

January 25, 1912

Mr. W. C. Paterson,

NM Mine File No. 190

Denver, Colorado.

Dear Sir:

I am desirous of giving you all information I have in regard to the properties of The Treasure Mining & Reduction Co., located in Mogollon Mining District, Socorro County, New Mexico, in the Mogollon Mountains.

The property is about eighty miles by wagon road northwest of Silver City, and four miles from Mogollon, a thriving mining camp with five properties steadily working and about 1,000 inhabitants.

I am enclosing a report made by Mr. William A. Farish in 1905, which I wish you would study carefully. The substance of his report shows 348,006 tons of ore blocked out, at an average value of \$9.03 per ton, or \$3,143,176.00 worth of ore in sight. By referring to page 14 of his report you will see that most of the ore shoots show at least \$12.00 a ton in value, and one block (No. 4) shows \$19.00 per ton in value. The two large maps with the report show the development, ore stoped, and other details. The tunnel is driven about 2200 feet along the vein, with about 750 feet more to the end line of the Dutch Boy. The breast of the tunnel is about 550 feet below the surface (Map shows 450 feet, but is incorrect), while No. 2 shaft (lately used as the working shaft) has been sunk about 750 feet, with practically no development below the 250 foot level.

During the last two years some important developments, mining and milling, have been pursued, and after several visits and an examination of the property (together with some accurate sampling) I will supplement Mr. Farish's report with these late developments and improvements, the mining and milling of the ore and other developments of the Mogollon district.

T.L.

average width of 10 feet. Other samples taken in October, 1910, on this broken ore showed the following results

No.	Description	Gold oz. per ton	Silver oz. per ton	Gold and Silver Value per ton	Value of face
5	Cut 5 ft.-No.7 chute	0.32	13.62	\$13.22	\$ 66.10
6	Grab 4 ft.#5 Chute	0.24	9.74	9.67	38.68
7	" 10 " W "	0.10	6.38	5.19	51.90
8	" 8 " E#3 "	0.12	7.32	6.06	48.48
9	" 12 " E#2 "	0.14	6.44	6.02	72.24
10	" 1 " E#2 "f.w.	0.26	20.74	15.57	15.57

This shows an average of 6-2/3 feet of this chute has an average value of \$7.32 a ton. The values in this stope are somewhat reduced, owing to the fact that some of the wall rock has sloughed down and was mixed with the ore. However, this was one of the few places in the mine where the wall rock showed a tendency to slough off with the ore, or, in other words, the walls were not as clean cut as the other parts of the property show. Other samples taken showed the following results:

On the tunnel level close to No. 2 shaft a sample of 8 feet showed a value of \$6.04 per ton. This represented the material which in the early days was considered too low grade to mine. This sample did not include the entire vein at this point.

In the 150 ft. underhand stope a sample of 10 feet taken on the floor showed a value of \$8.46 per ton. Another sample, some 30 feet below, had a width of 4-1/2 feet and a value of \$7.47 per ton.

In No. 7 winze, which connects with the 150 foot level as shown, a sample of 6 feet showed a value of \$7.74 a ton. This sample was taken at a point about 40 feet below the tunnel level in solid material.

In developments below the tunnel level the old No. 2 shaft has been utilized, using a skidway and bucket. A hoisting plant is installed at the mouth of the shaft in the tunnel.

In the 250 foot level in No. 2 winze of the underhand stope a sample of 4 feet showed \$6.38 per ton. The better material (1 foot) showed \$17.19 per ton. The ore was somewhat broken

up at this point, although the vein was very clear cut and the wall was smooth.

In regard to the Blue Bird claim, two samples were taken; one 10 inches in width, 15 feet from the surface, showed a value of about \$30 a ton, while one of 25 feet in depth and 10 inches in width showed a value of \$50 per ton.

I also looked over the vein of the Alpine at No. 2 and 3 tunnels. The breast of No. 3 tunnel showed a well-defined fissure vein, but low values. In No. 2 tunnel a six-inch streak showed a value of \$74.79 per ton. This was taken at a point where considerable stoping had been done on the Alpine, and the walls are very clean cut and the vein well defined.

