J. H. East, Jr. Region IV

DMR

REGIONAL DIRECTOR
OFFICE
REGION IV
JUL 27 1951
BUREAU OF MINES
DENVER, COLORADO

July 20, 1951

Memorandum

To: Reports and Records Unit
Administrative Management Division

From: Chief, Lead-Zinc Branch

Subject: Denial of exploration loan

Re: Docket DMA-247
Tom Payne Mine
Cerrillos District
Santa Fe County, N. Mexico
Exploration loan $50,000
(100% Govt. participation)

The applicant's request for a production loan of $100,000 on the Tom Payne property was previously denied (May 10) because the reserves in the mine were insufficient to amortize the loan at current market prices for lead and zinc. We have a field team report made at the time of the earlier application which shows that if the $100,000 loan were granted, the production costs would just about equal the income from the ore, allowing nothing for the amortization of the loan.

The applicant, in letter of June 18 to Charles Johnson of the Bureau of Mines, requests that the company be granted a loan of $50,000 for exploration. With this they "plan to explore the extensive ore bodies known to exist in over 20 veins running through this property". The application is not made on Form MF-103 and no mention is made of matching funds.

The ore deposits of the Cerrillos District are vein deposits in shear zones in a quartz monzonite and monzonite porphyry. These shear zones are commonly 4-7 feet thick, but the mineral bearing veins occupy only a fraction of this thickness, ranging from one inch to as much as 3 feet for short stretches. Mined ore shoots have averaged one foot thick. The vein matter is rich, but because of the friable character of the shear zone, it is diluted in mining by the full thickness of material in the shear zone.

The shear zone on which the Tom Payne vein is localized is as strong or stronger than others in the district. The vein has been the second most productive one in the district, and the most productive one in the northwest sub-district. Past production from the mine has been small, and made largely in times of high metal prices. The major production was made in World War I. An attempt to operate the mine in 1942-1944 was unsuccessful, and a loan of $25,000 granted by the Reconstruction Finance Corporation was not repaid. The total recorded production, 1905 to date, has been 6,771 tons of ore containing 165 tons of recoverable lead, 562 tons of recoverable zinc, and 13 tons of copper.

DTE
J-T
WOM

No 9 Expressed as percentages, this is 2.4% lead and 8.3% zinc. The largest ore shoot mined was 300 feet long. The tonnage marketed came from a total stope length of 650 feet measured on the 3 levels, with an average depth of 100 feet. This is the maximum that can be expected in any future development program at the Tom Payne.

When it is considered that many other veins are exposed in the district and that the Tom Payne vein has been the most highly developed in the Northwest sub-district because it has been the most promising, we believe that the chances for finding a lead-zinc deposit of any significance by further exploration on this property are poor. The geologic occurrence is not one that would offer much encouragement. It is, therefore, recommended that the application be denied, and that the attached letter be sent to the applicant.

It is not evident that the applicant is aware of the matching requirement in the exploration program, so it is not known whether he would be willing to put up his share of the funds necessary for an exploration. However, it is believed that whether he will match or not is irrelevant in view of the unfavorable geologic situation.

To complete the picture of the more important producing mines for this district, the Cash Entry mine, lying about 2½ miles southeast of the Tom Payne, has produced 8,660 tons of ore containing 3.5% lead and 1.7% zinc. The Pennsylvania mine, lying about 1/2 mile south of the Tom Payne, shipped nearly 400 tons of ore during 1942-45, averaging 13.2% lead, 16.9% zinc, 0.35% copper, 5.12 oz. of silver and .013 oz. of gold. This was hand sorted ore. The Pennsylvania vein is thin, containing elongate tabular bodies of sulfide ranging from a few inches to occasionally 3 feet in thickness, but discontinuous along strike and dip. This mine quit production in August 1946, 1 year before termination of the Premium Price plan.

Returned herewith are the field team report on the docket, the assembled file as obtained from Reports and Records Unit, and applicant's letter of June 18, 1951, to Bureau of Mines, attention of Charles Johnson.

T. P. Billings, Chief,
Lead-Zinc Branch

Approved:

Tom Lyman

Director, Supply Division

ETMcKNIGHT:emp G 7-20-51
Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
R. H. Mote
Reports & Records
Directors r. file 4214 GSA
Br. r. file 4214 GSA
Files

47
W044

REGIONAL MINES OFFICE
REGION IV
JUL 20 1951
BUREAU OF MINES
DENVER, COLORADO

July 19, 1951

Re: Docket L 4-247

Mr. Richard McGhee
Box 393
Santa Fe, New Mexico

Dear Mr. McGhee:

Your letter of June 18 to the Bureau of Mines, attention of Charles Johnson, has been referred to the Defense Minerals Administration for attention.

The program set up by the Defense Minerals Administration for exploration of strategic mineral deposits requires that the applicant furnish half of the cost of a proposed exploration project. However, this is not the sole requirement for approval, as the Defense Minerals Administration must be convinced that a proposed project holds enough promise for discovery of strategic metals to justify an allocation of Government funds appropriated for strategic mineral exploration. Because the many known veins in the Cerrillos District are too narrow to have yielded very much production of base metals to date, and because the occurrence as veins in an igneous mass is a relatively unfavorable geologic setting for lead and zinc, we do not believe the chances for finding significant deposits of lead and zinc are good enough to warrant an expenditure of funds appropriated specifically to strengthen national defense. I regret, therefore, that we are unable to approve your request for a loan to carry out further exploration in this district.

Very truly yours,

Tom Lyon

Tom Lyon, Chief
Supply Division

ETMcKNIGHT:emp
G 7-19-51
Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
R. H. Mote
Reports and Records
Directors r. file 4214 GSA
Br. r. file 4214 GSA
Files

J. 7 1.
WOM

UNITED STATES
DEPARTMENT OF THE INTERIOR

Arizona-New Mexico Branch
[redacted]
Box 4097
UNIVERSITY STATION

BUREAU OF MINES

MINING DIVISION
REGION IV

Mining Division
Date Rec'd.
JUN 5 1951
BUREAU OF MINES
Denver, Colorado

TUCSON, ARIZONA

May 31, 1951

Memorandum

To : Paul T. Allsman, Denver, Colorado

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : Sampling Records

I don't know whether you want them or not, but enclosed are 3 copies of Form SM-19, "Sampling Records", for the Tom Payne and San Pedro mines in Santa Fe County, N. Mex. These samples were taken when the properties were examined for Government loans.

So far as I know, these forms have not been made out for all DMA examinations as the assays are shown in the final DMA reports.

Walter R. Storms

Walter R. Storms

CC J. H. Soule'
15109 N. Mex.
14049 N. mex.
DMA-15 & 247
DF

FOR VICTORY
BUY
UNITED STATES SAVINGS BONDS AND STAMPS

Form SM-19 (Revised; April, 1945)
113804

SANTA FE COUNTY, NEW MEXICO

BUREAU OF MINES
MINERALS EXPLORATION PROGRAM

SAMPLING RECORDS 1/

DOCKET DMA-247
Project No: _____ Name: Tom Payne Lead-Zinc Mine

Period sampled: 4/5/51

Name or Number of excavation #2 level south Type of excavation drift Dimensions of excavation 6 x 7

Sample No.	Footage From	Footage To	Sample Length	Position in Excavation	Size of Groove	Estimated Weight	Sampler	Assays Au	Assays Ag	Assays Cu	Remarks Pb	Remarks Zn	Remarks OxZn
3341			2.2	Face	2x4"	12 lbs.	Soule'	0.04	1.15	0.12	2.65	7.95	0.15
Stockpile at surface													
3342			various	all over		30 "	Dare	0.03	1.00	0.10	3.25	5.90	0.10

1/ To be filled in, except for assays as sampling in each excavation completed.

Form SM-19 (Revised; April, 1945)
113804

SANTA FE COUNTY, NEW MEXICO

BUREAU OF MINES
MINERALS EXPLORATION PROGRAM

SAMPLING RECORDS 1/

DOCKET DMA-247

Project No: _____ Name: Tom Payne Lead-Zinc Mine Period sampled: 4/5/51

Name or Number of excavation #2 level south Type of excavation drift Dimensions of excavation 6 x 7

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Stockpile at surface													
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1/ To be filled in, except for assays as sampling in each excavation completed.

Form SM-19 (Revised; April, 1945)
113804

SANTA FE COUNTY, NEW MEXICO

BUREAU OF MINES
MINERALS EXPLORATION PROGRAM

SAMPLING RECORDS 1/

DOCKET DMA-247

Project No: _____ Name: Tom Payne Lead-Zinc Mine Period sampled: 4/5/51

Name or Number of excavation #2 level south Type of excavation drift Dimensions of excavation 6 x 7

Sample No.	Footage From	Footage To	Sample Length	Position in Excavation	Size of Groove	Estimated Weight	Sampler	Assays Au	Assays Ag	Assays Cu	Remarks Pb	Remarks Zn	Remarks OxZn
3341			2.2	Face	2x4"	12 lbs.	Soule'	0.04	1.15	0.12	2.65	7.95	0.15
Stockpile at surface													
3342			various	all over		30 "	Dare	0.03	1.00	0.10	3.25	5.90	0.10

1/ To be filled in, except for assays as sampling in each excavation completed.

Form SM-19 (Revised; April, 1945)
113804

BUREAU OF MINES
MINERALS EXPLORATION PROGRAM

SAMPLING RECORDS 1/

DOCKET DMA-15
Project No: _____ Name: San Pedro Copper Mine

Period sampled: 4/27-28/51

Name or Number of excavation see below Type of excavation see below Dimensions of excavation Various

Sample No.	Footage From	Footage To	Sample Length	Position in Excavation	Size of Groove	Estimated Weight	Sampler	Assays Au	Assays Ag	Assays Cu	Remarks WO_3	Remarks WO_3 Check
					UNNAMED STOPE							
19(3357)			4.6	Wall	1x4 in.	5 lbs.	Dare-Soule	0.02	0.10	0.35	Tr.	
20(3358)			4.5	"	"	5 "	" "	0.06	0.65	1.70	0.03	
					WEST STOPE							
22(3361)			5.6	"	1x4 in.	6 "	" "	0.06	0.10	1.15	0.15	0.12
23(3362)			5.1	"	"	5 "	" "	0.01	0.50	1.30	0.15	
24(3363)			4.3	"	"	5 "	" "	0.03	0.40	1.25	0.10	
					41 - 42 STOPES							
25(3370)			3.3	"	1x4-in.	4 "	" "	0.12	0.95	4.95	0.35	
26(3369)			5.6	"	"	7 "	" "	0.09	0.35	3.80	0.10	
28(3368)			5.2	"	"	6 "	" "	0.07	0.55	3.70	0.30	0.49
29(3367)			4.8	"	"	5 "	" "	0.03	0.10	0.55	0.08	
30(3365)			5.1	"	"	5 "	" "	Tr.	Tr.	0.10	0.05	
31(3364)			3.6	"	"	4 "	" "	0.01	0.25	0.50	0.05	
32(3366)			3.3	"	"	4 "	" "	0.09	2.05	4.15	0.28	

1/ To be filled in, except for assays as sampling in each excavation completed.

Note: Numbers in parenthesis are assay numbers. For locations see Figure 2 of San Pedro report, Docket DMA-15.

Form SM-19 (Revised; April, 1945)
113804

SANTA FE COUNTY,
NEW MEXICO

BUREAU OF MINES
MINERALS EXPLORATION PROGRAM

SAMPLING RECORDS 1/

DOCKET DMA-15
Project No: _____ Name: San Pedro Copper Mine

Period sampled: 4/27-28/51

Name or Number of excavation see below Type of excavation see below Dimensions of excavation Various

Sample No.	Footage From	Footage To	Sample Length	Position in Excavation	Size of Groove	Estimated Weight	Sampler	Assays Au	Assays Ag	Assays Cu	Remarks WO_3	Remarks WO_3 Check
					HOME TUNNEL							
1 (3360)			6.3	Wall	1X4 in.	10 lbs.	Dare-Soule	0.03	0.60	1.30	0.08	
2 (3359)			4.4	"	1x4	7 "	" "	0.03	0.45	1.15	0.05	
					51 STOPE							
3 (3348)			4.3	"	1x4	5 "	" "	Tr.	0.35	0.20	0.03	
4 (3347)			3.2	"	"	4 "	" "	0.01	0.10	0.50	0.08	
5 (3346)			1.2	"	"	3 "	" "	0.01	0.15	0.15	1.55	1.50
6 (3344)			5.5	"	"	7 "	" "	0.01	0.25	1.15	0.03	
7 (3343)			1.4	"	"	2 "	" "	0.01	0.15	0.55	Tr.	
8 (3345)			5.5	"	"	6 "	" "	Tr.	0.15	0.35	0.02	0.06
					24 STOPE							
10(3349)			3.8	"	1x4	5 "	" "	0.01	0.30	1.20	Tr	
11(3350)			5.0	"	"	6 "	" "	0.02	0.50	1.35	Tr	
12(3351)			4.8	"	"	5 "	" "	Tr.	0.15	0.80	Tr	0.05
13(3352)			3.7	"	"	4 "	" "	0.02	0.20	0.80	0.01	
14(3353)			4.5	"	"	5 "	" "	Tr.	Tr.	0.20	0.02	
15(3354)			6.8	"	"	8 "	" "	0.02	0.10	0.35	0.05	
17(3355)			6.0	"	"	7 "	" "	0.03	0.35	2.10	0.15	0.34
18(3356)			Grab	Floor	Grab	15 "	" "	0.01	0.35	1.10	0.03	

1/ To be filled in, except for assays as sampling in each excavation completed.

NOTE: Number in parenthesis are assay numbers. For locations see Figure 2 of San Pedro report, Docket DMA-15.

