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# Mineral and mineral fuel production in New Mexico, 1980-82

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Preliminary 1982 mineral and mineral-fuel production data are presented in table 1 compared to both 1980 and 1981. All major commodities show production and dollar value decreases (with the exception of coal) during the 2-yr period thus reflecting the generally depressed condition of New Mexico's (and the nation's) economy. During 1980-81, overall value increased 22% to the all-time high of \$7.24 billion. Nearly all of this increase was derived from the oil and gas industry. However, both quantity and value of petroleum and gas products decreased during 1982. While oil and gas production has decreased steadily for several years, higher energy costs as a result of both demand and inflation had more than offset the difference—until 1982. During that year decreasing production coupled with energy conservation programs and industrial consumers turning to alternate fuel sources resulted in the decrease in value for the

first time. The natural gas industry was particularly affected by lessened demand: an oil and gas surplus caused a downturn in drilling activity during 1982, although activity did increase significantly during the last quarter. An estimated 2,300 wells were drilled during 1982, representing a 6% decrease compared to 1981, but still 17% above 1980.

While coal production decreased very slightly, overall value is up 21% over 1981, and is the only real bright spot in New Mexico's mining industry: value exceeded that of both copper and uranium combined for the first time. However, Kaiser Steel's York Canyon underground coal mine was forced to close in early September as a result of losing a major coking-coal consumer in Texas.

Copper, traditionally New Mexico's number one hardrock commodity, decreased in value 71% from 1980's high to just under the \$100 million mark in 1982. Copper as well as many other commodities is adversely affected by high rates of inflation and interest, both of which result in poor demand for housing, automobiles, and appliances. Copper miners

attempted to weather the storm by announcing extended "vacations" and a few layoffs during 1981, but the market situation continued to worsen. This resulted in major layoffs at all the producing mines. Additionally, Quintana Minerals was forced to close down after shipping some concentrate from their new Copper Flat mine during May and June 1982. Understandably, little exploration and development is underway elsewhere although Boliden Corporation, the new proprietors at the Pinos Altos property formerly under Exxon, began surface preparations preliminary to underground development. Exxon is still active in the area, conducting geologic investigations in the Burro Mountains near the Flying A Ranch.

Precious-metal mining was limited to just two locations: Goldfield Corporation's St. Cloud mine near Chloride in Sierra County and Gold Fields Ltd.'s Ortiz mine at Cerrillos in Santa Fe County. Silver production decreased significantly primarily because of the shutdown at Tyrone. Much of the gold decrease was largely offset by production from the Ortiz mine. Molybdenum production also dropped dramatically—open-pit mining came to an end at Questa in August 1982. Development is ongoing at the new underground mine complex however, and the company still plans to be in production by July 1983.

Potash production was down approximately 5% for 1982. Demand is adversely affected, again, by high interest rates: farmers are reluctant to borrow money for fertilizer purchases until the last possible moment. Additionally, foreign producers may be "dumping" potash in the American market. Senator Domenici requested that the Commerce Department investigate the possibilities.

Uranium production decreased approximately 26% compared to 1981, and is down 41% from 1980's all-time high. The low production resulting from the continued depressed state of the U.S. uranium industry was anticipated—approximately three-fourths of the mines active during 1980 have closed. □

TABLE 1—MINERAL AND MINERAL-FUEL PRODUCTION IN NEW MEXICO. Short tons unless noted: NA, not available; XX, not applicable; W, withheld to avoid disclosing individual company data; P, preliminary, subject to revision; R, revised; —, no production. Data sources: U.S. Bureau of Mines; U.S. Department of Energy; Oil Conservation Division, New Mexico Department of Energy and Minerals; Oil and Gas Accounting Division and Property Tax Division, New Mexico Department of Taxation and Revenue; and Keystone Coal Industry Manual (1981, 1982).

	1980		1981		1982 P	
	Quantity	Value (thousand dollars)	Quantity	Value (thousand dollars)	Quantity	Value (thousand dollars)
Clays, excluding fireclay (thousand tons)	60	114	64	119	49	98
Coal (thousand tons)	19,481	260,037	18,794	342,035	18,760	412,720
Copper (tons)	164,679	337,328	169,881	289,204	65,800	97,384
Gem stones	NA	150	NA	200	NA	240
Gold (troy oz)	15,787	9,670	65,749	30,221	54,400	21,572
Gypsum (thousand tons)	182	1,689	166	2,256	162	2,312
Manganiferous ore, 5-35% Mn (tons)	R35,198	W	12,741	W	—	—
Natural gas (million ft <sup>3</sup> )	1,132,316	2,026,846	1,118,589	2,415,033	974,000	2,103,494
Natural gas liquids (thousand bbls)	43,003	733,948	53,867	958,837	50,635	901,307
Peat (tons)	2,000	40	—	—	—	—
Perlite (thousand tons)	539	14,404	489	14,983	433	14,239
Petroleum, crude (thousand bbls)	75,324	1,794,210	72,155	2,474,196	71,400	2,449,454
Potash (thousand tons)	2,060	289,011	1,765	261,200	1,670	210,000
Pumice, including cinder (thousand tons)	448	3,028	93	919	93	930
Sand and gravel (thousand tons)	7,050	17,676	P7,300	P10,000	4,600	14,800
Silver (thousand troy oz)	W	—	1,532	17,170	W	—
Stone, crushed (thousand tons)	2,217	7,259	4,162	12,485	2,640	10,300
Stone, dimension (thousand tons)	18	91	26	173	18	138
Uranium, recoverable U <sub>3</sub> O <sub>8</sub> (thousand lbs)	15,500	371,018	12,420	356,454	7,656	248,131
Combined barite, CO <sub>2</sub> , cement, fireclay, lead, lime, mica, molybdenum, salt, sulfur, vanadium, zinc, and W	XX	87,845	XX	47,747	XX	35,689
TOTALS	XX	5,954,363	XX	7,241,232	XX	6,522,808

