1. Reserves of tungsten ore are lacking. Past production of tungsten from this mine was about 900 units of $WO_3$ in 1907, 4,125 units in 1916. In 1942, only small amounts of scheelite were visible in the mine workings when examined by S. W. Hobbs of the Geological Survey. The only sizeable pocket of scheelite-bearing vein was in the Klondike shoot. A 200-foot shaft sunk in this shoot from the Idaho No. 3 level provided a little sorted scheelite ore, but no unusual concentrations similar to the pocket mined above this level. The distribution of scheelite is so erratic in the vein that tungsten production can be only a minor by-product of gold production. The success of any exploration program for tungsten is problematical.

2. Scheelite produced in the past from this mine is reported to have been pure and readily marketable.

H. Availability of project requirements

1. No equipment on property. Mine is developed by the Idaho No. 3 adit level, from which a 200-foot winze was sunk on the Klondike shoot. These workings are inaccessible in 1951, according to applicant.

2. Equipment required, although not listed by applicant, can probably be purchased.

3. The mine is on a road.

4. Manpower required is 12 to 14 men, available locally.

5. Power is available at mine.

I. Financing

1. Applicant proposes straight loan of $219,000 repayable from 5 percent of net sales.

2. Only collateral is equipment to be purchased from the loan funds.

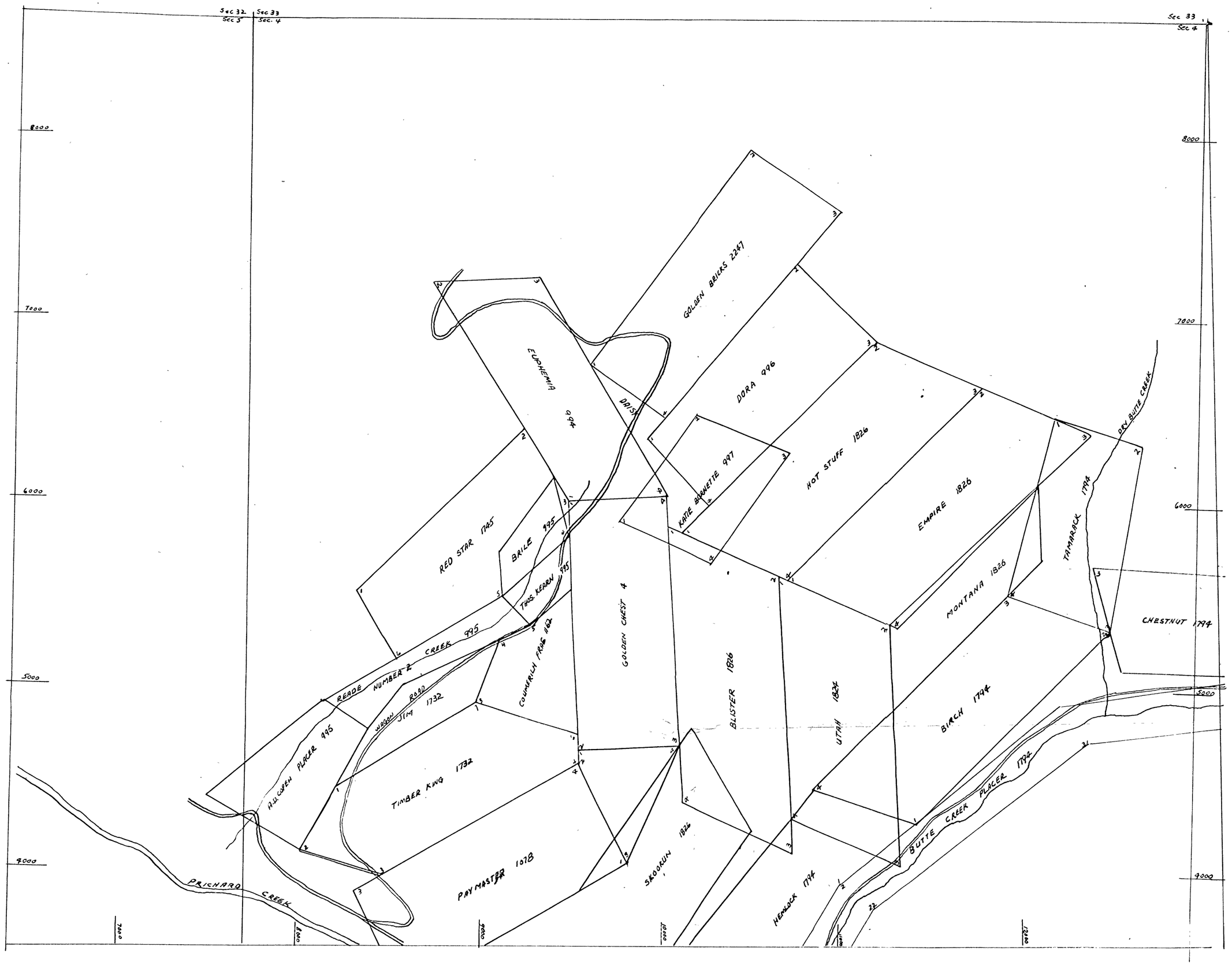
3. The proposed repayment rate would require an output of $4,500,000 to satisfy the loan, without interest.

