

EL PASO, Texas,
May 19, 1938.

Mr. B. R. Hatcher,
American Smelting and Refining Company,
Tucson, Arizona.

W. K. MALLETT-WICKS MINE,
HILLSBORO, NEW MEXICO.

Dear Sir:

Mr. W. K. Mallette, who for many years was connected with our Engineering Department in the construction of smelters in Mexico and in the United States, now owns the Wicks mine near Hillsboro. On our ore purchase statements during 1935-6-7, you will note the type of ore he has been shipping. We have received about 1000 tons, with an average assay of:

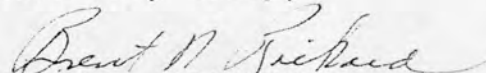
<u>Au</u>	<u>Ag</u>	<u>Cu</u>	<u>SiO2</u>
1.88	3.0	1.61	54.5

On present metal prices this yields the shipper \$58.96 per ton, gives us a margin of \$11.00 and a profit of \$5.00.

Mr. Mallette wants to borrow about \$5000.00 in order to purchase two small compressors, a few stopers, jack hammers, drills, bits, hose, etc. Mr. Mallette is a reliable man, but I do not know how much ore he may have, or whether or not he has a reasonable chance of paying the money back out of the proceeds of shipments. When he gets going he estimates that he can ship from 100 to 150 tons per month, beginning within thirty days after he gets his equipment.

If it is possible for you or Mr. Ring to take a look at this mine, and charge the expense to this department, I would like to have you do so in order that I can come to a decision in the matter. Mr. Mallette is now living in Hillsboro, and if one of you could run over from the Ground Hog the next time you are there I believe the trip could be easily made in one day. If you cannot make the trip could you arrange to have Elayer make us a report? I would employ Mr. Hill, but he is busy on other work now and cannot go.

Yours very truly,


BRENT N. RICKARD

AMERICAN SMELTING & REFINING COMPANY
Tucson Arizona

May 24, 1938

Mr Brent N. Rickard
El Paso Smelting Works
El Paso, Texas.

W. K. MATTHEW-WICKS MINE
Hillsboro, New Mexico

Dear Sir:

Replying to your letter of May 19th on the above, we are still so busy trying to collect and erect a workable plant at the Trench Mine that it would be impossible for me or Ring to get away for this examination. However, I expect to be in Silver City next week and if Elayer is not too busy on our development program, will try to get him to go over and give this property a preliminary look.

Very truly yours,

ORIGINAL SIGNED) B. R. HATCHER

EL PASO PLANT, May 19, 1939.

Mr. C. S. Elayer, Supt.

VANADIUM, N. M.

Dear Sir:-

WICKS MINE - HILLSBORO, N. M.

Mr. Drunzer came into the office on May 13th and gave me the following information:

On the 300 ft. level he has drifted 200 ft. south beyond the fault and the point where you took your sample of good ore. He has been in good ore all the way. He has stoped up for a distance of 90 ft. but at 30' above the level the values began to go out.

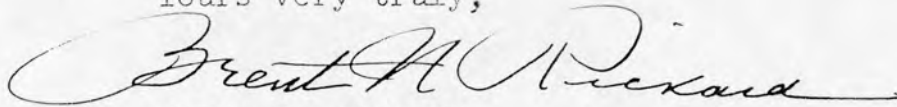
On the bottom of the 300 level for the entire length the ore will average 6" in width with about 2.5 oz. gold assay.

On the 300 level the cross cut to the vein was 22 ft. On the 4th level beyond the fault the cross-cut to the vein was 12 ft., whereas it should have been 34 ft. Therefore he believes he has another vein. He has drifted along this vein about 45 ft. and is now raising and also putting down a winze from the 300.

On the 500 he raised 35 ft. on a streak of ore on each of the hanging and foot walls, a total width of about 8" with 2.4 oz. gold. He is mining this about 2 ft. wide and throwing out about half of it as waste and shipping the balance which averages 0.7 oz. gold and 1.25% copper.

