FILE COPY
SURNAME:

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

June 29, 1951

Mr. A. E. Petermann
Vice President
1 Calumet Avenue
Calumet, Michigan

Subject: DMA-1413X
Re: Exploration Loan - Centennial

My dear Mr. Petermann:

Receipt is acknowledged of your application and attachments of June 23, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1413X and referred to Mr. J. B. Gowen, Chief, Copper Branch on June 28, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1413X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

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

FILE COPY
SURNAME:

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

June 15, 1951

Mr. Donald Nasburg
Partner
Scandia Mining Group
32 E. 29th Avenue
Spokane, Washington

Subject: DMA-1413X
Re: Exploration Loan
Scandia, Triangle Claim

My dear Mr. Nasburg:

Receipt is acknowledged of your application and attachments of May 24, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1413X and was referred to Mr. Otto Herres, Chief, Lead-Zinc Branch on June 4, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1413X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL:js
cc: Strobel-2
Files
Herres
Lyon

FILE COPY
~~SURNAME:~~

McKnight
Mote
Hedrick

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

JUN 13 1951

Re: Docket DMA-1413X
Scandia Mining Group
Northport Mining District
Washington
Lead-zinc
Exploration loan

AIR MAIL

Mr. A. E. Weissenborn
Executive Officer, DMA Field Team
Region II
South 157 Howard Street
Spokane 8, Washington

Dear Mr. Weissenborn:

This property needs a field examination to see if geologic conditions are such as to justify the small loan requested. The property is in a favorable district but it is possible that the ore occurrences are not such as would justify the small amount of work proposed. It is also possible that the proposed work may not prove very much.

If the project is thought worthy of the small amount of exploration proposed, a sketch map is needed to show the relation of the proposed work to the ore occurrences.

Very truly yours,

[illegible]

Chairman
Coordinating Committee

Lowell B. Moon
for the Bureau of Mines

Olaf N. Rove
for the Geological Survey

ETMcKNIGHT:emp
G 6/12/51
Copies to: Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
R. H. Mote
L. F. Strobel
Directors r. file 4214 GSA
Br. r. file 4214 GSA
Files

FILE COPY
SURNAME:

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

JUN 13 1951

Re: Docket DMA-1413X

AIR MAIL

McKnight
Hobbs
Lyon
Moon

Scandia Mining Group
32 E. 29th Avenue
Spokane, Washington

Gentlemen:

Your application (Docket DMA-1413X) for a Government loan under the provisions of the Defense Production Act of 1950 has been reviewed by the Lead-Zinc Branch of the Defense Minerals Administration. Before final decision can be taken on your request it will be necessary to obtain additional information on your property. Your application, therefore, has been referred to Mr. A. E. Weissenborn, Executive Officer of the Field Team, South 157 Howard Street, Spokane 8, Washington, with the request that the needed information be supplied to us.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

ETMcKNIGHT:emp
G 6/12/51
Copies to: A. E. Weissenborn, Region II (2)
Chief, Lead-Zinc Br.
R. H. Mote
L. F. Strobel
Tom Lyon
Directors r. file 4214 GSA
Br. file 4214 GSA
Files

Form MF-103
(April 1951)

Withdrawn Move to 1207

U. DEPARTMENT OF THE INTER
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-1413X

Date received 6/27/51

Participation

CALUMET AND HECLA CONSOLIDATED COPPER COMPANY
CALUMET DIVISION
1 CALUMET AVENUE
CALUMET, MICHIGAN

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 27 1951
LANDON F. STROBEL
Executive Secretary

Name and address of applicant

Date June 23, 1951

FILL IN THIS BLOCK

Date of application June 23, 1951

Estimated cost ~~$110,744~~ 110,844.00

Mineral or metal Copper

Percentage of Government participation 50%

Location of mine Houghton County, Michigan

Date of filing MF-100 May 14, 1951

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?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
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.

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.
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)?

*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.

(*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 of work necessary to perform the exploration in that area.

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

*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.

*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.

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

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

*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:

| | *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.)

(*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?

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

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.

(*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 progress expected to be accomplished and the money expected to be spent.

