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item 7

RENO OFFICE
RECONSTRUCTION FINANCE CORPORATION
MINING SECTION
FIELD REPORT

Docket No. ND-5771
Date of Examination
Date of Report

October 14 - 15, 1943
November 5, 1943

NAME AND ADDRESS OF APPLICANT

The Marietta Mining Company, a limited partnership. 6605 Hollywood Boulevard, Los Angeles, California.

Correspondent

Stated, in application, to be Marietta Mining Company, but all correspondence to date has been with N. K. Stogdill, "General Partner".

CHARACTER OF PROJECT

In Exhibit A - Section 10 - "PROPOSED WORK", Applicant states:

"The work contemplated at present is on the Tip Top Mine. The first work will be to locate a compressor near the tunnel entrance, then to install a tugger hoist and automatic dumping device at the top of the winze. The mining work includes drifting on the 4 ft. of ore exposed on the 34 ft. level of the winze, sinking this winze to 56 feet and drifting both ways, the putting up of a raise from the tunnel level at 100 feet (in the tunnel) to get under the galena ore outcropping at the surface, approximately 40 feet, the cleaning out of the tunnel beyond the 100 feet now in use and other work that may be justified by developments."

This will be discussed later.

LOCATION OF MINE

The Tip Top group of lode mining claims is situated in the Marietta Mining District, Mineral County, Nevada, approximately 30 miles southwest of Mina, Mineral County, Nevada. Mina is the terminus of a branch of the Southern Pacific Railroad extending from Hazen, on the main line of that railroad.

The mine is reached by proceeding south from Mina, on Highway 95, about 7 miles, thence southwest, over a fair county road, a distance of some 23 miles. However, the last 3 miles of the road are up a narrow mountain canyon, steep, rough and subject to cloud-bursts.

LOAN REQUESTED

\$30,000.00.

LOAN RECOMMENDED

A loan, in any amount, is not recommended.

APPLICANT

The Marietta Mining Company is, as above noted, a limited partnership consisting of N. K. Stogdill, General Partner, and 13 limited partners. I hope I am not getting too critical, or paternal, but the limited partners should, in my opinion, see an alienist. N. K. Stogdill is, I should judge, about 55 years of age. He is quite dapper, and has the nonchalance, suavity, and assurance of the typical Los Angeles promoter. He admits to having had absolutely no mining experience of any kind, but does love the wide open spaces, our rugged mountains, and the fine, honest people of Nevada - would go so far as to leave Los Angeles, were the loan granted, and come to our State to live.

Of the 13 limited partners, nine are women. Four of the women are widows, and the other two are unmarried. *? virgins Not any more!*

Attention is called to "Articles of Limited Partnership", a copy of which was submitted with the application. Please note second paragraph of Article 4:

"It is understood and agreed by all parties hereto that in the event that General Partner sees fit to exercise the provision entitling him to dissolve the partnership, that he is to assume no liability or to be accountable to the limited partners for any contributions made by them."

(The underscoring is mine).

In the 5th Article, paragraph 2, there is a provision that Stogdill is to draw no salary -

"But that any sum withdrawn by him for personal use shall be debited against the one-half of the net proceeds accruing to the General Partner hereunder" and

"It is also understood that the 'net profits' shall be that sum less all costs of operations of the mining venture plus not more than \$1000.00 per month for administrative expense of the company."

Also Article 7 - 2:

"All funds of the partnership shall be deposited in a bank designated by the General Partner and shall be withdrawn from said depository on vouchers signed by the General Partner or person or persons designated by him."

The purposes for which funds of the partnership shall be withdrawn are then set forth. 7 - 3 - B: Payment of wages, salaries, etc., and 7 - 3 - D: Payment of administrative, legal, or normal business expenses.

Attention is also called to Article 10, which provides that the General Partner is to receive one-half of the net profits, and the other 13 partners the remaining one-half.

I commend the partnership agreement to the legal department as a fine study in chicanery.

Algernon Del Mar is the proposed General Manager. His experience record, as submitted, states that from 1896 to 1898 he was employed in South Africa at a salary of \$500.00 per month. The period from 1898 to 1902 apparently was spent in meditation and recuperation. In 1902 he accepted employment at \$200.00 per month. Since then, except for the period 1906 - 1907, and 1938 - 1940, his compensation has averaged about that figure. After each of the "higher bracket" periods, rest and contemplation seems to have been required.

Mr. Del Mar must be nearly 70 years old, but appears to be in good health, and willing to carry on for "Oil Production Inc.", his present employer.

PROPOSED EXPENDITURES

This should be considered as an extension of comment in re "Character of Project". In Exhibit A - Section 9-E", Mr. Del Mar estimates "The amount of funds required for the first 90 days to be as follows:

"Air drill outfit	2,662.54
Labor	5,670.00
Pipe and fittings	400.00
Timbers	300.00

Camp	360.00
Overhead	1,200.00
Freight and Installation	1,000.00
Power	2,250.00
Explosives	400.00
	<u>14,332.54"</u>

While the "Air Drill Outfit" indicates some "close figuring" the total of the above items is \$14,242.54.

