MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration
GEOLOGICAL SURVEY

OFFICIAL DOCKET FILE

Contract No. 14-23-_____ Docket No. MME-6566

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [ ] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with Transmittal, Narrative and Maps

Folders No._____: Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty Material

52615

MME Form 40
Jan. 65

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICE COPY
C. M. F.
RECEIVED
AUG 2 1966
MINERALS CODE

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85–701 (72 Stat. 700; 30 U.S.C. 641)

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*

Monarch Minerals, Inc.

Box 33. Helena, Montana 59601

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6566

DATE RECEIVED: 8-4-66

REGION: I

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [x]
- PARTNERSHIP [ ]
- OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED: Mont.

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
D. L. Casey Jones	524-1st Helena	Pres.Gen.Mgr.
Herman Ingman	819 Gilbert "	Secty.

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Copper-Silver

ESTIMATED COST OF PROJECT: $100,000. plus mill later

PROPERTY NAME	LOCATION COUNTY	STATE
Monarch Mine	Powell	Montana

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior,* ~~Washington, D.C., or with the nearest OME Field Office.~~ Washington, D. C., 20242, or with the nearest OME Field Office.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

DATED

BY *(Signature)*

TITLE

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. Physical Description:

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves, giving quantities and grades and sampling methods used. Support your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *land boundaries* or to the closest identifiable corner.

(b) If an access road must be built, show the proposed location on the property map and state the length, type and construction methods proposed.

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. (*Note*—If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant which will be used in the exploration work.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration work, stating specifications and cost including labor, materials, and supervision.

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(e). Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories. [*Note*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

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

1 (a) As to credit for mining operations, it has been years since any local bank has made any mineral loans, if it becomes necessary for this application to be considered, I will obtain letters to this matter.
(b) None
(c) To furnish share of cost would have to raise money by sale of stock. This matter would be difficult in Montana.

2 (a) Monarch Minerals,Inc. is owner of twelve(12) mineral claims, with no liens or other encumbrances.
(b) These claims are located in Sections 30&31,R. 6 W; Tp. 8 N. in Powell County, Montana, recorded Book 56, pages 102-104-106 & 108 in Clerk & Recorders Office,Deerlodge,Mont. The property has been known for 60 years as Monarch Mine.
(c) None

3 (a) Maps & data on workings are in OME office sent there by Industry Materials Division of GSA
(b) Iam principal owner of Monarch Minerals,Inc. its Pres.& general manager.
(c) According to USGS Bul #842 production was over Million Dollars from Big Shaft mainly from Silver*lead Ore, now at depth in Silver*Copper with about equal values.Shipping records are with GSA questionnaire.
(d) We have vein system in lower tunnel with about 450 ft. of backs to surface, we have known gold values from Anaconda assay map on upper tunnel. S. Standish who drove 1100 ft. of lower tunnel and shipped 690 tons of ore from that level that averaged over 5% Copper & over 20 oz. of Silver per ton, in his report estimated 57,000 tons of ore between tunnels and above extension of lower tunnel to get under production area of Big Shaft. According to difference in matal prices this Ore would now be worth over Five Million Dollars, mainly in Copper-Silver values. Maps etc are with GSA application.
(e) Bison Ridge running about 18 degrees E. of N. from Bison Mt. has an E-W vein structure. On W. is Andesite, then Contact Zone about 200 ft. in width on surface,on E. is Quartz Monzonite. As this is only such formation on W. side of Continental Divide,I believe this ridge to be part of Boulder Batholoith pushed up thru said Divide. There is no true divide from Bison Mt. to Josehine Mine where Divide again appears. We have probably 10 or 12 veins on Bison ridge only two or three explored to date, mainly Monarch which we have proved to extend E. of Contact Zone for 600 to 1000 ft. by surface cuts only,should be diamond drilled.
(f) Forbes Robertson made a geochemical survey of this area for his doctorate, found extremely high Silver showing.He is now at Principia College,Elsah, Illinois. John Roos(retired from Natl. Lead found Copper vein that assayed 29% Copper in 6 or 8ft pit, we cut it with Traxcavator, should be drilled and lower tunnel extended to cut it.We have dozen or more surface bulldozer cuts that show veins.
(g) GSA has three copies of data.

