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Item 2

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

Docket No.  
Date Application Received  
Date of Field Examination  
Date of Report

Reno C-13  
November 20, 1942  
December 14, 1942  
January 8, 1943

NAME AND ADDRESS OF APPLICANT

Maurice M. Marshall  
Contact, Elko County, Nevada

Correspondent:

Same.

CHARACTER OF PROJECT AND ESTIMATED COST THEREOF

Reopening and unwatering the Delano shaft in the Contact Mining District, Elko County, Nevada. Estimated cost \$5,000.00.

LOCATION OF PROPERTY

Contact Mining District, Contact, Elko County, Nevada. Contact is 51 miles north of Wells, Nevada, and 65 miles south of Twin Falls, Idaho.

APPLICANT'S INTEREST IN OR OWNERSHIP OF PROPERTY

Applicant states in his Exhibit "A" accompanying the loan application, that title is vested in ALICE P. MARSHALL by virtue of a tax deed, but that there is a recorded agreement whereby he is given -

"A one half interest in the property and full management of the property for its operation, sale or leasing, with full power to act."

I have requested Applicant to furnish me with a certified copy of the deed in question, and a certified copy of the agreement between him and Alice P. Marshall. He states that both deed and agreement are recorded in Elko, Nevada, the County Seat of Elko County, Nevada.

LOAN REQUESTED

\$5,000.00.

LOAN RECOMMENDED

\$5,000.00. Providing Legal Department, after reviewing certified copies of documents above referred to, considers Applicant's status, as Borrower, satisfactory.

COMMENTS OF EXAMINER

I spent December 14 and 15, 1942, in the Contact District which, as above noted, is in Elko County, Nevada. Contact is 51 miles north of Wells, Nevada, 65 miles south of Twin Falls, Idaho, and about 12 miles south of the Idaho State line. Wells is a station on the main line of the Southern Pacific Railroad in east central Elko County, Nevada. From Wells a standard gauge railroad extends through Contact to Twin Falls, Idaho, and a paved highway also extends from Wells, through Contact, to Twin Falls. The transportation situation is satisfactory in every way, and leaves little to be desired.

The climate is typical of the semiarid sections of Nevada and while, at times, the winters are severe, with below zero temperatures and considerable snowfall, operations can be carried on throughout the entire year.



There is no hydroelectric, or other electric power, available in the District, but this is not important at the present time, as no mills or other processing plants are contemplated in the immediate future. Gasoline or diesel power will be ample for all present purposes.

There is ample water in the District for all present, or future, needs.

Capable miners, above the draft age, are available, as are housing facilities. The wage scale at present is \$5.50 per shift for muckers and \$6.00 per shift for miners. However, for the class of work contemplated, this wage scale may have to be increased by as much as \$1.00 per shift.

Timber costs about \$50.00 per 1000 board feet - delivered in Contact. Mining and other supplies are carried in stock by the stores of Wells and Twin Falls.

#### THE MINE

Applicant states that the property consists of eight patented lode mining claims, viz: Delano No. 1, Delano No. 2, Allen No. 2, Copper King, Copper King No. 2, Western Union, Arkansas and Lincoln. I have requested him to furnish a certified statement by the County Recorder of Elko County, Nevada, to the effect that the patents covering the above claims were recorded in Elko County, Nevada, prior to the issuance of the tax deed to Alice P. Marshall, and that Alice P. Marshall is now the title holder of record. Also a statement by the County Clerk of Elko County, Nevada to the effect that there are no liens of record against the property and no suits pending. These last statements have been requested, in addition to the documents mentioned in "APPLICANT'S INTEREST IN OR OWNERSHIP OF PROPERTY".

The property in question was originally known as the Delano and Copper King Groups, later as the Nevada-Bellevue Copper Mining Company, and now as "MARSHALL MINING COMPANY".

