

STATEMENT
Concerning the Property
OF
J. H. LITCHFIELD
SAN MIGUEL COUNTY
By
J. H. Litchfield

1928

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GOLDEN, COLORADO

Statement furnished by J. Vezina.

TO WHOM IT MAY CONCERN.

Ophir, Colo.
Dec. 1, 1928

Gentlemen:

In considering the purchase and operation of a group of mining claims of which I, J. H. Litchfield, am the owner I have been called upon to state all of the facts concerning the property that I have learned by being owner and operator for the past 40 years. You will undoubtedly want to know how I came to know certain facts, which are hereinafter stated.

I have been actively engaged in mining and its different branches for 42 years, starting out as a nipper on the Union Mine in 1886 when all the mining in the camp was done by hand work, called Double Hand Drilling, in those days done mostly by Cornish Miners. Then came the Italian Miners with the Single Hand Drilling; after that the heavy machine air drills, which took two men to operate; I became a Machine Man. Afterwards I hired to a surveyor and studied surveying for about three years and took a position as assistant engineer. About two years after I became the Chief Engineer for the San Miguel Consolidated Gold Mining Company, operating a large group of claims in Bear Creek near Telluride, Colorado. I was ten years with this company and my suggestion that the veins at that time being opened by Tunnel etc., be thoroughly sampled and assayed, resulting in a complete shut down. The Manager, Mr. L. L. Nunn, immediately turned his resources into the Electrical field, which was the foundation of the present Company, the Colorado Light and Power Company. I then studied assaying in the office of W. G. Simonton for one year, after that I put in spare time prospecting up to 1902, when I organized the Double Eagle Gold Mining & Milling Co; and was Manager for the Company up to Jan. 1st, 1908, when we shut down on account of lack of money to continue development work. Was forced to pay debts of the property and to protect my own interest; so I finally took the property over as sole owner. Our objective at that time was the Black Diamond Vein, which would be cut by the Atlanta Tunnel 500 feet South of the present breast. I still continued prospecting and discovered the Continuation of the Carbonero Vein, which has been working for the past 30 years in a small way on the Ophir side of the Mountain. Securing by location 6 claims running N. E and S. W. through Bridal Veil Basin, this vein will be intersected by the Atlanta Tunnel about 1000 ft. south of the present breast. I have done some work along the surface of the Vein and find the same character of ore as is at present being mined from the Carbonero Mine, and find a gradual widening of the vein as it crosses diagonally through the basin from S. W. to N. E. into the Cressent Claim and farther N. E. intersecting the Black Bear property.

I also worked at the Lewis Mine for T. L. Livermore, after my own property shut down, and have some knowledge of the vein by so doing; the vein is Silver-Lead ore mixed with Zinc and Gray Copper. The Gray Copper running high in Silver, when present. Mr. Livermore told me his assays showed increased gold values with the depth of the shaft. The Atlanta Tunnel is the only practical outlet for the Lewis, Tobe, Columbine and Columbine No. 2 Claims, cutting under the Collar of the Lewis Shaft about 1000 feet deep. The Columbine and Columbine No. 2 were owned by a prospector by the name of Esley, and at one time under Bond and Lease to T. L. Livermore for Ten Thousand Dollars. The Bond and Lease were forfeited, and Mr. Esley deeded a $\frac{1}{2}$ interest to me and asked me to consider the property in my group. In case of sale my half interest is, or will be considered as in the Bond and Lease price already given if Mr. Esley's one-half is taken at \$2500.00.

Plat shows the property lying South of the Tobe, over the Range in San Juan County. I have no record of the Lewis production by Smelter returns, but Joe Williams, a Cornish Miner, who leased on the Lewis Vein and started the shaft told me his ore run from \$75.00 to \$100.00 per ton in Lead-Silver, shipped to the Durango Smelter about 1889-90-91.

My idea in going into the History of the Lewis Claim, is as in the Lead King Vein, not being opened as yet on my property. I am trying to show the probable ore and comparative values; the Physical facts showing the vein continuation can be shown on the ground by several short tunnels and cuts, and continuous in the Atlanta Tunnel. The Lead King Vein, the cut showing on the plat and marked \$80.00, is the best surface showing and the deepest opening being about 10 feet deep, showing the vein about 2 feet wide and the same character as the Carbonero ore.