In driving the 150 ft. level to the east, samples were taken at various points and showed the following values:

No.	Description	Gold oz. per ton	Silver oz. per ton	Gold and Silver Value per ton
1	5 ft. in width, breast of 150 ft. drift	0.26	9.74	\$10.07
2	3 ft., 10 ft. W of breast	0.08	2.92	3.06
3	5 ft. muck at breast	0.06	3.10	2.75
4	5 ft., 16 ft. W of breast	0.10	9.54	6.77

The significance of these samplings shows that the ore shoot where No. 6 is, is extending downward through No. 7 winze to the breast of the 150 ft. level.

Some time was spent on the surface in looking over the outcrops and general formation. The country here presents a wonderful network of veins and outcrops very conspicuously. The Confidence Property as well as the South Alpine vein show where large ore bodies have been stoped completely to the surface, showing marked conformability of the values. The equipment and present facilities are fairly adequate. The ore is being mined and placed in the bins at a reasonable cost. While the improvements as recommended in Mr. Farish's report in regard to the straightening of the tunnel and using a heavier track and mining through No. 3 shaft have not been followed, still the mining has been done at a cost of not over \$2.00 per ton.

THE MILL

In the examination of the mill we found they were dropping twenty stamps and treating about sixty tons of ore a day. This ore has been averaging about \$10.00 per ton of equal value in gold and silver.

The mill, having been remodeled from a pan amalgamation mill, now consists of crushing by stamps in cyanide solution, and concentration on tables, from which the tailings are cyanided. The cyanide process consists of a separator, which separates the ore into sands and slimes. The sands are then percolated for 100 hours, while the slimes are agitated for 48 hours. This, together with the concentration, gives an extraction of over 90%. The slimes are run over an Oliver filter which frees them from the solution very perfectly. The recovery of the metal from the cyanide is then made in the usual way from the zinc boxes. The present equipment, including many tanks, the filter and separator lately installed, pumps, agitating tanks, pipe lines, together with the Pelton wheel for power, is fairly adequate and satisfactory and the extraction is second to none in the district.

WATER POWER.

As suggested in Mr. Farish's report, about a year and a half ago a hydro-electric plant was installed. This consists of an 18 inch pipe line about 6000 feet in length, working under a head of 400 feet, utilizing the water from Whitewater Creek, terminating in a Pelton wheel of 350 horsepower located at the foot of the mill. I went up Whitewater Creek and examined the pipe line and the general installation. The 18 inch pipe is placed well above the bed of the creek to avoid any danger from floods. The pipe is a steel one, and the brackets and extension wires have all been constructed very substantially. The dam was only a makeshift and held the water for a depth of six feet. It is not intended to be permanent, but suffices for the present needs.

From the reports of hydraulic engineers, at an expense of a few thousand dollars twice this amount of horse power could be developed.

Another feature in regard to this water power is that it is located in a mining district with mines of such magnitude that the power not needed can be disposed of very readily. It is the only water power in this district and power could readily be sold to adjoining properties.

The improvements in houses, roads, etc. are all in very fair condition and about as stated by Mr. Farish.

TRAMWAY:

The present wagon haul to transport the ore from mine to mill is about four miles, which costs the company at least \$1.00 a ton for ore. A tramway has been proposed and in fact surveyed in order to minimize this cost. The survey for the tramway shows a line about 12,000 feet in length with a raise of about 1200 feet to the mine. Good engineers say that this can be constructed at a cost of from \$25,000.00 to \$30,000.00, and that it should reduce the cost of transportation of ore to at least 15¢ per ton. The proposed terminals of the present survey are from the foot of the present mine ore bins direct to the top of the mill. At the present time nothing further has been done with this proposed tramway.

I visited Mogollon and noted the following in regard to several properties.

The Ernestine Mining Company is now dropping forty stamps and working on a grade of ore valued at about \$10.00 per ton. They employ in mining and milling about 100 men.

The Socorro Mining Company, located on a parallel vein, is dropping thirty stamps (ten more now installed) and working on a higher grade of ore, about \$15.00 per ton. This company employs close to 200 men in mine and mill.

The Deadwood property has a mill installed with the necessary cyanide equipment, and are employing about 25 men.

The Maud S., and older property with a record of over a million production, is being rejuvenated and will be working shortly.

These properties, together with the Treasure, are the important ones of the district. They are all working on practically the same character of ore and using the same processes for extraction.