In Bulletin 847-A of the United States Geological Survey, by F. C. Schrader, pages 23, 24 and 25, the following statement is made:

"Although most of the deposits have been known since the late eighties, there appears to have been little production prior to 1913. The shipments from 1913 to 1930 aggregated over \$2,500,000. In 1913 to 1917 roughly \$125,000 was produced, mainly from ore averaging about 10 percent of copper. In 1918 the group produced 12,000 tons containing 22 percent of copper, 75 cents in gold to the ton, and a little silver, valued in all at \$65,000. In 1920, 300 tons was shipped, and in 1926 two lots of oxidized ore were shipped by lessees. In 1928 to 1930, 180 cars or 2,000 tons of ore was shipped. Of this total, 55 cars contained freshly mined ore, and the rest was obtained from the dump. The average content of 20 cars that came from the Ilo tunnel was 9 percent of copper and 4 ounces of silver and 70 cents in gold to the ton. The remainder averaged 6 percent of copper and 23 ounces of silver and 60 cents in gold to the ton. Much of this ore came from the raise on the 100-foot level of the Nevada-Bellevue mine, the winze on the zero level, and the upper tunnel of that mine. The Allen claim yielded 8 cars of ore. The Bellevue mine yielded \$50,000 in 1917 to 1925 (apparently included in the total above given). Some lots contained as much as 26 percent of copper. The material from the dump averaged 5 percent of copper."

"The Nevada-Bellevue mine, like the Bellevue, develops the lode commonly termed the "main vein"(fig. 4). The principal workings (pl. 4) comprise the zero, 50-foot, 104-foot, 200-foot, and



300-foot levels. The zero level connects directly with the surface, and the other levels are reached by winzes. This part of the mine develops the vein to a depth of more than 400 feet vertically below the outcrop and an average distance of about 500 feet along the strike. On the 250-foot level a drift extends 700 feet eastward on the vein to connect with the Ilo tunnel at a point 1,360 feet from its portal. The Ilo tunnel was driven for purposes of development and drainage about 1926."

"South of the claims above described there are four or more veins that have yielded most of the ore so far mined in the Nevada-Bellevue group. These veins trend somewhat north of east, parallel to the general trend of the granodiorite contact, but at least one of them cuts across the part of the contact with southeasterly trend (fig. 4). Their average dip is about  $50^{\circ}$  SE. The veins range in thickness from 1 to 10 feet. Much of the oxidized ore in them contains about 4 percent of copper. The longest one, known as the "main vein", has been traced on the surface for nearly 10,000 feet and opened in the Nevada-Bellevue mine to a vertical depth of about 400 feet."

"The main vein in the Nevada-Bellevue mine trends about N.  $70^{\circ}$  E. and dips about  $55^{\circ}$  SE. The ore above the 250-foot level is largely oxidized. Ore shoots tend to pinch in passing from the granodiorite, into the quartzite, as is well shown on the 104-foot level. According to data supplied by the company, much of the vein on the 200-foot level is 3 to 8 feet wide, and assays range from about 2 percent of copper and 1 ounce of silver to the ton to 10.14 percent of copper and 8.4 ounces of silver to the ton. Most assays show less than 5 percent of copper. On both sides of the winze near the northeast end of this level there is a shoot of higher-grade ore with a length of about 60 feet along the drift. Assays here range from 5.46 to 25.48 percent of copper and 4.1 to 13.1 ounces of silver to the ton. In a shoot of chalcocite ore nearly 100 feet long and 2 to  $4\frac{1}{2}$  feet wide on the 300-foot level assays range from 4.77 to 15.09 percent of copper and 2.28 to 11.89 ounces of silver to the ton, and the average of 16 consecutive samples is 9.05 percent of copper and 3.09 ounces of silver to the ton.