4. (a) DL Casey Jones will be available for OME inspection, ph. Area 406-442-4306 or write P.O.Box 33, Helena , Montana.
(b) Shipping point would be Elliston Montana. Supply points would be Helena and Butte.

5. (a) We would like to make an extension of lower tunnel to cut Ore under Big Shaft and to cut Roos Copper vein at 450 ft. level about 300 ft. of tunnel, then a raise from lower to upper tunnel of 250 ft. At back of present tunnel would cost close to $40. per ft. We should diamond drill from north to cut veins at from 200 to 450 feet. Then drill from close to Big Shaft to cut at lower tunnel level. To clearly define vein extension to E. of Contact Zone we should drill from 1500 to 4000 feet, depending on f indings as we progress. Cost of rehabilitating lower or #2 tunnel @ $4000. plus tunnel extension & raise would cost $25,000. Diamond drilling would cost $10. per foot or $15,000. to $40,000. After diamond drilling might have to bulldoze quarter mile road to tunnel site on one known vein. If money is available under the GSA Copper Expansion we could be have all this work done ready for mill installation and production this fall.

6 I have done work as owner & manager, have two men with over 20 years experience to depend on, one was in charge of production with daily output of 1000 tons.

7 If arrangements can be made thru incentive GSA contract to finance our operation, then I will have detailed estimate of costs made. We would rather buy equipment, do our own drilling, probably hire big bulldozer for few days at time. We would need two or three cabins, logs available right at camp. The only other buildings we would need would be compressor house (steel) dry house & shop. That is until mill installation.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/16	Johnson	
3/17	Kilgoard	
3/17	Cryan	

MAR 17 1967

Hon. Arnold Olsen
House of Representatives
Washington, D. C. 20515

Dear Mr. Olsen:

This is in response to your memorandum of March 9 to Congressional Liaison, Department of the Interior, enclosing a letter to you dated February 31 and other material from Mr. D. L. Casey Jones, President, Monarch Minerals, Inc., Helena, Montana.

Mr. Jones requests a loan for a drilling program to explore the Monarch Mine in Powell County, Montana. If Mr. Jones now believes he can qualify for participation in the exploration assistance program and can furnish his share of the necessary funds, we shall be glad to reopen his application (Docket OME-6566). In order to do this he should furnish complete details on the work he proposes to do, including costs for doing such work, supported by the required information listed on the back of the application form (copy enclosed).

You may be assured that if Mr. Jones submits the requested information it will be given careful and prompt attention.

Mr. Jones' letter to you and enclosures are returned as requested.

Sincerely yours,

Arthur A. Baker

Acting Director

cc: General files
Division file
Director's chron. file
Economic Geology file
OME file
OME reading file
OME Region I

Enclosures

FEJohnson/bih 3/16/67

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CONFIDENTIAL
DEPARTMENT OF THE INTERIOR
Washington, D.C. 20240

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MME Form 7
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1/27/67	Kirkemo	
1/27	Kilogard	
1/27	Nyp	
	Baker	

FEB 3 - 1967

6566

Dear Mr. Olson:

At the request of Secretary of the Interior, Stewart L. Udall, we have had a review made of your file on Mr. D. L. Casey Jones of Monarch Minerals, Inc., of Helena, Montana, contained in your letter of January 17 to the Secretary.

The property of Monarch Minerals, Inc. was examined by a representative of the General Services Administration in August 1966, relative to the Copper Expansion Program, but apparently it did not offer sufficient immediate production possibilities for participation in this program.

Also, during August 1966, a representative of the Office of Minerals Exploration visited Mr. Jones in Helena and discussed with him the application of Monarch Minerals, Inc. for financial assistance in minerals exploration, which you had previously forwarded to this office in behalf of Mr. Jones. At that time Mr. Jones informed the OME representative that he would not furnish his share of the cost of the proposed exploration and would not qualify for assistance under the program.

If the circumstances have changed, and Mr. Jones now finds he is in a position to participate in the program, he can reopen his application by submitting in detail to OME the required information outlined on the back of the enclosed application form.

