

342  
55 CONGRESS STREET,  
BOSTON.

COPY.

MOGUL GROUP  
WATER CANYON

T35, R34 Sec 21, 23, 27

For *W. H. Swart Denver Co.*

Los Angeles, Calif. Aug. 24, 1910.

Francis E. Young,  
55 Congress St.,  
Boston, Mass.

Dear Sir:

I have been investigating a zinc proposition near Magdalena, N. M. control of which is owned by a friend, Mr. Josey, and am so favorably impressed with it that I have decided to advise you, remembering your request while in Los Angeles to let you know should I hear of a zinc property. It is yet in a prospective state, they now being at work on their first drill hole, which, however, is showing exceptionally well. The geology of the district is so similar to that on the West side of the range that the best experts feel sure that they will develop the same rich ore bodies that are found in the Magdalena Mining District, with which you are no doubt familiar.

Not knowing whether you are in the market at the present time, I will only briefly outline the conditions as they exist. The property consists of forty four claims, all assessment work completed, located in what is known as the Water Canon District, five miles by good wagon road from the Water Canon Station or the Santa Fe. It is on the East side of the Magdalena Mountains - the Magdalena Mineral belt crossing the range at a bend in the mountains on the East side of "Little Baldy" which is shown on the plat herein

For.....

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enclosed. It extends for five miles across the head of North Fork, Dark Canon, Water Canon, Copper Canon and South Fork. The geology consists of Greenstone, Crystalline limestone, shale, Quartzite and alternating layers of limestone, shale and Quartzite in the order named. The ore occurs on the two horizons in the Crystalline limestone - the deposition being controlled by the faults and dikes which occur more frequently than on the West side of the range. The sulphides seem to average from 50 to 55% zinc, with 10 to 15% lead, while the oxidized ores run the same in zinc with no lead.

I have not talked terms very much with Mr. Josey as he has not fully made up his mind on what basis the property should be offered. I am inclined to think, however, that a working bond would be satisfactory to him. Frankly, I am so well impressed with the prospect that I intend to run down there next week and look it over, and would be glad, if you are interested, to meet any of your representatives at Albuquerque or some other point and take them along. I am satisfied that the district has great possibilities and if there is anything doing it would please me to have you get the first crack at it.

I will be obliged if you will advise me by wire your wishes. With kindest personal regards,

Yours truly,

Address

(Signed) C. F. FREELAND

C. F. Freeland,  
215 Pacific Electric Bldg.,  
Los Angeles, Calif.

NOT TO BE CITED WITHOUT ACKNOWLEDGEMENT  
TO THE UNIVERSITY OF MISSOURI WESTERN  
HISTORICAL MANUSCRIPT COLLECTION -- ROLLA



