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Jay & Associates

(249 N-1)

Item 13

RENO OFFICE
RECONSTRUCTION FINANCE CORPORATION
MINING SECTION
REPORT OF SUPERVISING ENGINEER

Docket No. C-ND-8026

See Also B-ND-4207

Date Application Received

Date of Field Examination

Date of Report

January 27, 1943

Feb. 18 & 19, 1943

March 13, 1943

NAME AND ADDRESS OF APPLICANT

Liberty Manganese Company "by Albert F. Coyle, as a joint owner for himself and for the other two joint owners."

CHARACTER OF PROJECT AND ESTIMATED COST THEREOF

According to Applicant:

"Removal of overburden with bulldozer	\$ 1200.00
Core drilling to determine depth and extent of ore body	2000.00
Boxing and shipping cores to laboratory; assaying and report	1500.00
General Expense	300.00
Total	\$ 5000.00"

This is a project without much character, and no reliable estimate of cost can be made.

Bulldozing:

The area involved is about 600' x 400'. Depth is not mentioned, and no work has been done to indicate thickness of overburden, if any. If one foot of depth is contemplated there would be about 890 cu. yards involved, if 6 feet is contemplated, about 5340 yards. As the cost is dependent on the yardage to be moved, and as Mr. Coyle makes no statement as to area or depth, I am unable to make even a rough guess as to what he has in mind.

Core Drilling:

The same situation prevails. Mr. Coyle does not state the number of holes to be drilled, the depth of the holes, or their diameter.

Boxing and shipping cores to Laboratory; assaying and report:

In the absence of any information as to the size or weight of the cores in question, this item must also remain moot. Assaying would be dependent upon the number of assays, and cost of report would depend upon who made it.

General Expense:

A term used by accountants in recording items of expense, in instances where they are in a quandary as to a specific charge.

The burden of proof is upon the Government, insofar as all of the items listed are concerned.

LOCATION OF PROPERTY

In the Liberty Mining District, Nye County, Nevada. The Liberty District is about 20 miles north of Tonopah, the County Seat of Nye County. However, the distance by road is some 35 miles. The road is a graded gravel road for about one-half the distance, the remainder is a fair country road. Tonopah is served by the Tonopah

and Goldfield Railroad, a broad gauge line which extends from Mina to Goldfield, and is an extension of a branch line of the Southern Pacific from Hazen to Mina.

APPLICANT'S INTEREST IN OR OWNERSHIP OF PROPERTY

None, as far as the record title is concerned.

LOAN REQUESTED

\$5,000.00.

LOAN RECOMMENDED

None.

GEOLOGY AND ORE DEPOSITS

The Victory group, consisting of 2 lode mining claims, is situated near the base of the west flank of the San Antonio Range of mountains, which terminates a short distance south of Tonopah.

The Defense group, consisting of 5 lode mining claims, is some 2½ miles westerly from the Victory group, in some low, rolling hills, near the east edge of a desert valley, between the San Antonio Range on the east, and the Monte Cristo Range on the west. Based upon the geology of the San Antonio Range, north of the Liberty District, the region consists of Paleozoic sediments, intruded by granodiorite and other igneous rocks. However, in the vicinity of the claims in question, the range is covered, to an unknown depth, by tertiary flows.

The manganese deposits, such as they are, of the two groups occur in andesite and rhyolite flows of tertiary age.

On the Victory group the mineralization occurs near what I conceive to be the intersection of two pre-mineral faults, one indicated by a ravine immediately west of the best showing, the other probably a fault contact between rhyolite and andesite. A short distance east of the contact, is a bold outcrop of silicified andesite, which is fractured and brecciated. Where the fracturing is intense the outcrop contains veinlets and small bunches of psilomelane, a hydrous manganese manganate.

The entire outcrop is stained by the same mineral, giving it a lustrous black appearance. However, the manganese content of the outcrop, as a whole, is negligible. Two samples were taken of this outcrop, where the owner of the claims said the best values occurred. Sample No. 1, a chip sample across 15 feet, showed a manganese content of 2.7%. Sample No. 2, a channel sample across 7 feet, a short distance west of Sample No. 1, showed 6.7% manganese. This group is admitted by the owner to be of less importance, and to offer less possibilities than the Defense Group. For purposes of comparison, I am willing to accept his conclusion. In my opinion, this Group offers no possibilities whatever.