Your file on Mr. Jones is returned.

Sincerely yours,

(Sgd) J. Cordell Moore

Assistant Secretary of the Interior

cc: Secretary's file
Secretary's reading file (2)
MR (2)
General files
Division file
Director's chron. file
Economic Geology file
OME file
OME reading file
OME Region I w/cy Cong.Olson's ltr.

Hon. Arnold Olson
House of Representatives
Washington, D. C. 20515

VEJohnson/bih 1/27/65

Enclosures

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January 1[illegible]

[illegible] Johnson
[illegible] office of [illegible]

[illegible] note in the letter,
[illegible] poems directed at
[illegible] any events can vary [illegible]
[illegible] letter [illegible]
[illegible] Mrs. [illegible]

[illegible] Barnett

JAN

Dear Arnold:

I have your letter of January 17 in which you ask about assistance for the reopening of gold property in Montana held by Mr. D. L. Casey James of Helena.

We have a gold assistance program here in the Department. I shall ask the experts to look over the correspondence and to give you our best advice.

Sincerely yours,

Stewart L. Udall

Secretary of the Interior

Hon. Arnold Olsen
House of Representatives
Washington, D. C. 20515

FBurnett:pr 1/19/67

cc: MGS w/incoming
DCCO

16069 176107

ARNOLD OLSEN
1st District, Montana

Room 1025, Longworth Building
Phone 225-3211

MGS

Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEES:
POST OFFICE AND CIVIL SERVICE
PUBLIC WORKS

SUBCOMMITTEES:
POSTAL FACILITIES AND MECHANIZATION, CHAIRMAN
CENSUS AND STATISTICS
POSTAL RATES
COMPENSATION
FLOOD CONTROL
WORKS

MGS
1/18/67

Dear

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Yo[illegible] will be [illegible]

Wi[illegible]

Ad[illegible]

Eric

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/30		110
		120
		220

AUG 30 1966

Mr. D. L. Casey Jones
President
Monarch Minerals, Inc.
P. O. Box 33
Helena, Montana 59601

Re: OME-6566 (Copper-Silver)
Monarch Minerals, Inc.
Monarch Mine
Powell County, Montana

Dear Mr. Jones:

At the request of Senator Mike Mansfield, we arranged to have our Field Officer, Mr. D. R. MacLaren, visit with you in Helena to discuss your application for financial assistance to explore the Monarch mine.

We understand that you informed Mr. MacLaren that you could not finance your share of the proposed exploration and were certain that you could not qualify for participation in the program. Under the circumstances, there appears to be no point in further processing your application and, therefore, we shall consider it as having been withdrawn. If at some future time you believe that you are in a position to participate in the program, we shall be glad to consider a new application. Such an application must be supported by the required information outlined on the back of the application form.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region I

FEJohnson/bih 8/30/66

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
August 23, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 25 1966
INITIALS CODE
~~120~~
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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6566 (Copper-Silver)
Monarch Minerals, Inc.
Monarch Mine
Powell County, Montana

An undated, unsigned, and incomplete application for OME assistance to explore for copper-silver ore at the Monarch mine was submitted by D. L. Casey Jones, Box 33, Helena, Montana 59601. The Monarch mine is the subject of a DMEA application for which an examination report by Darrell M. Pinckney, Geological Survey, may be found in Docket No. DMEA-4437 (denied without prejudice).

In the present application the statement is made under item 1(c): "To furnish share of cost would have to raise money by sale of stock. This matter would be difficult in Montana." Because of the question thus raised as to the applicant's ability to furnish his share of the costs of any OME program that might be worked out, the Field Officer, OME, Region I, was instructed to try to meet with Mr. Jones during his next trip into the Helena area. This was done on the afternoon of August 17, 1966.

According to Mr. Jones, when he learned of the Copper Expansion Program, he requested the General Services Administration to consider the Monarch Minerals, Inc., as a possible recipient of aid to extend the "lower tunnel" to cut the downward extension of a known ore body below the bottom level of the "Big Shaft" and the Roos copper vein about 250 feet below the upper tunnel; to raise 250 feet on the vein to the "upper tunnel;" and to do 1,500 to 4,000 feet of diamond drilling to outline and sample the expected ore bodies. He ends his sketchy description of his proposed work with the statement: "If money is available under the GSA Copper Expansion we could be have all this work done ready for mill installation and production this fall."

