

Exploration roundup in New Mexico during 1986

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Exploration activity in New Mexico remained at a relatively low level, reflecting the depressed condition of many of our extractive industries. Virtually no activity was posted by the base metal (i.e., copper, lead, zinc), uranium, and potash sectors, traditionally the "big three" among the state's non-fuel mineral industries. Only gold and coal markets had any significant activity. Little of the activity in the gold industry is likely to result in a producing mine in the near future, primarily because of an ever-tightening web of environmental red tape.

A possible gold find is being evaluated by MolyCorp, Inc. (division of Unocal, Corp.) in the Red River area in northern New Mexico. The nearby Questa area has been mined for molybdenum for more than 60 years, but several gold prospects in the surrounding mountains predate the moly mine by 30 or more years. MolyCorp has applied twice to the U.S. Forest Service for permission to drill 20 exploratory holes south of Red River near Junebug campground. But the area is within a wilderness study area, and both permit applications have been denied.

Similarly, La Paz Mining Co. attempted to develop a small gold placer on Bear Creek near Piños Altos, Grant County, but became embroiled with the Army Corp of Engineers over a section 404 permit (which regulates the placing of fill material back into a river or stream). The permit was denied on the basis that the mining activity by La Paz would critically damage downstream water and habitats.

Long Lac Minerals Exploration continued to drill on its gold prospect in the southern

portion of the Ortiz mine grant, Santa Fe County, concentrating efforts in the Lukas and Carache Canyon areas. Long Lac planned to complete 12 holes during the year.

St. Cloud Mining Company pursued an on-going sampling and evaluation program in the Chloride mining district of the Black Range, Sierra County. Essentially, efforts are geared toward the production of precious-metal-bearing siliceous smelter flux. Shipments have been made from the U.S. Treasury mine, Great Republic mine, and other properties. Sunshine Mining Company relinquished its option on the St. Cloud-U.S. Treasury mine in mid-year after a small, and apparently unsuccessful, drilling and sampling program.

Also in the Chloride mining district, First Mississippi Corp. completed assessment drilling on the Hoosier and Silver monument properties, while the area around the Weber shaft (extreme north end of the district) was evaluated for smelter flux potential. Elsewhere in Sierra County, exploration drilling near Hillsboro resulted in a small-scale operation at the Rattlesnake mine. During the year, a sorted product grading approximately 1 oz gold, 3.5 oz silver, and 3.5% copper was sold to ASARCO, Inc., for flux.

A small amount of exploratory drilling was done at Sierra Rica just north of the Mexican border in Luna County, and a small amount of exploration activity, geared toward small-scale gold placer mining, was done on upper Rio Grande placers near Pilar.

An unexpected molybdenum find was revealed in an exploration hole drilled by Los Alamos National Labs in the Valles caldera

structure 38 mi northwest of Santa Fe. This hole, second of three planned, was designed to gather scientific data on geothermal systems as well as to learn more about formation of ore deposits. Molybdenite (MoS_2), along with small amounts of copper, lead, and zinc, was encountered between 80 and 400 ft, some possibly of ore grade.

The New Mexico Bureau of Mines and Mineral Resources (NMBMMR), along with funding from the New Mexico Energy Research and Development Institute and private industry completed the second year of a projected 4-year program to evaluate stripable coal resources in the San Juan Basin. A total of 56 holes was completed during 1986: 35 in the Menefee Formation around San Mateo, La Ventana, and Chacra Mesa; 10 in the Menefee/Crevasse Canyon Formations in the Gallup coal field; eight in the Crevasse Canyon Formation near Crownpoint and Borrego Pass; and three in the Fruitland Formation near Star Lake.

NMBMMR staff also provided geologic expertise and chemical analyses as part of an exploration drilling program on the yttrium rare-earth deposits at Laughlin Peak in Colfax County.

A few properties other than those mentioned above are currently being promoted vigorously on the basis of very high gold and/or platinum values. Some of these (particularly the platinum "deposits") will eventually be exposed as fraud. The would-be investor is advised to exercise extreme caution.

—Robert W. Eveleth
NMBMMR Mining Engineer

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