The General Manager estimates costs, on the basis of a 20 ton per day mining and milling operation, as follows:

Mining	\$ 7.27
Milling	5.45
Overhead	2.25
	<u>\$14.97 per ton</u>

While some of the items seem out of proportion, as noted below, the overall costs, as estimated, are probably what could be expected under the contemplated management.

For the "Air Drill Outfit", and for hoisting (Two shift operation, 5 miners on ore, 2 on development, 2 hoisting engineers) the sum of \$10.00 per day is provided for "Gas and oil", and "15 horse power will be sufficient".

No breakdown of power requirements is given, but probably it would be 5 horse power for hoisting, and 10 horse power for the compressor - this at an elevation of 8400 feet.

It is stated that "power" for the mill will cost \$7.50 per day, this, apparently includes lubricants. Diesel power is proposed. The mill is at an elevation of 4800 feet. "The mill to run three shifts and grind to 80 mesh for oil flotation". The total of milling cost items is \$108.00, instead of \$109.00, as stated in the summary submitted. Thirty dollars per day is allowed for "Supervision & Office", and "Assaying and Surveying", which seems plenty for an operation of the proposed type.

Some of the mine development has been conservatively planned - to say the least - as it is proposed to drift on the 34 foot level, establish a level at the 56 foot point, and drift both ways on this "deeper" level. However, lack of conservatism is shown by a proposal to drive a raise 40 feet to "get under the galena ore outcropping at the surface". As a matter of fact, no galena ore outcrops on the surface. Above, and a short distance north of the main workings, a surface adit has been extended about 11 feet on a very narrow stringer of galena. It will not average 2" wide, as stated. At the time of my examination, nothing was showing in the face of this short adit.

Mr. Del Mar shows real courage by the following statement:

"It may be that at times the vein will narrow to a mere streak; that is the time to go ahead, for another shoot of ore will probably be found at a lower level."

In "Exhibit A - Section 8", it is stated:

"The main tunnel, or adit, on the Tip Top is caved beyond the 100 feet alluded to above but is said to be at least 300 feet in length. This tunnel no doubt was driven to intersect a vein or veins outcropping on the surface but whether such was successful will remain for further investigation."

All doubts may cease. The adit is not caved, but is partly filled with muck for a short distance. I climbed over the muck pile, and proceeded to the face. This work was not "successful" and I do not think "further investigation" is justified.

THE MILL

The mill consists of a small jaw crusher, bucket elevator, 4' x 4'

ball mill, Dorr type simplex classifier, and a Fairbanks Morse single cylinder 32 horse power gasoline engine, also necessary shafting and pulleys. The receiving bin has a capacity of about 20 tons, and the mill bin, fed by the bucket elevator, about 10 tons. The mill building is timber frame work sheathed with galvanized corrugated iron. The floor is dirt throughout.

I called Mr. Del Mar's attention to one minor detail: The classifier is set on a substantial concrete foundation, and the classifier inlet is higher than the ball mill discharge. He promised to remedy this, later on. The mill was formerly operated, for a short time, on ore from the Marietta District. A small Huntington type mill was used for secondary grinding. Two Wilfley tables, no classifier, constituted the recovery process. A small tonnage was treated with decidedly unsatisfactory results. The present single cylinder gasoline engine will not develop power sufficient to operate the mill as proposed, so a new power plant would be necessary. With an adequate power plant, proper flotation cells, classifier properly installed, and a few other changes, the mill might handle 20 tons per day. Water supply appears to be ample. However, as I see it, no one connected with the enterprise is capable of conducting either a mining, or milling, operation.

I have not meant to put the "cart before the horse", but Applicant has stressed collateral phases of the situation to such an extent that I think it consistent to do the same.

An application is made for \$30,000.00, the General Manager says:

"There practically has been no production. With a near-by mill needing a flotation unit the proposed production will be six tons a day during development and then the number of tons that the mine can produce per day."

A flotation test report is submitted to which attention is called. "Picked samples" are cited, 2 inches of "solid galena" is stressed, railroad freight rates and basis of smelter settlements are given, and "To drift in the andesite walls of the vein I estimate will cost \$11.50 per foot."

Mr. Stogdill has repeatedly called my attention to the "influence" he has in Los Angeles and Washington; claims to have a gasoline allowance of 250 "C" coupons every 90 days for the four automobiles he uses in his mining and oil ventures, and wants a loan for the "mill", if he cannot get one for the mine. With all of this in view, I thought it well to comment, to greater extent than might seem necessary, in reviewing this application.

THE MINE

The property is reputed to consist of six unpatented lode claims. I did not check this, the relative location of the claims, nor the title to same, as it seemed unnecessary in view of my reaction to the picture as a whole.