The Atlanta Tunnel, started on the Little Boy and cutting the Atlanta Vein, which is the extension of the Lewis Vein, shows a low grade ore (\$6.00 to \$8.00) and is only to be considered as at tunnel outlet for the Double Eagle, Black Diamond, Lead King, and Lewis Veins, if continued into the Lewis, Tobe and Columbine claims; therefore, on account of the low grade and shallowness of the tunnel, the Atlanta and Texaco Claims are not to be considered as ore. Where the Atlanta Tunnel is extended about 500 feet to cut the Black Diamond Vein about 300 feet deep (in the Gulch), and about under the surface which I have marked a short tunnel and a winze 8 feet deep, \$17.00, the vein here shows 14 inches of Free Gold ore, and the value as named was taken from one ton of ore taken from the 8 foot winze. About 2 miles west the Nellie Mine (now worked out) is reported to have produced over 5 million dollars in Gold. I was assistant to E. I. Field in making the examination of the Nellie, which was purchased by the then U. S. & B. C. Co. for \$75,000.00. The property is shown on the property plat and was copied by me from the San Juan Triangle Map, published by the Clason map Company in about 1905 and is considered by mining men to be practically correct.

GEOGRAPHY OF THE PROPERTY.

The property is situated in Section 42, Township 17-20, Range 8 West New Mexico Principal Meridian, Upper San Miguel Mining District, San Miguel County, Colorado, about 3 miles in a direct line southeast of the City of Telluride, in Bridal Veil Basin; in altitude from 11,400 feet at Atlanta Tunnel Portal to 13,200 feet at top of Range on Lead King No. 5.

ACCESSABILITY.

From Telluride by Wagon Road about 4 $\frac{1}{2}$ miles and thence by trail 1 $\frac{1}{2}$ miles, part of road all of trail blocked by snow in Winter; about 4 miles by road and trail to Railroad at Pandora; about 3 $\frac{1}{2}$ miles by tram line to millsite on Railroad. Tramway would make the property accessible all times of the year.

GEOLOGY.

The formation is andesite capped in places by Rhyolite with conglomerate, white and red sandstone underneath the andesite. Andesite is the mineral bearing formation of the district. The Atlanta Vein cuts all formations in crossing the San Miguel Valley, but no pay ore is known to exist in the Red Sand-stone. Out-let 2,000 feet below Atlanta Tunnel can be had by following the Atlanta Vein where it cuts across the Valley about 1 mile East of Telluride near Millsite.

HISTORY AND TESTS BY MILL RUN, ETC.

None of the veins in this group (on my ground) have been worked with a view for production.

All ores so far extracted have been for the purpose of determining the value of the ores and therefore the feasibility of extending the Atlanta Tunnel into the veins ahead or South, which at this time, from the development and operations of the extensions of veins in this group, seem to be proven beyond any reasonable doubt to be an exceptionally profitable undertaking. Three well known producing veins can be operated through the Atlanta Tunnel making drainage and economical operations possible by Tramway connection to mill or Railroad; the economic problem of operation would be satisfactory and complete. Various tests of the ores have been made and at various times, namely: a 5 Ton mill test from the Double Cross, which is the extension of the Double Eagle claim on the East Tunnel shown on the property map marked 80 ft., was shipped by Mule back to San Miguel and Mill, by Mart Ballard; by amalgamation, gave returns of \$40.00 per ton in Gold; no concentrates were saved, but a black scum product was caught in a gold pan and assayed (proved to be Tellurium) result was 50½ ounces in gold per ton. At the present advanced stage of metalurgy, a very desirable product for flotation; this is the vein that gave the name of Telluride to our present little mountain City.

The next test was made from the Double Eagle Claim; one ton of ore was taken from an open cut on the surface about 20 feet West of the crossing of the Atlanta Vein, and shipped to the Globe Smelter at Denver, Colorado; The returns from this sample of ore was \$58.00 in Gold and Silver.

The next test of the Double Vein was a mill run of 12 tons taken from the Double Eagle Tunnel, which is 400 feet long, the ore was stripped when the Tunnel was made; the ore that was broken from the shots was sorted from the waste, sacked and packed to Telluride by mule back and milled by Louis Jacques by amalgamation; no concentrates were saved but a sample of the tailings was panned and a sample of the concentrates was assayed resulting in a value of \$149.00 per ton; the amalgamation was \$23.00 per ton saved, as near as I could determine them. The tailings carried about one ton of the concentrates to eight tons waste or a value of about \$18.00 per ton of crude ore going into the concentrates and a total value of the crude ore about \$41.00 per ton. Petzite specimens were taken out of the tunnel during the working that were estimated at \$6000.00 per ton. The Atlanta Tunnel was then started and cut the Double Eagle Vein 210 feet below this level and a drift run west about 100 feet and east about 75 feet, a one ton sample milled by myself gave results of \$31.50 per ton free gold and a sample of the concentrates assayed \$279.00 per ton; this level is connected by up-raise with the Double Eagle Tunnel 210 ft. long. The next vein on the Atlanta Tunnel level to be cut is the Black Diamond claim extending west and the Black Joe claim extending east and crossing the Lead King vein, and is marked on the property map by dotted line, 7 ft., the vein outcrops at this point and shows bands of Quartz and porphyry, characteristic of the Nellie Mine ore in Bear Creek which has a mixture of quartz and porphyry carrying free gold; at this crossing the Lead King vein, the vein is 6 ft. wide of decomposed vein matter. On the Black Diamond claim about 50 ft. west of where the Atlanta Tunnel will intersect the vein about 300 ft. deep, is a tunnel 12 ft. long and a winze 8 ft. deep, from this winze one ton of ore was taken out and milled by myself with results of \$17.00 per ton in gold; the vein in the bottom of the winze is 14 inches wide and shows some free gold; a small amount of solit Petzite ore was found at the surface where the 12 ft. tunnel was started, a sample assayed by myself gave returns of 776 ounces silver and 25 ounces in gold per ton.