Form SM-19 (Revised; April, 1945)
113804

BUREAU OF MINES
MINERALS EXPLORATION PROGRAM

SAMPLING RECORDS 1/

DOCKET DMA-15
Project No: _____ Name: San Pedro Copper Mine Period sampled: 4/27-28/51

Name or Number of excavation see below Type of excavation see below Dimensions of excavation Various

Sample No.	Footage From	Footage To	Sample Length	Position in Excavation	Size of Groove	Estimated Weight	Sampler	Assays Au	Assays Ag	Assays Cu	Remarks WO_3	Remarks WO_3 Check
					UNNAMED STOPE							
19(3357)			4.6	Wall	1x4 in.	5 lbs.	Dare-Soulé	0.02	0.10	0.35	Tr.	
20(3358)			4.5	"	"	5 "	" "	0.06	0.65	1.70	0.03	
					WEST STOPE							
22(3361)			5.6	"	1x4 in.	6 "	" "	0.06	0.10	1.15	0.15	0.12
23(3362)			5.1	"	"	5 "	" "	0.01	0.50	1.30	0.15	
24(3363)			4.3	"	"	5 "	" "	0.03	0.40	1.25	0.10	
					41 - 42 STOPES							
25(3370)			3.3	"	1x4-in.	4 "	" "	0.12	0.95	4.95	0.35	
26(3369)			5.6	"	"	7 "	" "	0.09	0.35	3.80	0.10	
28(3368)			5.2	"	"	6 "	" "	0.07	0.55	3.70	0.30	0.49
29(3367)			4.8	"	"	5 "	" "	0.03	0.10	0.55	0.08	
30(3365)			5.1	"	"	5 "	" "	Tr.	Tr.	0.10	0.05	
31(3364)			3.6	"	"	4 "	" "	0.01	0.25	0.50	0.05	
32(3366)			3.3	"	"	4 "	" "	0.09	2.05	4.15	0.28	

Page 2

1/ To be filled in, except for assays as sampling in each excavation completed.

Note: Numbers in parenthesis are assay numbers. For locations see Figure 2 of San Pedro report, Docket DMA-15.

Form SM-19 (Revised; April, 1945)
113804

SANTA FE COUNTY,
NEW MEXICO

BUREAU OF MINES
MINERALS EXPLORATION PROGRAM

SAMPLING RECORDS 1/

DOCKET DMA-15
Project No: _____ Name: San Pedro Copper Mine

Period sampled: 4/27-28/51

Name or Number of excavation see below Type of excavation see below Dimensions of excavation Various

Sample No.	Footage From	Footage To	Sample Length	Position in Excavation	Size of Groove	Estimated Weight	Sampler	Assays Au	Assays Ag	Assays Cu	WO_3	WO_3 Check
					HOME TUNNEL							
1 (3360)			6.3	Wall	1X4 in.	10 lbs.	Dare-Soule	0.03	0.60	1.30	0.08	
2 (3359)			4.4	"	1x4	7 "	" "	0.03	0.45	1.15	0.05	
					51 STOPE							
3 (3348)			4.3	"	1x4	5 "	" "	Tr.	0.35	0.20	0.03	
4 (3347)			3.2	"	"	4 "	" "	0.01	0.10	0.50	0.08	
5 (3346)			1.2	"	"	3 "	" "	0.01	0.15	0.15	1.55	1.50
6 (3344)			5.5	"	"	7 "	" "	0.01	0.25	1.15	0.03	
7 (3343)			1.4	"	"	2 "	" "	0.01	0.15	0.55	Tr.	
8 (3345)			5.5	"	"	6 "	" "	Tr.	0.15	0.35	0.02	0.06
					24 STOPE							
10(3349)			3.8	"	1x4	5 "	" "	0.01	0.30	1.20	Tr	
11(3350)			5.0	"	"	6 "	" "	0.02	0.50	1.35	Tr	
12(3351)			4.8	"	"	5 "	" "	Tr.	0.15	0.80	Tr	0.05
13(3352)			3.7	"	"	4 "	" "	0.02	0.20	0.80	0.01	
14(3353)			4.5	"	"	5 "	" "	Tr.	Tr.	0.20	0.02	
15(3354)			6.8	"	"	8 "	" "	0.02	0.10	0.35	0.05	
17(3355)			6.0	"	"	7 "	" "	0.03	0.35	2.10	0.15	0.34
18(3356)			Grab	Floor	Grab	15 "	" "	0.01	0.35	1.10	0.03	

1/ To be filled in, except for assays as sampling in each excavation completed.

NOTE: Number in parenthesis are assay numbers. For locations see Figure 2 of San Pedro report, Docket DMA-15.

Form SM-19 (Revised; April, 1945)
113804

BUREAU OF MINES
MINERALS EXPLORATION PROGRAM

SAMPLING RECORDS[1]

DOCKET DMA-15
Project No: _____ Name: San Pedro Copper Mine Period sampled: 4/27-28/51

Name or Number of excavation see below Type of excavation see below Dimensions of excavation Various

Sample No.	Footage From	Footage To	Sample Length	Position in Excavation	Size of Groove	Estimated Weight	Sampler	Assays Au	Assays Ag	Assays Cu	Remarks WO_3	Remarks WO_3 Check
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24(3363)			4.3	"	"	5 "	" "	0.03	0.40	1.25	0.10	
					41 - 42 STOPES							
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26(3369)			5.6	"	"	7 "	" "	0.09	0.35	3.80	0.10	
28(3368)			5.2	"	"	6 "	" "	0.07	0.55	3.70	0.30	0.49
29(3367)			4.8	"	"	5 "	" "	0.03	0.10	0.55	0.08	
30(3365)			5.1	"	"	5 "	" "	Tr.	Tr.	0.10	0.05	
31(3364)			3.6	"	"	4 "	" "	0.01	0.25	0.50	0.05	
32(3366)			3.3	"	"	4 "	" "	0.09	2.05	4.15	0.28	

1/ To be filled in, except for assays as sampling in each excavation completed.
Note: Numbers in parenthesis are assay numbers. For locations see Figure 2 of San Pedro report, Docket DMA-15.

Form SM-19 (Revised; April, 1945)
113804

SANTA FE COUNTY,
NEW MEXICO

BUREAU OF MINES
MINERALS EXPLORATION PROGRAM

SAMPLING RECORDS 1/

DOCKET DMA-15
Project No: _____ Name: San Pedro Copper Mine

Period sampled: 4/27-28/51

Name or Number of excavation see below Type of excavation see below Dimensions of excavation Various

Sample No.	Footage From	Footage To	Sample Length	Position in Excavation	Size of Groove	Estimated Weight	Sampler	Assays Au	Assays Ag	Assays Cu	Remarks WO_3	Remarks WO_3 Check
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					51 STOPE							
3 (3348)			4.3	"	1x4	5 "	" "	Tr.	0.35	0.20	0.03	
4 (3347)			3.2	"	"	4 "	" "	0.01	0.10	0.50	0.08	
5 (3346)			1.2	"	"	3 "	" "	0.01	0.15	0.15	1.55	1.50
6 (3344)			5.5	"	"	7 "	" "	0.01	0.25	1.15	0.03	
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					24 STOPE							
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13(3352)			3.7	"	"	4 "	" "	0.02	0.20	0.80	0.01	
14(3353)			4.5	"	"	5 "	" "	Tr.	Tr.	0.20	0.02	
15(3354)			6.8	"	"	8 "	" "	0.02	0.10	0.35	0.05	
17(3355)			6.0	"	"	7 "	" "	0.03	0.35	2.10	0.15	0.34
18(3356)			Grab	Floor	Grab	15 "	" "	0.01	0.35	1.10	0.03	

1/ To be filled in, except for assays as sampling in each excavation completed.

NOTE: Number in parenthesis are assay numbers. For locations see Figure 2 of San Pedro report, Docket DMA-15.

Mining Division
Date Rec'd.
MAY 31 1951
BUREAU OF MINES
Denver, Colorado

Memorandum

To: W. R. Sterms, Tucson, Arizona May 28, 1951

From: Silver City, New Mexico Field Office

Subject: Forms SM-19, Sampling Records

Attached in quadruplicate are the above forms for the Tom Payne Lead-Zinc Mine, Santa Fe County, N. Mex., and the San Pedro Copper Mine, Santa Fe County, N. Mex. (2 pages).

John H. Soule'
Acting Supervising Engineer

247

cc Allsman, Denver
reader
files 15109 & 14049

Routed

1951

May 10, 1951

Memorandum

Re: DMA-847

To: Executive Secretary, D. M. A.

From: Lead-Zinc Branch, D. M. A.

Commodity: Lead, zinc

Subject: Denial of requested loan of $100,000 for opening mine and installing 50-ton mill at Tom Payne mine, Santa Fe, New Mexico.

The Lead-Zinc Branch has reviewed the report prepared by the field team, and concurs with their conclusions:

(1) that the project as proposed by applicant is not economic without over-market prices, and

(2) that the request for a loan of $100,000 should be denied.

Otto Herres, Chief
Lead-Zinc Branch

ETMcKnight:emp
G 5/10/51

Copies to: J. H. East, Jr, Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
L. B. Moon
R. H. Mote
L. F. Strobel
T. Lyon
Directors redding file 4214 GSA
Br. reading file 4214 GSA
Files

gfAE

May 10, 1951

Re: Docket DMA-247

Mr. Richard McGhee
P. O. Box 74
Santa Fe, New Mexico

Dear Mr. McGhee:

The Tom Payne mining property covered by your application for a mining loan (DMA-247) has been examined by a Government engineer and geologist at the request of the Defense Minerals Administration.

From a study of the report prepared by this field team, the Lead-Zinc Branch of the Defense Minerals Administration concludes that the amount of ore in the mine is inadequate to amortize, at current market prices for lead and zinc, the mining and milling costs under the plan that you propose. Hence, we do not consider it a justifiable expenditure of public funds to advance the loan of $100,000 that you request.

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

Very truly yours,
Tom Lyon

Tom Lyon, Director
Supply Division

ETMCKnight:emp
G 5/10/51
Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
L. B. Moon
R. H. Mote
L. F. Strobel
T. Lyon

Directors reading file 4214 GSA
Br. reading file 4214 GSA
Files

LCM

April 27, 1953

Memorandum

To: London Strobel, Executive Secretary, Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: DMA Docket 247, Tom Payne Lead-Zinc Mine, Cerrillos Mining District, Santa Fe County, New Mexico

We are attaching the original and two copies of the report on DMA Docket 246, Tom Payne Zinc-Lead Mine.

The Field Team concurs with the findings and recommendations in the report.

J. H. Bunk, Jr.

A/ H. Kaufmann

Attachments
One copy by air mail
Two copies by regular mail

Mining Division
Region IV

April 27, 1953

Memorandum

To: Div. Field Team, Region IV

From: Chief, Mining Division

Subject: Div. Contract 247, Tom Rogers Lead-Zinc Mine, Cerrillos Mining District, Santa Fe County, New Mexico

The report on the above subject has been reviewed. It is noted that the operation would require some-what prior on hand and plans for profitable operation and, therefore, it is recommended that the requested loan be denied. The comments have not determined whether the operator is willing and financially able to enter into an exploration contract on a matching basis. Neither have they indicated whether further exploration has merit.

If day to the project should be reconsidered as exploration, however, because of the pressure from Senator Anderson for getting the report in, it is recommended it be forwarded and await further instruction from the Defense Minerals Administration.

I concur in the conclusions presented.

F. T. Allman

Attachments

STANDARD FORM No. 14
APPROVED BY THE PRESIDENT
MARCH 10, 1926

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

FROM JH East, Jr.

BUREAU Mines

CHG. APPROPRIATION DMA - 224 New Customhouse, Denver

U. S. GOVERNMENT PRINTING OFFICE 10—1723

April 17, 1951 JHE:lm

CLINTON P. ANDERSON
UNITED STATES SENATE
WASHINGTON, D. C.

REURTEL. SANTA FE LEAD ZINC PROPERTY EXAMINED AND REPORT IS BEING TYPED IN TUCSON. EXPECT TO MAIL REPORT FROM DENVER APRIL 30.

247

J. H. EAST, JR.
REGIONAL DIRECTOR, IV
BUREAU OF MINES

DMA

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1201

(34)

W. P. MARSHALL, PRESIDENT

SYMBOLS
DL=Day Letter
NL=Night Letter
LT=Int'l Letter Telegram
VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

KB095 PA131 WM50

1951 APR 17 AM 9 01

W SNE025 GOVT PD=SN WASHINGTON DC 17 1030A=

J H EAST JR REGIONAL DIRECTOR=
BUREAU OF MINES DVR=

ADVISE IF REPORT ON SANTA FE LEAD ZINC APPLICATION MAILED TO WASHINGTON=

CLINTON P ANDERSON USS=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Eat

Suggest we can
mail to Washington
not later than
April 30, 1951.

P.T.A.

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1201

(59)

W. P. MARSHALL, PRESIDENT

SYMBOLS
DL=Day Letter
NL=Night Letter
LT=Int'l Letter Telegram
VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

LA121

1951 APR 17 AM 11 04

LTSA233 PD=TUCSON ARIZ 17 1056A=

PAUL T ALLSMAN=

US BUREAU OF MINES 224 NEW CUSTOM HOUSE DVR=

WILL MAIL REPORT DOCKET 247 ON OR BEFORE 26TH= April

L A STEWART FOR WALTER R STORMS=

Mining Division
Date Rec'd.
APR 17 1951
BUREAU OF MINES
Denver, Colorado

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Mining Division
Date Rec'd.

APR 19 1951

BUREAU OF MINES
Denver, Colorado

W. R. Storms, Tucson, Arizona

April 17, 1951

Silver City, New Mexico Field Office

DMA Docket 247, Tom Payne Zinc-Lead mine, Gerrilles Dist., Santa Fe County, N. Mex.

Attached is our final draft of our report on the Tom Payne Zinc-Lead mine in the Gerrilles Mining District, Santa Fe County, New Mexico.

I have gone over our section and have done all I could short of rewriting the report. I hope it is satisfactory.

The maps (Figures 1 and 2) that accompany this report are in Tucson.

Please return eventually two copies to this office, one for this office and one for the U. S. G. S. in Silver City.

John H. Soule'
Acting Supervising Engineer

Encls.
cc Allsman, Denver
reader
file

April 5, 1951

Memorandum

To: Otto Herres, Chief, Lead Zinc-Branch, DMA

From: DMA Field Team, Region IV

Subject: DMA 247, Santa Fe Lead Zinc (Tom Payne Mine, New Mexico

Referring to your memorandum, dated March 30, regarding additional information concerning DMA 247, Mr. Allaman advises that the project is being investigated--the operators have been contacted and the necessary information secured.