The mine is on the south slope of the Excelsior Range of mountains, at an elevation of about 6500 feet. The prevailing rocks in the vicinity of the mine are sedimentaries, intruded in places by quartz-monzonite, and partly capped by rhyolite, andesite and basalt. The sedimentaries have a general Northeast - Southwest strike, with a dip to the southeast. At the Tip Top Mine, an adit has been driven southwest in a sedimentary bed, a distance of about 400 feet. This bed dips 60° southeast, and consists of limestone and shale, considerably altered in places. No ore was found in driving this adit. At a point 100 feet from the portal, a crosscut was driven southerly for 38 feet, and a winze sunk a distance of 34 feet. At a point 20 feet below the collar of the winze, a crosscut was driven north 90 west to where the hanging wall of an ore body was encountered; they drifted 5½ feet, north 45° east, along the hanging wall of the ore body, then turned north 15° west for 10 feet, and obliquely crosscut the vein.

The width of the ore body, where crosscut, is about 7 feet. From the bottom of the winze a "crosscut-drift" was driven, north 70

west for 10 feet which probably cut the downward extension of the orebody opened on the 200 foot level. On this lower level the ore seems to be about 4 1/3 feet wide. The winze and workings therefrom are shown on sketch attached, but the adit and crosscut to the winze are not shown, as they are in waste. I have only shown the workings in which ore occurs.

The map submitted by Applicant's engineer shows the strike of the vein to be exactly opposite from what it is. No dip is indicated, but in the body of the report a statement is made that the vein dips west. As it dips southeast, this makes his theories consistent.

Six samples were taken, four on the 20 foot level of the winze, and two on the lower, or 34 foot level. The samples assayed as follows:

NO.	DESCRIPTION	Gold Oz.	Silver Oz.	Lead %	Zinc %
101	Sulphide ore on 20' level of winze - on hanging wall, not across vein.	Trace	2.8	2.6	7.0
102	Same as 101 - 3' N.E. of 101.	Trace	4.8	3.4	11.4
103	3' north from 102 - taken across 4' of vein.	Trace	8.0	1.0	14.9
104	Next 4' north from 103 - across 4'.	Trace	3.2	0.2	16.0
105	Bottom of winze across 3' 8" of west crosscut immediately adjacent to winze.	Trace	9.6	3.5	6.4
106	8" of sulphide at bottom of winze in hanging wall of vein from which sample 105 was taken.	Trace	3.6	1.9	15.6

The points at which the samples were taken are shown on attached sketch. No samples were taken from the shallow adit on the "Galena Vein". There was nothing to sample, as the 2 inches of "solid Galena" had disappeared.

Two samples, Nos. 103 and 104, representative of the ore on the 20 foot level, show an average value of 5.6 ozs. of silver, .6% lead, and 15.45% zinc across probably 7 feet. However no drifting has been done on the vein. A spot of ore shows on the 34 foot level. A weighted average indicates 8.7 ozs. silver, 3.25% lead and 7.8% zinc.

These assay results are encouraging, and were the property in the hands of capable miners, I would not hesitate to recommend a small loan, as not much work, intelligently directed, would be necessary to prove the extent and metal content of the ore body.


The owner of the property, Mr. Louis De Rousse, told me, when I was at the property, that Stogdill had spent over \$16,000.00 on automobile trips, office expense, salaries, including that of the General Manager, his own, and his secretary's, and "fooling around the mill", before he formed the present limited partnership. A fraction of this amount would have proved whether or not the mine was worth while. His financial statement indicates, at the time the application was made, that he has \$3,000.00 in cash available - which probably will go the same way as previous expenditures.

COMMENT

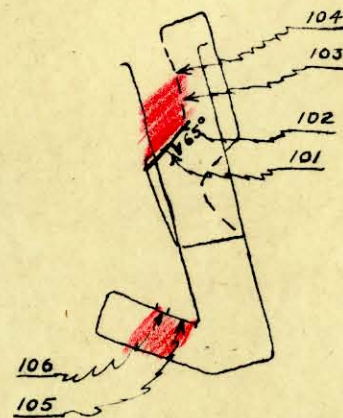
I consider the property an attractive prospect, and, in different hands, worthy of some development. As it is, I feel sure the War effort will not be benefited in any way by assisting this "General Partner", his "General Manager", and their retinue of credulous women, in what I am sure would be an abortive attempt at mine

development, and a reflection upon a serious business, and,
I hope, an honorable profession.

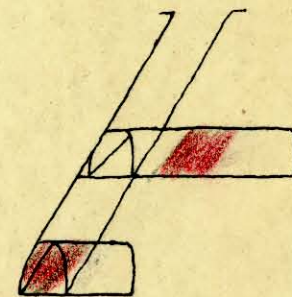
Respectfully submitted,



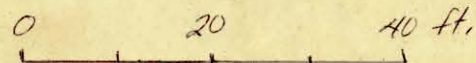
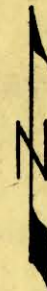
L. D. GORDON
Supervising Engineer



PLAN



SECTION



MARIETTA MINING CO.

TIP TOP MINE

DOCKET ND-5771

SCALE 1"=20'