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Via Air Mail

Item 73

June 25th, 1942

Eureka, Nev.

Neumont -

Miss Lough

Mr. William Sharp
Eureka Corporation Limited
Eureka, Nevada

Dear Bill:

I am in receipt of your very descriptive letter of June 21st in regard to the old Eureka workings, particularly in regard to their zinc content. Neither Mr. Lindsley nor myself has any decided opinion on the subject but we do want to discuss the matter and this letter has added very much to the discussion. I appreciate the letter and will be writing you further on this subject later.

I am glad that you were able to get along with Wittenberg so nicely. In the near future will you please write me a letter that I can forward to Mr. Paddison, outlining the situation as you are proceeding with it.

You are doing well indeed to watch that water closely. It could give you some nasty cave-in.

Most sincerely,

M. B. Huston

MBH:ef
cc-T.L.
G.T.

(C O P Y)

EUREKA CORPORATION, LTD.
Eureka, Nevada

June 21, 1942.

Mr. M. B. Huston,
1300 Bankers Securities Bldg.,
Philadelphia, Pa.

Dear Mr Huston:-

I am in receipt of your letter of the 16th and the copy of your letter to Mr. Lindsley and also note your deletion in which as you say I probably did not mean it the way it sounded.

I will admit that I didn't mean to be rude nor did I mean to belittle the estimation of Newmont but I did want to indicate that I didn't think that amount of zinc ore existed in quantities sufficient to mine with a chance for profit. If I just intimate it, you and Mr. Lindsley, since you haven't been through the workings seem to feel that because the Newmont said there was 60,000 tons, there must be that amount and that such a tonnage must of necessity be confined to rather large blocks so that it could be easily mined.

This morning, I asked Harry Eather just how long Fred Searles spent going through the mine. Fred was at that time working for U.S.S. R. & M. Co. and spent 9 days in all going over surface geology and through the underground workings. Harry went through the mine with him and Harry said that in going through the mine, Fred estimated and guessed that there were 60,000 tons of iron and zinc carbonates with some lead in the mine and that the greater portion of these zinc ores were in that section of the mine, between the Lawton 900 (Really 721 level) and the 900 Locan level. Harry said that they were three days going through the mine. This was back in the spring of 1923 and at that time the whole mine was pretty well open. (I remember quite well, during the time that Mayberry was superintendent here. This was about 1908 that I took an engineer up through that portion of the mine to show him as much tonnage as possible, as he was sent out by the narrow gauge railroad to estimate tonnage and Mayberry wanted to make the tonnage plenty. This engineer after going through this section of the mine, estimated 60,000 tons and Mayberry was smiles all over his face. The drifts as they wandered around through this ore, gave one the impression that there was more than actually existed. Sometimes the side of a drift had only a thin scale of ore on one wall and so one going through for the first time was quite impressed.

I do not want to give the impression that Fred Searles is easily fooled because, I have a very high regard for his ability both as an engineer and as a geologist as well as a business executive but I do go into detail so as to explain why sometimes a smart man might possibly slip up whereas in 99 cases out of 100 he would be right.

After Searles went through the property, Valentine was put in charge here for Richmond-Eureka (U.S.S.R. & M. Co.) to fix up the property and ship the ores. It was at this time also, that Valentine pumped out the shaft to the 1200 (Locan shaft) and did the work on the 1200 level. It was then in the winter and spring of 1924 that they drilled from the 900 Locan to a depth of 760 feet in the hole that we deepened ("C") a year ago this spring.

A man by the name of Zimmerman, sampled the area between the 900 Locan and the 900 Lawton for Valentine. Valentine put up a raise from the 900 Locan to the 900 Lawton and Harry Eather says that he shipped 50 tons of ore per day for about 60 days before Mr Muir sent word to stop shipping waste.

The Richmond-Eureka closed down sometime in May 1924 after doing the diamond drilling from the Locan 900 level and in 1926 they opened up the Richmond shaft to lessees. The lessees were active from 1926 to 1931 and sometimes as many as a dozen sets of lessees worked.