I have asked Mr. Drunzer to give me a memorandum of just what he is doing and what development he has done at the mine since you saw it in July 1938. When this comes I will send you a copy. What I have written above is just a sketchy memorandum of what he told me here in the office the other day.

Yours very truly,

A handwritten signature in cursive script, reading "Brent N. Rickard". The signature is written in dark ink and is positioned above the printed name.

BRENT N. RICKARD.

cc-BRHatcher

GROUND HOG UNIT

Vanadium, New Mexico
July 12, 1938

Mr. B. N. Rickard, Manager
El Paso Smelting Works
El Paso, Texas

Dear Mr. Rickard:

Mr. Houk and I visited the Wick mine in the Hillsboro district yesterday and examined practically all of the available workings and took a few check samples. Probably only one of these samples is of any great value. It is one which we took on a three inch streak of ore which is a new discovery beyond a fault in the south end of the 300 level.

According to Mr. Mallette the two blocks above the 500 level north and south of the shaft are in ore of similar grade and width to that previously mined and should produce on a comparative figure somewhere in the neighborhood of 1000 tons of ore. This country is still under water but he estimates that it will only take about two more weeks to get it unwatered at the present rate of bailing.

The available ore to be salvaged from unmined sections open at present above the 400 level amounts to about 250 tons according to Mr. Mallette's estimate which seemed to check with previous mining records.

The ore found beyond the fault on the 300 level is much firmer and if it continues it would probably be possible to get a cleaner product than in the more oxidized and softer portions of the vein. It would be possible to check this ore on the 400 level with a drift and cross-cut which would probably not exceed 50 feet in length and could be driven in about three weeks time on contract. We will have the assay on this ore by tomorrow and I will phone it to you.

Mr. Mallette needs a compressor, two jackhammer drills, some hose, steel etc., and enough money to meet his payroll for about two months.

The vein is very narrow and requires careful mining and close supervision of the work and economical operation to make it profitable. This was evidently accomplished by the last lessee and should be possible again if conditions on the 500 level are as reported.

If you intend to advance the money it seems to me that it resolves itself into a matter of your confidence in Mr. Mallette and his ability as a miner; backed by the security of the property and equipment for the recovery of your money in the event of failure.

Very truly yours,

C. S. Elayer
Mine Superintendent

cc: B.R. Hatcher

El Paso, Texas
July 14, 1938

Mr. C. S. Elayer
Ground Hog Unit
Vanadium, New Mexico

WICKS MINE

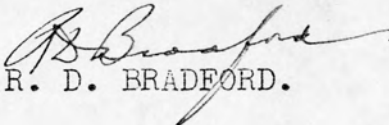
Dear Sir:

I wish to acknowledge receipt of your letter of July 12th reporting on your visit to the Wicks Mine. We thank both you and Mr. Hatcher for lending us this assistance.

I expect Mr. Rickard back the middle of next week and shall do nothing with regard to the question of a loan to Mr. Mallette until Mr. Rickard returns.

As I understand it, there is no equipment of value on the property and the mine, itself, is the only real security that Mr. Mallette can offer.

Yours very truly,


R. D. BRADFORD.

cc:B.N.Rickard
B.R.Hatcher

Mr. B. R. Hatcher
Tucson Office

WICKS MINE, HILLSBORO, SIERRA COUNTY, NEW MEXICO

Dear Sir:

Mr. Walter K. Mallette, consulting engineer, 541 Peyton Building, Spokane, Washington, is asking the El Paso Plant to advance him \$5,000.00 in order to repair the 300 cu. ft. Chicago Pneumatic Compressor at the mine, purchase drills, hose, steel bits, and meet payrolls until ore shipments commence.

Mr. Elayer's observations on the mine are contained in his letter to me of July 12, 1938. He suggests that, if we advance the money, it resolves itself into a matter of our confidence in Mr. Mallette and his ability as a miner, backed by the security of the property and equipment.

