

RENO OFFICE
RECONSTRUCTION FINANCE CORPORATION
FIELD REPORT

Docket No. ND-5367
Date Authorization for Exam. Rec'd
Date of Examination
Date of Report

May 7, 1943
May 14, 1943
May 25, 1943

NAME AND ADDRESS OF APPLICANT

Wholey Mercury Mine
Box 174, Winnemucca, Nevada

Correspondent:

J. C. Wholey
Box 174, Winnemucca, Nevada

CHARACTER OF PROJECT

The project concerns the further development of a small mercury mine from which the Applicant, working by himself from July, 1941 to March, 1942, extracted some 16 flasks of mercury. Applicant proposes to extend a tunnel, called the lower tunnel, to where it will cut the downward extension of the orebody mined near the surface, at a 60 foot lower elevation. Some outlay would be required for equipment, but labor and supplies will be the major items.

LOCATION OF PROJECT

The property is located at an elevation of 5,000 feet on the west slope of the Hot Springs Range, Poverty Peak Mining District, Humboldt County, Nevada. It is 3 miles south of Hot Springs Peak and lies within the limits of T. 40 N., R. 40 E., M. D. B. & M. The mine is reached by driving on a paved highway north from Winnemucca, Nevada, a distance of 28 miles, then cutting east across Paradise Valley over a rather poor dirt road a further distance of 27 miles; the rise in the last 3 or 4 miles is about 500 feet. It can also be reached by driving north from Golconda, Nevada to Dutch Flat and thence to the mine, all over dusty desert road. However, especially good roads are not essential to the operation of this project, as there is very little transportation required.

APPLICANT

The Applicant has been a resident of Nevada for many years, and has a good reputation and standing. He is a middle age man, industrious and enthusiastic about his work and mine. He appears quite capable to carry on with this project.

LOAN REQUESTED

The loan requested is \$16,000.00.

DESCRIPTION OF PROJECT

General Features

The Hot Springs Range has been known for the occurrence, over its entire length, of scattered showings of cinnabar ore. The ore at many places, so far, has proved unprofitable to mine, yet has enough promise to keep many small operators searching for enriched areas.

The Cahill Mercury Mine located about one mile south of the Applicant's property has produced several hundred flasks during the years 1940, 1941 and 1942. The writer has not the full production figures, but a report for 1940 showed that this mine produced 138 tons, having a value of \$82,599.00. Much more was produced the following two years.

In 1938 the Cahill Mine was in the prospect stage much as the Wholey

Mine is today. William O. Vanderburg in U. S. Bureau of Mines, Reconnaissance of Mining Districts in Humboldt County, Nevada, wrote of the Cahill Group at that time:

"A group of six unpatented claims is owned by Cahill and associates. The claims are in the prospect stage of development and no production has been made.

The development consists of three adits totalling 300 feet of workings. When the writer (Vanderburg) visited the property June 1937, the owners were driving an adit to intersect the deposit at depth. This work was being done by hand methods. Cinnabar occurs in seams and as disseminations in a fracture zone in limestone."

The above excerpt is submitted to illustrate the similarity of the condition of the Cahill Mine at that time, to that of the Wholey Mercury Mine today. The later success of the Cahill is largely responsible for the interest in the district, together with the widespread lesser showings of cinnabar in seams and fractures.

The Cahill ore when encountered in the lower adit proved to be of high grade and profitable, and discovery of similar enrichment is the hope of the small operators in the District.

The above brief review of conditions along the length of the Hot Spring Range is to show that it is a district of much promise. The high-grade ore is spotted and buncy as is true of most mercury mines in the State, and some speculative prospecting and risk has to be taken to uncover them.

The Wholey Mercury Mine is typical of other small mines in the district.

CLAIMS AND OWNERSHIP

The Applicant, J. C. Wholey, formerly had associated with him in the ownership of the property, a partner, F. E. Walker, 251 Santa Rosa Avenue, Oakland, California. The latter, April 8, 1941 gave to the Applicant a lease and option to purchase his interest in the claims as follows:

His one-third interest in, and to, Eastern No. 1, Eastern No. 2, Eastern No. 3, Eastern No. 4 and Eastern No. 6, Longhorn and Dexter.

His one-sixth interest in, and to, Longhorn No. 2 and Possible Fraction.

The terms and conditions of above mentioned lease agreement are fully set forth in a copy attached to the application, and to which you are referred for further particulars.