The Mogollon district is well reported on by the United States Geological Survey, the substance of their report being that the camp is very active and has about six properties steadily working. The reports of the Ernestine Mining Co. and the Socorro Mines Co. can be seen in most any issue of the Mining & Engineering Journal. The Government shows the past production of ore, and credit the Treasure Co. with \$1,000,000.00.

In Mr. Farish's report he speaks of having some severe weather which would interfere with operations. While the properties on the Mogollon side are hampered somewhat by the cold weather (freeze-ups in mills, etc.), nevertheless the weather on the Treasure side is much less severe, as the hills there are not so precipitous. For one or two months at the outside, some heat would be required to keep the mill in good shape.

The water power from wair measurements shows a smaller flow for about two months out of the year. This, however can be readily adjusted by holding the water in a reservoir which could be easily constructed, thus insuring the water power the year round.

The mill has been running very steadily for the last year, dropping on an average about 12 to 15 stamps, or treating on an average forty-five tons per day.

I have a great deal of data in regard to every part of the property, and any inquires will be gladly answered.

Yours very truly,

Philadelphia, March 22, 1915.

Mr. John G. Barry,
600 Mesa Avenue,
El Paso, Texas.

Dear Sir:

I have yours of March 16th regarding the Treasure Mining Company, Mogollon, Socorro County, New Mexico.

My opinion is, from what information you have obtained and from what I have been able to get from various sources, that this property would not be sufficiently interesting for us to pursue the matter further.

Yours very truly,

ORIGINAL SIGNED
J. E. SPURR

Vice President

JES-C

Treasure Mining Co. 69. Mogollon, Socorro County, N.M.

By John G. Barry, 600 Mesa Ave., El Paso, Texas, March 17, 1915.

Mr. J. E. Spurr,

571 Bullitt Building,

Philadelphia,

TODOPAH MINING CO. OF NEVADA	
MINING AND EXPLORATION DEPARTMENTS	
REC'D MAR 22 1915	
SEEN	
INDEXED	

Dear Sir:

I have your letter of the 9th, in reply to mine of the 6th. I have been hearing more about this property at this point, from Mr. J. R. Fulkerson, one of the owners of the Pacific. Some of the statements in my previous letter were wrong as hereafter noted. Notwithstanding this it will probably be well to look into this property further.

The property consists of 12 claims mill and power sites. Nearly all of the claims have considerable possibilities. As at present arranged the mill would be of little permanent use, but would serve for experimental purposes. The stamps are light, about 800 lbs., and there are about 40 of them. There is about 500 H.P. of hydro-electric power developed, and there is a good possibility of developing 1500 H.P. at slight cost. In conjunction with the Pacific the property could be developed further advantageously by tunnels. There is probably no great amount of typical ore blocked out. There are probably some tonnages of ore left behind, which will run \$7. - \$70. per ton. Fulkerson has been in the mine, but was not allowed to sample it. The showings in the bottom are good, the shoots of good length and width. The property is chiefly valuable for future "possible" ore, and the power.

According to Fulkerson, Root is a hard and tricky man to deal with. He would undoubtedly want some cash. The property might be segregated into units with the cash applying on the power plant. Fulkerson has had some dealings with this man in regard to power. On account of a loan to Root in which he is interested,

During July, 1910, I spent four weeks on the property and found conditions as follows: No new mining territory has been acquired by the Treasure Company. A water power developing 350 horse power has been installed, furnishing all necessary power for mine and mill. The old mill has been rejuvenated and was dropping twenty stamps, concentrating and cyaniding the tailings. The ore is being hauled by wagons from the mine to the mill, a distance of four miles, and costing on an average \$1.40 per ton. The mining has been principally confined to the stoping of No. 6 (See small map; lead pencil shows this) and driving the 150 foot level 350 feet east along the vein and connecting it by winze to the tunnel level (shown also in small longitudinal map). These are the conditions at the present time, which I will now give more in detail.