I have known Mr. Mallette for the many years in which he has been connected with our Company as plant engineer at Murray, Garfield, East Helena, San Luis, Rosita, and, possibly, other plants. He was at the Rosita Plant during the construction of that plant, and, in 1916, he left there to assist in the construction of the Bunker Hill Smelter and, later, the Sullivan Zinc Plant. In other words, he is an entirely reliable man, but has little experience as a miner. To secure the loan, he is willing to give us a mortgage on the mine. He is the sole owner and he will give us the right to operate the mine if the loan is unpaid within a reasonable time. He expects to be able to start shipments within 60 days after he gets the money and will return the loan at the rate of 10% of the net proceeds and, in any event, within nine months from the date the loan is made.

Mr. Mallette called at the office on July 23rd, and, at that time, I carefully reviewed with him the report made on the Wicks Mine in 1912 by Engineer W. Roland Cox and associates. For your ready reference, I enclose a copy of this report and a map showing plan and elevation of the Wicks Mine. At the time this Cox report was made, the mine was being operated by L. L. Summers under the name of Wicks Gulch Mining Company, and the report was made for him. Cox recommended that the mine be shut down until conditions improved.

As you will note from the report, and maps, the mine has been developed by five shafts to a depth of 500 ft. and a length along the ore zone of about 1200 ft. Shafts No.'s 4 and 5 extend to the bottom, or 500 ft. level. At the present time, No. 4 is the working shaft. At the time of the report, Cox estimated 1700 tons of probable smelting ore, which at the present gold price has a value of approximately \$190,000.00. He estimated 1870 tons of milling ore, which at present metal prices has a value of about \$32,000.00. This makes a total of 3570 tons at a present value of \$222,000.00.

In 1935, Mr. A. A. Luck, a railroad contractor from Amarillo, took a lease on the mine and, during 1935, '36, and part of '37, he shipped to the El Paso Plant 1085 tons of ore that averaged \$66.38 per

Mr. B. R. Hatcher

7/25/38

ton, gross value of metal payments made by the Smelter. The average cost of freight and treatment was \$10.38 per ton, leaving a net value of \$56.00. Mr. Elayer estimates mining costs at \$35.00 per ton, with which figure Mr. Mallette agrees. The area from which Luck extracted his ore is shown roughly by dotted pencil lines on the enclosed map.

Mr. Mallette estimates at present the following tonnage:

Block F	710 Tons
North of Fault between 300 ft. & 500 ft. Level	1000 "
South of Shaft between 300 ft. & 500 ft. Level	440 "
South of Shaft above 300 ft. Level	<u>500</u> "
Total	2650 Tons.

Based on past production, he figures that this will average \$56.00 per ton, after deducting freight and treatment charges, less \$35.00 for mining,--or, net, \$21.00, which, if realized, would give him \$55,650.00. It seems an adequate basis on which to make him a little loan on which to get started.

As noted in the Cox report, the gold is said to occur in the shear zones in andesite. The vein dips at an average of 74°. The country rock is an intrusive mass of andesite. The veins are small and tight and contain a little quartzose filling. The ore occurs in a very narrow seam in a tight fracture, with only slightly altered wall rock. Mineralization does not extend far into the wall rock. Above the 400 ft. level, the ore is oxidized and the wall rock shows no sign of leaching. The 500 ft. level is well in the zone of secondary enrichment.

Two veins have been extensively developed--the east vein for a length of 1000 ft. and a depth of 400 ft., and the west vein for a length of 500 ft. and a dept of 300 ft.. On the 500 ft. level, the east vein has been developed over 600 ft. in length. Indications are that the veins join south of the shaft. They are from 36 ft. to 65 ft. apart on the 300 ft. level and converging towards each other. The lenses are seldom over 15 ft. in length and 10 inches in thickness. For more details, see the Cox report.

Knowing Mallette as I do, I am willing to recommend loaning him \$5,000.00, with a mortgage on the mine and our right to operate, provided you approve the proposition. As I have been keeping Mallette waiting for about ninety days on this, I would appreciate it if you will look the matter over as soon as you can and give me your recommendation. If you approve, I will then forward the matter to New York for their approval, but, before doing so, I want to have the benefit of your suggestions.