During the interview with Mr. Jones, he stated flatly that he did not have the funds to finance his share of the cost under an OME project and that he was certain he could not qualify for aid under that program. He had submitted the application only because he was advised to do so. He is mildly hopeful that possibly the GSA would furnish

the operator's share of the cost. He was told that, although the manner in which the Copper Expansion Program would operate was not known, it was very doubtful that a Government agency would supply the operator's share of the cost of an OME project.

Mr. Russell Richards, mining engineer for GSA, was in Helena and had visited the Monarch mine August 16, 1966. When we met that evening, he did not seem to be too impressed with the Monarch mine as a potentially significant copper producer, but he did not meet Mr. Jones until the next morning. When I met Jones in the afternoon, he stated that Richards felt that diamond drilling followed by crosscutting, drifting, and raising was definitely warranted. I have not seen Richards since he talked with Jones.

From what Richards saw and from what Jones said the only work that has been done on the property since Pinckney's inspection has been a small amount of surface work. The underground workings reported by Pinckney as caved are still caved.

The way it now stands, Jones will await word from GSA. If they cannot help him, he may apply for OME aid but only if he can be sure of acquiring in some way his share of the cost of his proposal. It is recommended that he be advised that, since he cannot meet his share of the project cost his present application be denied.

D. R. MacLaren

Distribution:
OME(Orig.&1)
USGS(SRO)
Docket
MacLaren

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
August 23, 1966

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6566 (Copper-Silver)
Monarch Minerals, Inc.
Monarch Mine
Powell County, Montana

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D. R. MacLaren

Distribution:
OME(Orig.&1)
USGS(SRO)
Docket
MacLaren

MME Form 7
(2/63)

OME

OFFICIAL FILE COPY

Date	Surname	Code
8/9	Johnson	
8-10	Weeks	
8/12	Alger	

AUG 12 1966

Hon. Mike Mansfield
United States Senate
Washington, D. C. 20510

Dear Senator Mansfield:

We have your letter of July 29 enclosing copies of correspondence with Mr. D. L. Casey Jones, President, Monarch Minerals, Inc. of Helena, Montana, relating to his efforts to obtain financial assistance for equipping and operating copper mining properties in Montana.

In behalf of Monarch Minerals, Inc., Representative Arnold Olsen has forwarded to the Office of Minerals Exploration an application for exploration assistance from Monarch Minerals, Inc. A copy of the letter to Mr. Olsen acknowledging receipt of this application is enclosed. The application lacks supporting data and it appears from Mr. Jones' statement in his letter to you of July 26 that his company could not qualify for exploration assistance in the absence of matching funds.

In view of this situation, Mr. D. R. MacLaren, Field Officer, OME Region I, Spokane, Washington, has been requested to visit Mr. Jones on his next trip to Helena and discuss the entire matter with him. We understand, in the meantime, that Mr. Richard Russell, representing the General Services Administration, is expected to visit the property of Monarch Minerals, Inc. shortly for evaluation purposes relating to the Copper Production Expansion Program, and a copy of Mr. Russell's report thereon will be made available to OME.

Sincerely yours,

Arthur A. Baker

Acting Director

cc: General files
Division file
Economic Geology file
OME file - 6566
OME reading file
OME Region I w/cy inc.ltr.
Director's chron. file

Enclosure

Written FEJohnson/bih 8/5/66
Rewritten " " 8/9/66

173582

23263

~~Hy Pepper~~

90

Lucy Johnson

Although Carey doesn't qualify for a loan in absence of matching funds, the Senator doesn't want him to get the run-around. Very touchy situation for the Senator -

LBJ

United States Senate
Office of the Majority Leader
Washington, D.C.

NOTED,
AUG 2 1966
DIRECTOR

2-1
(90)

July 29, 1966

Mr. W. T. Pecora
Director
Geological Survey
Department of the Interior
Washington, D. C.