THE MINE

In the examination of the mine, accompanied by Mr. James Kerr, the mine superintendent, I was enabled to go through all the different workings, and particularly the new development in the No. 6 stope, in the 150 ft. underhand stope and in the underhand stope of the 250 ft. level. In the No. 6 stope samples taken showed as follows:

No.	Description.	Gold oz. per ton	Silver oz per ton	Gold and silver value per ton	Value of face
1	9 ft.	0.10	3.52	\$3.76	\$33.84
2	29 1/2 ft.	0.42	13.62	17.71	44.27
3	5 ft.	0.84	43.44	38.52	192.60
4	10 ft. grab	0.22	13.64	11.22	112.20
5	8" solid	4.86	60.82	127.61	85.08
6	3 ft.	0.36	18.70	16.55	49.65

These samples show that an average of 4.94 feet has a value of \$17.40 per ton, and they were taken from the solid rock, with the exception of the grab sample, and should be fair representatives of this stope. In this No. 6 stope most of the mining has been done. Three to four machine drills have been used and about 150 tons of ore per day is being broken, of which 60 is being drawn for the mill. This stope now contains about 10,000 tons of broken ore with a value of at least \$100,000. It is about 110 ft. from the tunnel level, about 300 feet long, and shows an

Treasure. 69. Mogollon, N.M. J.G.B. 3/17/15. 2.

and also on account of his desire to dispose of the Pacific property, Fulkerson might be of considerable assistance.

Fulkerson believes that if Root could eventually get \$250,000. clear out of the property he would probably be satisfied. He would also probably be interested in surrendering the property for a share in a successful operating company based on it.

In order to clear up a share of the Moffett Estate in the property, Root bonded the property for \$280,000. These bonds were taken by Kansas City people, thru a report on the possibilities of developing electric power. The mortgage has been foreclosed, but the Court has given Root an additional redemption period of two years. Probably your letter to the First National of Denver will give you some further information in regard to this.

Root also owes a Dr. Geierman \$32,000. on a note. This loan was made thru Fulkerson. Root represented at the time that there were no other encumbrances on the property, whereas the bonds were outstanding. Fulkerson may have a good hold on Root on this account.

I am unable to get any definite information in regard to the property, such as assay maps, here. Fulkerson says that Root has always been very secretive about the property in this regard.

According to the foregoing, the property might be had for as little as \$562,000. Probably some cash will be demanded. Root may prove cantakerous, but with the proper persistence, probably something can be done.

Very respectfully yours,

John G. Berry.

Treasury Mining Co. Confidence - Dutch Boy - Blackbird Group.

69. Cooney (Mogollon), Socorro County, New Mexico.

By John G. Barry, 600 Mesa Ave., El Paso, Texas, March 6, 1915.

Mr. J. E. Spurr,

571 Bullitt Building,

Philadelphia, Pa.

Dear Sir:

TONOPAH MINING CO. OF NEVADA	
MINING AND EXPLORATION DEPARTMENTS	
REC'D MAR 9 - 1915	
SEEN	
ANS'D	

I have been talking recently with Mr. Walter B. Randall who is here in town, and who is interested in the Ann Arbor claim at Mogollon, which adjoins the above group on the West. He wished to get someone interested in making a consolidation of the property of the Treasury Mining Co., the Ann Arbor, Abe Lincoln, and the Pacific and connected claims. We talked about the possibilities at some length, but as this would necessitate making some cash payments, I told him that the idea was impossible, and dismissed the subject.

However, I want to bring the Treasury to your attention, and to suggest that it may be well to look into this property and its possibilities independently. They have about three thousand feet on the Last Chance vein to the west of the Ernestine. It is said that they have blocked out over \$1,000,000. gross of ore running better than \$10. per ton, that the shoots are long, and of fair width. They also have the advantage of owning a hydro-electric power plant, which is said to be developing 500 H.P., with a possibility of developing 1500 H.P. Present mining and milling costs in the district are about \$7. per ton. Using oil engines, power costs in the district are about \$190. per H.P. year. Hydro-electric power should cut the costs by about \$0.70 per ton. At present the property is some what involved, but it is believed that it can be straightened out readily. One of the influential men in the company is a Mr. Root of Denver.