FE R.R.  
SANDY  
MILES

Maggie Merchant Gulch



# MOGUL GROUP

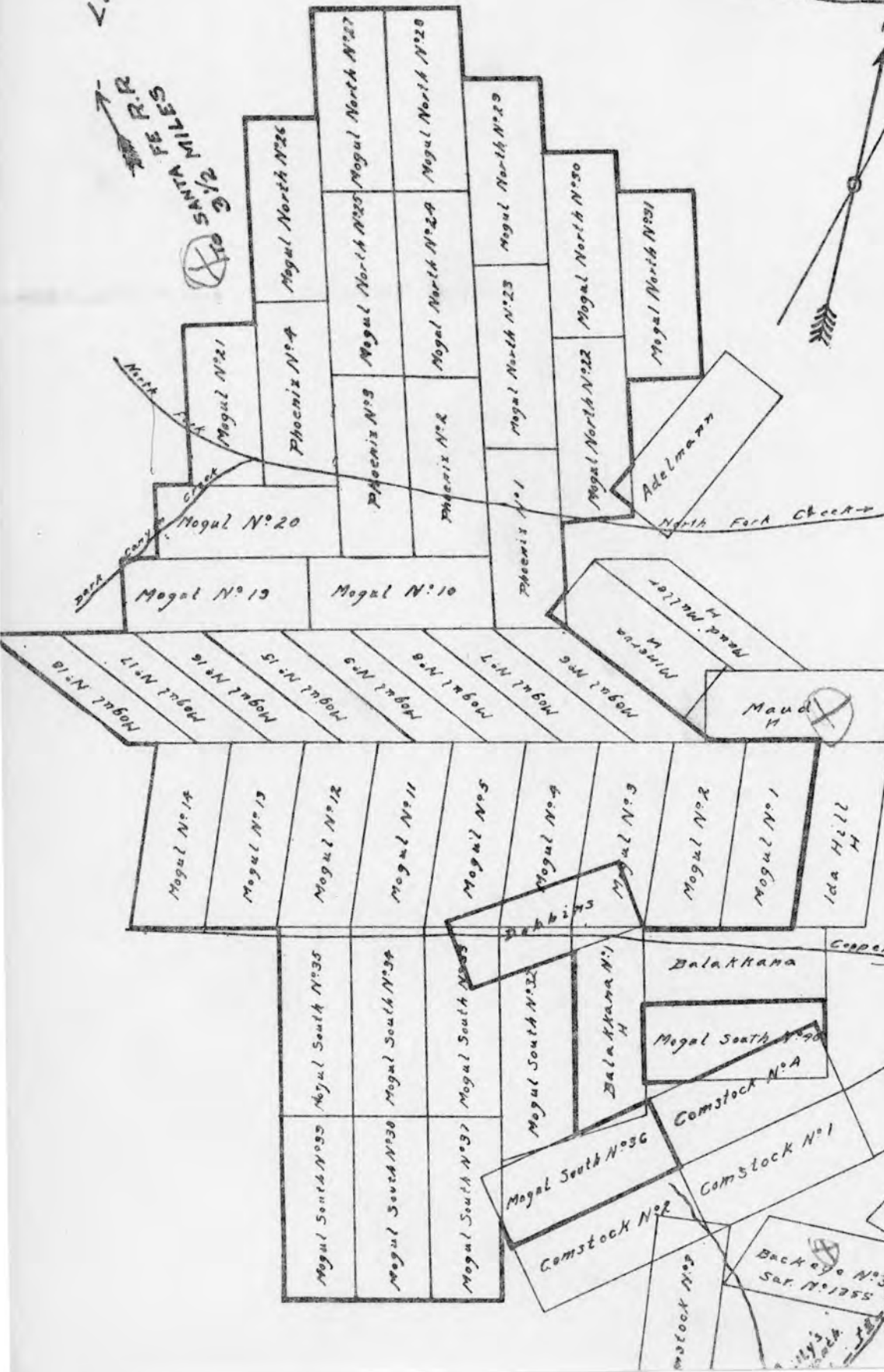
Silver Mountain Mining District

Socorro County, New Mexico

Scale 1200'-1"

CANYON MINING COMPANY

Relative portions  
only



55 CONGRESS STREET,  
BOSTON.

COPY.

For..... Mr. W. G. Swart.

215 Pacific Electric Bldg.,

Los Angeles, Calif. 8/31/10.

Francis E. Young,  
55 Congress Street,  
Boston, Mass.

Dear Sir:-

Your telegram of Aug. 29th received, and I am pleased to note that you have taken the zinc proposition up with your Denver Engineers. I have talked again with Mr. Josey with the following result:

Thirteen of the claims were owned for several years by Mr. C. T. Brown, of Socorro, N. M. Mr. Brown, as you possibly know, is a prominent operator in that territory and is at the present time connected in some capacity with the New Jersey Zinc Co. On account of this connection Mr. Josey requests that caution be exercised in using Brown's name. After, Mr. Josey became interested they jointly took up thirty-one additional claims, it being agreed that the whole forty four claims would be delivered to the present Company - upon consideration that Josey should do at least 3000 ft. of drilling on the original thirteen claims and that he should further provide a \$50,000 fund for development purposes.

In lieu of this arrangement  $87\frac{1}{2}\%$  of the stock is his, the balance,  $12\frac{1}{2}\%$ , Mr. Brown's. The Company is incorporated under

For.....

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the laws of Arizona for \$1,000,000.00 par value of stock being \$10.00. While the property does not show it, there has been expended in assessment work and otherwise about \$35,000; Mr. Josey having put in already approximately \$12,000.