East of the Nevada-Bellevue mine the main vein can be traced on the surface through the Delano no. 2 and Palo Alto claims and part of the Blue Bird claim. (See p. 23) The rock here is quartzite and slate, and the vein in consequence tends to be pinched and interrupted. It averages about 4 feet in width, however, and on the Delano no. 2 claim much of the ore is reported to contain about  $3\frac{1}{2}$  percent of copper."

On page 18 of the same Bulletin, Mr. Schrader says:

"It is reasonable to suppose that shoots of enriched sulphide ore of higher tenor exist. A certain amount of such ore has already been found, but it has not yet been extensively developed. Below the enriched ore, at levels not yet reached by any of the workings, bodies of hypogene chalcopyrite ore, perhaps comparable in grade to the oxidized ore that has been mined, are to be expected."



Plat 4, next to page 21, of the Schrader Bulletin, shows the location of the Delano shaft, proposed to be unwatered, and the workings therefrom. On this map the Applicant has indicated the ore-shoot on the 300 foot level, the points at which samples were taken, and the assay values of the samples. This is apparently the ore-shoot mentioned by Mr. Schrader in the first paragraph on page 26 of his Bulletin, where he states that 16 consecutive samples show about 9% copper and 3 ounces of silver across a width of about 3 feet. It also is noted that Applicant shows a sample taken in an east drift, from a winze, on the 300 level. This sample is some 170 feet East of the ore-shoot claimed to have been opened in an east drift from the Delano shaft. In this east drift, from a winze, on the 300 foot level, 3 feet of ore is claimed to have been exposed of an average value of 15% copper and 8 ounces in silver.

As far as history and background are concerned, the above would seem to be sufficient predicate for recommending the unwatering of the Delano shaft. I spent the greater part of two days in the District, and endeavored to thoroughly cover the situation. From what inspection I was able to make of the shaft in question, and from past experience, I believe the unwatering of the shaft can be accomplished for \$5,000.00. However, one never knows what unforeseen difficulties may be encountered in a project of this kind. Some four or five sets below the collar of the shaft will have to be replaced, after which I do not contemplate any great difficulty in completing the work, as certainly the sets below the water level should be in good condition.

#### GEOLOGY

The area in the immediate vicinity of the camp of Contact, consists of quartzite, limestone and shales, intruded by granodiorite. Later tertiary flows cover these older rocks in portions of the District. The "Main Vein" of the property under consideration is a fissure in granodiorite, which, east of the main shaft, extends into the sedimentary rocks. The fissure is strong and well defined and, on the surface, can be traced for several thousand feet. The principal copper minerals noted in the upper workings were malachite, azurite and chrysocolla with some cuprite and bornite. Considerable hematite and limonite were noted. North of the "Main Vein" a roughly parallel vein has been developed in the "Brooklyn" shaft and adjacent workings. This vein is on, or very near, the contact of granodiorite and sedimentary rocks and, on its strike to the east, extends into the Allen No. 2 claim of the Applicant. This latter vein seems rather important but is not closely related to the present project. However, it has produced a very appreciable amount of commercial copper ore, and should be taken into account in a consideration of the situation as a whole.

#### THE APPLICANT - MINING COSTS

I consider the character, ability and honesty of an Applicant to be very important in the consideration of a loan. Maurice M. Marshall is 44 years old. He is a hard-worker, dependable and very intelligent. He is not a mining engineer, but comes from a family with mining background. He is on the job at all times, and is not averse to hard work. I am attaching hereto two letters from bankers in response to inquiries I made regarding him. His brother, Victor G. Marshall is 48 years old. Victor Marshall is also a hard-worker and is on the job at all times. The two brothers work with the men in and around the mine, and take care of all business matters as well. At the present time they are employing about 8 men and are producing 6 to 8 tons of copper ore per day - in addition to carrying on certain development work in the upper workings of the "Main Vein" and extending a crosscut adit to explore the Brooklyn, or Allen vein, to a depth of some 85 feet, slope distance, from the surface.