The next vein south, to be cut by the Atlanta Tunnel about 500 ft. from the Black Diamond Vein, is the Lead King Vein at a depth of about 400 feet in the gulch; about 1000 ft. S. W. is a shaft 10 feet deep, marked on the map \$80.00, a sample taken from this opening assayed \$80.00 in Lead-Silver assayed by the International Smelting Company's works at Rico, Colo.

The vein at this opening is 2 feet wide showing quartz and galena, other cuts and openings along the vein, going S. W. shows the vein considerably decomposed, some lead and quartz.

Knowing the veins in the district from observation, study and personal contact, I am taking the character of the ore, the continuity of the vein and the values of the Carbonero Mine ores, as a comparative value and operating basis, for the Lead King vein which is the extension on the N. E. of the Carbonero property.

Taking the lowest average value of the Carbonero ore as per Annual Reports of 1927-1928 and applying same to the Lead King ore; namely, \$13.00 per ton, and the estimated cost of mining, milling and marketing at \$9.00 per ton, estimating the ore content of the Lead King vein at 9000 ft. by 800 ft - 2 ft. wide, we have a cubic content of 14,400,000 cubic ft. taking 14 cubic ft. of lead ore per ton we have about one million tons of ore available on the Atlanta Tunnel level, or 13 million dollars gross value of ore, deducting cost of \$9.00 per ton for mining, milling and marketing we have a net estimated profit of 4 million dollars in the Lead King vein, besides from 10% to 20% of the Carbonero ore is shipped crude at an average value of \$60.00 per ton on which there would be a profit of about \$45.00 per ton, figuring operation on a basis of 100 tons per day, 90 tons of mill ore at a net profit of \$360.00 per day, ten thousand dollars per month and 120 thousand dollars per year, add 10% crude ore shipment making 10 tons per day at a net profit of \$45.00 per ton we have \$450.00 per day, over 13 thousand per month and over 170 thousand dollars per year, making a total of about 290 thousand dollars net profit per year on the Lead-Silver ore of the Lead King vein and about 27 operative years (100 tons per day).

The Black Diamond vein being a gold vein with probable values of \$17.00 and estimated content of vein 1 ft. wide, 3000 ft. long, about 100 thousand tons, on which there would be a net profit of at least \$10.00 per ton, development would have to determine both tonnage and value. The Double Eagle vein, which has been opened by the Atlanta Tunnel, showing vein width about 4 inches and average value of \$40.00 per ton, would develop a small tonnage (probably 10 ton per day) would in my estimation give a net profit of \$20.00 per ton.

The property equipment at present consists of about 2600 ft. of 12# track, 3 one ton ore cars, 1 small compressor and receiver, boarding and bunk house 14 x 28 - 1½ stories, can be torn down and repaired for use at Atlanta Tunnel level; also a 20 ton stamp mill building, the tram terminal of which is in good condition; also there are ore bins lower part of building in need of repairs when used, no machinery in mill, situated on R. R. about 3.2 miles from Atlanta Tunnel Portal.

As far as treatment process for ore is at present determined it will be: 1st: Amalgamation, 2nd: Concentration, 3rd: Flotation. Ore should be crushed at mine and trammed directly to Ball Mill operation.

OTHER PROPERTY JOINING

The Atlanta Tunnel is the only practical outlet for the Lewis, Tobe, Columbine and Columbine No. 2. The ore is Lead-Silver, Zinc and Copper, and as far as is known will compare very favorable with the Lead King and Carbonero in value and content. Can be acquired at reasonable price and terms.

CONCLUSION

In conclusion, I wish to say that my experience for forty years of work in the mines of Telluride and adjoining camps should give me right of claiming to be something of a mining expert.

As such, I consider the Atlanta Tunnel and the veins of ore that can be operated through this outlet to be the best and most profitable mining property in the Telluride District, when developed and equipped with Tramway and suitable mill and operated honestly and intelligently. Am willing at any convenient time to assist any interested party in making a joint or re-examination of the Litchfield group and guarantee as far as possible that all statements and figures herein used by me will be reasonably corroborated.

Respectfully submitted by

Yours truly,

(Signed) J. H. Litchfield

P. O. Address:

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