J. H. East, Jr.

J. H. East, Jr.

A. H. Koschmann

JHe/ai
cc-Koschmann
DMA Files
Allaman

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

March 30, 1951

DMA-247
Santa Fe Lead Zinc
(Tom Payne Mine)
New Mexico

Memorandum

To: DMA Field Team Region IV

From: Otto Herres, Chief
Lead Zinc-Branch

Referring to your memorandum of March 22, we replied to the teletype sent by W. D. McMillan in relation to additional information from the files in Washington concerning DMA-247 and requested that you check the Tucson office for this information.

In the event that the information referred to is not found at the Tucson office, please let me know and we will make a further effort to run it down here.

Otto Herres

OTTO HERRES

REGIONAL DIRECTOR'S
OFFICE
REGION IV
APR 4 - 1951
BUREAU OF MINES
DENVER, COLORADO

GME

April 2, 1951

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

Dear Mr. Weissenborn:

Referring to your letter of March 29 concerning a copy of a letter to Honorable Clinton P. Andersen regarding an application for Government loan on the Santa Fe Lead-Zinc Mines, Ltd., this docket is in the hands of our field men and is being investigated.

Thank you for forwarding this letter to us.

Sincerely yours,

J. H. East, Jr.

J. H. East, Jr.
Regional Director

JHe/ol
cc-DMA files

DMA

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 8, Washington

March 29, 1951

REGIONAL DIRECTOR'S
OFFICE
REGION IV
APR 2 - 1951
BUREAU OF MINES
DENVER, COLORADO

Mr. J. A. East, Jr.
224 New Customhouse Building
Denver 2, Colorado

Dear Mr. East:

Enclosed herewith is a copy of a letter to the Hon. Clinton P. Anderson concerning an application for a Government loan on the Santa Fe Lead-Zinc Mines, Ltd.

We believe that this copy has been forwarded to the wrong field team, and that it should go to your office inasmuch as the property appears to be somewhere in the southwestern region.

Yours very truly,

Thor Kiilsgaard
Thor Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosure

JNE

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

[illegible]

[illegible]

[illegible]

[illegible]

This is in reply to your letter of [illegible] 5, requesting information on the current status of [illegible] loan, filed with the Defense Minerals Administration by Mr. [illegible]

Mr. [illegible]'s application, [illegible] was forwarded [illegible] for a field examination [illegible] development [illegible] required [illegible] the application. [illegible] an inquiry [illegible] approximately [illegible] from the field, [illegible] as soon as we have a reply.

Sincerely yours,

JAMES BOYD

Administrator

[illegible]

[illegible]

[illegible] Chief, [illegible] Branch
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]
[illegible] Branch
Files

Administrator
Deputy Administrator

[illegible] copies to Executive Officer
Regional Field Team,
[illegible]

pfa

New Mexico Field Office
Box 1060, Silver City, N. Mex.
March 29, 1951

Mr. Richard Rodes
Santa Fe Lead-Zinc Mines, Ltd.
P. O. Box 74
Santa Fe, New Mexico

Dear Mr. Rodes:

This office has just received Docket 247 appertaining to the loan application on the Tom Payne mine in the Cerrillos District, Santa Fe County, New Mexico.

We urgently need some additional information to expedite this application. We need a complete breakdown of the distribution of the money. For example, so much for drill machines, steel and bases; so much for compressors; so much for flotation machines; so much for power plant; so much for supporting payroll; so much for contingencies, and so on. As you no doubt have these figures at your fingertips, it will help us a great deal in our work and will save us all considerable time. Don't hesitate to supply any details on the distribution that you may have.

We thank you in advance for the immediate submission of this information, and, if all goes well, the D.M.A. field team will visit the Tom Payne mine on Wednesday, April 4, or Thursday, April 5.

Sincerely yours,

John H. Soule'
Acting Supervising Engineer

cc P.T.Allsman, Denver
W.R.Sterms, Tucson
reader
file

Mining Division
Date Rec'd.
APR 2 1951
BUREAU OF MINES
Denver, Colorado

Bureau of Mines
AIR MAIL

Andrew J. Martin, Denver Federal Center,
Denver, Colorado
Silver City, New Mexico Field Office

March 29, 1951

Tom Payne Production Figures.

Could you send us, immediately, the production of the Tom Payne mine in the Gorrilles District, Santa Fe County, for the years 1943 to the present. We have the production records prior to that time.

This material is urgently needed to complete the production section for a D.M.A. report on the above mine.

John H. Soule'
Acting Supervising Engineer

cc PTAilsman, Denver
WRSterms, Tucson
reader
file

Mining Division
Date Rec'd.
APR 2 1951
BUREAU OF MINES
Denver, Colorado

Mac. WDM

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Arizona-New Mexico Branch
SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

Mining Division
Date Rec'd MAR 28 1951
BUREAU OF MINES
Denver, Colorado

MINING DIVISION
REGION IV

TUCSON, ARIZONA

March 26, 1951

Memorandum

To : Paul T. Allsman, Denver, Colorado

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : DMA Docket 247, Tom Payne mine, Santa Fe County, N. Mex.

In my last weekly report I stated that I thought this property could be visited during the week of March 26-30. Andrew Shride of the Geological Survey now says that Robert Hernon cannot make the examination for a week or so because of the Peru Mining Co. examination (DMA-371).

Walter R. Storms

Walter R. Storms

CC P. T. Allsman
C. A. Anderson
J. H. Soule
DMA-247
DF

Allsman
Guess we will have to prioritize
JTE

March 26, 1951

Honorable Clinton P. Anderson
United States Senate
Washington, D. C.

Dear Senator Anderson:

This will acknowledge your letter, dated March 21, relative to the application of the Santa Fe Gold-Lead Mines, Ltd.

Mr. Carl A. Allsman, Chief of the Mining Division, Region 3, advises me that the engineers and geologists are scheduled to start the investigation of this property today, March 26. As soon as the field men have made their report, we will send it to Washington by air mail.

Sincerely yours,

J. H. Earhart

J. H. Earhart, Jr.
Regional Director

JHE/cl
cc-Allsman (2)
Koschmann
Otto Herres, Washington
DMA files
Administrators reading file

ALLEN J. ELLENDER, LA., CHAIRMAN
CLYDE R. HOEY, N. C.
OLIN D. JOHNSTON, S. C.
SPESSARD L. HOLLAND, FLA.
CLINTON P. ANDERSON, N. MEX.
JAMES O. EASTLAND, MISS.
HUBERT H. HUMPHREY, MINN.
GEORGE D. AIKEN, VT.
MILTON R. YOUNG, N. DAK.
EDWARD J. THYE, MINN.
JAMES P. KEM, MO.
BOURKE B. HICKENLOOPER, IOWA
KARL E. MUNDT, S. DAK.

C. M. MOUSER, CHIEF CLERK

DMA

United States Senate

COMMITTEE ON
AGRICULTURE AND FORESTRY

March 21, 1951

Mr. J. H. East, Jr.,
Regional Director
Bureau of Mines
Department of the Interior
Denver, Colorado

Dear Mr. East:

This letter is directed to you in the hope that I may be afforded a prompt report on the application of the Santa Fe Lead-Zinc Mines, Ltd., which application I am informed is before you for consideration.

Mr. Richard McGhee, owner, informs me that his company has leases on some adjoining mining claims which will be up April 9, and that they will be unable to hold on to them unless they know what might be done on their present application.

A prompt report from you will be very much appreciated.

Sincerely yours,

Clinton P. Anderson

CPA_VLFf

JHE

Mining Division
Date Rec'd.
MAR 26 1951
BUREAU OF MINES
Denver, Colorado

March 22, 1951

Register - Return Receipt Req.

Memorandum

To : John H. Soule', Silver City, New Mexico

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : DMA Docket 247 - Tom Payne Mine, Santa Fe Lead-Zinc Mines, Ltd., Santa Fe County, N. Mex.

I am enclosing the brochure and other material on the Tom Payne mine. Andy Skride is out of town but I will contact him as soon as he returns and see if Bob Hernon can go with you to make this examination. Please examine the property next week, if possible. I noted in your recent correspondence where the Peru report will be held up for some time while Peru does some more drilling, so perhaps you can get the Tom Payne next week.

I think you know McGee and his character, as well as I do. You will note that R.F.C. loaned Andy Stewart $25,000 on the Tom Payne and he never repaid it. For this reason, R.F.C. would be against loaning any more money on it. I remember that Andy Stewart told me that the ground at the mine was very heavy and that he couldn't keep his stopes open so finally had to quit.

We have been unable to find out exactly what McGee wants to do with the $100,000 so you will have to get the details from him.

After you have completed your examination, come to Tucson to write your report. Senator Anderson of New Mexico has asked us to expedite this examination and report.

Walter R. Storms

CC P. T. Allsman
C. A. Anderson
Robt. Hernon
DMA 247
BP

WRStorms:frj

March 22, 1951

Memorandum

To: Otto Herres, Chief, Lead-Zinc Branch, Defense Mineral Administration

From: DMA Field Team, Region IV

Subject: DMA Docket 247, Santa Fe Lead Zinc (Tom Payne Mine), Santa Fe County, New Mexico.

Referring to your letter, dated March 16, enclosing a copy of a letter addressed to Dr. James Boyd by Senator Clinton P. Anderson, dated March 5, 1951, regarding the Tom Payne Mine, Docket DMA 247, we received a telegram from Senator Anderson on March 8, a copy of which is attached. We replied the same day indicating that the field report could be expected in Washington in about one month. A copy of our reply is attached.

On March 16, 1951 a teletype was sent to you by W. D. McMillan for J. H. East, Jr. requesting additional information from the files in Washington be sent to this office. While we are waiting for this information from Washington, we have requested that the field examination of this application be started in the very near future.

J. H. East, Jr.

J. H. East, Jr.

A. H. Koschmann

A. H. Koschmann

Attachments

JHE/el
cc-DMA files
Allsman
Anderson

1-1027
(April 1946)

UNITED STATES
DEPARTMENT OF THE INTERIOR

AGENCY DEFENSE MINERALS ADMINISTRATION

14-1110037 EXPENSES OF DEFENSE PRODUCTION
EXECUTIVE OFFICE OF THE TELETYPE
PRESIDENT(ALLOTMENT TO INTERIOR),1951 10.1

Originator:
Ext.: 5226 Room: 3618

Appro.:
Date: MARCH 21, 1951
Time:
No.:
To: J H EAST, JR DENVER, COLORADO

Subject:

RE: DMA 247 PLEASE CHECK TUCSON OFFICE FOR APPLICATION, ETC.

Otto Herres
OTTO HERRES

FYI

Mr. J. H. East, Jr.
224 New Customhouse Building
Denver 2, Colorado

Authorized:

Sign original message and transmit to Room ..... in duplicate

U. S. GOVERNMENT PRINTING OFFICE 16—50915-1

WASH DC BU MINES 310 3-20-51 12.55PM

J H EAST JR.

SUBJECT.. ADDITIONAL INFORMATION

REYOUR TELETYPE 3-16-51 PLEASE ADVISE NAME AXX OR NUMBER OF APPLICATIO.

OTTO HERRES

LAST WORD IS APPLICATION

END MSG ACK PLS CW

MIN PLS

YES MIN PLS

NAME OF COMPANY. SANTA FE LEAD ZINC COMPANY. DOCKET DMA 247

J H EAST JR

END YOURS RECD OK

LM

IS THIS IN ANSWER TO MINE PLS YES

PK THANKS END CWO

16

FRIDAY
MARCH 1951

J.H.E.

This referred to Santa Fe Lead Zinc Co - D.M.H 247 - Tom Payne Mine, N. Mexico. - Storms keeps asking for copy of application.

WDM.

P.S. Wrote Storms about this letter - WDM

LAST MONTH

1951 February 1951						
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1951 MARCH 1951						
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NEXT MONTH

1951 April 1951						
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8 A. M. .....

9 A. M. .....

10 A. M. .....

11 A. M. .....

12 Noon .....

1 P. M. .....

2 P. M. .....

3 P. M. .....

4 P. M. .....

5 P. M. .....

6 P. M. .....

McMillan
what is this
JHE

MMOPR DN 235 TO WA 310 BUR MINES PLS OK VVTVO

WA 310 MOK

WZ

WASH BU MINES 310 GO AHD PLS

DN 235 BUR MINES 3-16-51 10.55AM

OTTO HERRES LEAD-ZINC COMMODITY COMMITTEE

REFERENCE YOUR MEMORANDUM JANUARY 18 TO FIELD TEAM REGION IV.

APPLICATION PLUS ADDITIONAL MATERIAL FROM RFC FILES NOT YET RECEIVED.

PLEASE EXPEDITE SHIPMENT.

W D MCMILLAN FOR J H EAST JR

END ACK PLS LM

OK END CO

JHE

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

REGIONAL DIRECTOR'S
OFFICE
REGION IV
MAR 21 1951
BUREAU OF MINES
DENVER, COLORADO

March 16, 1951

247

Mr. J. H. East, Jr.
Bureau of Mines
224 New Customhouse
Denver 2, Colorado

My dear Mr. East:

Enclosed is a copy of a letter from Senator Anderson of New Mexico, inquiring as to the status of our investigation on the Tom Payne Mine. Also enclosed is a copy of our reply.

I would appreciate it if you would find out approximately when your investigation can be made and let us know, so that we can answer the Senator's inquiry.

Sincerely yours,

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

Enclosures 2

UNITED STATES SENATE

March 5, 1951

C O P Y

Dr. James Boyd
Director, Bureau of Mines
Department of the Interior
Washington 25, D. C.

Dear Dr. Boyd:

Reference is had to the application of the Santa Fe Lead Zinc Mines, Ltd., owned by Mr. Richard McGhee. Mr. McGhee made application sometime ago to the Defense Minerals Administration for a production loan. I understand that this was sent to the Field office to be checked. I am wondering what, if anything, has been done.

Sincerely yours,

/s/
Clinton P. Anderson

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

[illegible]

[illegible]

[illegible]
[illegible]
[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

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

[illegible]

[illegible]

[illegible]

[illegible]

OTTO HERRES

[illegible]

[illegible]

UNITED STATES SENATE

March 5, 1951

COPY

Dr. James Boyd
Director, Bureau of Mines
Department of the Interior
Washington 25, D. C.