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Eureka, Nevada

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The most of this work was done in the area above the 800 level of the Richmond, which is 26 feet vertically above the Locan 900 as I remember it, and below the 900 level of the Lawton, although some ore was worked from between the 800 and 900 levels of the Lawton.

The lessees naturally filled drifts and crosscuts with waste and this area is not only filled but caved, so that it would cost a small fortune to get even a look at it. They also mined quite a tonnage.

The lessees did not ship the higher grade zinc ores as to them zinc was only a penalty. They did, however, ship the iron carbonate ores and these all carried some lead, and these iron carbonate ores were included in Searles estimates of zinc ores. The really good zinc ores either occur as small lenses in the stopes or as very thin casing between the iron carbonates and the dolomite. Where they occurred as lenses in the stopes they were left as pillars as shown on the map of Harcourt's samples between the Richmond 200 and 300 levels. These of course are small and represent very small tonnages. The zinc carbonate casings, outside the iron carbonates, are as a rule not more than 6 inches to a foot or two in thickness.

During the period, 1926, when the lessees were working, Harry Eather, he was leasing at that time, says that Oswald, who at that time was looking after the work for Richmond-Eureka, put track into the old chambers (old open stopes) on the Richmond 600 level and mined from pillars two cars of zinc carbonates and shipped to Salt Lake. They tried to concentrate these ores but had no luck and Hamilton wrote to Oswald and told him the grade was too low and not to ship any more.

The ores that we took out from the 900 level of the Locan in 1940 and 1941, were left by the 1926 to 1931 lessees because they were below the 800 Richmond level and at the end, we quit up against old caved stopes that would have required much better ore than we had mined to even break even.

Harry Eather says that Fewson Smith, who was chief of the survey office for U.S.S.R. & M. Co. sampled the Lawton 1200 ores, in 1923 for zinc. The Lawton 1200 level is just 12 feet below the Locan 900 level. He said that Fewson Smith was very disappointed with the results. Of course there isn't much ore of any kind between the Locan 900 and the Lawton 1200 as we got down there when we were working on the Locan 900 level.

If the lessees shipped 500 tons per month during 1926 to 1931 they shipped close to 30,000 tons and this of course would have come out of Searles estimate.

Harcourt, who made the assay maps that you have a copy of, worked here for Anderson before I came to Eureka and I am sorry that my letter gave you the impression that he sampled for Newmont. As you will see from this letter, the Newmont never did sample the property but Searles did make the 60,000 ton estimate and while I think his estimate was high, if the lessees took out 30,000 tons, Valentine 6,000 tons and we took out 2,000 tons there is roughly 40,000 tons accounted for.

The Richmond shaft as I told you was squeezed so that the cage had to be slightly weighted to go to the 200 level when we worked through that shaft. At that time, the cage would not go through to the 300 level. The Richmond shaft starts in Secret Canyon shale and passes through the Ruby Hill fault a short distance below the 200 level and as I told you in my other letter, the shaft is now caved full down at the 600 level so one couldn't possibly get down to the lower levels. Also, we took the sheave wheel from this shaft to use at the Pad shaft, so by

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Eureka, Nevada

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going to the 200 level, one couldn't tell whether the shaft has pushed in enough to stop the cage.

In this mine, there are around 30 miles or more of drifts and crosscuts and with caved and filled drifts and stopes on every level, besides the bad shafts, you can arrive at some estimate of the cost of even trying to get a look.

I don't like to put a wet damper on ore extraction, but in my mind, I am so thoroughly convinced that it would just result in a heavy loss, that I hate to have you try it. You know when you open up a place and get a car or two here, then have to open up another stope with drifts to get another car or two, your cost is going to be something to write home about. Then when you ship to Texas or some place and get returns they will probably look pretty small.