## 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.

CALUMET AND HECLA CONSOLIDATED COPPER CO.
CALUMET DIVISION
(Name of company)

By M. E. Petermann
(Signature of authorized official)

June 23, 1951
(Date)

Vice President
(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

CALUMET AND HECLA CONSOLIDATED COPPER COMPANY
CALUMET DIVISION
CALUMET, MICHIGAN

Form MF-103

Centennial No. 2 - 48th Level South Drift

1., 2., 3., and 4., Answered on Form MF-100

5. Owner

6. None

7. Not applicable

8. Statements attached as EXHIBIT "A"

9. $55,372 (50% of cost)

10.(a) The Southwest quarter (SW¼) of Section Twelve (12)
The Northwest quarter (NW¼) of Section Thirteen (13)
Township Fifty-six North, Range Thirty-three West (T56N, R33W),
Houghton County, Michigan

(b) That portion of the Kearsarge lode lying 150 feet above and below the 48th level south drift, measured on the incline of said vein and extending laterally 3,600 feet in a southerly direction 3,600 feet from draft mark 1,180 in said drift.

11. Centennial

12. Located one mile north of Calumet, Michigan on a paved highway. Served by Applicant's railroad.

13. Water from Applicant's pumping plants on Lake Superior--adequate at all seasons. Power from Applicant's two power plants.

14. Centennial is an operating mine and has all necessary facilities.

15. Ore will be shipped on Applicant's railroad to Applicant's Ahmeek mill for treatment.

16.(a) The Centennial shaft is now operating and producing approximately five million pounds of copper per year. Applicant has been extending the 23rd level south for the purpose of exploring the Kearsarge lode south of the present operations. Operations have not been suspended except briefly from time to time.

(b) This exploration is on the Kearsarge lode immediately adjacent to the Centennial shaft. The Kearsarge lode has produced in the neighborhood of two billion pounds of copper over the past 60 years, and is still producing at the rate of about thirty million pounds per year.

(c) No reports available.

17. While the mine is in production, no production is coming from the area it is proposed to explore.

18. There are no known reserves in the area in question.

19. No unusual circumstances.

20. It is intended to explore for copper in the Kearsarge lode at depth and south of present explorations.

21. The 48th level south drift at the Centennial shaft will be extended a distance of 3,600 feet in the Kearsarge lode. Progress will be about 150 feet per month and the project will be completed in 2 years from the contract date.

22. The Kearsarge lode has been one of the most productive lodes in the Michigan copper area. It has been and is being mined over a distance of about 7 miles, from the Centennial mine at the south to the Seneca mine at the north. This exploration is intended to find out whether there are values in the Kearsarge lode south of present operations at depth.

23. See following sheet.

24. First month through 22nd month - $4,844.25 per month; 23rd month - $4,060.50.

CALUMET AND HECLA CONSOLIDATED COPPER COMPANY
CALUMET DIVISION
CALUMET, MICHIGAN

23. In accordance with our customary practice, costs are calculated on a footage basis, as follows:

| | Cost per Foot |
|---|---|
| Direct labor | $13.34 |
| 2 miners | |
| 2 trammers | |
| 1 laborer | |
| Equipment maintenance | .21 |
| Supplies | 9.51 |
| Air, electric power, payroll taxes | .91 |
| Timekeeper, workmen's compensation, insurance benefits, vacation allowances | 1.61 |
| Supervision | 1.10 |
| Mine captain | |
| 2 shift bosses | |
| Change house and surface expense | .14 |
| Hoisting | 1.57 |
| Poor rock disposal | .98 |
| Shaft repairs | .19 |
| Depreciation of equipment | 1.23 |
| Cost per foot | $30.79 |

**3,600 feet @ $30.79 per foot = ~~$110,744~~**

EXHIBIT A.