Dear Dr. Boyd:

Reference is had to the application of the Santa Fe Lead Zinc Mines, Ltd., owned by Mr. Richard McGhee. Mr. McGhee made application sometime ago to the Defense Minerals Administration for a production loan. I understand that this was sent to the Field office to be checked. I am wondering what, if anything, has been done.

Sincerely yours,

/s/

Clinton P. Anderson

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

[illegible]

[illegible]

OTTO HERRES

[illegible]

UNITED STATES SENATE

March 5, 1951

COPY

Mr. James Boyd
Director, Bureau of Mines
Department of the Interior
Washington 25, D. C.

Dear Mr. Boyd:

Reference is had to the application of the Santa Fe Lead Zinc Mines, Ltd., owned by Mr. Richard McGhee. Mr. McGhee made application sometime ago to the Defense Minerals Administration for a production loan. I understand that this was sent to the Field office to be checked. I am wondering what, if anything, has been done.

Sincerely yours,

/s/
Clinton P. Anderson

Mining Division
Region IV

March 16, 1951

Memorandum

To: W. R. Storms

From: Chief, Mining Division, Region IV

Subject: DMA Docket 247, Santa Fe Lead-Zinc Mine, Santa Fe
Fo County, New Mexico

Reference is made to your memorandum of March 14, 1951.

The only information we received on the expenditure of the $100,000 is that given in paragraph number 1 of the memorandum from the Lead-Zinc Commodity Committee, which is quoted below:

> "Applicant wants $100,000 to buy equipment and parts to complete a 50 ton mill, and for mining equipment and supplies, also for a 90 day mining payroll, also for a contingent fund ($31,500).

We assumed this was sufficient, as details could be obtained from the applicant. However, we are requesting Washington to expedite forwarding of the application to this office and we will send it on to you as soon as received. They are at times lax in replying to our requests, so you may have to proceed with the examination without the application in order to meet the dead line mentioned in the telegram to Senator Clinton P. Anderson.

W. D. McMillan
for P. T. Allsman

WDM/cl
cc to DMA files

Mining Division
Date Rec'd.
MAR 16 1951
BUREAU OF MINES
Denver, Colorado

March 14, 1951

Air Mail

Special Delivery

Memorandum

To : Paul T. Allsman, Denver, Colorado

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : DMA Docket 247, Santa Fe Lead Zinc Mine, Santa Fe County, N. Mex.

In answer to your memorandum of March 9 regarding the above lean application, we still do not know exactly how this company expects to spend the $100,000. No application (Form 146 or informal letter application) was received with the brochure that you sent to Anderson. In reply to a letter to you from me, McMillan wrote that all material was sent down from Denver. Shride also wrote Koschmann and he said that everything was sent us.

Walter R. Storms

CC P. T. Allsman
C. A. Anderson
DMA 247
DF

WRStorms:frj

COPY

DN 235 Bur Mines 3-16-51 10.55 am

Otto Herres Lead Zinc Commodity Committee

Reference your memorandum January 18 to Field Team, Region IV.

Application plus additonal material from RFC files not yet received.

Please expedite shipment.

W. D. MCMILLAN FOR J. H.EAST JR

Wash DC Bur Mines 310 3-20-51 12.55 pm

H. H. East, Jr.

Subject additional information

reyour teletype 3 16 51 please advise name or number of application.

Otto Hefres

Name of Company. Santa Fe Lead Zinc Company, Docket DMA 247.

UNITED STATES
DEPARTMENT OF THE INTERIOR

Arizona-New Mexico Branch
[redacted]
Box 4097
UNIVERSITY STATION

BUREAU OF MINES
MINING DIVISION
REGION IV

TUCSON, ARIZONA

Mining Division
Date Rec'd.
MAR 16 1951

March 14, 1951

Air Mail

Special Delivery

BUREAU OF MINES
Denver, Colorado

Memorandum

To : Paul T. Allsman, Denver, Colorado

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : DMA Docket 247, Santa Fe Lead Zinc Mine, Santa Fe County, N. Mex.

In answer to your memorandum of March 9 regarding the above loan application, we still do not know exactly how this company expects to spend the $100,000. No application (Form 146 or informal letter application) was received with the brochure that you sent to Anderson. In reply to a letter to you from me, McMillan wrote that all material was sent down from Denver. Shride also wrote Koschmann and he said that everything was sent us.

Walter R. Storms

Walter R. Storms

CC P. T. Allsman
C. A. Anderson
DMA 247
DF

Mining Division
Region IV

March 9, 1951

Memorandum

To: W. R. Storms, Tucson

From: Chief, Mining Division, Region IV

Subject: Docket DMA 247, Santa Fe Lead Zinc Mines

Herewith are copies of a telegram from Clinton P. Anderson and reply concerning the above. This is to alert you to the commitment that has been made for clearing the report to Washington.

I believe it was agreed Hezhon and Soule were to make the investigation and report.

P. T. Allsman

Attachments

PTA/cl

cc-Allsman
DMA files

STANDARD FORM No. 14
APPROVED BY THE PRESIDENT
MARCH 10, 1926

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

FROM J. H. East, Jr.

BUREAU Mines

CHG. APPROPRIATION 224 New Customhouse (DMA)
~~Denver 2, Colorado~~

U. S. GOVERNMENT PRINTING OFFICE 10—1723

March 8, 1951 JHE:lm

CLINTON P. ANDERSON
UNITED STATES SENATE
WASHINGTON, D. C.

REURTEL. APPLICATION OF SANTA FE LEAD ZINC MINES DMA-247 HAS BEEN FORWARDED TUCSON OFFICE FOR FIELD INVESTIGATION WHEN ENGINEERS AND GEOLOGISTS COMPLETE PRESENT ASSIGNMENTS. FIELD REPORT MAY BE EXPECTED IN WASHINGTON IN APPROXIMATELY ONE MONTH.

J. H. EAST, JR.
REGIONAL DIRECTOR, IV
BUREAU OF MINES

DMA files
Accounts

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1201

1545

W. P. MARSHALL, PRESIDENT

SYMBOLS
DL=Day Letter
NL=Night Letter
LT=Int'l Letter Telegram
VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

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AW SNE053 GOVT DL PD=S WASHINGTON DC 8 1050A=

JOHN H EAST JR=

224 NEW CUSTOMHOUSE DVR=

ANXIOUS ABOUT REPORT SANTA FE LEAD ZINC MINES APPLICATION DMA-247 ADVISE WHEN MAY EXPECT REPORT WASHINGTON=

CLINTON P ANDERSON USS=

REGIONAL DIRECTOR'S OFFICE
REGION IV
MAR 8 - 1951
BUREAU OF MINES
DENVER, COLORADO

Recd 9:30 1951

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

copy

TELEGRAM Washington D. C. March 8, 1951

John H. East, Jr.
224 New Customhouse
Denver

Anxious about report Santa Fe Lead Zinc Mines application DMA 247.

Advise when may expect report Washington.

Clinton P. Anderson USS

Denver, Colorado, March 8, 1951

Clinton P. Anderson
United States Senate
Washington, D. C.

Reurtel. Application of Santa Fe Lead Zinc Mines DMA 247 has been forwarded Tucson office for field investigation when engineers and geologists complete present assignments. Field report may be expected in Washington in approximately one month.

J. H. East, Jr.
Regional Director, IV
Bureau of Mines

February 16, 1951

Memorandum

To: W. R. Storms, Tucson

From: W. D. McMillan, Mining Engineer

Subject: Docket DMA 247, Tom Payne Lead-Zinc Mine

Referring to your memorandum to Mr. Allsman regarding the application for loan for the Tom Payne Mine, I am enclosing a copy of Mr. Koschmann's letter to Anderson indicating the memorandum and brochure were sent to him, and a copy of our memorandum of January 31 sending additional information to Anderson.

W. D. McMillan

Enclosures.

UNITED STATES
DEPARTMENT OF THE INTERIOR

Arizona-New Mexico Branch
SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

BUREAU OF MINES
MINING DIVISION
REGION IV

Mining Division
Date Rec'd.
FEB 12 1951
BUREAU OF MINES
Denver, Colorado

TUCSON, ARIZONA

February 9, 1951

Memorandum

To : Paul T. Allsman, Denver, Colorado

From: Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject: Tom Payne Lead-Zinc Mine, Santa Fe County, N. Mex.-
DMA Docket No. 247

C. A. Anderson of the Geological Survey in Prescott recently received the above docket and forwarded it to Andrew Shride here. However, the envelope contained no application for a loan, merely the letter from the Field Team, the Commodity Committee, and the confidential R.F.C. data. Do you know where the actual loan application is? I am acquainted with McGee and haven't too high a regard for his mining ability, having seen some of the "boners" that he pulled in the Cerrillos district during the war, so would like to see his application before doing anything about an examination. For my part, I believe I could write the Bureau's recommendations without visiting the mine as I am well acquainted with it.

Walter R. Storms

Walter R. Storms

CC C. A. Anderson
DMA 247
DF

February 16, 1951

Memorandum

To: W. R. Storms, Tucson

From: W. D. McMillan, Mining Engineer

Subject: Docket DMA 247, Tom Payne Lead-Zinc Mine

Referring to your memorandum to Mr. Allaman regarding the application for loan for the Tom Payne Mine, I am enclosing a copy of Mr. Kesselmann's letter to Anderson indicating the memorandum and brochure were sent to him, and a copy of our memorandum of January 31 sending additional information to Anderson.

W. D. McMillan

Enclosures.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

February 6, 1951

Air Mail

Memorandum

To: W. R. Storms

From: Chief, Mining Division, Region IV

Subject: Docket DMA-247, Santa Fe Lead-Zinc Mines, Ltd.
(Tom Payne ~~Mine~~)

Attached are copies of memorandums from J. H. East concerning the subject DMA work. The memorandums are self-explanatory.

W. H. King
For Paul T. Allsman

Enclosures 3

CC: DMA Team, Reg. IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
460 New Customhouse
Denver 2, Colo.

Registered Mail

February 2, 1951

Mr. Charles A. Anderson
Box 633
Prescott, Arizona

Dear Charles:

Under separate cover memorandum and brochure covering Tom Payne mine, Cerrillos district, New Mexico, docket DMA 247 is being mailed to you. Recently McKnight mailed me a Survey manuscript which is enclosed covering the Cerrillos district. Please note the caution in Mac's letter regarding care of manuscript. When finished with the manuscript please return to McKnight directly, but send me a carbon of your letter, so I can check it off my list.

Sincerely,

Enclosure

A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

January 31, 1951

Memorandum

To: P. T. Allsman, Chief, Mining Division

From: Field Team, Region IV

Subject: Docket DMA 247, Santa Fe Lead-Zinc Mines, Ltd., (Tom Payne Mine).

You will note the attached instructions from the Field Team relative to the Tom Payne mine in New Mexico. Please instruct Storms that he is not to use Jack Soule on this work. He should use the Arizona personnel for this work.

Mr. Koschman has additional to file which he is sending to Anderson.

J. H. East, Jr.

J. H. East, Jr.

A. H. Koschman

Attach.
JHE/cl
cc-Allsman (2)
Koschman
DMA files
Chron.

January 31, 1951

Memorandum

To: Charles Anderson, USGS, Prescott, Arizona

W. R. Storms, Bureau of Mines, Tucson, Arizona

From: Field Team, Region IV

Subject: Docket DMA 247, Santa Fe Lead-Zinc Mines, Ltd.
(Tom Payne mine, Cerrillos district, Santa Fe Co., New Mexico)

We are attaching brochure covering the Tom Payne mine, Santa Fe Lead-Zinc Mines, Ltd. Please arrange to make a joint investigation.

You will note that attached to this brochure is a manila envelope containing information that is marked confidential from the RFC files. You will also note that the envelope and its contents are to be returned to this office when you make the report.

J. H. East, Jr.

J. H. East, Jr.

A. H. Koschmann

Attachment

Copies to -
Charles Anderson (original and brochure)
P. T. Allsman (2)
A. H. Koschmann
DMA files
Chron.
JHE/el

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

REGIONAL DIRECTOR'S OFFICE REGION IV
JAN 29 1951
BUREAU OF MINES
DENVER, COLORADO

January 18, 1951

Memorandum

To: Executive Officer of Field Team, Region IV

From: Lead-Zinc Commodity Committee, DMA

Subject: Docket DMA 247, Santa Fe Lead-Zinc Mines, Ltd.
(Tom Payne mine, Cerrillos district, Santa Fe Co., New Mexico)

Review of the subject docket by the Lead-Zinc Committee yields the following pertinent information:

1. Applicant wants $100,000 to buy equipment and parts to complete a 50 ton mill, and for mining equipment and supplies, also for a 90 day mining payroll, also for a contingent fund ($31,500).

2. Applicant states he can start shipping concentrates about 80 days after mill equipment arrives.

3. Applicant states that mine produced 16,000 tons in 1915-17. But an unpublished Geological Survey report by Walter C. Stoll, 1945, reports (by summation) 5,100 tons of ore in 1915-17, ascribing these figures to the Bureau of Mines.

4. Applicant claims 6,000 tons of ore stockpiled (grade 5% lead, 12% zinc), and 30,000 tons of measured and indicated ore (grade 8% lead, 17% zinc) exposed on the 100', 200' and 300' levels. The Stoll report cited above, based on work in 1945, states: "much of remaining ore exposed is distributed in several widely separated parts of the mine and would be minable only at relatively slow rate and high cost. The resumption of full scale mining in the Tom Payne depends on the prior development of further ore bodies by sinking and drifting."

It is recommended that application plus additional material that we have obtained from the R.F.C. files be referred to the field for further investigation. If applicant's statements on reserves are correct, this would appear to be a worth while project, but his figures appear to conflict with Stoll's statement. However, additional development work may have been done since Stoll was there, even though no production was made. Furthermore, Stoll was not given the specific job of reporting on numerical ore tonnage, so he may have not given this problem detailed attention.

Note (from Mrs. Luttrell's notes) that the R. F. C. has already lost a lot of money on this mine, so they should rightly be critical of any favorable recommendation.

Also note that McGhee was Superintendent of the mine under Sierra Metals. He does not state this in his application, but charges "gross mismanagement" by Sierra Metals Company.