It should be noted, however, that map of claims submitted by Applicant is at variance with claims mentioned in the lease agreement. The Applicant informed the writer that he owned four claims, the ones underscored above. The discrepancy will need to be more fully checked before final consideration is given on this application.

EXISTING DEVELOPMENT

The existing development consists of a shallow upper tunnel 35 feet long, at the end of which, a small stope, following the dip of the limestone beds, and an open fissure, has been mined. This stope is about 25 feet long and extends from 10 feet below upper tunnel level upwards about 20 feet, where it holes through to the surface. It is from this stope that some high-grade ore was extracted and retorted, producing 16 flasks of mercury.

After mining out the visible ore from the stope, the Applicant decided to cut it with a lower tunnel at depth. He, therefore, drove a lower tunnel at 65 feet lower elevation towards the downward extension of the

ore. He advanced this lower tunnel 100 feet, but has yet 80 feet to 100 feet further to drive it before getting vertically beneath the surface orebody, and it is primarily for the purpose of completing this work that an application for a loan is made.

One cannot but be impressed by the Applicant's faith and determination. Working by himself, and from money earned by wages on work elsewhere, he has done all the work mentioned above almost single-handed.

GEOLOGY AND ORE OCCURRENCE

The claims are covered with a series of dark gray shaley limestones, or calcareous shales - a sort of "dirty" limestone. The bedding of these limestones dip about 30° to the west near the surface, to a 60° dip at the lower tunnel level. Certain of the layers, or bands, show more sheeting or closer bedding than others, and it is in them numerous seams and disseminations of cinnabar are most prevalent. The outcrop of mineralization of the Wholey Mine is along one of these sheeted belts, and almost anywhere along the outcrop some cinnabar can be panned. However, the cropping as a whole is too low grade to be commercial ore, and it is only in isolated areas that enriched spots and bunches of ore occur of sufficient high grade to mine and retort.

In the vicinity of the upper level stope is the place where the best ore was mined. Here there is a pronounced cross-fracture which cuts across the limestone bedding and has a strike N. 45 W. and a dip of 75° N. E. (Its strike and dip does not conform to that of the limestone bedding).

This fracture is an irregular sort of fracture. Its walls are ragged, with open spaces and coarse fragments between its two walls. It has all the appearance of a water-course with fragment covered with crusty lime minerals. The best ore has been found in, and on either side of this fracture in sheeting and seams in the adjacent limestone. The fracture appears to have served as the circulating channel responsible for the enrichment.

The miners have had a tendency to follow the limestone bedding planes rather than the open fractures; in all probabilities, it is the open fractures that are the ore control, rather than the limestone bedding.

The proposed extension of the lower tunnel to encounter the downward extension of the fracture exposed in the upper workings is, in the writer's opinion, a sound piece of development, and this work should be completed.

Cinnabar crystals are observed in many places in the lower tunnel. Although not enough to make commercial ore, yet sufficient to justify the probability that when the fractured ground is reached, that ore in paying quantities may be found. The extension of the lower tunnel is a speculative "bet", but one warranted, considering the small amount of work necessary to prove it, and considering the geological criteria in its favor.

The attached plan and cross sections clearly show the structural features and the relationship of proposed work thereto.

There is no commercial ore in sight, as the good ore has already been extracted. There are many small cinnabar showings, and minor small bunches, all too small to be extracted profitably. It was deemed unnecessary to take samples and none were taken.

PROPOSED DEVELOPMENT

The proposed development as previously stated, consists of the driving of the lower tunnel some additional 80 to 100 feet. (See map showing proposed work).

The Applicant has filed for a loan of \$10,000.00 to equip and do this work. This amount is excessive, and unnecessary. It appears that a loan of \$5,000.00 would be more than ample.

Until the extension of tunnel is completed the rented compressor and air drill now on the property could be used. A new compressor, as requested in the application, could be dispensed with for a time at least.

COST ESTIMATES

It is the writer's opinion that \$2500.00 would be sufficient to determine the merit of this property, and if after expending the above amount the results proved favorable, then another \$2500.00 should suffice to put retort into operation, and to prepare mine for ore extraction.

As the Applicant has planned on a \$10,000.00 loan, and a different approach to equipping the property, it would be well to receive his approval to the change in the amount. The Applicant will likely agree to a lesser amount, but it might be advisable to conform this before any final decision is made.