On the Defense Group, consisting of 5 claims, we have an almost identical condition, except that the silicified outcrop is rhyolite, with the best showing at an indicated intersection of two pre-mineral faults, one shown on sketch map attached hereto, and the other marked by the silicified rhyolite outcrop.

Two samples were taken at a point where the fracturing was most pronounced. Sample No. 5 was taken from a pile of about 5 tons, which had been sorted from material blasted from the outcrop. It showed a manganese content of 19%. Sample No. 6 was taken 215 feet west of No. 5, from a pile of about 2 tons of softer ore, which had been dug from a hole near the south edge of the outcrop. The pile had been sorted, and the material selected as ore showed 14.8% manganese.

In the absence of intense fracturing, in both of the outcrops above referred to, the manganese content is negligible. Fracturing is

noticeable for short distances at only 2 or 3 points, so in my opinion these "Huge outcrops of solid ore" referred to by Mr. C. C. Boak in a letter to Senator McCarran, dated October 16, 1942, may be dismissed without further discussion.

We now come to the so-called "Potato Patch". This is an area about 600 feet long, and 400 feet wide, northwest of the croppings sampled on the Defense Group, and proposed to be bulldozed, and core drilled by Mr. Albert F. Coyle, temporarily domiciled at the Yale Club in New York City.

This area lies on both sides of an indicated pre-mineral fault, as shown on sketch map attached hereto. It is my opinion that the manganese occurrence in this area is due to erratic replacement of a clay bed, probably caused by the disintegration of rhyolite, or some volcanic rock of similar composition. Small botryoidal nodules of psilomelane occur in more or less profusion, imbedded in, or near, the surface of the tract in question, and in places small patches, or limited flat lenses, of psilomelane occur.

Sample No. 3 was taken from a pile of about 500 pounds of selected ore, at a point shown on sketch map of Defense workings. This sample contained 20.2% manganese. I measured the hole from which this selected material was taken. The excavation measured 70 cu. feet. A production of 500 pounds of 20.2% manganese ore from a 70 cu. ft. excavation is not very encouraging. This would mean that about 4½ tons of material had to be excavated to secure one-fourth of a ton of low-grade manganese ore.

Sample No. 4 was from a pile of about 200 pounds of selected ore, which came from a shallow trench measuring 14 cu. ft., or about one pound of low-grade ore for every eight pounds excavated.

Assay certificate covering above assay results is submitted herewith.

Two other lode mining claims are included in the application, the Mabel E. and Mango, but Mr. Booth, the owner of all the claims, stated they were unimportant, had no connection with the Victory or Defense Groups, and showed no manganese. They were not inspected.

POWER, WATER AND FUEL

The nearest source of electric power is about five miles from the property, at a point where the high tension line of Nevada-California Power Company, from Millers to Manhattan and Round Mountain, crosses the desert valley. There appears to be no worthwhile supply of water at, or near, the property. There is no fuel of any kind at, or near, the property.

HISTORY, TITLE AND DISCUSSION OF APPLICANTS

The claims were located during the period from January 15, 1942 to May 11, 1942, by E. M. Booth and Mabel E. Booth, his wife. Notices of location were recorded in the County records of Nye County, at Tonopah, but Certificates of Location, required by the laws of the State of Nevada, had not been recorded as of March 2, 1943. The necessary location work, also required by our laws, struck me as being inadequate. In my opinion, the claims may be open to location at the present time, unless Mr. Booth took my advice, and recorded Certificates of Location since March 2, 1943. If this has been done, and the location work is held to be sufficient, the title would be cured - in the absence of intervening rights. The status of the title is shown by a letter and skeleton abstract of title from the County Recorder of Nye County, and included in "Correspondence File" enclosed herewith.

Mr. Booth stated to me in Tonopah, February 19, 1943, that shortly after the claims were located, he was approached by Mr. C. C. Boak, of Tonopah, with a view to making some sort of a deal. Booth in-

licated his willingness to consider a proposal, and shortly thereafter Boak interested Mr. Wm. C. Kirkpatrick who, according to Mr. Albert F. Coyle, the Applicant, is "a manganese expert, who opened up, and developed the Cushman - Batesville District manganese ores in Arkansas during the last world war".

A perusal of copies of Mr. Kirkpatrick's letters to various parties, included in the Correspondence File, certainly indicates a lack of background and education, and a tendency to take a lot of things for granted.