Dear Mr. Pecora:

I have corresponded with Mr. D. L. Casey Jones of [illegible] Minerals, Inc., regarding their efforts to obtain assistance [illegible] development of copper mining properties in Montana.

They need assistance in obtaining equipment and mill [illegible] The report from General Services Administration has [illegible] sent to the Office of Minerals Exploration. In view of [illegible] letter, I would appreciate it if someone in OME and, [illegible] representative of Defense Materials Service might [illegible] contact with Mr. Jones to enter into a frank discussion [illegible] situation. Thank you for your consideration.

With kind personal wishes, I am [illegible]

Sincerely yours,

[illegible]

P. O. BOX 28, HELENA, MONTANA

ELLISTON, MONTANA

MONARCH MINERALS, INC.

HELENA, MONTANA

July 26, 1966

Senator Mike Mansfield
United States Senate
Washington, D. C. 20510

Dear Senator Mike:

Your letter of July 16th & enclosure. I talked with Max Lloyd last Friday 21st, who had talked with Arnolds office. The office hadbeen in touch with Bob Ross of GSA Materials Service who seemed to be optimistic that day.

Now Senator, I have 15 years of sweat, blood and close to $40,000. in Monarch besides close to that much worth of our own time. Then we have had Chas. Potter now manager of outside exploration for Anaconda(in charge of Mike Horse for past 2 years for company), Dave Snyder senior Geologist for Kennecott in NW, Ed Stevens Sierra Talc Div. of Cyprus Mines Corp., and a report by S.Standish M.E. of Chicago, he drove 1100 ft. of lower tunnel, shipped Ore who estimated 57,000 tons of Ore under production area. This would be made available by extension of lower tunnel. At present prices this should gross over $5,000,000 worth of Ore. All these men have been on & in Monarch workings, and should know. These men all think Monarch is cheap to drill, explore, and put in production. The only reason their companies do not buy it, is that they want a minimum of Million tons for separate operation as Monarch is not close to any of their operations. However they estimated over 250,000 tons of Ore above lower tunnel level. Now this Interagency Working Group turn it down without seeing or knowing property. The other tonnage estimated is above this level and E. of Contact Zone.

The fact that this should have a payroll of $100,000 to $150,000 per year should practically put it in Area Rehabilitation Program or such. However 20 or 25 men year around payroll will be a big boost to Powell County economically. Lee & Arnold could use this help. Besides it no charity program, its economically sound, these men who have inspected mine, are best in their field in Montana, Two of them cannot give writtten report as their concerns do not allow that, as you know. However Stevens inspected property before Cyprus bought out Sierra Talc, so his report is in application.

What I want is Incentive Contract with GSA, and advance or loan for equipment, diamond drilling program, and then mill installation a total of $250,000 which could be paid back out of known reserve of Ore at 10% as we own property free & clear, this advance ought to be repaid in less than 5 years. We can give mortgage if necessary on property. We will patent key claims in next year. Why the incentive contract is I do not know but we have Copper, Silver and Gold in veins from 4 to 20 feet in width, all production to be above tunnel level for stoping.

Practically our only chance for money to put in production is thru such program as this. SEC & Montana SEC has made it impossible for mining to get any financing, tho PD6, Treasure State etc have took public for probably Ten Million or more, while a mine that has commercial possibilities dont have the money, attorneys etc to fight its way thru SEC regulations.

With okeh of such men as listed this cant be wrong. I know you do not like to use your influence, but this an emergency crash deal, so I am asking your assistance to get this GSA Incentive Contract and advance or loan to finance equipment exploration and mill installation. Its sound, economically needed in Powell County. There is no question as to feasibility, and worthy of assistance, so with your backing Monarch can be in production this fall. We can stockpile the ore as produced from tunnel extension until mill is ready. We can be in 100 ton a day production of Ore in 90 to 120 days, will take more time for mill installation.

You can get this project thru for us, and it will be appreciated in whole area, So its worth your assistance, as it can produce Copper-Silver and Gold in commercial amounts this fall. Arnolds office & Max Lloyd has all the information, so your assistance is neede and asked.