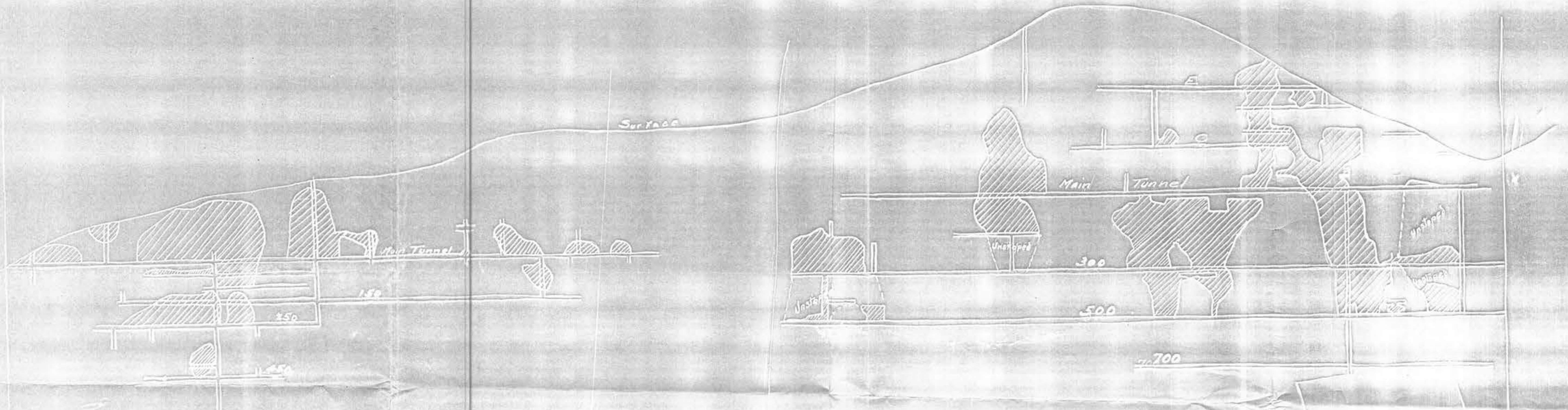
Treasury. Megollon. J.E.S. 3/6/15. J.G.B. 2.

here is outstanding against the property about \$250,000. of bonds. These are held by the First National Bank interests of Denver. The total price of the property would not exceed \$250,000. The property has been in the courts for foreclosure. It is reported that the bondholders would listen to any reasonable proposition, provided that their interests were properly safeguarded. Probably no cash payments would be required, if the affair were handled by competent responsible and reliable people.

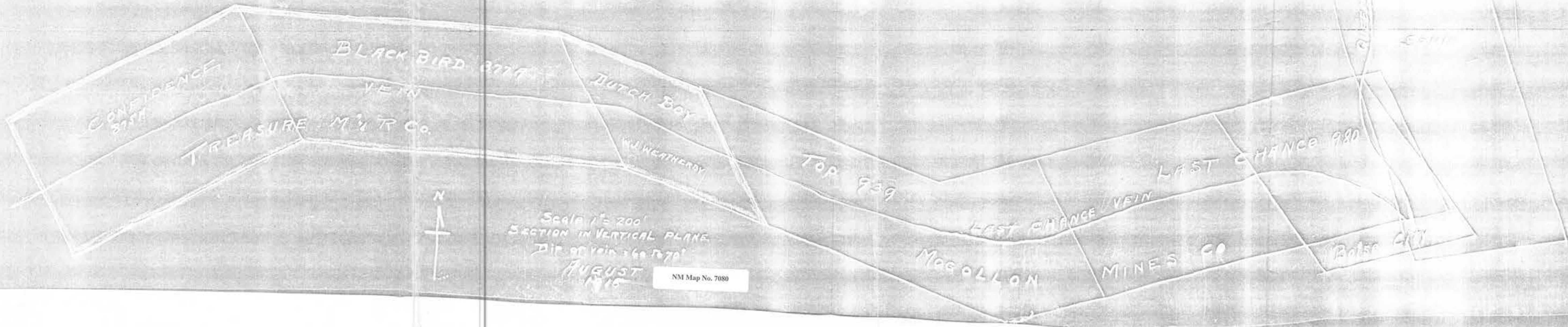
I wish to suggest that it would be well to look into this thru the Denver interests.

Very respectfully yours,

John D. Barry.



TREASURE M & R Co
(Confidence Mine)
MOGOLLON MINES Co
(Ernestine Mine)
Treasure M & R Co



Scale 1" = 200'
 SECTION IN VERTICAL PLANE
 DIP OF VEIN 46° 17'
 AUGUST 1915

NM Map No. 7080