CALUMET AND HECLA CONSOLIDATED COPPER COMPANY

BALANCE SHEET AT DECEMBER 31, 1950

## A S S E T S

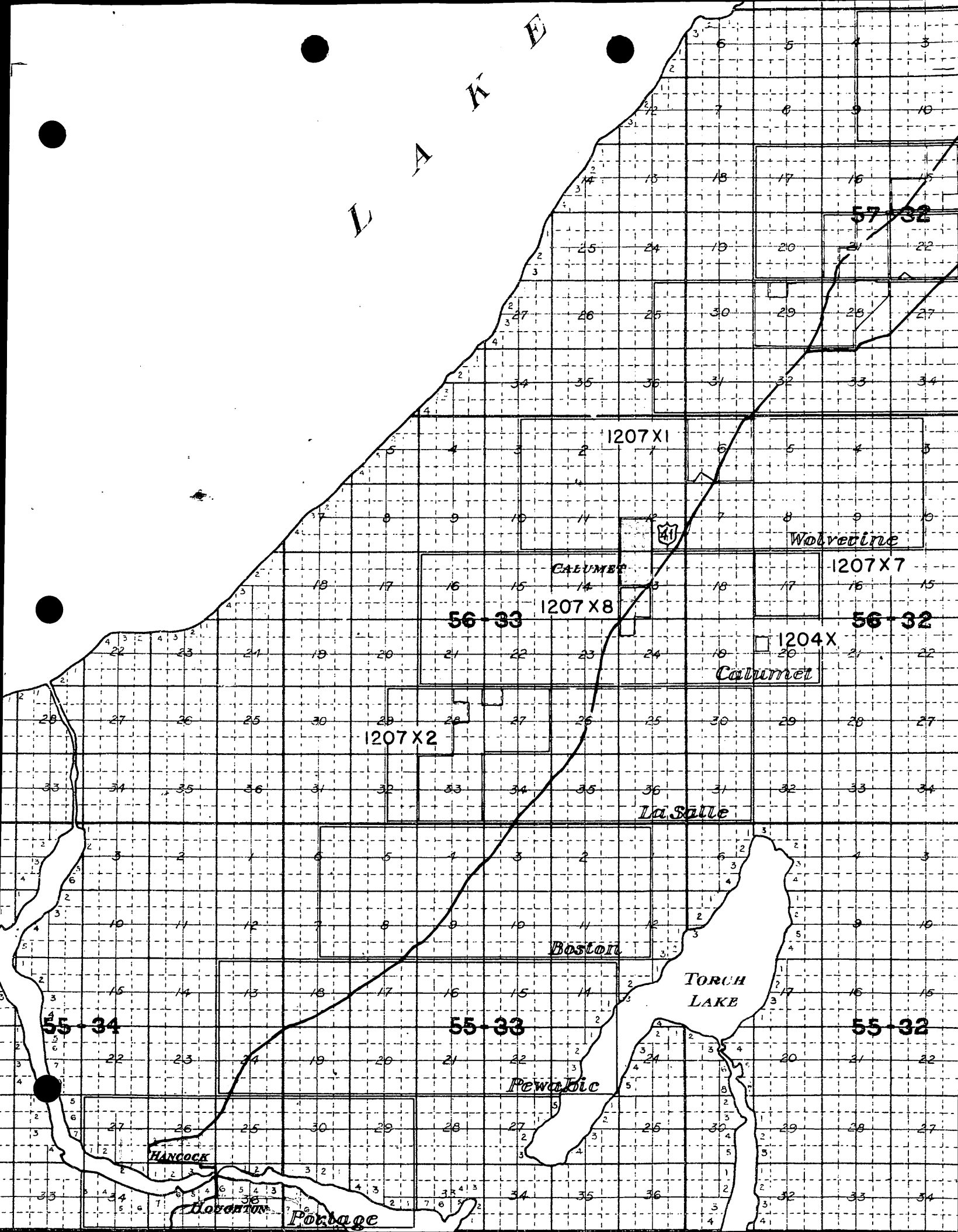
| | |
|---|---|
| **Current Assets** | |
| Cash | $ 6,028,695 |
| Federal, State and Municipal Securities | 2,050,000 |
| Accounts Receivable | 4,024,165 |
| Inventories | 8,320,871 |
| Marketable Securities (at cost) | 6,392 |
| Total Current Assets | 20,430,130 |
| **Capital Assets** | |
| Land and Land Improvements (at cost) | 3,635,312 |
| Stumpage and Timberlands (at cost) | 462,205 |
| Mine Lands (at cost of ore in place) | 9,550,125 |
| Plants and Equipment (at cost less amounts charged to past operations as depreciation) | 15,241,759 |
| Total Capital Assets | 28,889,401 |
| **Other Assets** | |
| Investment in Affiliates (at cost or less) | 380,773 |
| Explorations and Mineral Properties in Development | 471,366 |
| Charges to Future Operations (net) | 262,498 |
| Federal Tax Carryback Credit (1949) | 475,000 |
| Federal Tax Claims (1943-1945) | 211,140 |
| Total Other Assets | 1,800,777 |
| TOTAL ASSETS | $51,120,308 |

## L I A B I L I T I E S

| | |
|---|---|
| **Current Liabilities** | |
| Accounts Payable | $ 3,094,745 |
| Bank Loans due in 12 months | 400,000 |
| Taxes Payable and Accrued | 3,737,742 |
| Total Current Liabilities | 7,232,487 |
| **Deferred Liabilities** | |
| Employment Contracts | 57,780 |
| Bank Loans due after 12 months | 1,300,000 |
| Insurance Company Loans due 1955 to 1964 | 5,700,000 |
| Total Deferred Liabilities | 7,057,780 |
| TOTAL LIABILITIES | $14,290,267 |
| Shareholders' Equity | 36,830,041 |
| TOTAL LIABILITIES and EQUITY | $51,120,308 |