He will place in escrow 70,000 shares of stock on the following basis - contracting parties to pay \$25,000 cash after examination, receiving 2500 shares of stock; Mr. Josey being allowed the right to repurchase this 2500 shares of stock at par with 6% interest, on or before two years, should your Company fail to exercise the Bond. The Purchaser then to proceed continuously with the 3000 feet of drilling. It being intended to put down from 10 to 15 holes. Purchaser further agreeing to furnish the \$50,000 fund for development work in case the drilling warrants. Six months time to be given to complete drilling.

The amount expended on this drilling together with the \$50,000. for development to be applied on the purchase price of the 67,500 shares still in escrow. He fixes the Bond for the entire 70,000 shares at \$420,000.00, which would mean a \$600,000.00 valuation for the property. The terms on the balance of the stock in escrow can be arranged most any way satisfactory to you.

Mr. Brown and every zinc expert who has made an examination thinks extremely well of the proposition. Mr. Josey realizes the value of the ground and while he is in a position to carry out the development, he has other interests which require his Capital and attention, so after considering carefully decided to offer 70% of the stock retaining 17½%.

COPY.

For.....-3-

While the price at first thought may seem a little high, should the drilling continue to show as satisfactorily as at present, you would have control of an immense property at an extremely low figure.

I might add that I have had trouble in getting these figures and that they are not loaded one cent. In case any deal is consummated I would receive \$2500.00 out of first payment, and 5% commission on balance.

As stated in my previous letter I will be glad to meet your representatives and will hold myself in readiness to leave upon receipt of advice from you. I feel sure it is well worth your investigation.

Yours truly,

(Signed) C. F. FREELAND.

Further information regarding the East slope of the Magdalena Range, where this group is situated, has been brought to this office.

The information is to the effect that that the Kelly formations on the West side of the range are duplicated on the east side and that C.T. Brown representative of the New Jersey Zinc Co in Kelly has acquired 800 acres and has done considerable churn drilling with satisfactory results.

Hole No. 2 cut the upper crystalline lime at 212 ft depth and went through 15 feet of ore, with ore in bottom of hole.

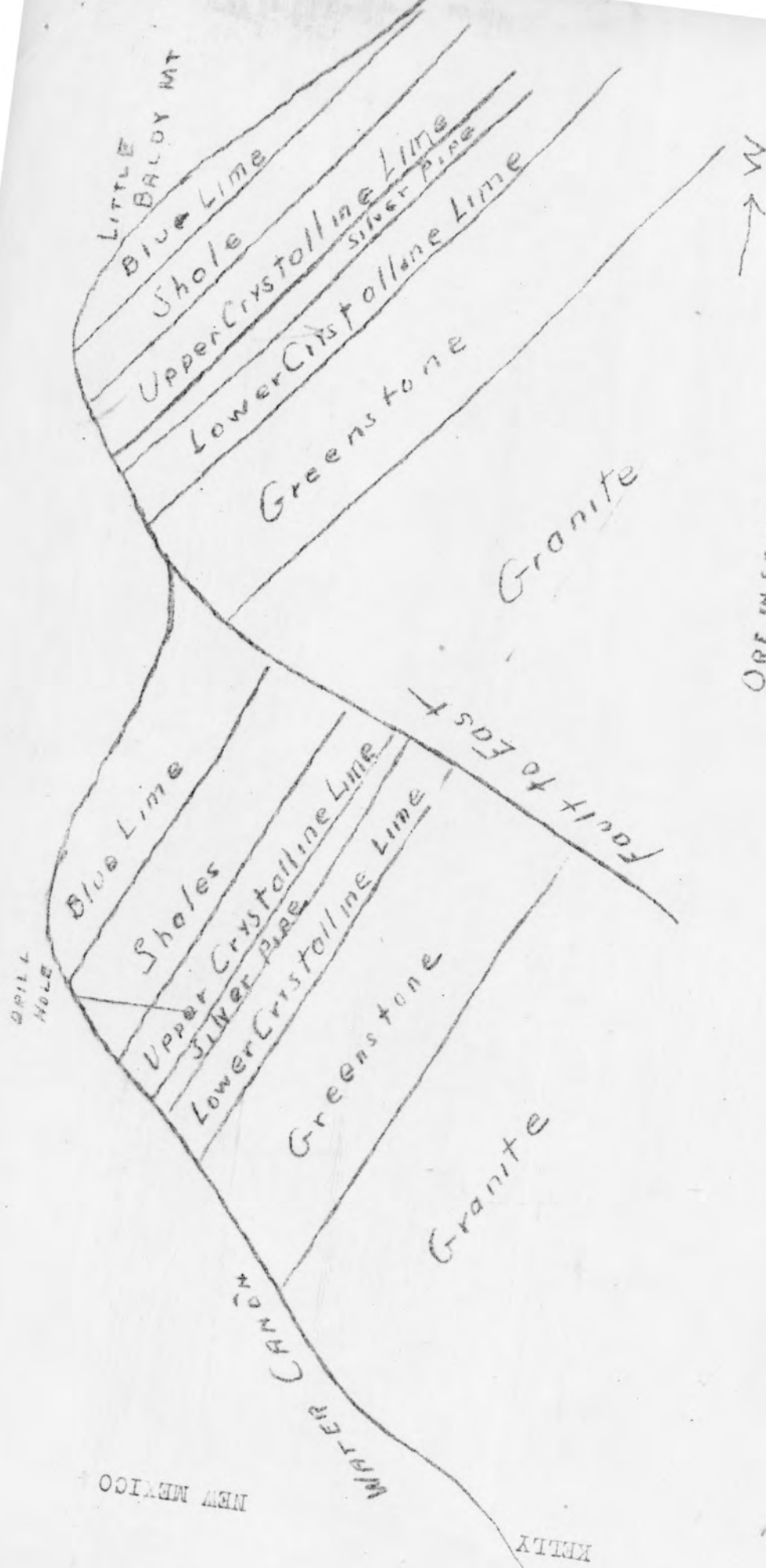
Hole No. 1, 400 feet North of hole 2 went through 39 feet of ore.

