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Item 5

RENO OFFICE, MINING SECTION
RECONSTRUCTION FINANCE CORPORATION
PRELIMINARY DEVELOPMENT LOAN
FIELD REPORT

Docket No.	C-ND-7815
Date Application Received	October 9, 1942
Date of Field Examination	No Field Examination
Date of Report	January 26, 1943

NAME AND ADDRESS OF APPLICANT

Chalk Mountain Silver-Lead Mines Co., a Nevada Corporation.
Pershing Hotel Building, Lovelock, Nevada

Correspondent

E. M. Dawes
9120 7th Avenue, Inglewood, California

CHARACTER OF PROJECT AND ESTIMATED COST THEREOF

Reopening and retimbering caved drifts and raises in Applicant's silver-lead mine to permit sampling ore bodies claimed to exist beyond caved areas. Estimated cost $4,000.00 to $5,000.00.

LOCATION OF PROPERTY

The mine is located in the Chalk Mountain Mining District, near the southern end of what is locally known as Dixie Valley, some 45 miles easterly from Fallon, Nevada, the County Seat of Churchill County, Nevada, and the terminus of a branch line of the Southern Pacific Railroad. This branch line is of standard gauge, and extends from Hazen, on the main line, to Fallon, a distance of 15 miles. The property is some eight miles north of the camp of Fairview, and 12 miles south of Wonder. Both Fairview and Wonder were important producers of silver-gold ores during the period from 1906 to about 1916. Fairview is credited with a production of around $4,000,000.00, and Wonder about $7,500,000.00. However, the ore deposits of these camps have no relation to those of Chalk Mountain, as they occur in tertiary rocks typical of the so-called bonanza-type deposits of Nevada - such as Virginia City, Tonopah and Goldfield.

A paved highway (Route 50, Lincoln Highway) passes within about 4 miles of the mine. The road from the highway to the mine is a fair county road, passable at all times of the year, as the base is gravel. The elevation at the mine is about 5,000 feet. No vegetation or timber. Water available within 3 miles. No hydro-electric power nearer than Fallon. Timber, explosives and all types of mining and other supplies available in Fallon.

APPLICANT'S INTEREST IN OR OWNERSHIP OF PROPERTY

Owner.

LOAN REQUESTED

$5,000.00.

LOAN RECOMMENDED

$3,000.00 at this time, an additional $2,000.00 if results of expenditure of $3,000.00 justifies further work.

COMMENTS - Geology

Chalk Mountain rises from the floor of the valley to an average height of 1,000 feet or more. The rock formation is limestone uplifted and intruded by granodiorite. Both the limestone and granodiorite were later intruded by dikes of diorite. The diorite dikes are closely related to the ore deposition.

The Mountain has been a prominent landmark for many years on account of its height and almost white color, in contrast to the typical

browns and dark grays of the desert. Mining claims were located, relocated,and more or less prospecting carried on long before the discovery of Tonopah, in the year 1900.

The limestones of Chalk Mountain are soluble, thick bedded and typical of the formations in which most of the important silver-lead mines of the West occur.

I first visited the camp in 1926, to make an examination of the Chalk-Mountain Silver-Lead Mine for the Salt Lake Division of the United States Smelting Company. As I recall, the principal ore bodies occurred in a fault fissure in the limestone. This vein had a general north-south strike, and a steep dip to the east. Some ore occurred in bedding planes in the limestone, but those in the fissure seemed more important. The production at that time was around $100,000.00 from silver-lead ore shipped to the Smelter. I made a favorable report, but the officials of the Chalk-Mountain Company and the Smelting Company could not reach an agreement as to price and terms. Since then E. M. Dawes has continued to direct operations for the Mining Company.