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

Approved:
DMA Operating Committee

C O Wittendorf
~~S. H. Williston~~, Chairman

J. H. Hedges
J. H. Hedges

Olaf N. Rove
Olaf N. Rove

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

OFFICE OF
CHIEF, OIL SHALE MINING DIVISION
SYNTHETIC LIQUID FUELS PROGRAM

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

December 11, 1950

Richard McGhee
Santa Fe Lead-Zinc Mines, Ltd.
P. O. Box 74
Santa Fe, New Mexico

Dear Mr. McGhee:

This will acknowledge receipt of your letter and enclosures to Mr. Rast, containing information on your Santa Fe Lead-Zinc Mines, Limited, Tom Payne mine located in the North Cerrillos Mining District, New Mexico.

The information appears substantial and well presented.

The information will be submitted to the Administrator of the Defense Minerals Administration in Washington for their consideration.

Sincerely yours,

Paul T. Allsman, Chief
Mining Division

PTA:vmt
Subj File
Chron File

cc: W. R. Storms
T. B. McMillan

3 copies of report to DMA 12/18/50

SANTA FE LEAD-ZINC MINES, LIMITED,
(a limited mining partnership)
P. O. Box 74,
Santa Fe, New Mexico.

Mr. J. H. East, Jr., Regional Director,
United States Department of the Interior, Bureau of Mines,
224 New Customhouse,
Denver 2, Colorado.

Sir:

Reference is made to your letter of November fifteenth and form-letter enclosed, as requested. In compliance therewith the following is submitted:

1. Tom Payne Mine is not now operating, but to be operated by Santa Fe Lead-Zinc Mines, Limited, (a limited mining partnership), P.O. Box 74, Santa Fe, New Mexico. Previously operated under lease from A. B. Stewart by Sierra Metals Company.

2. Past production: 16,000 tons in 1915-16-17 from 100' to 200' levels by H. O. Brooks, owner. In 1944, 433.5 tons by A. B. Stewart, Lessee.
Present production: None.
History of property: Located in the North Cerrillos Mining District, containing large deposits of zinc-lead ores, with small values in gold, silver and copper. It has been worked intermittently since 1680, when discovered by the Spaniards. Between 1904 and 1930 the district is reported to have produced 1,155,527 pounds of zinc; 842,340 pounds of lead and 160,620 pounds of copper. In 1946 the Tom Payne Mine was closed down for lack of capital, under gross mismanagement by Sierra Metals Company. After shipping 433.5 tons of ore to A. S. & R. Co. smelter in El Paso, Texas, shipments were stopped in 1944. It was disclosed that penalties were too high for not separating the zinc from the lead and other metals. A selective oil-flotation process was necessary, at the mine, to obtain separate concentrates and receive maximum values. Denver Equipment Company prepared a "flow-sheet", to be used with their flotation machine, for these ores. A mill was partially completed, under roof, on concrete, for milling 50 tons of ore daily. Over 6,000 tons of ore were stockpiled for this mill; also some 30,000 tons of ore exposed on the 100', 200' and 300' levels in the Tom Payne Mine. Then the Sierra Metals Company forfeited its lease. Lease and option to buy are now held by Richard McGhee, of Santa Fe, N. M., under very favorable terms; to-wit: 10% from production to apply on purchase price, with clause for renewal each five years on original terms.

3. Proposed work for which loan is requested: To complete mill, now under roof, on concrete; purchase and install necessary machinery to mill ore and separate into concentrates by selective oil-flotation process; lumber; pipe; truck; wages and insurance on property and workmen. Denver Equipment Company's estimate, dated November 20, 1950, is shown below in item 3.c.

   a. No new work contemplated at this time.

3. b. Major equipment and other facilities available:

1 Keuken Crusher, 10" x 12"
1 Ball Mill, Harding, 5', conical
1 Dorr Classifier, 14" x 12', rake type
1 Diesel, Atlas Imperial, 100 h.p.; for all power and lights
1 Mill, 40' x 65', concrete; under roof; designed for one man to handle 50 tons of ore daily.
1 Bin for fine ore; 225 tons capacity.
1 Bin for concentrates; 160 tons (divided)
1 Water-well, 200' deep; 140' water in well; equipped with casing, walking-beam and gasoline engine; to furnish 60 gallons per minute.
1 Hoist-engine and gallows-frame
1 Shaft in Tom Payne Mine 350' deep, timbered and in first-class condition; water-lines and airlines installed; ready for operations.

Drifting in Tom Payne Mine, as follows:

S end of 100' level	-	450'	- connected with airshaft
S end of 200' level	-	400'	
N end of 200' level	-	600'	
S end of 300' level	-	330'	
N end of 300' level	-	220'	
Total drifting in ore	-	2,000 feet	

c. Major new equipment and other facilities required:

1 Generator, 100 k.w., complete with switchboard	$ 1,250.00
1 Conveyor belt, 18" x 150'	600.00
8 18" conveyor belt troughing idlers	210.00
1 12" wide x 10' long, Denver Adjustable Stroke Belt ore feeder, with heavy endless belt and thick rubber covering, steel pulleys, belt rollers closely spaced under feeder hopper; with hand-wheel operated variable feed adjustment; all mounted on heavy structural steel frame. Arranged for motor drive, including 1/2 HP 3 phase, 60 cycle, 440-volt motor, V-rope drive, including V-belts and grooved sheaves and special mounting for motor, and 1-only manual op.m.start'g swtch.	611.00
1 1½ HP 3 phase, 60 cycle, 440-volt, 1200 RPM motor for 12" x 14' Dorr Rake Classifier, complete with manually operated switch, less drives,	108.30
1 2 HP, 1800 RPM, 3 phase, 60 cycle, 440-volt motor, complete with manually operated switch	108.30
2 No. 15 (24" x 24") 6-cell Denver "Sub-A" Flotation Machine with ~~hard iron~~ rubber Wearing Parts, arranged for and including dual motor drive, with 3 HP, 60-cycle, 440-volt, motor and drives, including Manually operated switches and hand-wheel operated Weir Gates,	5,570.00
1 1½ HP, 1800 RPM, 3 phase, 60-cycle, 440-volt motor, complete with manually operated switch, for No. 6 Denver-Wilfley Concentrating Table,	94.50
Forward	8,552.10

Item 3. c. * (continued) - Total forward, $ 8,552.10

1 - 4' x 2 disc Denver Disc Filter, with 1 compartment each for lead and for zinc, arranged for and including 3/4 HP, 98-49 RPM, 60-cycle, 3 phase, 440-volt variable speed motor, with sprocket and roller chain drive and manually operated switch	2,310.00
Vacuum Accessory equipment for above Filter: 5½" x 4" Duplex Cylinder Air Cooled Vacuum Pump; 1" - 3531 Filtrate Pump; 12" x 60" Filtrate Receiver; 12" x 30" Moisture Trap; No. 24 Blower; Necessary motors for Vacuum Pump (5 HP), and Filtrate Pump; all manually operated switches	1,217.00
3 - No, 12 Denver Duplex Wet Reagent Feeders, arranged for and including 1/20 HP, 1800 RPM, 1 phase, 60 cycle, 110-volt, resistance split phase, sleeve bearing motors, with V-toV belt drives and manually operated switches	645.00
2 - 6" Denver Dry Reagent Feeders (Cone Type) with cylindrical steel Hopper, revolving turn-table, scraper for removing reagent, stirrer, screen, all mounted on steel base plate, arranged for and including 1/4 HP, 1 phase, 60 cycle, 110-V, sleeve bearing motor with manually operated switches and V-belt drives	312.60
Freight on above from Denver to mine, approx.10 tons,	713.30
1 - Pickup truck for mine	2,000.00
Pipe for water line, 2", 2,000', plus freight	1,000.00
Lumber and timbers, for mill and mine	2,000.00
Rails, for mine and surface	1,250.00
Electrical installation in mine and communic.system	750.00
10 ore buckets; 2 mine cars; 500' cable;various tools,	1,500.00
1 International K-7, dump truck, 3½ tons	4,000.00
1 log cabin for General Manager, furnished	2,500.00
Repairs to mine road	1,250.00
Chemicals and Supplies for Mill	1,000.00
Construction of bin for coarse ore for crusher & ramp	2,500.00
Powder, fuses and caps	1,000.00
Insurance: Fire, Compensation and Public Liability	1,000.00
Wages for 10 men for installation; 60 days @ $10.00	6,000.00
Wages for 30 men for mine and mill operation, " 90 d. (including administrative expense)	27,000.00
	$68,500.00
Cash in bank as reserve for contingencies	31,500.00
Total	$100,000.00

3. d. Present average number of employees: None.

e. Estimated additional employees required for proposed work:
As stated above.
Availability of labor for this work:
All men are now available from small towns of Cerrillos and Cienega, both five miles from mine.

3. f. Name and location of mill where ore will be treated:
No name. On property.
Distance to mill: 3,000' from Tom Payne Mine
Method of transportation: Truck.

g. When proposed work is completed, rate of production that reasonably can be expected: 50 tons daily. This estimate made by Denver Equipment Company. See their Flowsheet of 7 pages, dated November 3, 1944, Ore Test 1591-U, which should be in R. F. C. files in Washington.

h. Estimated time required to complete work for which loan is requested:
To complete mill for operation will require 60 days from date equipment is received at property.
Immediately after completion of the mill it is planned to begin milling the stockpile of 6,000 tons now on the ground. To mill this ore will require at least 120 days. We expect to prepare the mine for operation 30 days before the mill is completed. We expect to begin mining with the start of the operation of the mill. We plan to mine at the rate of 50 tons a day. We estimate that it will require two weeks to get the mill operating at the rate of 50 tons daily. We expect to start shipping concentrates to the smelter within three weeks after the mill starts operating.

i. Accessibility of mine: Four miles from paved highway.
Present condition of roads: Fair to good.

j. Estimate of metal prices required to operate this mine on grade of ore expected: Five cents per pound, each, for lead and zinc; minimum.

4. Estimate of ore reserves:
a. Measured ore: 10,000 tons in mine; assay: 8% lead; 17% zinc.
b. Indicated ore: 20,000 tons in mine; " ditto
c. Inferred ore: 10,000 tons in mine; " ditto
Stockpile measures: 6,000 tons. Assays: 5% lead; 12% zinc.
No maps and assays available, except U. S. Dept. of Interior, Geological Survey Preliminary Maps 3-205, prepared for Strategic Minerals Investigations in report made by their engineers in 1945; also 37 sample assays made by Jack Frost and Guy Ingersoll, Consulting Engineers, R. F. C., showing average values in 4.a. above; all on file in Washington.
In 1944 report was made by R. J. Forrester, Mining and Metallurgical Engineer on the Tom Payne Mine. He showed therein, at that time, a total of 846 feet of drifts on the 100', 200' and 300' levels. He figured 100' and 110' as the vertical extent of ore; with 2' as the average width of ore and 15 cubic feet of ore in place to the ton; thus deriving a total of 12,284 tons of proven ore; indicated ore, 5,000 tons; probable ore, 5,000 tons; possible ore, 20,000 tons; for a total of 42,284 tons. He states: "Proven ore is meant as ore blocked out on all sides in blocks small enough to insure continuity of values and widths. Indicated ore is ore less well blocked. Probable ore is ore drifted through and in headings. Possible ore is the imagined extent of a partially opened ore body on the ore basis of past mining experience."

Quoting further from R. J. Forrester:

"All figures are considered ultra conservative, and are taken from Mr. Stewart's records, believed to be correct. The ore is assumed safely to carry 6% lead and 9% zinc over 2' widths above the 300' level, and to carry 9% lead and 18% zinc below the 300' level in the shaft bottom over 3' widths, which latter is all included in the "indicated ore". "

Attached hereto is one photostatic copy of Maps 3-205 and report now on file in Washington, mentioned in 4 above; also assays attached to Fig. 2.

In connection with milling 50 tons daily, there are now enough stopes ready in the three levels to mill that amount of ore. The 10,000 tons of measured ore, in 4.a., plus the 6,000 tons of measured ore in the stockpile, will keep the mill running at least one year. The R. J. Forrester report also indicates probably 30,000 additional tons available from the Tom Payne Mine. It is to be noted that he derived a total of 12,284 tons of proven ore from only 846 feet of drifts at that time. Since then these drifts have been extended for a total of 2,000 feet on the three levels. This would indicate an increase of proven ore from 12,284 tons to over 29,000 tons. We fully agree with his statement that all figures are considered ultra conservative. Also that width of veins and assay values increase with depth.

5. No other reports by engineers are now available concerning this property. However, a report dated September 30, 1946, was made by Thomas M. Bains, Jr., E. M., Columbia, 1912, former Professor of Mining, Colorado School of Mines, entitled: "Mining Report on the Tom Payne and Black-Hornet Zinc-Lead Properties, Cerrillos District, New Mexico." (17 pages). On page 2 he states that more than 30 nearly parallel veins cross the property, as found to exist by W. C. Stoll, the U. S. G. S. Engineer in charge of their survey. On page 3 he states that the ground breaks easily and the principal mining cost will be labor, with no union troubles likely in this region. On page 5, paragraph 1, Bains states that due to exessive costs of smelting, shipments were stopped and about 6,000 tons of ore were stockpiled at the Tom Payne shaft dump for milling in a 50-ton selective flotation mill being erected on the Black Hornet Mine; that this mill is partially completed at this time and the Sierra Metals Co. has forfeited its lease and options and is now out of the picture.

6. EXPERIENCE OF MINE MANAGEMENT:

Managing Partner: Richard McGhee, formerly Master Mechanic with Masonic Mining Co., Masonic, California; Superintendent of both Syndicate Mine, Bodie, California and Como Mines, Dayton, Nevada. Over 30 years in various other mines in both states.

Superintendent: Paul Rinehart. Mine foreman and superintendant for 25 years in various mines in Colorado, Arizona, New Mexico and Mexico. Formerly Superintendent for New Mexico Manganese Co., Silver City, N. M. and Mercury Mines, Inc., in Ark.

Assistant Superintendent and Electrician: Wilbur Mullins. Mine foreman and superintendent for 20 years in various mines in Cripple Creek, Colorado.