## CONDENSED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 1950

| | | |
|---|---|---|
| Revenue from processing and selling metals and metal products | | $46,948,761 |
| Operating Costs - Production | $32,807,436 | |
| - Freight, Selling, Admin. & Corporate Taxes | 4,967,842 | 37,775,278 |
| Net Operating Income | | 9,173,483 |
| Other Income | | 1,063,605 |
| Total Income | | 10,237,088 |
| Other Charges | | 1,115,018 |
| Net Gain before Depreciation, Depletion and Federal Taxes based on income | | 9,122,070 |
| Depreciation | $1,303,137 | |
| Depletion | 375,499 | 1,678,636 |
| Net Gain before Federal Taxes | | 7,443,434 |
| Provision for Federal Income and Excess Profits Taxes | | 3,600,000 |
| NET GAIN CARRIED TO EARNED SURPLUS | | $ 3,843,434 |


LAKE
57-32
1207X1
41
Wolverine
CALUMET
1207X7
1207X8
56-33
56-32
1204X
Calumet
1207X2
La Salle
Boston
TORCH
LAKE
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Pewabic
HANCOCK
HOUGHTON
Portage

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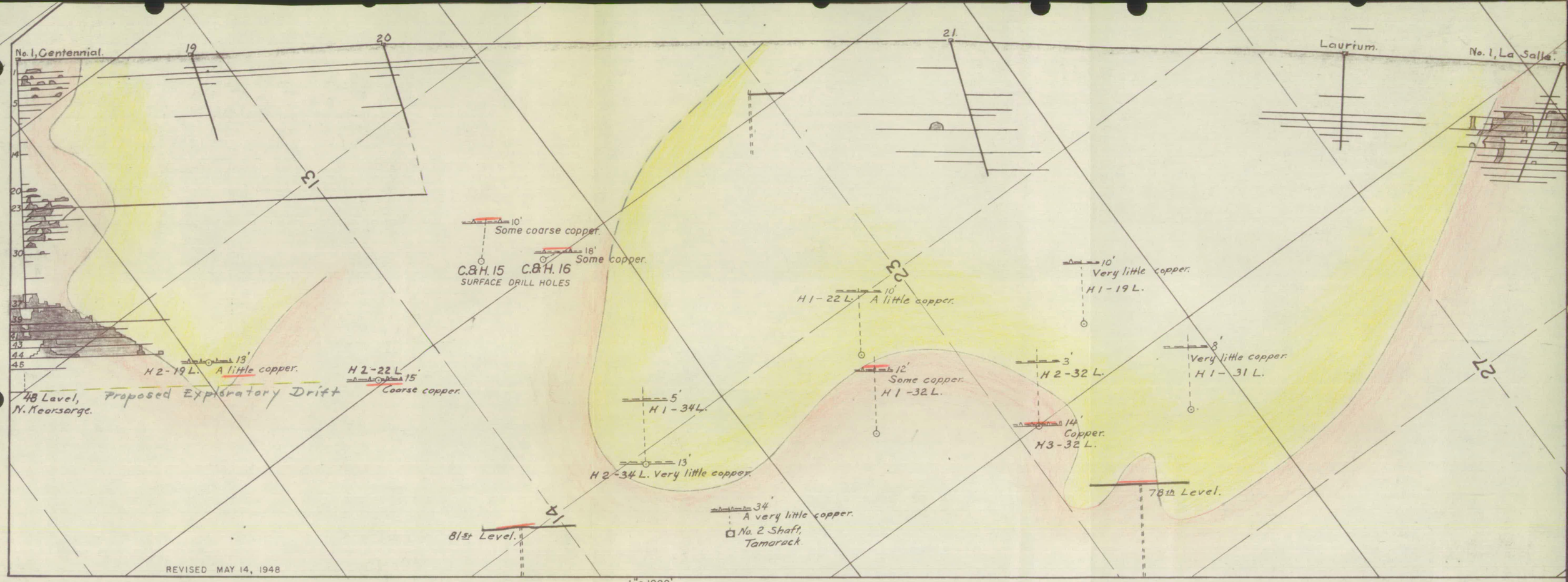


PLAN AND SECTION

# KEARSARGE AMYGD. EXPLORATION

Scales 1 in = 200 & 1000 ft. August, 1931.

**Calumet and Hecla Consolidated Copper Co**

GEOLOGICAL DEPARTMENT