July 25, 1951

Re: DMA-1120

DIRECTOR'S OFFICE REGION IV JUL 30 1951 BUREAU OF MINES DENVER, COLORADO

Mr. W. F. Morgan

Santaquin, Utah

Dear Mr. Morgan:

In reply to your letter of July 14, the deadline of June 30 which we mentioned in our letter of June 4 to you, applied only to the exploration program of the Defense Minerals Administration and not to the direct loan type of application for which you are now applying.

No doubt you have by now received our letter of July 9 enclosing the necessary forms for requesting a direct loan. These will be processed as soon as we have received them from you. It will be necessary in considering this type of Federal loan to establish that you have already proved an adequate tonnage of ore reserves to justify the direct mining loan.

Very truly yours,

J 71

T. P. Billings, Chief
Lead-Zinc Branch

ETMcKnight:emp
G 7-24-51
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

DMA

REGIONAL DIRECTOR
OFFICE
REGION IV
JUN 8 - 1951
BUREAU OF MINES
DENVER, COLORADO

June 4, 1951

Re: DMA-1120

Mr. W. F. Morgan
Black Jack Mining Company
Santaquin, Utah

Dear Mr. Morgan:

The Lead-Zinc Branch of the Defense Minerals Administration has received your application for a loan of $92,000 to explore and develop your lead-zinc-copper mine.

To be eligible for a direct loan in the full amount needed to finance a mining operation, it is necessary for an applicant to have sufficient proven reserves of strategic minerals to justify the loan. Your application includes an item of $10,000 for diamond drilling and the rest of the program is dependent upon the success of this preliminary exploration.

The program for Federal aid in exploration calls for participation on the part of the applicant to the extent of 50 per cent for lead-zinc and copper exploration. Funds advanced by the Government will be considered a loan to be repaid if the exploration is profitable, but to be cancelled if unsuccessful. Information on the exploration plan and the necessary forms for making application, are enclosed.

If you should care to apply for exploration aid under this program you should fill out and return the application form (DF-103). The deadline for new applications was May 31, which allows a relatively short time to carry out the negotiations that have to be completed by July 1. On this date the law under which the program is set up expires. However, we anticipate that the Congress may renew this law, hence, if you are interested in making application under the program, you should send in your application promptly. If there is time available, it might be handled before July 1 deadline. It would expedite handling if the application is specific concerning the work that is proposed.

Very truly yours,

Otto Herres

ETMCKnight:emp
G 6/4/51

Copies to: J. H. East, Jr. Region IV (2)
Chief Lead-Zinc Br.
E. T. McKnight 4204
GSA
L. B. Moon

Otto Herres, Chief
Lead-Zinc Branch

R. H. Mote
L. F. Strobel
Tom Lyon
Directors r. file
Br. r. file 4214
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Enclosures