When this last mentioned adit is completed their present production should be materially increased. I am of the opinion that mining costs in the District should not exceed \$4.25 per ton of ore mined, including a proper amount of development work, after the property is reason-



ably well equipped with hoist, compressor, etc. Hauling to the railroad should not exceed .75¢ per ton, making a total cost, for mining and hauling, of \$5.00 per ton.

#### CONCLUDING COMMENT

The loan is recommended for the following reasons:

1. The width of the ore body said to have been opened on the 300 foot level of the Delano shaft, and the reputed values in said ore body indicate a satisfactory profit from operations when the premium price for copper, from the Metals Reserve Company, is taken into account.
2. Applicant is now producing copper ore from the upper portions of the vein and making a small profit - which should be increased in the very near future.
3. The character and ability of the Applicant are excellent and seem well established.
4. There is an opportunity to develop what might prove to be a fairly important new copper producing area, which, in view of the need for increased production, is to be desired.
5. From the evidence available I feel that the recommended expenditure will result in making accessible ore bodies of sufficient size, value, and strategic importance, to justify the granting of a development loan.

The above recommendation is predicated upon approval by the Legal Department of the agreement between the Applicant and Alice P. Marshall, and other documents requested of the Applicant, which will be forwarded to Washington immediately upon their receipt by me.

Respectfully submitted,



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L. D. GORDON  
Supervising Engineer

The above report has been read by Jay A. Carpenter, Director of the Nevada State Bureau of Mines, and he concurs in my recommendation that a loan be granted as applied for.





COPY OF LETTER FROM MR. GORDON SEDGWICK TO MR. L. D. GORDON

941 Jackling Drive,  
Burlingame, Calif.

Mr. L. D. Gordon, Supervising Engineer,  
Reconstruction Finance Corporation,  
Reno, Nevada.

December 8, 1942.

Dear Mr. Gordon:

Your letter of December 5, 1942, addressed to my attention as Manager of the Mission-23rd St. Branch, Bank of America, regarding Mr. Maurice M. Marshall, has been forwarded to me for reply. At the present time I am confined to my home, recuperating from illness, which explains why I am not writing from my office on Bank stationery.

For the past five years or more, I have known Mr. Marshall very intimately, having served with him as Treasurer and Director of the Mission St. Merchant's Ass'n., while he was President of that active organization. His business was that of Manager of the New Mission Market, a large and progressive food market. I know that he managed this position to the entire satisfaction of the owners, leaving them of his own volition last April to start operation of his mine at Contact, Nevada. They wanted to keep the position open indefinitely for him, granting a leave of absence, which shows their feeling toward him.

Mr. Marshall performed an excellent job as President of the Merchant's Ass'n., taking full responsibility for the management of their affairs. He was the admiration of the entire membership.

My branch was favored with the Subject's bank account for the past 7 or 8 years. Balances have always been adequate for his needs, and no credit requested.

From my dealings with him, and business association, I can fully recommend him to you for honesty, character, and reliability.

Very truly yours,

(SIGNED) GORDON SEDGWICK,  
Manager

Mission - 23rd St. Branch,  
Bank of America, N.T. & S.A.,  
San Francisco, California.

COPY OF LETTER FROM E. E. ENNOR TO MR. L. D. GORDON

Mr. Louis D. Gordon  
Supervising Engineer, Mining Section  
Reconstruction Finance Corporation  
Reno, Nevada

December 8, 1942

Dear Mr. Gordon:

Your letter of December 5th concerning Mr. Maurice M. Marshall, was received this morning.

Mr. Marshall came into this section about a year ago, I believe, and in March of this year opened an account at this branch in the name of the Marshall Mining Company. The account has been entirely satisfactory, and aside from the business transactions, I have had little contact with Mr. Marshall. I believe he came from California and has been operating in the Contact Mining District.

In your letter you did not indicate any special information you were seeking, so I trust this letter will serve your purpose.

Yours very truly,

(SIGNED) E. E. Ennor  
Manager