Thursday, I went to Tonopah and saw Wittenberg. I took the map with me and showed him that the Elsie Fraction location hole was on the Champion Mill Site patent and asked him about putting the location notice on the fraction and about amending the other two claims. He asked me if I wanted him to come to Eureka and I told him I could do it and he said that as soon as the claim was recorded that they would fix up the transfer to the company. I told him I tried to survey it off the patent but couldn't and he was very nice about it as I was sure he would be. I will try to put the location notice up tomorrow and will then get someone to help me survey the other claims and set the corners on the amended surveys. We will then have to dig the location hole for the new (Ann Fraction).

I got back last evening as I drove to Reno Friday morning from Tonopah. I talked to Kent and he said that trucking regulations after July 1st were going to be something or other, he didn't know what so he was trying to get our car load of 8 x 8 and car of plank here before the 1st. I will then take up with him the future timber.

Johnson wasn't in Tonopah, so I did not get to see him but I had a chat with Schwinn.

Whether I have seemed too caustic in this letter, I do not know but I have only tried to give the facts so that they wouldn't be misunderstood and have not wished to be caustic.

The shaft is down to probably 312 to 314 feet. It was timbered to the water this morning so I couldn't see anything. The water that comes from 20 to 25 feet above the bottom on the north end, washed out the blocking from one corner so the boys today are trying to run all of the water into little troughs at that level to keep it from working on the soft material behind the blocking.

Sincerely yours,

(Signed)

Wm. Sharp

W.S. Applington
((COPY)) *Newmont*
see Sharp file

EUREKA CORPORATION, LTD.
EUREKA, NEVADA

June 12, 1942

Mr. M. B. Huston,
1300 Bankers Securities Bldg.,
Philadelphia, Pa.
Dear Mr. Huston:-

I have your letter of the 10th with enclosed copy of Mr Lindsley's letter to you concerning the zinc carbonate ores remaining in the old workings and stating that his recollection is that Newmont found 60,000 tons of pretty fair zinc carbonate ores.

My advice to Mr. Lindsley would be to forget the Newmont estimate of 60,000 tons of fair zinc ore.

If you will go over the maps that you speak of, you will see that for the most part the 20% or over zinc assays, represent either small pillars left in stopes or casings either along drifts or at the edges of stopes and that 4 to 6 feet from assays of 20% plus zinc you will have assays from 1% to 7% zinc.

Mickey Harcourt who did this sampling tried to do a good job but as he had had very little experience in sampling and especially with conditions existing in irregular orebodies in limestone, his width figures are very often greatly exaggerated. For instance, where I went over his sampling, I found quite often he had cut down a face and marked the sample 5 or 6 or maybe more feet whereas in reality, the sample represented a casing that sometimes was not over 6 inches thick. Many other times where he recorded widths of 4 to 6 feet, he was sampling pillars with that diameter and a width of that many feet. It is because of these casings that Newmont is very probably high in their tonnage estimate.

Of course, I do not say that 60,000 tons are not present as in an old mine such as this, a rather small tonnage here and there in and around all of the old stopes might add up to 60,000 tons, but that tonnage is not possible of measurement and since so much of the mine and stopes are inaccessible and caved and since the Lawton shaft is caved and the Richmond shaft at the time they worked there to the 200 foot level was squeezed enough that the cage needed some weight to go through and that in the time we were working on the Locan 900 level the Richmond shaft caved full at the 800 station and above, I would say that there is not a Chinaman's chance of making a profit.

The shipments from the Richmond that went to Salt Lake Valley smelters in the Anderson period just before I came here, showed from around 3% to 10% zinc with a probable average of 5.5% to 6%. That of course would be the same as nothing.

I am just in receipt of a letter from Kent in Fallon saying that the mill that cut our car of timbers sold them and were not interested in cutting more but they placed the order with another mill that promised to have them out in three weeks. We also will have to order a car load of plank and Kent suggested that if we could anticipate our wants for fall and winter it would be well to get the order in so they could be cut and delivered between now and October. If you will let me know what you think, I will in the mean time order a car load of plank to be cut and will let them know later about further orders.

They shot another round this afternoon and while I wasn't down, Harry rather brought up some of the shale that contained a little chert. They shot light and didn't disturb anything.

Sincerely yours,