NEW YORK CITY
57 WILLIAM ST.

SALT LAKE CITY, UTAH
815 NEWHOUSE BLDG.

UNITED STATES SMELTING REFINING & MINING EXPLORATION COMPANY

CABLE ADDRESS, "SMELTINGCO"

ONE STATE STREET

BOSTON, MASS.

RECEIVED
DEC 7 1931
GEN'L MGR'S OFFICE
SALT LAKE CITY, UTAH

PLEASE ADDRESS REPLY TO
P O BOX 1785
SALT LAKE CITY, UTAH

December 8th, 1931.

Mr. D. D. Muir, Jr., Gen'l Mgr.,
U. S. S. R. & M. Co.,
Building.

RE: ROSEDALE MINE, SOCORRO COUNTY, NEW MEXICO. (Gold).

Dear Sir:

Mr. Oscar Reynolds, of 1138 E. Bayud Avenue, Denver, Colorado, presents the above property to us in his letter of December 5th, 1931.

The price is $45,000, payable $2500 cash, $6200 at end of first year, $6200 at end of second year, $6200 at end of third year, $11,950 at end of fourth year, and $11,950 at end of fifth year. Terms: When property brought into production the owner to receive 2-1/2% of the net bullion or smelter returns, and after we have recovered all moniesexpended on the property, including the purchase price, the 2-1/2% is to be increased to 5%.

This property has been presented to our company before. Our files contain a report by James H. Batchelder, Jr., which is not dated, and one by J. Nelson Nevius dated June 19th, 1913. Mr. Anderson refused to examine the property in 1911 because figures compiled by yourself during April, 1911, show 33,561 tons of positive ore and 9,168 tons of probable ore, with a gross value on the entire tonnage of $6.39 a ton. The price at that time was $250,000. Since that date I assume the property has been operated, but at the present time there is no equipment, the mill and plant equipment having burned down. The workings are said to be accessible. The orebody occurs in a rhyolite flow in a silicious material showing fluorite. There are reported to be two oreshoots, one at the shaft and the other 500 feet south. These oreshoots occur at cross-fracturing. The information submitted and contained in our files does not indicate possibilities for additional orebodies or extensions of present oreshoots.

CONCLUSIONS:

This property, at an elevation of 7100 feet, is located 30 miles west of San Marcial, on the Santa Fe railroad. The grade and tonnage which you have compiled is less than that reported by Mr. Reynolds, which is that the ore is 7 feet in width and has an

average grade of $7.50 a ton in gold. Further he reports that the ore in sight is estimated at 270,000 tons remaining in a developed depth of 735 feet and a strike length of 680 feet.

A small tonnage of $6.39 gold ore, located as this property is, can not, in my opinion, be mined and milled at a profit under present conditions. The price at which the property is offered is not excessive, but the possibilities for a substantial additional tonnage are not indicated in any other records. I do not consider this property one which would be of interest to us at this time. However, if one of us should be in that district in the near future it may be advisable to check the information in our files to be sure that we are not overlooking a possibility.

Very truly yours,

L. F. Paddison

L. F. Paddison.

LFP/G