J. H. East, Jr Region IV

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DMA

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

AUG 3 1951

Re: Docket DMA-1418

Messrs. Arnold J. Reinartz and Francis G. Pack
P. O. Box 923
Douglas, Arizona

Gentlemen:

The Lead-Zinc Branch of the Defense Minerals Administration has reviewed the General Technical Data sheet (Form MF-100) which you submitted.

Although you do not so state, we assume that you may be requesting Federal aid in the form of a direct mining loan in order to bring your property into production. To qualify for a loan of this type the applicant must show that the property for which the monies are to be used contains a sufficient proven reserve of strategic minerals to amortize the loan. Because the information submitted by you does not indicate that your property contains any proven reserves of ore, we regret that we are not able to justify an expenditure of public funds to develop your property.

At the present time, however, there is a Government program designed for encouraging exploration of strategic minerals. The regulations governing this program call for participation on the part of the applicant. In the case of lead or zinc deposits it is necessary for the applicant to match the Government funds on an equal basis. Funds advanced by the Government are considered a loan, to be repaid if the exploration is profitable, but to be cancelled if unsuccessful. The Government's share of the cost of the project is repaid to the operator at the end of each full calendar month for the work performed and the cost incurred during the preceding month. Further information regarding details of the program is enclosed.

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No decision as to whether or not you are eligible for participation in this exploration program can be made until you submit further information. If you are interested in participating, please fill out and return four copies of the enclosed Form DF-103. All of the information requested should be given in as great detail as possible, especially for those items pertaining to the work you wish to do and the estimated costs of the project. A map showing the present workings as well as the work you wish to undertake also should be submitted.

Very truly yours,

T. P. Billings, Chief
Lead-Zinc Branch

Enclosures

EJLyons:bc
G: 8/2/51
Copies to: J. H. East, Jr. Region IV
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
R. H. Note
Reports & Records
Director's r. file 4214 GSA
our office copy
Br. r. file 4214 GSA
Files