History since 1926

The mine has produced, to date, approximately $250,000.00 in high-grade silver-lead ore. About 1928 or 1929 Mr. Dawes erected a treatment plant at the mine to recover not only the silver-lead values, but vanadium also. The vanadium idea was sold him by a civil engineer in Fallon, who proposed to recover vanadium from lead vanadates which do occur, in association with other lead ores, in the mine. As more attention was paid to the attempted recovery of vanadium than the silver-lead values, the plant was a failure. Since then the mill has been removed, very little work has been done on Company account, and most of the work has been done by lessees.

I do not blame Dawes for the mill - he simply was a victim of ill advised professional guidance.

E. M. DAWES - Mr. Dawes is about 56 years old, is active, vigorous, and apparently in good health. He formerly resided in Minneapolis, Minnesota, but has lived in and around Nevada for some twenty-two years, during which time he has had quite a varied, if not always successful, mining experience. His character and reputation for honesty and fair dealing are good. I have known of his mining ventures, and have known him for a long time. Believing that he might not be the proper person to undertake a job of opening caved areas, involving spiling and other work requiring a high degree of practiced mining skill, I wrote him last November, asking what his plans were regarding the direction and supervision of the work to be done. He replied, "The work at the mine would be in charge of myself, or someone chosen by the R.F.C. if they preferred". I would therefore suggest, if a loan is granted, that Mr. Dawes and I agree upon a man, experienced in reopening caved workings, to be in direct charge of the job, providing such a procedure meets with the approval of the Chief of the Mining Section.

It may seem that this report has been long delayed, but Mr. Dawes has not been at the address given in the loan application. In addition I have had difficulty in contacting an engineer more or less familiar with conditions in the mine at the time operations, on Company account, were suspended.

In a recent letter to me, this engineer states,

> "I have not been underground at the Chalk Mountain Silver Lead property, since the company stopped work several years ago. Since then three or four sets of leasers have at different times operated through the main shaft and workings all above the 4th level I believe.
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> The shaft is 515 feet, the sixth level is at 500 feet. I

talked with one of the last leasers who worked through the shaft on the third level and above. He was giving up his lease he stated, because he was unable to find additional ore of shipping grade.

On one of my last visits to the property I examined the drift on the fourth level and found that there had been a cave in near the ore body. Miners working at the property at the time told me that a considerable amount of ore of shipping grade had broken down with the rock fall, but that it had been found impossible to salvage any of it because it was so badly mixed with waste.

The same thing occurred above the inclined winze between the 5th and 6th levels. In this case however an attempt was made to open and retimber the winze, but due to the fact that no effort was made to properly back fill the caved area over the timbering a second fall of rock occurred destroying not only the reopened and retimbered part of the winze but quite a stretch of the adjoining drift as well. In my opinion both of these cave ins were due to too many exploration raises driven into the fractured zones surrounding the ore chute or pipe."

"I know that ore was in evidence in the roof of the drift on the 4th level where the cave in occurred, it was a sand carbonate and used to sift down into the drift through the cracks of the roof boards. I tried many times to get Mr. Dawes to open it up but the method of getting at it without interfering with the use of the drift always seemed beyond him. As I remember it his intention was to pull it after he had finished using the drift to bring out the ore from the winze between the 4th and 5th levels. In the mean time he had two or three raises run up at an angle from the drift all of them away from the ore. But as I stated before close enough to cause a cave in. Whether all the ore came down with the cave or not is a question and it is possible that opening this drift might show ore but it would be expensive."

After due consideration of the history and production record of the mine, the probability of exposing lead-silver ore bodies of shipping grade,(after certain caved areas are opened); the belief that, by selective mining, some of the ore bodies now said to be milling ore may be productive of shipping ore, and that a development loan may be warranted after the preliminary work has been done, I recommend that the loan be granted as outlined in "LOAN RECOMMENDED". That is: A loan of $3,000.00 at this time, and an additional loan of $2,000.00 if same seems justified after the expenditure of the $3,000.00.

Jay A. Carpenter, Director of the Nevada State Bureau of Mines, and I have discussed this loan on several occasions, and the above recommendation is concurred in by Mr. Carpenter.

Respectfully submitted,

L. D. GORDON
Supervising Engineer