EXPERIENCE OF MINE MANAGEMENT - continued:

Consulting Metallurgical Engineer: H. D. Bemis. Retired after 12 years with American Metals Co. as their General Manager in charge of all milling operations. He is conceded to be an outstanding Metallurgical Engineer.

Straw Boss: To be selected by H. D. Bemis.

Office Manager and Treasurer: W. W. Moyer. Banking for 16 years; also many years as accountant and auditor.

Auditors: Linder, Burke and Stephenson, C.P.A.'s.

Legal Counsel: H. O. Waggoner, Esq., Albuquerque, N. M.

7. Other Evaluating Data:

It is to be noted that the 6,000 tons of ore already mined, in the stockpile and ready to mill, is ample security for this loan. Assay values on this ore are 5% lead and 12% zinc, thus indicating a net profit of more than $250,000.00, from which this loan will be repaid.

The proven and other ore in Tom Payne Mine, assaying much higher values, should keep the mill busy continuously at this property for the next five years, by conservative estimates. These properties comprise 206 acres, in two leases.

The operation is proposed to be carried on as a limited mining partnership.

All titles and leases have been examined and approved by competent legal counsel.

8. All previous attempts to secure private financing have failed; because of some bad history under previous management.

Please acknowledge receipt of this application and enclosures. If any additional information is desired by you in order to expedite this loan, please advise.

Respectfully,

SANTA FE LEAD-ZINC MINES, LIMITED,

By: Richard McGhee

Richard McGhee, Managing Partner.

Enclosures -5-
WWM

Form 6-98

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

U. S. GOVERNMENT PRINTING OFFICE 16—53493-2

April 27, 1951

Memorandum

To: Landon Strobel, Executive Secretary, Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: DMA Docket 247, Tom Payne Lead-Zinc Mine, Cerrillos Mining District, Santa Fe County, New Mexico

We are attaching the original and two copies of the report on DMA Docket 246, Tom Payne Zinc-Lead Mine.

The Field Team concurs with the findings and recommendations in the report.

J. H. East, Jr.

A. H. Koschmann

A. H. Koschmann

Attachments
One copy by air mail
Two copies by regular mail (with brochure)

DMA files

THE PAYNE ZINC-LEAD MINE,
CHIMILLOS MINING DISTRICT,
SANTA FE COUNTY, NEW MEXICO

DEFENSE MINERALS ADMINISTRATION REPORT

DMA DOCKET #847

APPROVED:

J. E. East, Jr.

A. H. Koschmann
A. H. Koschmann

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
JAMES WOOD, ADMINISTRATOR

Mining Division
Region IV

April 27, 1951

Memorandum

To: DMA Field Team, Region IV

From: Chief, Mining Division

Subject: DMA Docket 247, Tom Payne Lead-Zinc Mine, Cerrillos Mining District, Santa Fe County, New Mexico

The report on the above docket has been reviewed. It is noted that the operation would require over-market price on lead and zinc for profitable operation and, therefore, it is recommended that the requested loan be denied. The examiners have not determined whether the operator is willing and financially able to enter into an exploration contract on a matching basis. Neither have they indicated whether further exploration has merit.

It may be the project should be reconsidered as exploration, however, because of the pressure from Senator Anderson for getting the report in, it is recommended it be forwarded and await further instruction from the Defense Minerals Administration.

I concur in the conclusions presented.

P. T. Allsman

Attachments

April 25, 1951

Air Mail

Memorandum

To : Paul T. Allaman, Denver, Colorado

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : Final report, RMA Docket 247, Tom Payne Mine, Santa Fe County, N. Mex.

Enclosed are original and 11 copies of the above report by S. M. Herman of the Geological Survey and J. N. Smith of the Bureau of Mines. C. A. Anderson has read this report and has approved the section on Summary, Conclusions and Recommendations, as well as the remainder of the report.

This report has my approval.

The brochure material, including the confidential R.F.C. matter, is enclosed.

Walter H. Stevens

CC F. T. Allaman
C. A. Anderson
RMA-247
RF

WHS:ccma:fr]

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 4126, University Station
Tucson, Arizona

April 23, 1951

Memorandum

To: Mr. A. G. Goodman

From: District Supervisor, Arizona-New Mexico

Subject: Tom Payne Area, Cerrillos Mining District, Santa Fe County, New Mexico - GSA Docket 217

Enclosed are original and 11 copies of the above report by Robert G. Barron. Please return one copy to us and one to Mr. Storms.

The section on ore reserves is included in the engineering section, written by John C. Beale, as Barron and Beale worked by reserve estimates together.

The report and recommendation that the loan be denied have my approval.

Charles E. American
District Supervisor
Arizona-New Mexico

Enclosures 12

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

By Robert M. Herman[1] and John H. Beale[2]

The Santa Fe Lead-Zinc Mine, Limited, has applied for a $100,000 loan (DMA Docket 247) as authorized by the Defense Production Act of 1950. This loan is to be used to complete a small mill and prepare the Tom Payne mine for production of lead-zinc ores and concentrates.

The property is located in the Cerrillos Mining District, Santa Fe County, New Mexico, about 20 miles southwest of Santa Fe, New Mexico. Records show that a small production has been made from this property, largely in times of very high metal prices.

The following observations are based on an examination of the property and on material extracted from the files of the Geological Survey, Bureau of Mines, and Reconstruction Finance Corp.

1. The narrow veins of valuable minerals occupy only a fraction of the width of shear zones in the Tom Payne area;

2. Ore shoots range in width from about 6 inches to 3 feet, and average about one foot. The enclosing shear zones are commonly four to seven feet wide;

3. The stronger shear zones may be traced for a few hundred feet and may extend as much as 2,000 feet;

4.. The shear zones enclosing the veins dip steeply;

1/ Geologist, U. S. Geological Survey

2/ Mining Engineer, Bureau of Mines

5. Tonnage and calculated recovered grade of marketed ores from the Tom Payne mine for the years 1905-1949 are as follows:

Tons	Gold	Silver	Copper	Lead	Zinc
6,771	0.006	1.1	0.19	2.4	8.3

6. Measured ore (stockpile) at the Tom Payne mine totals 1,150 tons, a sample of which assays:

Gold	Silver	Copper	Lead	Zinc
0.03	1.0	0.10	3.25	5.9

7. Diluted indicated reserves total 20,152 tons. Grade is determinable at few points. Diluted grade given by available samples follows:

Gold	Silver	Copper	Lead	Zinc
0.008	1.62	0.14	4.68	8.60

8. The mine appears to make 7 tons of diluted ore (including indicated reserves) per foot of development work, excluding development raises;

9. The mine as developed on three levels over an average drift-length of 650 feet appears to make 6,700 tons of diluted ore, including indicated ore, per 100 feet of vertical depth;

10. The third level appears to be poorer in ore than the first and second levels. The main zone of orebodies, however, may rake flatly to the south beyond the developed portion of the third level. Such possible rake is not established;

11. The inaccessibility of most of the third level, particularly reported extensions, makes calculation of inferred reserves unwarranted.

The maximum expectable inferred ore per 100 feet of depth, or per foot of development, is given in item 9.

The mine is equipped for a small operation but much rehabilitation work is necessary before any ore can be produced. In addition, considerable development work must be done to comply with New Mexico safety requirements.

An economic summary indicates that a profitable operation is not feasible and that losses will be smaller if the loan is denied and the ore shipped to a custom mill at Deming, New Mexico.

Small and sporadic past production indicates unsatisfactory mining conditions. The only real production resulted when exceptionally high metal prices prevailed during World War I. Small production before and since that time seems to indicate various test shipments that proved uneconomical. Operations then ceased until another operator again tried to operate the mine.

A sum of $100,000 is requested to prepare the mine and mill for production. Although this sum may be sufficient to complete this preparation, a study of the economic features indicates an unprofitable operation. This is further borne out by the unsuccessful operation in 1942-1944 when a $25,000 loan on the property was granted by the Reconstruction Finance Corporation. This loan was not repaid.

It is recommended that the request for $100,000 be denied.

[illegible] IN A
[illegible]RILLO MINING DISTRICT
SANTA FE COUNTY, NEW MEXICO

Defense Minerals Administration Report
DMA Docket #247

United States Department of the Interior
Defense Minerals Administration
James Boyd, Administrator

Geology

Tom Payne Area
Cerillos Mining District
Santa Fe County, New Mexico

by Robert H. Dickson[1/]

Geology

1/ Geologist, U. S. Geological Survey, Silver City, New Mexico

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ROCKS

The rocks of the Cerillos district include Cretaceous sandstone and shale, monzonite and trachyte porphyry intrusive into the Cretaceous sedimentary rocks, and Tertiary and Quaternary continental sediments and basalt flows. The Tertiary and Quaternary rocks are younger than the intrusives and the ore deposits.

The Cretaceous sandstone and shale dip at angles of 15 to 20 degrees in an easterly direction except for local disturbances along faults and intrusives. The monzonite mass is exposed over an area of about ten square miles; it may extend under later cover for an additional ten square miles or more of area. It is described rather uniformly in the literature as a laccolithic mass, based on marginal concordance and concordant peripheral intrusions. The evidence seems not to have established a floor under the intrusive, hence it seems entirely possible that it is a stock with a laccolithic expansion at and near the present surface.

These older rocks are unconformably overlapped by the Tertiary Santa Fe formation and Quaternary basalt flows. These formations have great areal extent in the region.

SHEAR ZONES

The shear zones that localize the zinc-lead ore deposits, range in strike from about north to N 30 E, and dip steeply west or vertically in most places. The croppings of the shear zones are generally covered by mantle but are exposed to view by numerous surface workings. They are one to six or seven feet wide where now exposed, and are spaced

from a few tens to several hundred feet apart. The individual stronger shear zones may be followed for distances from a few hundred to over two thousand feet.

The shear zones split in places as observed in plan and probably also in sectional view. Locally, there is some suggestion of echelon arrangement.

Examination of exposures of about ten shear zones in the Tom Payne area, indicates the Tom Payne shear zone is as strong or stronger than the others. It can be traced for about 2,000 feet on strike. Some of the shear zones are narrow and relatively weak where their croppings can be studied. The Tom Payne shear zone ranges in width from about one foot to six or seven feet. The monzonite, which is the principal host-rock in the Tom Payne area and in most of the Carillos district, is sheared and crushed between the limiting walls of the shear zone. It is sericitized, argillized, and in places chloritized. Commonly there are small ellipsoidal remnants of unsheared monzonite included within anastomosing or linked shears. The main fault wall is fairly smooth with nearly horizontal striations. It is marked by clay gouge that reaches a maximum observed thickness of 1½ feet. The clay is of swelling type. The shear zone may be delimited by fault walls on one or both sides. Minor fault "walls" are in places present within the shear zone.

VEINS

The veins are composed of more or less vuggy, crystalline or dense greyish quartz, carbonate, altered wall rock remnants, yellow to brown sphalerite, galena, and a small amount of pyrite. The veins where better grade and less silicious, commonly show clearcut to crude

banding. Where the dense type of quartz is dominant, banding is absent or inconspicuous and the sulfides are in spots as fillings of small irregular vugs.

The veins, as can now be observed, range in thickness from about one inch to 2½ feet. In most present exposures, a single vein is situated in the shear zone, commonly near one wall. If two veins are present, one is usually much narrower than the other, or both are narrow. Available information indicates that in stoped sections, the width of veins ranges from something less than one foot to about 2½ feet, with short wider swells. Stoll[1] reports the ore shoots range in thickness "from about 6 inches to 3 feet, with an average of perhaps 1 foot."

The best ore shoots appear to be localized where the strike of the shear zone is more northerly than average, combined with a steeper-than-average dip.

The crushing within the shear zones is so intense that stopes have been taken the full width of the shear zone, or from four to seven feet wide. Unsubstantiated reports indicate that short sections as much as ten feet wide have been mined. Production figures suggest that the ore was considerably diluted by crushed monzonite of the shear zones. This crushed monzonite is almost barren where exposed to view; it may show some pyrite, seams and veinlets of quartz, and rare seams of valuable sulfides in addition to the main veins. The veins are in places somewhat shattered which may have increased the difficulties of mining the ore clean.

1/ Stoll, W. C., Strategic Minerals Investigations, Preliminary Report 3-205, 1946.

The geologic maps of the underground workings made by Mr. Stoll in August, 1945, were checked at numerous points and are believed to be objective pictures of the levels and the then accessible stopes. They give information on parts of drifts that are now stoped or inaccessible. Mr. Schue states the workings now extend beyond the faces shown on Stoll's map. The work so indicated was performed after August, 1945, and is distributed as follows:

2nd Level north.....150' of drive reported; of this 65' is now open and was mapped.

3rd Level south.....170' of new drive reported-all inaccessible at present.

3rd Level north.....40' of new drive reported-all inaccessible at present.

No reliable and accurate data concerning the geology of the vein in these extensions are at hand.

Records show that the veins of the Tom Payne are oxidized for a few tens to about one hundred feet below the surface. The base of strong oxidation is well above the water table. Examination of the veins on the 2nd level shows that partial oxidation extends in places to that level. The higher grade banded ores are in most places unoxidized as determined visually. The dense quartz veins in places do show some oxidation on the 2nd level.

TOM PAINE ZINC-LEAD MINE
ORTIZ MINING DISTRICT
SANTA FE COUNTY, NEW MEXICO

Engineering Report

By John R. Soule[1/]

Engineering

1/ Mining engineer, Silver City, N. Mex. Field Office, Ariz.-N. Mex. Branch, Mining Div., Region IV, Bureau of Mines

TOM PAINE ZINC-LEAD MINE
CERRILLOS MINING DISTRICT
SANTA FE COUNTY, NEW MEXICO

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INTRODUCTION

The results set forth in this report were obtained from an examination of the Tom Payne mine and from information extracted from the files of the Geological Survey, Bureau of Mines, and the Reconstruction Finance Corp. The report is based upon a request for additional information by the Lead-Zinc Committee of the Defense Minerals Administration on an application for Governmental aid, Docket 247, submitted by Richard McGhee, managing partner of the Santa Fe Lead-Zinc mines, Ltd., of Santa Fe, New Mexico. This aid is available under the Defense Production Act of 1950.