On May 26, 1942, a 35 year lease was granted by Booth and his wife to Kirkpatrick. A royalty of 5% of the gross receipts from the sale of any and all products mined, or produced from the property, is provided for. A copy of the lease is attached hereto. No assignment or transfer of the lease, or any part thereof, is of record in the County records of Nye County. See skeleton abstract of title, above referred to. The only lessee of record is Kirkpatrick. The statement made by Mr. Coyle in his application, that it is on behalf of "Liberty Manganese Company by Albert F. Coyle, as a joint owner for himself and for the other two joint owners", would seem to need some clarification. Joint owner of what? Mr. Booth had never heard of the Liberty Manganese Company until it was mentioned by me. Booth told me in Tonopah that Mr. Coyle has never been on the ground, and knows nothing about the property, except from hearsay. According to Booth, Mr. Boak's interest is solely contingent. He is to receive from Booth and his wife, 10% of any payments, or profits accruing to them. The fourth member of the quartet is Mr. Robert R. Pollock, who claims to be a mining engineer. His report, submitted with the application, induces grave doubts as to that. Pollock has been hanging around Mina for several months. Mina, with all due respect to my State, is not a place where one would expect to find an ambitious unemployed, able mining engineer.

The lease from Booth and wife to Kirkpatrick was recorded in the Nye County records on May 26, 1942. On February 10, 1943, Kirkpatrick wrote Booth a letter in which Kirkpatrick purports to cancel and "quitclaim" the lease. This letter does not mean anything, as it is not notarized, and cannot be recorded. However, if Kirkpatrick is showing good faith, but is ignorant of the laws of Nevada, it indicates a desire to step out of the picture, and if he does, the last vestige of a picture automatically vanishes, as he is the sole lessee of record.

I have neglected to state that this quartet of prominent mining operators, engineers and promoters required Mr. Booth to pay an attorney for drawing the lease to Kirkpatrick - and Booth is, and for some time has been, working for comparatively moderate wages as a bartender in the Tonopah Club in Tonopah.

IMPRESSIONS OF OTHER ENGINEERS

An adverse report on the property was made by Mr. James Riker of the United States Bureau of Mines on April 28, 1942.

Mr. John F. Steadman, Engineer Examiner for the R.F.C. agrees with the conclusions reached by Mr. Riker.

Mr. Steadman states, in a memorandum to Mr. Harry Hossack, dated October 24, 1942, that Mr. Jackson of the Bureau of Mines, was importuned by Mr. Coyle, to make a drilling project of the property. Mr. Jackson declined the opportunity.

In the correspondence file is a letter to me from Mr. Albert Silver, an able and experienced Mining Engineer of Tonopah, dated January 29, 1943. Mr. Silver's letter is a confirmation of the very questionable worth of the property.

The property was examined by Mr. Glenn Thompson of the Reno station of the United States Bureau of Mines during the fore part of January, 1943. Mr. Thompson also is an able and experienced engineer. His report is unfavorable.

The results of his samples as given to me, are as follows:

Selected sample of best pieces to be found on the property:

29.3 Mn .13 V₂O₅

Sample of outcrop 4 ft. wide:

5.2 Mn .02V₂O₅

Another outcrop sample across
4 ft:

2.6 Mn .02 V₂O₅

Mr. Thompson views are confirmed by Mr. Chas. Liddell, another able engineer attached to the Reno Office of the United States Bureau of Mines.

It will be noted that Applicant claims a vanadium content in the psilomelane. While I did not have any assays made for vanadium, Mr. Thompson's results do not indicate any appreciable amount of that element. Thompson has informed me that his report on the property has been forwarded to the Honorable Harold Ickes, Secretary of the Interior. It is docketed as "War Minerals Memorandum, Nevada 82, Report by Glenn L. Thompson", and no doubt is available to the Mining Section of the R.F.C.