EQUIPMENT

The mine is equipped with:

- 1 - 2 tube hand-feed retort.
- 2 - small frame shacks (sufficient for present project).
- 1 - Rented Ford engine converted compressor.

Some miscellaneous tools, steel and rails.

(Domestic water is secured from a well in valley a couple of miles from mine.)

COMMENTS

The Applicant has worked industriously, and tried hard, and at his own expense, to make a paying mercury mine. His property has considerable potential merit, and it is the writer's opinion that some support to this project would serve a useful purpose in the War effort. Several adjoining properties are being worked by independent miners on similar type cinnabar showings, and a little success on the Wholey Mercury Mine might well have a stimulating effect in the development of adjoining areas.

The clearing up of some matters relative to the title of the claims is being taken up with the Applicant, and a copy of partnership agreement has been requested. These data will be forwarded as soon as received.

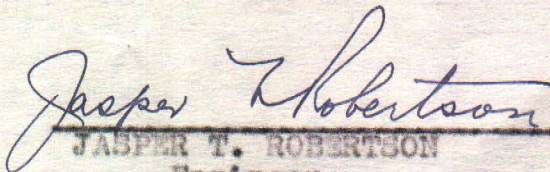
The mine has no large amount of ore exposed. In fact, there was not enough to warrant the taking of samples. Nevertheless, the property has potential possibilities, which are deemed sufficient to warrant a small loan. A loan involving a risk of about \$2500.00.

RECOMMENDATIONS

It is recommended that a loan to the extent of \$5,000.00 be favorably considered, provided this project is not considered too speculative to come within the requirements of the Corporation's policies in the matter of mine development loans.

It is further recommended that should a loan of \$5,000.00 be granted, that after \$2500.00 of it has been spent, a reexamination of the mine and new work be made, and a decision then made as to whether or not to spend the remaining \$2500.00.

Respectfully submitted,


JASPER T. ROBERTSON
Engineer

PLAN

**WHOLEY MERCURY MINE
POVERTY PEAK MINING DIST.
HUMBOLDT COUNTY, NEV.**

Scale 1"=40'



Projection of
OPEN FRACTURE
to lower tunnel
level.

OPEN FRACTURE
Probable channel
of ore deposition. A

Underhand stope
10' below upper tunnel.

Holed to
surface. A'

B

130°

0 20 40 ft.

0 40 80 ft.

Note:

Applicant produced some 16 flasks of mercury, ore mined from a small stope worked from upper tunnel. The high grade bunches mined appear to have occurred in, and adjacent to, an open cross-fracture, it is a typical water-course and appears to be the channel of ore deposition. Fracture is ragged and vuggy and 6 in. to 2 ft. wide. Applicant proposes to drive lower tunnel to downward extension of this fracture.

SURFACE

B'

LOWER TUNNEL

80' to 100' proposed work.

Scale 1"=40'

LONGITUDINAL SECTION B-B'

LOOKING EAST

May 1943 J.T.R.

POSSIBLE
FRAG.

DEXTER

LONG HORN

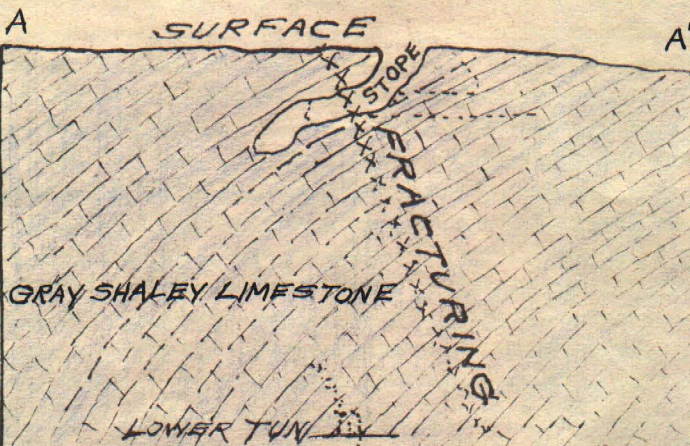
LONG HORN FRAG.

MINE WORKINGS

LONG HORN No. 2

SKETCH OF CLAIMS

(Not accurate)



CROSS SECTION A-A'

LOOKING N 15° E Scale 1"=40'

0 20 40 ft.

B

Stope

OPEN FRACTURE
PROJECTED TO
LOWER TUNNEL