The application submitted by McGhee requests a loan of $100,000. The object is to purchase equipment to complete a small mill, to furnish operating capital for the period before returns can be received from concentrate shipments, to hold a certain sum as a contingent reserve, and to purchase materials necessary in mining. A breakdown of the distribution of this sum is well presented in the applicant's proposal.

ACKNOWLEDGMENTS

Acknowledgment is made of sample data of J. F. Frost and Guy Ingersoll derived from the files of the Reconstruction Finance Corp., the geologic maps of W. G. Stoll of the Geological Survey, and the mineral production records furnished by the Statistical Branch of the Bureau of Mines; also for the time given by Richard McGhee of the Santa Fe Lead-Zinc Mines, Ltd. in showing the Defense

Minerals Administration's examiners around the Tom Payne property.

LOCATION, TOPOGRAPHY, AND PHYSICAL FEATURES

The Tom Payne mine is located in the SW¼ sec. 30, T. 15 N., R. 8 E., in the Cerrillos Mining District, Santa Fe County, New Mexico (Figure 1). This mine is easily reached from the town of Cerrillos, New Mexico, by going west from Cerrillos to Waldo, a section point on the Santa Fe railroad. One mile west of Waldo, a right or north fork is taken for 3.7 miles to the mine. Access to the property also may be made from Santa Fe, New Mexico, by going south toward Albuquerque for about 12 miles, then turning east at the Garrard Ranch sign and following the graded road to the mine. After two miles on this road all graded turns to the right are taken.

The mine is situated in the northwestern part of Los Cerrillos, a group of small hills about 17 miles southwest of Santa Fe. The area is moderately rugged. The collar of the Tom Payne shaft is located at an altitude of about 6,440 feet. The major peaks of the hills reach altitudes of 7,000 feet.

Vegetation consists mainly of mountain cedar, piñon pine, cactus, range grasses, and small shrubs. There is very little timber suitable for mining purposes. There are no permanent streams in the area. The water table may stand at an elevation of about 6,100 feet, as indicated in a well one-half mile southwest of the Tom Payne mine. This well may furnish sufficient water for the operation of a small mill.

Precipitation averages about 20 inches per year, largely as summer thunder showers. Winter snows usually are not severe. Temperatures range from 95 degrees in the summer to below zero in the winter but the extreme cold usually is not prolonged.

Other than one small shack, there are no living accommodations in the Tom Payne area. Housing is available at Madrid, about ten miles from the mine and three miles south of Cerrillos. Major mining supplies are available no closer than Albuquerque, about 50 miles to the southwest. The main line of the Atchison, Topeka and Santa Fe railroad passes through Waldo, five miles from the mine.

HISTORY AND PRODUCTION

Although earlier mining has been reported from the district, the discovery of rich silver ores near the Cash Entry mine in 1879 gave impetus to mining in the area and many claims were located. Desultory mining has continued since that time with the major production resulting in times of high lead and zinc prices.

The Tom Payne mine is the most highly developed in the northwestern part of the Cerrillos district. Some ore was reported shipped prior to 1905.[2] The following table shows the production of the mine.

2/ Lindgren, Waldemar, Graton, L. C., and Gordon, C. H., The Ore Deposits of New Mexico. U. S. Geol. Survey Prof. Paper 68, 1910, p. 167.

Table 1.—Tin Ferrous Production
From Bureau of Mines Records

Year	Crude Ore	Concentrates	Metallic Tin: Ore, Mine Run Sn	Concentrates Sn	Pounds Cu	Pb	Zn
1879-1903	"Some ore shipped" - U. S. G. S. Prof. Paper 68.						
1904-1910	None						
1911	51	—	16.38	1,951	4,498	11,378	—
1912	752	188	8.37	1,040	8,670	12,511	12,000
1913	None						
1914	48	—	2.91	611	7,975	495	—
1915	700	120	6.14	426	2,000	56,270	18,000
1916	1,373	487	6.04	1,920	—	132,604	264,571
1917	3,087	779	1.00	122	—	13,375	605,681
1918	172	—	—	—	—	16,376	118,243
1919-1925	None						
1926	33	—	1.70	393	1,126	28,049	—
1927-1942	None						
1943	138	—	2.2	207	496	13,729	26,121
1944	337	—	3.0	504	1,427	31,018	68,395
1945	53	—	—	184	219	6,195	12,218
1946-1948	None						
1949	87	—	—	134	—	7,331	18,374
1950-51	None						
Totals	6,771	1,494	59.94	7,412	26,011	329,131	1,123,603

OWNERSHIP AND EXTENT

The Tom Payne mine is located on the unpatented Tom Payne claim which is leased with option to purchase by the Santa Fe Lead-Zinc Mines, Ltd. This company is a limited partnership. The major partners are E. N. Boyer and Richard McKee, both of Santa Fe, New Mexico. Additional ground in the area held by the above company makes the holdings total about 206 acres.

DESCRIPTION OF THE DEPOSIT[y]

The veins are situated within steeply-dipping shear zones that transverse monzonitic intrusive rock. Shear zones vary in width, where observed, from about one foot to six or seven feet. The width in stoped sections appears to be four to seven feet. Stoll reports the maximum thickness of the shear zone as ten feet. The wall rocks on either side of the shear zones appear strong but are in places sliced by a few steep to flat fractures.

Within the shear zones, the monzonite is generally in small ellipsoidal masses enclosed by shears. Stronger shears and the main fault wall or walls are marked by clay gouge, some samples of which swell when wet. Clay gouge range from seams to a maximum observed thickness of 1½ feet.

The veins within the shear zones contain practically all the valuable metals where they can now be observed. Veins may be on either wall or within the shear zones. Commonly, a single vein is present, but locally there are two. Total width of vein material

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y This section was written by R. E. Herrman.

ranges from a pinch to about two feet or a little more. Short swells of greater width are reported but none could be observed as stopes are taken from back of drift. Stell, who had opportunity to observe stope backs during operations, reports the maximum thickness of veins to be three feet. Orebodies vary in thickness and range from 25 to 300 feet in drift length.

The composition of the veins varies between two types: well banded to crudely banded coarse sulfides of relatively high grade, and dense gray to buff quartz with sulfides filling irregular small vugs. The ore minerals are yellow to brown sphalerite, galena, and a little chalcopyrite. Gangue minerals include quartz, carbonate, variable and apparently small amounts of pyrite, and altered monzonite (chlorite, sericite, clay minerals, and residual minerals of the monzonite).

ORE RESERVES

Measured Reserves

The only measured ore on the Tom Payne property is a stockpile at the north end of the mine dump. This stockpile was pointed out by Richard McGhee. Most of the material was reportedly derived from drifting on the third level. Reports credit this stockpile with from 4,000 to 6,000 tons of ore containing 5 percent lead and 12 percent zinc. Careful measurements of the stockpile show that it contains 1,190 tons of ore. Sampling of the stockpile, necessarily

confined to near surface material, shows that the grade of the material is as indicated in the following tabulation. Only a very small amount of the zinc was in oxidized form.

Stockpile (Measured Reserves)					
Dry and Dam.			Percent		
Tons	Gold	Silver	Copper	Lead	Zinc
1,150	0.03	1.0	0.10	3.25	5.90

This quantity of ore checks quite closely with the amount of material removed from the third level as shown in N. C. Stoll's map (Figure 2). The grade of the material checks well with the other reserves when dilution in drifting is considered.

Indicated Reserves[1]

No ore in place is assigned to the "measured class" because of its inaccessibility. All unexplored blocks are assigned to the "indicated class."

Additional ore may exist on the third level, but critical evaluation is impossible because of the present inaccessibility of that level and lack of reliable data on 210 feet of drifts reportedly driven beyond the faces shown on Stoll's map. The stockpile, according to Mr. McGhee, represents drift rock from the third level. Meteer, Soule' and Dare[2] estimate that this stockpile contains 1,150 tons. Their sampling, necessarily restricted to near surface material, indicates a grade as shown under the section on Measured Reserves.

1/ This section was written by Soule' and Meteer.
2/ Wilbert L. Dare, Bureau of Mines engineer, Silver City, N. Mex.

Mr. McKee reports the third level drifts were driven over the full width of the shear zone. Hence, the stockpile would appear to represent about 300, or at most 350 feet of drift, a length about equal to that of drifts shown on Stell's map (Fig. 2). Therefore, there is some question as to what parts of the third level are represented by the stockpile. It may be mainly from the drifts as shown by Stell in which some vein material is known. It appears to be 50 percent too large to represent the 210 feet of reported drifts beyond the faces of Stell's map. Considering the high dilution in drift rock, and experience in higher levels, the grade of the stockpile may well indicate sections of stoping ground on the third level.

The grade of indicated ore represents the unweighted average of all available sample assays. No sampling of partly stoped sections are available because of inaccessibility of most stope backs and the fact that stopes were opened from the back of drifts. Therefore, the grade calculated from samples does not necessarily represent the true grade of indicated ore.

Because of the cited conditions, it is not feasible to list tonnages and grades for the individual blocks of indicated ore shown on the long section on Figure 2. The tonnage calculated for the mine assumes a width equal to average vein width represented by all available samples. If data were adequate, considerable of the indicated

reserves undoubtedly would be classed as inferred ore, and some as measured ore.

As the mining method was largely stoping in cut-and-fill stopes, probably with some sorting, it is not possible to accurately estimate dilution. One cannot assume minimum mining width in calculating dilution since the full width of the shear zone is necessarily taken in mining.

The samples from which grade was calculated include some dilution. An arbitrary additional 50 percent tonnage dilution of ore with barren sheared serpentinite is assumed. The indicated reserves when so diluted become:

Tons	Gold	Silver	Copper	Lead	Zinc
10,152	.008	1.42	0.14	4.68	8.60

The grade after dilution compares well in combined metal with the grade of past production if the latter is corrected for losses during treatment. The lead-zinc ratio is higher in the reserves than in past production. Production records show this difference is largely localized in about 3,000 tons of ore produced in 1947. That ore was either low in lead, or lead was not recovered for some reason, or lead was not fully credited to the Ten Pegs mine. A small body of nearly lead-free zinc ore has been reported.

It appears probable that available samples shown in Table 2 indicate a lead-zinc ratio well above the actual. The recovered grade of 1909-1949 production that follows, appears to indicate

a lead-zinc ratio somewhat below the actual:

Tons	Gold	Silver	Copper	Lead	Zinc
6,771	.006	1.1	0.19	2.4	8.3

Indicated Ore 3/

The total positively known development, excluding raises, includes 300 feet of shaft, 230 feet of ventilation shafts, 2,602 feet of drifts, and 70 feet of crosscuts, a total of 2,[illegible] feet. The total of diluted produced ore, diluted drift rock in stockpile, and arbitrarily diluted indicated reserves totals 18,073 tons. The mine times appears to make about seven tons of diluted ore per foot of development work, excluding development raises. Over an average drift length of 650 feet on three levels, it makes about 6,780 tons of diluted ore, including indicated ore, per 100 feet of depth. These figures can be regarded as the maximum expectable in any future development program.

The inaccessibility of the third level and lack of records concerning the reported extensions of this level beyond the faces of Shell's map, prevent adequate comparison of its ore-making possibilities with the experience on the first and second levels. The general impression received from study of the long section (Fig. 2) is that the third level is poorer in ore than levels above. A possibility exists that the zone of ore shoots raises flatly down to the south mainly beyond third level development. It is equally possible that the zone of orebodies is failing in depth. Calculations of

3/ This section was written by E. H. Herron.

indicated ore reserves is not justified. The maximum expectable tons per foot of development, or per 100-foot lift, and the interpretations of overhead extension or failure given, are about all the facts warrant in view of inaccessibility of mine workings and the poor past history of the property.

Table 2.—Sample Analyses

Assays of samples marked TP were taken from the Tom Payne mine by J. F. Frost and Guy Bagwell (from E.J.S. files). Samples were taken at various times in 1943 and 1944 as mining progressed. Samples marked TM were taken by the Field Team in 1951. Sample locations are shown on Figure 2.

Assay No.	Lead	Zinc	Gold	Silver	Copper	Width of mineralized area
TP-1	19.5	16.8	-	-	.25	1.3 feet
TP-2	none	.2	-	-	trace	3.0
TP-3	12.0	15.4	.02	3.9	-	1.6
TP-4	8.6	25.3	.01	2.2	-	3.2
TP-5	17.7	13.0	.10	5.2	-	1.1
TP-6	12.1	18.9	.01	3.5	-	2.1
TP-10	1.6	24.8	.02	2.2	.20	.9
TP-11	11.6	29.3	.02	3.0	.30	1.0
TP-21	11.1	18.9	.01	5.0	.10	1.1
TP-22	9.5	18.3	.02	2.4	.42	1.1
TP-23	3.3	8.3	trace	1.1	.15	2.0
TP-24	3.7	11.0	.01	2.0	.20	1.4
TP-25	16.6	26.9	.01	2.0	.32	1.5
TP-26	5.3	13.8	.01	2.1	.10	2.0
TP-27	2.0	7.3	.01	1.2	.15	3.3
TP-28	3.1	8.2	.01	1.3	.25	3.3
TP-29	9.1	7.8	.02	4.3	.20	1.5
TP-40	2.6	13.8	.03	2.0	.32	1.1
TP-41	8.0	11.0	.01	2.2	.40	1.0
TP-42	3.7	8.1	.01	1.4	.20	4.0
TP-100	3.7	20.2	.01	4.1	-	1.2
TP-101	5.0	11.5	.01	1.6	-	1.4
TP-102	4.2	7.5	trace	1.1	-	1.9
TP-103	3.6	5.2	trace	.8	-	2.6
TP-104	13.9	20.5	.03	6.6	-	1.0
TP-105	7.5	7.5	.01	3.8	-	3.0
TP-106	3.4	3.4	.01	2.2	-	1.2
TP-107	5.9	7.3	.01	2.0	-	1.2
TP-108	8.6	16.0	.03	3.1	-	2.5

Table 2--Sample analyses, cont'd

Sample No.	Lead	Zinc	Gold	Silver	Copper	Width of mineralized zone
TP-149	7.3	13.5	.01	2.0	-	2.4 feet
TP-150	3.0	6.1	trace	1.0	-	1.4
TP-151	11.6	30.3	.01	5.0	-	1.6
TP-152	3.4	7.2	trace	1.4	-	1.2
TP-156	1.3	2.0	trace	.3	-	1.0
TP-157	18.6	15.1	.01	8.4	-	1.0
TP-158	1.0	.5	trace	.5	-	1.1
TP-210	6.6	16.8	.01	2.9	-	.9
TP-211	9.5	16.6	.01	2.7	-	1.5
ZEA-1	2.65	7.95	.04	1.15	0.12	2.3
ZEA-2	3.25	5.90	.05	1.00	0.10	Stockpile

PRESENT STATUS

The Tom Payne mine is developed by a main shaft reported to be 350 feet deep. This depth could not be verified because of water just below the third level and reliable maps show this shaft to be about 307 feet deep. These maps show a total of about 1,997 feet of drifting and an additional 63 feet of subsequent work was measured on the second level north. Most of the reported additional drifting in the second and third levels could not be verified because of inaccessibility (see Fig. 2).