COMMENTS

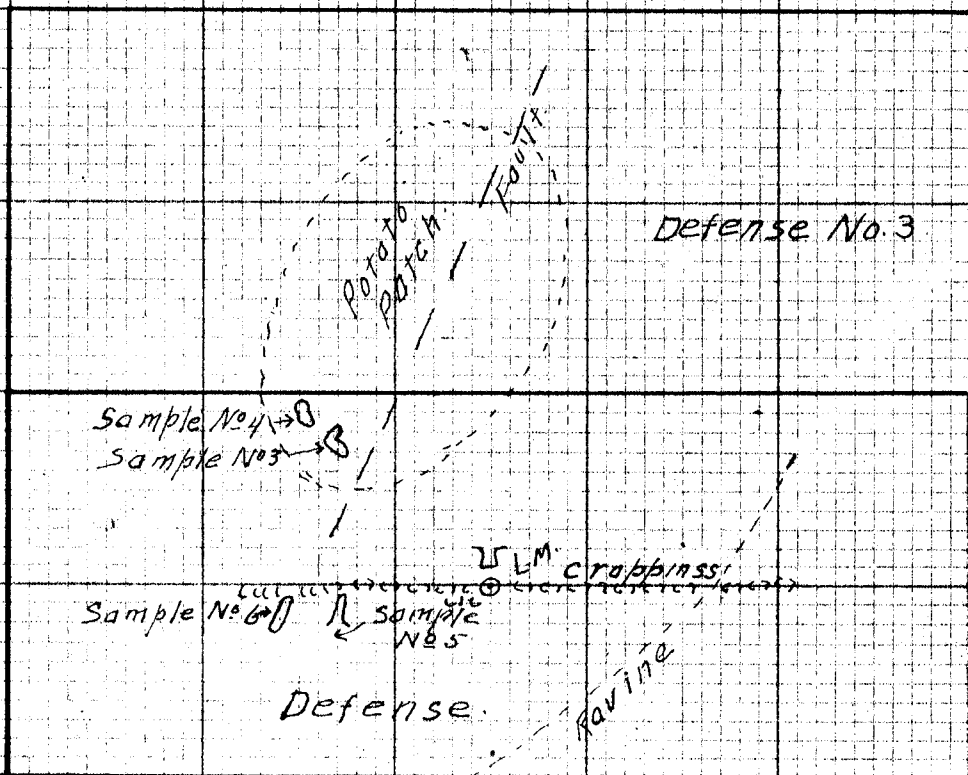
1. The so-called "Liberty Manganese Company" has no basis for any kind of a loan application, as they have no interest, of record, in the property.
2. In view of non-compliance with Nevada laws, the title of the reputed owner is debatable.
3. I could find no showing of any kind on the property which would indicate the possibility of developing manganese ore of a quality which would pay to ship to a Metals Reserve Depot, as they do not accept ore of a less manganese content than 35%. I am informed that recently this has been increased to 40%.
4. I see no reason to expect that a bulldozing, or drilling, campaign would open any extensive deposits of manganese which would justify a processing plant as, in my opinion, the manganese occurrence will remain the same below the surface as is now indicated on the surface. Nodules, patches and lenses of manganese ore will undoubtedly occur below the surface, but, as I see it, not of sufficient frequency, size and grade, to dignify the property, as a worthwhile potential producer of manganese.
5. Any money spent on the property, at this time, would divert labor and equipment from projects necessary for, and advantageous to, the national defense.
6. I doubt if I would locate the claims, were they open to location.