Most sincerely,

Casey

D. L. Casey Jones

These company men will verbally give you or others their opinion over phone from Spokane on Snyder.

We do not have funds to match GME on loan.

GENERAL SERVICES ADMINISTRATION

Defense Materials Service
Washington, D.C. [illegible]

JUL 8 1966

IN REPLY REFER TO

Mr. D. L. Casey Jones
President and General Manager
Monarch Minerals, Inc.
Post Office Box 33
Helena, Montana 59601

Dear Mr. Jones:

This is in further reference to our letter of June 30 concerning your proposal for initiating copper production on certain properties near Elliston, Montana.

The Government's technical evaluation committee, composed of representatives of the Departments of Commerce and the Interior, the Office of Emergency Planning, and the General Services Administration, has carefully reviewed your proposal together with those of other interested firms.

Based on the data submitted with your application, the committee's preliminary conclusion is that the properties show potential and merit further drilling and exploration to properly delineate the ore reserves. Therefore, upon recommendation of the committee, we are enclosing information on the exploration assistance programs of the Office of Minerals Exploration together with three copies of the OME application form.

The completed application should be forwarded directly to the Office of Minerals Exploration, Department of the Interior, Washington, D.C. [illegible].

Keep Freedom in Your Future With U.S. Savings Bonds

While this property has potential and merits further drilling and exploration, we are now considering a number of other properties which offer more imminent production possibilities. Therefore, we cannot consider the present Monarch proposal until an exploration program defines adequate ore reserves which can be brought into early production. At that time, depending upon the level of commitments already attained under the copper production expansion program, we will be pleased to again consider the Monarch proposal on its merits.

We appreciate the opportunity to keep you advised on the progress of the copper expansion program.

Sincerely yours,

J. E. Moody
Deputy Administrator

Enclosures

We are furnishing that Office with a copy of this letter and will be pleased to make available to them any of the background information you have submitted to us under the copper production expansion program.

Sincerely yours,

Bob Ross

Bob Ross
Director
Industry Materials Division

Enclosures

GENERAL SERVICES ADMINISTRATION

Washington, D.C. 20405

JUL 15 1966

Honorable Mike Mansfield
United States Senate
Washington, D. C. 20510

Dear Senator Mansfield:

Thank you for your letter of June 30 on behalf of Mr. D. L. Casey Jones, Helena, Montana, concerning the application of Monarch Minerals, Inc., under the Government's copper production expansion program.

We received Mr. Jones' completed questionnaire and supporting statement on June 27 and acknowledged receipt on June 30. The proposal was immediately referred to the members of the Interagency Working Group, formed to evaluate proposals under the program, and was discussed at the Group meeting on July 6.

The Working Group evaluates proposals of firms or individuals not now in production in terms of (1) the existence of a proven ore body or the likelihood that further exploration would define such an ore body and (2) the applicant's mining experience and financial ability to enter production within the period of the projected supply deficit in domestic copper production.

Effective July 1, the Department of the Interior added copper to the list of minerals eligible for exploration assistance by the Office of Minerals Exploration. Therefore, as you will note from the enclosed copy of our letter of July 8 to Mr. Jones, we are providing firms with properties showing need for further exploration with information and application forms for OME assistance. We will work closely with OME to insure that every consideration is given Monarch Minerals, Inc., as well as other firms in this category.

Keep Freedom in Your Future With U.S. Savings Bonds

MME Form 7
(2/63)

OME

OFFICIAL FILE COPY

Date	Surname	Code
8/4	Johnson	
7-5	Wells	
8/8	Clyde	
	Baker 8/5	

AUG 9 - 1966

6566

Dear Mr. Olsen:

Thank you for your letter of July 26 to Mr. John M. Kelly, former Assistant Secretary--Mineral Resources, Department of the Interior, enclosing an application for Financial Assistance in Minerals Exploration from Monarch Minerals, Inc. of Helena, Montana, which you received from its President, Mr. D. L. Casey Jones.

In answer to your inquiry concerning an advance on exploration costs, under the exploration assistance program advances of funds for exploration work cannot be made. An applicant must have sufficient funds to finance his share of the cost of the exploration if a contract is granted.