J. Competence of applicant is unknown.

K. Application was submitted through Senator Dworshak, with covering letter dated March 6, 1951.

DMLemmon

3/20/51




CLAIM MAP - GOLDEN CHEST

FROM OLD SURVEY SCALE 1"=400'

FIG I

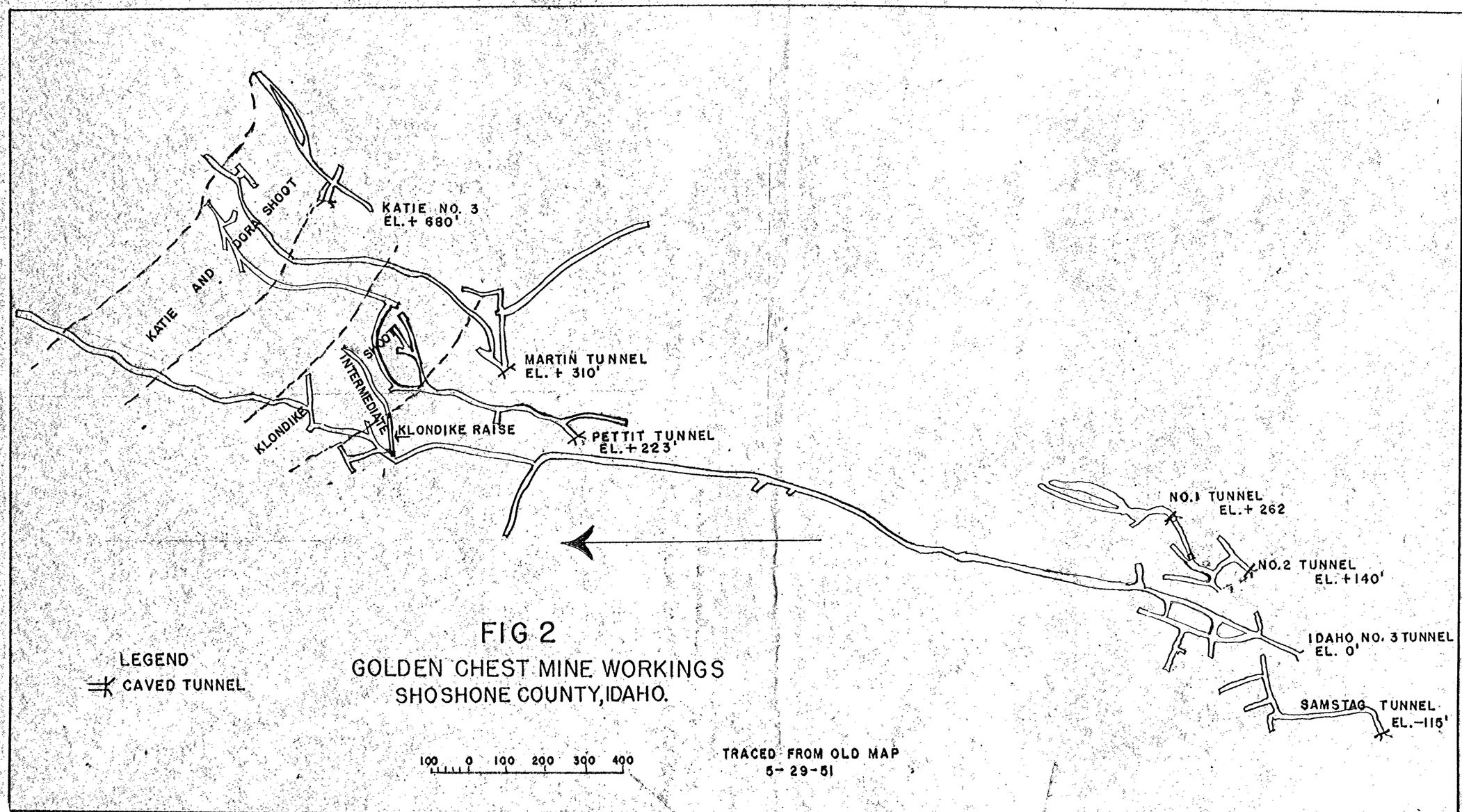



FIG 2
GOLDEN CHEST MINE WORKINGS
SHOSHONE COUNTY, IDAHO.