Respectfully submitted,



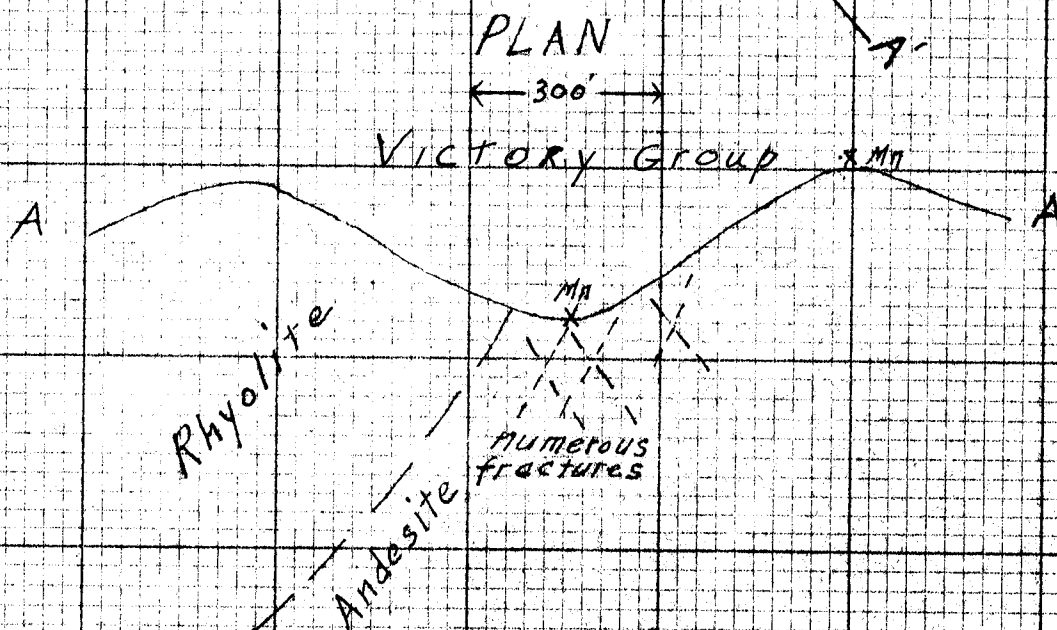
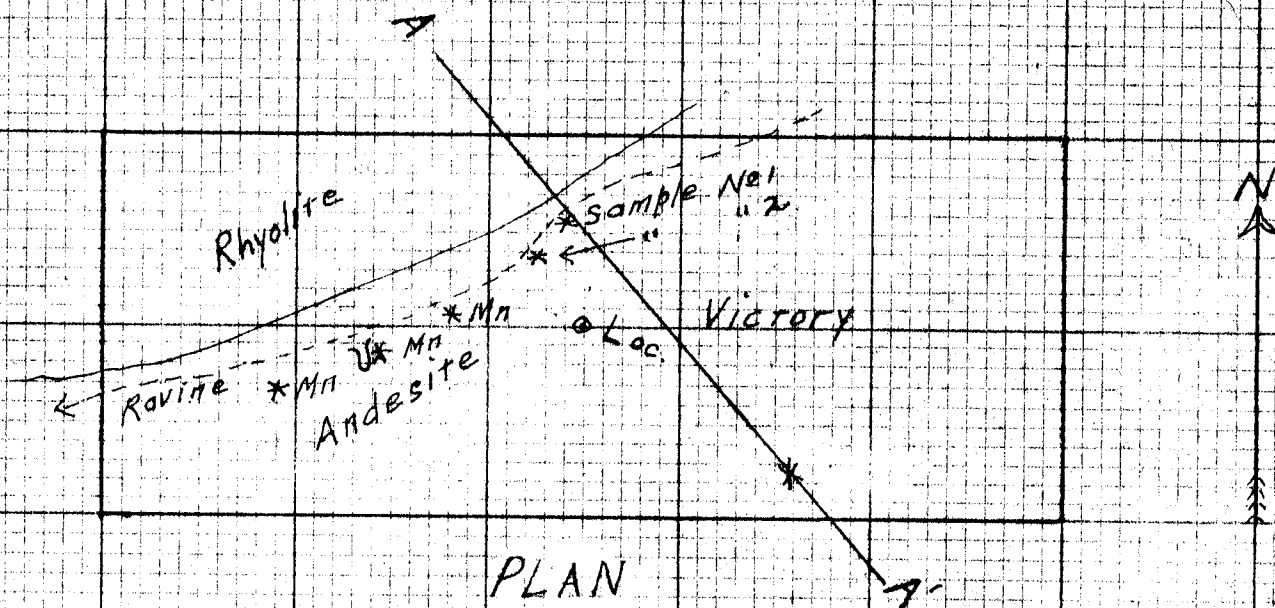
L. D. GORDON
Supervising Engineer

←300'→



PLAN
Defense Workings

Liberty Manganese Co.
Docker No C-ND-8026



Generalized Cross Section thru A-A
Looking NE

Liberty Manganese Co. Docket No. C-ND-8026
Nye County, Nevada.

Liberty Manganese Company

Docket No. C-ND-8026

February - 1943

← 300' →

Defense No 3
sample No 4
sample No 3
sample No 5
sample No 6
Croppings
Defense No 1
Defense No 2

Defense No 1

Defense No 4

2 1/2 miles (approx)

sample No 2
sample No 1
Victory

Sample Number	% Mn	Width
1	2.7	15' chip
2	6.7	7' Channel
3	20.2	Sorted ore pile
4	24.5	"
5	19.0	"
6	14.8	"

Victory No 1

From

8419