You may be assured that the application of Monarch Minerals, Inc. will be given prompt and careful consideration.

Sincerely yours,

(Sgd) J. Cordell Moore

Assistant Secretary of the Interior

Hon. Arnold Olsen
U. S. House of Representatives
Washington, D. C. 20515

cc: Secretary's file
Secretary's reading file
MR (2)
General files
Division file
Director's chron. file
Economic Geology file
OME file
OME reading file
OME Region I w/cy inc. ltr.

NOTE: Application forms retained in OME file

173576

FEJohnson/bih 8/4/66

23263

Congress of the United States

House of Representatives

Washington, D.C. 20515

July 26, 1966

Mr. John M. Kelly
Office of Minerals Exploration
Department of Interior
E Street, between 18th and 19th Streets, N.W.
Washington, D.C. 20240

Dear Mr. Kelly:

Enclosed please find the applications of the Monarch Minerals, Inc., of Helena, Montana, D. L. Casey Junior, President, for financial assistance in mine exploration.

I would be very appreciative if your office would give Mr. Casey's application every rapid and favorable consideration.

Is there any way available for Mr. Casey to receive an advance on his 25 per cent of the costs? I understand OMP and GSA have determined in a preliminary consultation the properties show merit and potential. Unfortunately Mr. Jones has minimal financial assets. Any information you can provide him in this instance will be appreciated.

With kindest regards, I am

Very truly yours,

ARNOLD OLSEN

AO:dg

Recvd from V.B. 7/5/66

Room 4460

Chairman
Copper Technical Expansion Committee - MMM
July 6, 1966

Technical Advisor
Technical and Marketing Analysis Division - MPT

Resume of CEP Proposal No. 57
Monarch Minerals, Inc., Powell County, Montana

The property is located about 27 miles north and three miles east of Butte, Montana. Several attempts from its discovery in 1880 and up to 1935 were made to operate the mine at a profit but none was successful. Mine development aggregates about a mile in length including a shaft 350 feet in depth and 3,000 feet of drifts. According to F. C. Schrader of the U.S. GS, Bulletin 842, the vein in places is 20 feet or more wide. The ore consists of galena, sphalerite, pyrite, arsenopyrite, chalcopyrite, and tetiahedrite with galena and chalcopyrite being the primary minerals.

According to the data submitted with the questionnaire, the shafts (2) are partly caved. The 200-foot level is open and reached the vein, but the 450-foot level did not intercept the vein. It is in this latter area that diamond drilling has been recommended to probe for the vein from the face of the drift.

Applicant proposes some sort of price incentive for a minimum of five years, but if the grade of ore at depth is not too much lower than that reflected by smelter liquidations on previous shipments, no price incentive should be necessary.

In order to realize the best return from a lead-copper deposit such as this appears to be, a concentrator producing both a copper and a lead concentrate would be required. It is obvious that a drilling program is necessary to determine the existence and grade of ore between the 450 and 200 foot levels.

L. J. O'Neill

cc:
OFFICIAL FILE - MPT

MPT:LJO'Neill:bjo:7/5/66

Copy

Dear Mr. Obert:

Thank you for your letter of July 28 to Mr. John H. Kelly, Deputy Assistant Secretary--Mineral Resources, Department of the Interior, enclosing an application for Financial Assistance in Minerals Exploration from Kenneth Minerals, Inc. of Helena, Montana, which you received from the President, Mr. R. L. Gary Jones.

In answer to your inquiry concerning an advance on exploration costs, under the exploration assistance program advance of funds for exploration work cannot be made. An applicant must have sufficient funds to finance his share of the cost of the exploration if a contract is granted.

You may be assured that the application of Kenneth Minerals, Inc. will be given prompt and careful consideration.

Sincerely yours,

Secretary of the Interior

Hon. Arnold Olsen
U. S. House of Representatives
Washington, D. C. 20515

cc: Secretary's file
Secretary's mailing file
MS - OS
General files
Division file
Director's chron. file
Minerals Geology file
OMS file
OMS mailing file
OMS Region I

Application form
retained in OMS file

170205

Hildebrand/kdb 8/11/75