The ore is sulphide in character and coarsely crystalline, carrying copper and \$3.50 in gold and silver, besides the lead and zinc values.

The strata here are said to be 300 feet thick, to the granite and it will take a depth of about 240 feet to cut the lower crystalline lime or lower ore bearing strata.

Rough sketches are submitted herewith showing the supposed relation of the strata.

The operations above described are being conducted under the name of the Canon Mining Co.



ORE IN SAME GROUNDS AS  
ON KELLY SIDE

SECTION THRU KELLY  
AND WATER CANYON

NEW MEXICO

KELLY

MOGUL GROUP

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HISTORICAL MANUSCRIPT COLLECTION -- ROLLA

File Under

Subject

*W.A.K.*  
*Kelly District*

March 33d, 1911.

Mr. H.S. Kimball,  
Platteville, Wisconsin.

My Dear Kimball:--

C.T. Brown and I rode over to the East side of the Magdalena range a few days ago to see what is known as the "Water Canon" district. You may remember that a Los Angeles man named Jesse (I think) offered us a block of ground over there at fancy prices. The offer was originally made to Mr. Young. I agreed to see this ground when I could.

It is a belt of limestone similar to this one at Kelly, with all the strata the same, including the silver pipe, but dipping into the mountain instead of lying along the slope. This belt is about four miles long, North and South, and about 1500 to 2500 feet wide, or about the same as on the West side here at Kelly. There are more dikes cutting through the lime than on the West side, making the limestone blocks smaller. This in my opinion, after the study I have given the district, is not favorable to the formation of the large sulphide ore bodies. These large bodies at Kelly occur in and under the larger lime blocks, and not in the smaller fractured areas.

Two drill holes have been put down on this Water Canon ground, at spots picked out by C.T. Brown. Both show a little disseminated ore, but no large bodies. Two holes of course tell but little, especially as they are close together and in the same geological horizon. The drill is still on the ground and in working order, but the Los Angeles man has failed to put up his share of expense, hence the thing is now practically in the hands of Mr. Brown. He has made me no offer to come in with him, but I know is ready to do so. He goes to Guatemala to-night to be gone a month, but when he returns he will undoubtedly make us a proposition to prospect the ground. While there is a fair chance that this ground will prove good, it is only a prospecting game, and one that does not appeal to me especially at this time. I am looking for propositions that have something in the way of ore in sight on which to go to work, or at least are on ground like the Lynchburg which exhibits conditions that give more than a reasonable chance for ore.

Under the circumstances, and unless you advise to the contrary, I shall tell Mr. Brown, when the offer comes, that we are not open just now for straight prospecting schemes.

Yours Very Truly,

*W.A.K.*

Copies to A.F.H. and E.A.C.