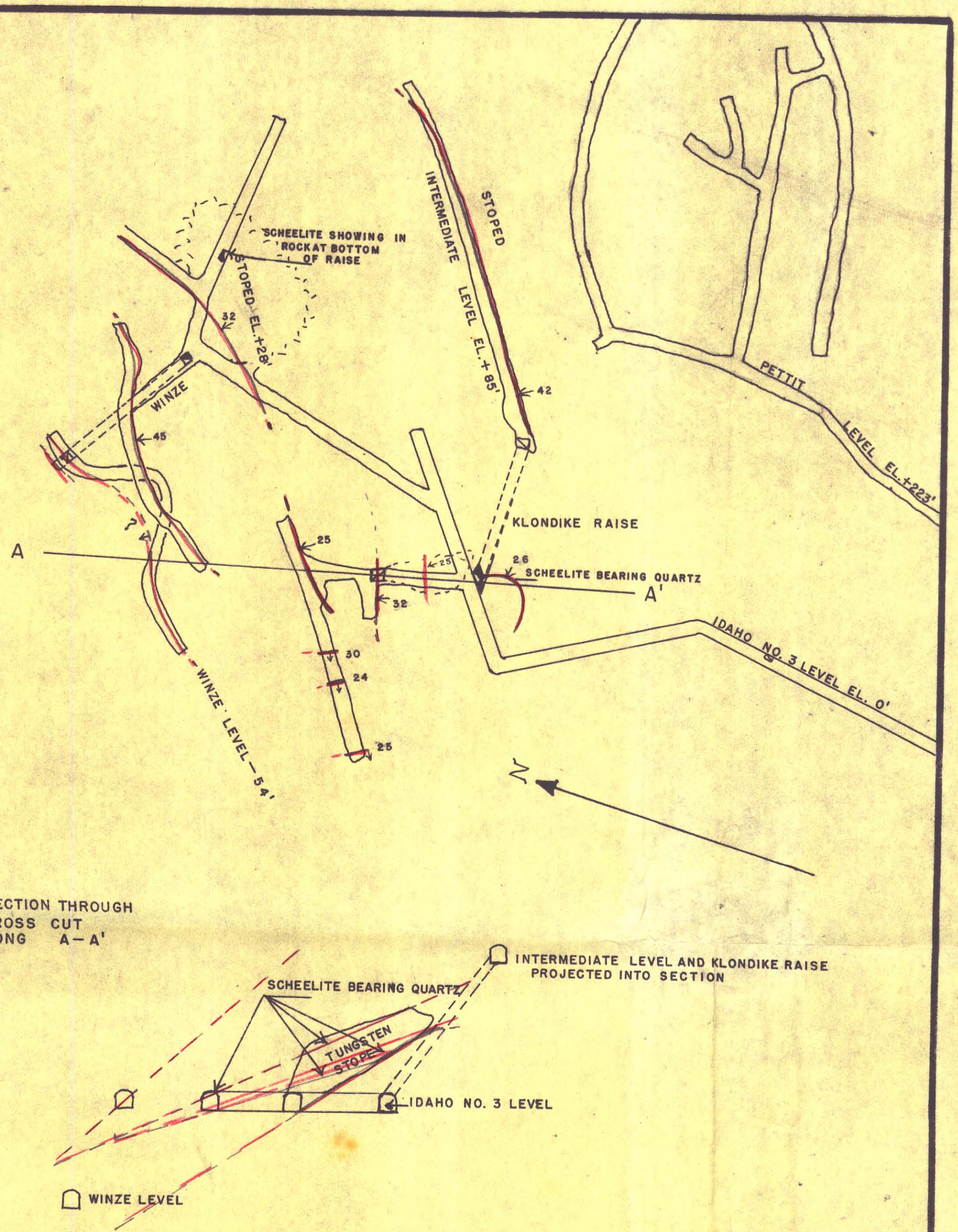



FIG 3

LEGEND

DIP & STRIKE OF QUARTZ

ADVANCE MAP

KLONDIKE WORKINGS OF THE GOLDEN CHEST MINE

MURRAY, IDAHO.

SCALE 1" = 50 FEET

COMPILED FROM VARIOUS MAPS AND CHECKED WHERE POSSIBLE BY ROBERT M. GAMMELL 5-28-51