UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

REGIONAL DIRECTOR'S OFFICE REGION IV APR 16 1951 BUREAU OF MINES DENVER, COLORADO

APR 12 1951

Mr. J. H. Calderwood, President
Tintic Outpost Mining Company
825 South 10th East Street
Salt Lake City 2, Utah

In reply please refer to EMA-839

Dear Mr. Calderwood:

One of the purposes of the Defense Production Act of 1950 is the encouragement of exploration, development and mining of strategic minerals and metals. Where an applicant has proven reserves of strategic materials, Federal aid in mining can be given through procurement contracts for such materials as are in short supply. On the strength of these contracts, the applicant can obtain private financing in most instances.

The program recently approved for encouragement of exploration of strategic materials calls for participation on the part of the applicant. For zinc, lead and copper deposits it will be necessary to match Government funds on an equal basis. Funds advanced by the Government will be considered a loan, to be repaid if the exploration is profitable, but to be canceled if unsuccessful. The details of the plan, explaining the projects that will be eligible for assistance, the terms and schedules of financing, repayment, and other pertinent information, are enclosed.

A review of your application (EMA-839) for financial aid in driving your tunnel to intersect the vein at depth indicates your proposal may be considered under this exploration and development program. Details concerning expenditures that will be considered chargeable to exploration aid will be subject to a final determination by negotiation, but as a preliminary appraisal, we believe that the program will apply to the total amount of your application, $35,000, less the amount necessary to complete the access roads, which can be handled otherwise.

Before we can proceed further with consideration of your application, which may or may not require a field examination, please indicate your willingness to provide your share of the funds needed to carry out the proposed exploration. Any modification of your original proposal that you may wish to make will be considered, but you should be specific concerning the work you wish to undertake.

Very truly yours,

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

ALBrokaw:drc
G: 3-28-51
Copies to: Chief, Lead-Zinc Br.
USGS McKnight
L.B. Moon
R.H. Mote
Strobel
Mittendorf
Files

Enclosures

Copies to: J. H. East, Jr. (2)
Region IV

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

January 31, 1951

REGIONAL DIRECTOR'S
OFFICE
REGION IV
FEB 5 - 1951
BUREAU OF MINES
DENVER, COLORADO

Mr. Louis J. Monter
President
Tintic Prince Mining Corporation
1232 South State Street
P. O. Box 476
Salt Lake City, Utah

Dear Mr. Monter:

This will acknowledge receipt of your letter of January 18, and a letter of the same date from Frank I. Perkins relative to information on Government assistance available to mining enterprises under the Defense Production Act of 1950.

Federal aid to expand productive capacity and supply of strategic and critical minerals, as provided in the Defense Production Act of 1950 is taking the following forms:

1. Purchase contracts made by the General Services Administration on projects certified by the DMA.

2. Accelerated amortization of equipment allowed under the tax laws to operations having certificates of necessity issued by the National Security Resources Board after investigation by DMA.

3. Encouragement of exploration and development.

Procedures for encouragement of exploration and development have not been worked out in detail. When they have, they will be given wide publicity.

Mineral producers unable to expand production without Government assistance should address their request for aid to James Boyd, Administrator, Defense Minerals Administration, Department of Interior, Washington 25, D. C. Certain basic information must accompany each application. In addition to the name and address of the applicant, the name and exact location of the mining property; metal or mineral, and information as to ownership, leases, and detailed descriptions for reaching the property from the nearest town, each application should present the following data:

1. General description of mineral showings.

RMHOTL/ppm
Copy to - Base Metals Branch
R. H. Note
Otto Herres, Chief, Lead-Zinc Div.
J. H. Hodges, Minerals Div.
Ed McKnight, Geological Surv.
C. O. Mittendorf
L. F. Strobel
2 carbons to RegionIV
Mr. J. H. Last, Jr. and
Mr. A. H. Koschmann
U.S. Bureau of Mines
224 Customhouse

2. Known dimensions of the deposit.

3. History of deposit (development work, ore shipments, etc.).

4. Description of mine workings.

5. Sampling and assays (including maps or sketches, if available).

6. Engineer's or geologist's report, if available.

7. Description of surface and underground installations and equipment (hoist, compressors, drilling machines, crushers, mill, milling equipment, offices, housing, etc.).

8. Description of proposed project, including type of assistance desired.

9. Requirements for proposed projects in terms of money, manpower, construction, equipment, supplies, roads, water supply, and time to carry out project.

Enclosed are five copies of NSRB Form 146, Application for Government Loan, as per your request. Please supply the data requested and return four of these schedules to Dr. James Boyd.

I trust this information satisfactorily answers your inquiry. If I can be of further service at any time, please do not hesitate to call upon me.

Very truly yours,

OTTO HERRES, Chief
Lead-Zinc Branch, DMA

File

May 10, 1951

Memorandum

To: Executive Secretary, D.M.A.

From: Lead-Zinc Branch, D.M.A.

Subject: Denial of Exploration loan
Timbic Outpost Mining Company
825 South Tenth East Street
Salt Lake City 2, Utah

Re: Docket DMA-839
Commodity: Lead, zinc

The subject docket, requesting an exploration loan of $35,000 for a property in the Mount Nebo Mining District, Utah and Juab Counties, Utah, has been reviewed by the Lead-Zinc Branch.

The applicant requests that the Government contribute the total amount of the funds necessary to carry out the program. All the applicant can contribute is machinery, a compressor house and tools. The rental value of such equipment is not sufficient to provide 50 percent of the required funds.

Under these circumstances, the Lead-Zinc Branch recommends that the application be denied.

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

Routine

Copy to: J.H. East, Jr., Region IV(2)
Chief, Lead-Zinc Br.
E.T. McKnight, 4204 GSA
L.B. Moon
R.M. Mote
L.F. Strobel
T. Lyon
Director's reading file, 4214 GSA
Br. reading file, 4214 GSA
Files

ALBrokaw/drc
G: 5/10/51

Letter

GATE

May 10, 1951

Re: Docket DMI-839

Mr. J. M. Calderwood, President
Timitic Output Mining Company
825 South Main East Street
Salt Lake City 2, Utah

Dear Mr. Calderwood:

Your application for an exploration loan has been reviewed by the Defense Minerals Administration.

In your application you state that you are unable to provide 50 percent of the funds required to carry out the project. The amount of income from rental of the equipment that could be substituted for actual cash requirements would not be adequate to provide your share of the funds.

Since it is mandatory under provisions of the Government exploration program that the applicant provide 50 percent of exploration funds, the application must be denied.

If at a later date the company is financially able to enter into such a program the Defense Minerals Administration will reconsider your application.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

Copy to: J.H. East, Jr.(2)
Region IV
Chief, Lead-Zinc Br.
E.T. McKnight 4204, GSA
L.B. Moon
R. H. Mote
L.F. Strobel
T.Lyon
Director's reading file, Room 4212GSA
Branch Reading file, Room 4212GSA
Files

ALBrokaw/drc
G: 5-10-51

Lead-Zinc CAT. NO. 1-0165

DMA - 839

Location:

Actions:

Apr 12, 1951 - Requested to match funds.

May 10, 1951 - Unable to match funds.

839 - UTAH TINTIC OUTPOST MINING COMPANY