You will note that Mallette expects to get his 2650 tons between the 300 ft. and 500 ft. levels and what salvage he can get south of the shaft above the 300 ft. level.

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Mr. Elayer seems interested in the ore that has been developed south of the fault.

Mr. Drunzer has sampled the north end of the mine in the vicinity of shafts No.'s 1, 2, and 3, and has told Mr. Mallette he would like to lease this portion of the mine and estimates that he could ship, over a considerable period of time from this area, 300 tons per month of \$40.00 ore.

Yours very truly,

BRENT N. RICKARD.

enc.

cc: C.S.El[✓]ayer

DAILY MINE ASSAYS
GROUND HOG UNIT

Date 7/15/38 1938

	Gold	Silver	Lead	Copper	Zinc
# 443	0.40	0.84	—	0.29	—
# 444	0.30	0.60	—	0.0	—
445	2.65	8.30	—	3.3	—
446	2.20	6.24	—	4.3	—
447	0.50	2.66	—	0.7	—
448	0.64	1.24	—	0.0	—
449	2.24	3.56	—	3.0	—

Signed by

DM

DAILY MINE ASSAYS
GROUND HOG UNIT

Date 7/15/38 1938

	Gold	Silver	Lead	Copper	Zinc
# 450	5.4	28.8	—	0.0	—
# 451	0.041	0.4	—	0.0	—

Signed by

Bm

WALTER K. MALLETTE
CONSULTING ENGINEER
541-542-543 PEYTON BLDG.
SPOKANE, WASHINGTON

Written at
El Paso, Texas
August 25, 1938.

Mr. C. S. Elayer,
American Smelting & Refining Company,
Vanadium, New Mexico.

Dear Mr. Elayer:-

Much to my disgust, surprise and embarrassment, I found, upon my return from a hurried trip to California earlier this month, that Rickard had turned down my request for a small advance which would enable me to proceed with the operation of the Wicks Mine at Hillsboro.

Apparently, according to his letter to me, the rejection of this request was based upon Mr. Hatcher's conclusion that, while there was a small profit in the Wicks, they would not care to undertake the operation of it, in case they were obliged to do so in order to protect their advance.

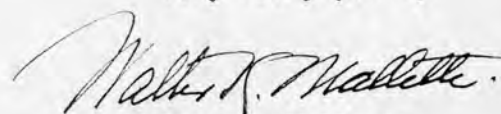
Other avenues through which this small loan might be obtained seem to be closed to me and it is problematic as to whether there will be any immediate operation of this property. In my opinion, this is a shame, as it can produce a limited tonnage of excellent ore at a very fair profit. However, some equipment and a little help are rendered necessary by the cutting off of our northern markets and the enforced closing of our Montana operations, as well as by unexpectedly heavy drafts on our cash resources.

I thought that you would wish to know just what had occurred. You don't happen to know, do you, where I might be able to borrow about \$6,500 on the mine as security, amortizing this loan from shipments over a period of about nine months? My acquaintance in this section is too limited to enable me to make much progress and the mining men of the northwest have pretty well confined themselves to northwest matters so that they are not in a position to help in this instance.

We found the 500 level in pretty good shape, except for a couple of small caves where the lagging was down. However, the stopes on this level will have to be ventilated as there is no air circulation owing to the blocking off of the north raise. We have a 36" fan which can be repaired and put into service but will have to get some air pipe. Have about 125 feet of ventube on the job (sufficient to run up into the stopes).

I shall be at the Hilton Hotel here for a few days, yet, as there are two or three parties whom I wish to see relative to this. Following that, I expect to go over to California for a short time. I would greatly appreciate it if you would let me hear from you, here, and, if you have any suggestions as to where I might be able to raise this small amount, that would be, likewise, greatly appreciated.

Very truly yours,



Walter K. Mallette.