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

REGIONAL DIRECTOR'S OFFICE
REGION IV
FEB 7 - 1951
BUREAU OF MINES
DENVER, COLORADO

January 31, 1951

Mr. S. [illegible], President
Silver Hill Mines Company
711 [illegible] Building
Denver 2, Colorado

(Inc. No. 267)

Dear Mr. [illegible]:

Your request (Inc. No. 267) for assistance under the [illegible] Conservation Act of 1950 has been reviewed by the [illegible] Branch of the Interior Minerals Administration, with particular [illegible] the scarce [illegible] Division (tungsten).

[illegible] to be approved by the Defense Minerals Administration must show definite promise of yielding strategic material in amounts that will significantly improve the mineral supply position for national defense. Furthermore, the cost must not exceed that from other sources, particularly when the total supply will not be [illegible] to fulfill needs.

The [illegible] and [illegible] the justifiable expenditure of public funds to finance the development and expansion of production that [illegible] an expenditure of [illegible] dollars. [illegible] the [illegible] silver [illegible] the proposed economic, the [illegible] of [illegible] and the cost to the Government [illegible] to [illegible] of [illegible] elsewhere. [illegible] supply [illegible] for [illegible] minerals, hence only the most [illegible] [illegible] at this time. [illegible] tungsten [illegible] by-products [illegible] justify, from a [illegible] for national defense, [illegible] financing of [illegible] you propose.

[illegible] supply division [illegible] for [illegible] and for [illegible] to this [illegible].

Very truly yours,

S. H. WILLISTON

S. H. Williston, Chief
Supply Division
Defense Minerals Administration

[illegible]: jah: ffb
C-1/17/51
copy to: Mr. Herres
Mr. Knight
Mr. C. [illegible] Merrill
Mr. S. H. Williston
Mr. J. B. Hedges
Mr. [illegible] Hote
2 copies to Executive Officer, Regional Field Agent, Region IV
Mine Details File
Files

Assessment 1948
DMA Files

REGIONAL DIRECTOR'S
OFFICE
REGION IV
FEB 7 - 1951
BUREAU OF MINES
DENVER, COLORADO

January 17, 1951

Memorandum

To: Operating Committee, DMA

From: Lead-Zinc Committee, DMA

Subject: Docket DMA 267,
Silver Bell Mines Company of Ophir, Colorado
E. H. Sanders, President, Silver Bell Mine.

Review of subject docket by lead-zinc committee reveals the following pertinent facts:

1. Production of the mine, 1946—December 1, 1950 has been 106,386 tons of ore yielding 5,476 oz. Au (.052 oz./ton), 302,202 oz. Ag (2.8 oz./ton), 511 tons Pb (0.48 percent), and 117 tons Cu (0.11 percent). Total production (including above) is estimated by applicant to have contained 0.67 percent Pb and 0.14 percent Cu.

2. No zinc has been recovered. From general knowledge of area by Geological Survey, the zinc content is probably below the lead. Bureau of Mines samples give 0.4 percent zinc.

3. Ore contains some hubnerite ($MnWO_4$) in sporadically occurring pockets and shoots.

4. Requested loan of $175,175.00 is to develop mineralized ground and increase production rate from 2,700 tons to 5,500 tons of ore per month. $105,000 will go into new raises and drifts.

5. Proposed expansion includes a $15,000 addition to mill for a separate tungsten milling plant to treat batches of accumulated tungsten ore (hubnerite).

6. There are no reserves of tungsten ore in sight.

7. If the proposed development is successful (as per applicant's estimate), it will increase annual production of lead by 75 to 80 tons per year or possibly by 100-150 tons per year if speculative exploration is successful; and of copper by 15-20 tons per year. Tungsten output, on applicant's estimate, which is entirely speculative, is 12 to 24 tons of 60% WO_3 per year.

8. Applicant needs a price of 25 cents per pound for lead, 30 cents per pound for copper, to pay for the proposed development.

Recommendations:

As the returns in possible lead, copper, and tungsten appear very small for the investment involved, the committee recommends that this application for loan be denied, and that attached letter be sent to applicant. Ferrous Metals Committee agrees with this recommendation.

OTTO HERRES

[illegible], Chief
Lead-Zinc Division, DMA

Approved:
DMA Operating Committee

S. H. Williston, Chairman

J. H. Hedges

Olaf [illegible] Rove

FTMcKnight:jeh
G-1/17/51

copy to: Chief, Lead-Zinc Division
Geological Survey - McKnight
C. W. Merrill
S. H. Williston
J. H. Hedges
H. H. Lote
2 copies to Executive Officer,
Regional Field Team IV
Base Metals Files
Files

Form 6-98

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

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