SEP 7 1951

Re: DMA-2007

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

Mr. Clarence Barrett
320 North Sixth Street
Socorro, New Mexico

Dear Mr. Barrett:

Your application (DMA-2007) for a direct loan of $35,000 for the purchase and installation of equipment and for operating capital at a mine in Socorro County, New Mexico, has been reviewed by the Defense Minerals Administration.

As pointed out to you in our letter of July 19, 1951, a necessary requirement for a direct loan is that the applicant should have proven reserves of strategic minerals in large enough tonnage to secure the loan. No loan can be approved until an adequate reserve is established. As no reserves have as yet been proven on your property, I regret that your application for a direct loan cannot be approved.

If at any future time you decide to carry out a systematic exploration program on your property we will be pleased to consider the program on a fund matching basis.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

ABCampbell:emp
G 8-31-51
Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc br.
E. T. McKnight 4204 GSA
R. H. Mete
Reports & Records
Administrators r. file 4
Directors r. file 4214 GSA
Br. r. file 4214 GSA
Files - DMA docket

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

SEP 7 1951

Re: DMA-2007

Clarence Barrett
Socorro County, New Mexico
Direct loan $35,000
Lead

Memorandum

To: Reports and Records Unit
Administrative Management Div.

From: Chief, Lead-Zinc Branch

Subject: Denial of direct loan

The applicant has requested a direct loan of $35,000 to be used for the purchase and installation of equipment and for operating capital at a mine in Socorro County, New Mexico.

As no ore reserves have been proven on the property, the Lead-Zinc Branch recommends that the application be denied.

Returned herewith is the following docket material:

4 copies Form MF-102 and answers
1 copy Form MF-100 and answers
correspondence from and to applicant

T. P. Billings, Chief
Lead-Zinc Branch

Approved:

Tom Lyon

Director, Supply Division

ABCampbell:emp
G 8-21-51
Copies to: J. H. East, Jr. (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
R. H. Mote
Reports & Records
Admin. r. file
Directors r. file 4214 GSA
Br. r. file 4214 GSA
DMA docket files

J. H. East, Jr. Region IV

Denied in Washington!

OCT 18 1951

Re: DMA-2607
DMA-1730

OFFICE
REGION IV
OCT 18 1951
BUREAU OF MINES
DENVER, COLO.

Mr. Garnett R. Burks
Attorney at Law
Socorro, New Mexico

Dear Mr. Burks:

Your letter of September 14, which pertains to the exploration and direct loan applications of Mr. Clarence Barrett, Socorro, New Mexico, has been received by the Defense Minerals Administration.

A suitable exhibit indicating measurable ore reserves, offered in support of a direct loan, should contain maps of all development work showing sampled areas and their assays, and, if pertinent, smelter return sheets from past production. Such maps should show mineable ore blocked out on two or more sides. The object is to present an accurate estimate of tonnage at some specific grade and to show the procedure followed in obtaining this estimate. The property should be open so that the estimates can be checked by an examining engineer or geologist. We wish to point out that after October 12, 1951, loan applications are to be filed with the Reconstruction Finance Corporation. However, exploration loans will still be filed with the Defense Minerals Administration.

We wish to advise that the exclusion of such items as building ore bins, ore chutes, etc., will not qualify Mr. Barrett's original application for an exploration project. The proposed work in this application was entirely a program of preparing the mine for production, rather than exploration for new ore. If the ore that Mr. Barrett proposes to mine has not been adequately proven, and if he wants to reapply for an exploration loan, it will be necessary for him to submit four (4) new copies of F-103 describing an exploration proposal. His proposed exploration work should exclude building ore bins, ore chutes, etc., and pertain directly to the prosecution of a program to find new ore. In filling out these forms he should give special attention to the following parts:

1) Description of the proposed work.

2) Maps of proposed work and its relationship to the geology of the deposit and to present workings.

3) Detailed listing of all items under estimated costs.

We trust the foregoing information has answered your questions regarding direct and exploration loans.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

Enclosures 5

EINewcomb:emp
G 10-10-51
Copies to: Mr. Clarence Barrett
320 N. 6th St. Socorro, New Mexico
J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
O. M. Bishop
Directors r. files 4214 GSA
Br. r. files 4214 GSA
Administrators r. file
DMA docket files