DMA

Cumberland Mining, Milling and Processing Corp
c/o Mr. C. J. Gillaspey
Allen Hotel
Gunnison, Colorado

Dear Mr. Gillaspey:

We have been asked to determine the merits of your proposed contract to sell the Government 200 tons of 65% tungsten concentrates per month over a five year period. General Services Administration Regulation #113 says, "The Government will support the price by buying for $63 per short ton unit all specification grade tungsten concentrates which cannot be sold on the commercial market." This program will continue until July 1, 1956 or until the purchase of 3,000,000 units of tungsten. Therefore, no purchase contracts are made for tungsten.

The Tungsten Branch of the Defense Minerals Administration if of the opinion that you have only a few hundred tons of inferred ore. It will take you considerable time to reach a production level where you can supply enough mill feed to produce 200 tons of concentrate per month if the ore is available.

Some of the other problems that you are facing are as follows:

1- Disputed ownership of the property to be mined

2- Purchase of an old gold mill.

3- Revamping and reconditioning of this mill

4- Reconditioning of the proposed hydro-electric power supply.

5- Labor

6- Camp facilities for labor.

In view of the foregoing, we are forced to deny your application.

Very truly yours,

SIGNED

Tom Lyon, Director
Supply Division

DMA

Denied

Memorandum

To: Reports and Records Unit

Through: Director, Supply Division

From: Chief, Manganese Branch

Subject: DMA-725 Tungsten
Cumberland Mining, Milling and Processing Corp.
Allen Hotel
Gunnison, Colorado

Property: Ida May, Heutnerite

Conclusions:

General Services Administration Regulation #113 states, "The Government will support the price by buying for 63 per short ton unit all specification grade tungsten concentrates which cannot be sold on the commercial market." The Government is not entering into any individual purchase contracts, but will buy all tungsten not sold on the commercial market, up to 3,000,000 units of WO_3 until July 1, 1956.

Mr. C. J. Gillaspey, General Manager for the Cumberland Mining, Milling and Processing Corp. accompanied the examining field team, as did Mr. A. L. Pearson. He was unable to show clear title to the claims which his company proposed to mine. Mr. A. L. Pearson claimed to have tax title to the claims but no working agreement with the Cumberland Mining, Milling and Processing Corp.

The applicant has no mill, but proposes the purchase of an old gold mill. Part of the mill's equipment has been sold. A complete revamping of the entire mill would be required. The power supply will be obtained from a hydro-electric plant which has not been used in many years. Considerable work will be necessary to recondition this plant.

The average tenor of the tungsten veins, which average 5" in width, is probably 2½% WO_3. The veins are short and scattered and individual tungsten ore bodies are very small. Assuming a width of 6" and a grade of 5% with a mining width of 4', the grade of mill run material would be .625% WO_3.

Roughly, this would require 20,000 tons of crude ore per month to furnish 200 tons of concentrates. Based on a 25 day work month, this would require 800 tons of feed per day. Gillaspey admits it will take at least a year to approach the necessary production. There is little likelihood that this property could ever reach the contemplated tonnage.

Labor in this area is scarce and high. Housing facilities for men are not available in the immediate vicinity. Tweto's report on Gold Hill area says, "And less than 100 tons of tungsten ore containing 11% WO_3 were produced in 1917-18."

On May 8, 1951 the Manganese Commodity Committee rejected a loan application for $700,000 on the same property for manganese on the basis of "no existing reserves." It was suggested, at that time, that the applicant apply for an exploration loan. This suggestion was not followed.

Recommendation:

Application is denied.

George B. Holderer

George B. Holderer
Chief, Manganese Branch

Attachments

Approved:

Director, Supply Division