The main shaft is fully equipped with headframe and gasoline hoist. Only minor repairs would be necessary to hoist through this shaft. A small inadequate gasoline compressor is located near the shaft collar. Complete rehabilitation of all drifts is necessary and the reclamation of the caved portions will be about as costly to reclaim as new drifting. There is insufficient stoping ground

available in areas of duty reclamation to furnish ore to a 50-ton mill.

Additional mine openings are necessary to comply with New Mexico safety regulations. A second escape passage and airway is mandatory, especially because of the caving nature of the ground in the lower parts of the mine. This is equivalent to a new shaft from the surface to the levels being mined. Connections from this passageway to the workings are necessary.

PROMOTION PLAN

The operators of the Tom Payne mine plan to mine and mill 50 tons of mine-load ore per day if a $100,000 loan is granted to rehabilitate the mine and complete a small mill. Deterrents or disadvantages to this plan are listed as follows:

1. The orebodies within the vein are very narrow and generally of short length. Considerable rehabilitation of present mine workings, as well as additional development work, is necessary to provide enough stopes to produce 50 tons of ore per day. In addition, as previously mentioned, considerable extra development must be done to comply with State safety requirements;

2. Because the orebodies are narrow and relatively small laterally, very high mining costs are to be expected as well as considerable dilution of the ore. Also, the very bad nature of the ground in the lower levels where considerable moisture was noted requires considerable extra work and material to render a safe working place. This will increase the costs over the high costs attendant to mining small and narrow orebodies;

3. The ore reserves shown by the considerable amount of development work is far below usually accepted ratios. This means that the already high mining costs are further increased by adding a disproportionate amount of development costs;

4. The advantages of completing the small nearby mill are overcome by the large amortization costs imposed on the small ore reserves.

5. The scheduled organization as proposed in the application is unnecessarily top-heavy. One qualified technical man would be capable of handling all of the operations of mining, milling, and engineering. The additional personnel outlined in the application will tend to further increase the costs.

Based on the above facts and observations, the following economic summary is tabulated. Also, an allowance is made for the usual development work necessary to keep finding new ore.

Table 3.—Economic Summary

Per ton, based on present prices of ore, materials and services and upon the ore reserves as calculated.

	Mill at mine Long haul	This be mill at Bonita Long haul
Mine reclamation	$0.71	$0.71
New development for Safety requirements	3.40	3.40
Mining costs	15.46	10.35
Ore to mine mill or RR	0.85	0.60
RR freight on ore to mill	0.00	3.35
Milling charge	3.30	5.00
Milling loss (metallurgical)	6.47	6.47
Smelting charges, incl. freight, marketing & refining charges	10.00	10.00
Smelting loss (metallurgical)	3.87	3.87
Repayment of capital	9.29	0.00
Supervision	1.30	1.30
Royalty	4.58	4.58
Insurance and taxes	[illegible]	[illegible]
Total cost per ton of ore	[illegible]	[illegible]
Present value per ton of ore	[illegible]	[illegible]
Loss per ton of ore	[illegible]	[illegible]
Total loss on operation	[illegible]	[illegible]

It is evident from the above table that an economic operation of the Tom Payne mine is not feasible and that a lesser loss on the operation is indicated if the loan is denied and the attendant amortization costs are removed. Because the reserves in the Tom Payne mine are very small and the contribution to the National economy and effort is so minute as to be insignificant, and because such an operation will be conducted at a loss, the proposed loan of $100,000 should be denied.

CONCLUSIONS

The Tom Payne mine does not merit the proposed loan and gives little promise of sufficient ore to backlog a mill. This is emphasized by the small past production, the present small ore reserves and the indicated unprofitable operation under present economic conditions.

RECOMMENDATIONS

The findings outlined in this report show that an unprofitable operation will result at the Tom Payne mine whether or not a loan is granted. It further shows that lesser losses would be sustained if the loan were denied. The contribution of metals to the Nation's emergency need would be negligible and because of this and the previously stated observations, the Defense Minerals Administration's examiners recommend that the loan be denied.

CONFIDENTIAL LETTER to accompany SEC Docket #247, Tom Payne Zinc-Lead mine, Cerrillos Mining District, Santa Fe County, New Mexico.

CONDITIONS OF APPLICANTS

Richard Mathes, the managing partner of the Santa Fe Lead-Zinc Mines, Limited, claims to have had considerable experience in mining in Nevada and California as well as New Mexico. Nothing is known of his work outside of New Mexico. After spending the best part of a day with Mathes, seeing some of the work he supervised, and of hearing about him, the following opinions are deduced.

1. Mathes shows construction ability, as some of the work done under his supervision is well done.

2. Mathes is a practical miner and seems to lack the engineering and business sense or knowledge about what constitutes a successful mining operation.

3. Mathes is pleasant & although talkative. There is no reason to doubt his honesty and sincerity and his belief of a successful operation on the Tom Payne mine is due more to hope than to an analysis of the fundamental data.

Nothing is known about the ability of W. W. Meyer, a partner in the firm and office manager for the mine. He is now engaged in handling oil and gas leases.

Paul Schubert, the suggested mine superintendent, is well known as a practical miner in the white but is not technically trained.

The other men are proposed for the operating staff, of which one Mr. Davis was mill superintendent for the American Metals Company's

operation at Tularosa, New Mexico. To seems fully qualified.

The check operating staff is far too large for a 55-ton per day operation of the Tom Pepper mine and, if salaries are paid to the staff, increased supervisory costs will result. One competent, qualified, technically-trained man would be able to handle an operation of this type.

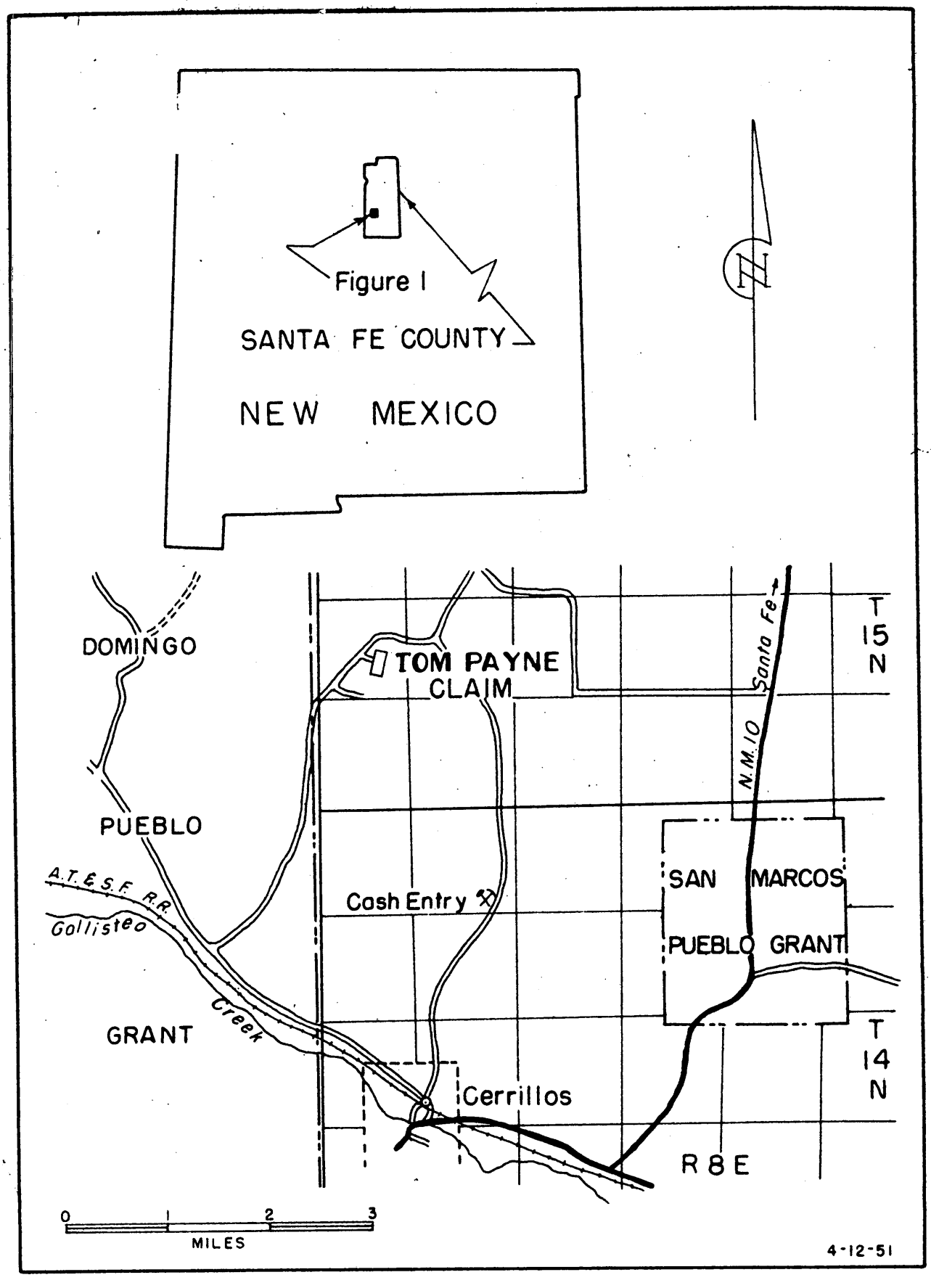

Figure 1. – Location map, Tom Payne lead-zinc deposits.

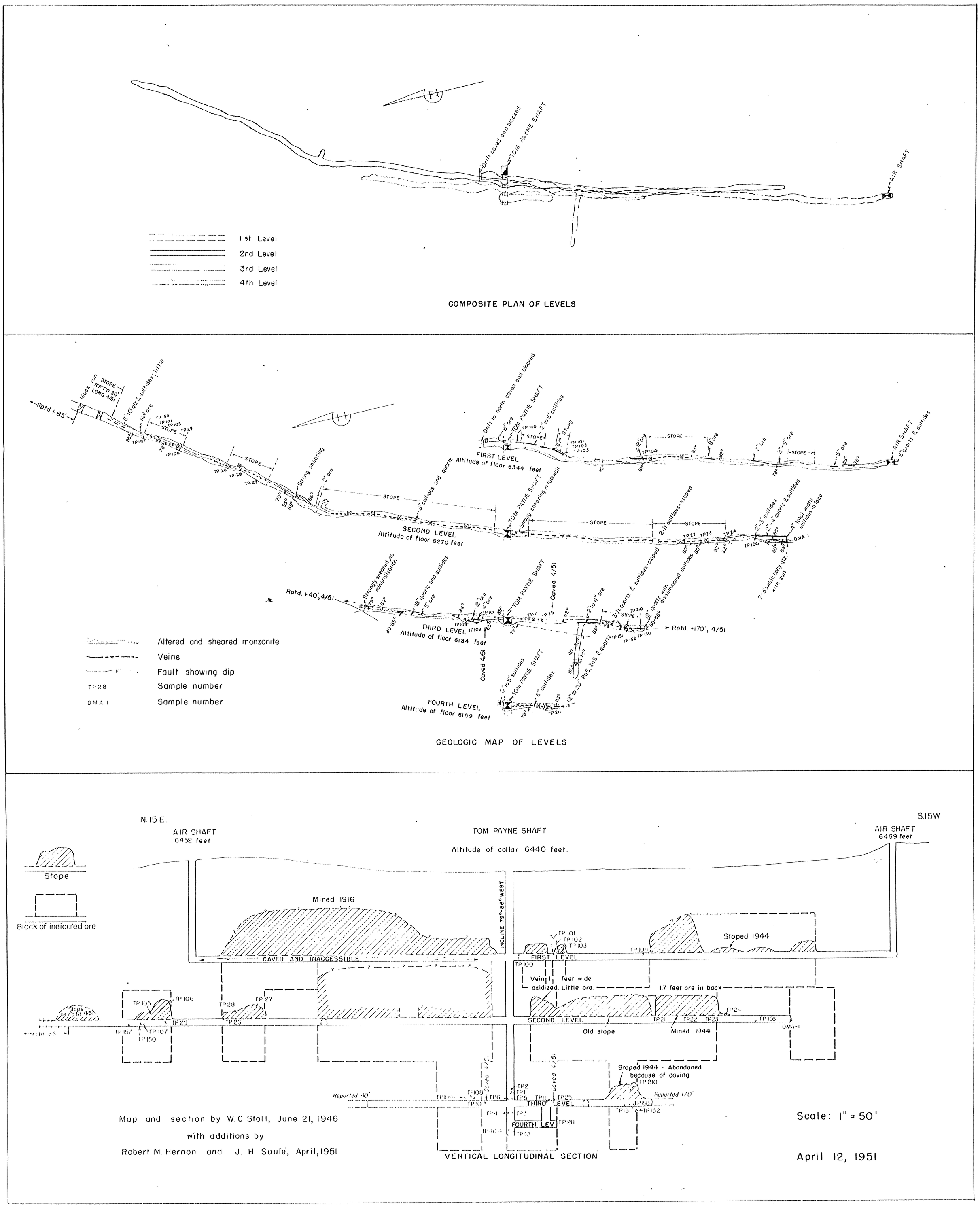

Figure 2.- Tom Payne Mine, North Mining Area, Cerrillos District, Santa Fe County, New Mexico.