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Reorganizing after a fire in the Bourne district near Sumpter, Oregon, a group of lease operators are working in partnership, known as the Myer-Ingle Lease. Buildings and equipment were destroyed. Production has been resumed under the new setup by J. A. Herdlick, Hal Bradley, and Ingle, who joined partnership with Myers, Douglas, and DeMerrit.

Cracker Creek Area
Baker Co.

THE NORTHWEST

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'Evaluation phase' slows mine activity

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BAKER — After four years of vigorous minerals exploration in Baker and Grant counties and investments totaling an estimated \$50 million, mining activity has slowed to a crawl.

The industry here has entered an "evaluation phase," said Mark Ferns, an Oregon Department of Geology and Mineral Industries district geologist in Baker.

"They (mining companies) have spent a lot of money gathering data, and now the design people are stepping in to see if they can be converted to mines or whether they need further prospecting," Ferns explained.

State officials have identified 24 potentially rich mineral sites in Northeast Oregon, Ferns said. A lobbying group called Oregon Mine Operators, representing 12 large commercial mining firms with investments in the region, estimates more than \$50 million has been invested since 1979 on exploration and development in the two counties.

If any of those 24 sites actually come on line, "They won't be small properties," predicted Ferns. "We're not talking about two- or three-man operations. We're talking about 30- or 40-job generating operations."

In parts of Baker and Grant coun-

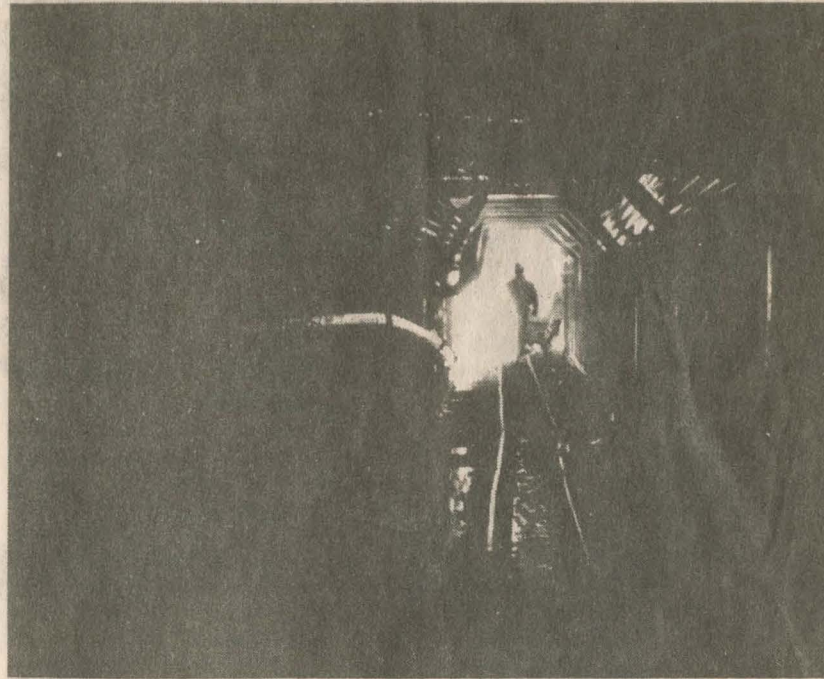
involved in a joint venture partnership on the Iron Dyke Mine since 1979. The mine produced 36,000 tons of high-grade gold-copper ore in 1980 and 1981 for a net profit of \$2.5 million, Havenstrite said.

The Iron Dyke Mines ore was processed at a concentrating plant at Copper Cliff, Idaho, 22 miles away, and the mine was shut down when the mill was closed in December 1981. Havenstrite said the mine and concentrating plant are expected to reopen simultaneously in 1984.

"The mining potential in that area would be very much brighter if the price of copper were stronger," Havenstrite commented. "That's why we've been waiting as long as we have. The price of copper is extremely weak right now."

A wealth of minerals like gold and silver is believed to remain in Eastern Oregon's old diggings, some of which date to the first gold rush of 1862, because frontier-era extraction processes were primitive, Ferns said.

Dan Avery, a U.S. Forest Service geologist in Baker, believes major mining companies are becoming more interested in non-precious metals like copper and nickel. Such investments can cushion against the periodic slumps in the precious metals market, he said.



Photos by **BARBARA REYNOLDS**

MINING SLOWED — A miner is framed by the lighted entrance to the Cracker Creek gold mine near Sumpter. Mining activity in Baker and Grant counties has slowed following four years of vigorous minerals exploration in that area.

silver — valued at close to \$100 million in today's dollars — have been extracted from Cornucopia, according to Department of Geology and Mineral Industries figures.

"And there was considerable production before 1903," Ferns noted.

Despite the huge deposits of precious metals taken from its 31 miles of shafts and tunnels, the Cornucopia Mine went into receivership in 1907 and has

from the first day somebody picked up a nugget. It's a business just like any other business and should be approached that way."

In contrast to the boom-and-bust history of the region's precious metals mines, a lime quarry near Durkee, now operated by Oregon Portland Cement, has been a steady employer in Baker County since 1923.

"Over the years, the value of the

are quietly under way, Ferns said. "There are places out there where we know there are people working, and they'd just as soon not have that publicized," he said.

"It's not uncommon for projects to be explored and turned down, explored and turned down, and 10 years later become a mine. It's a real crapshoot," he added.

A 20-man Brooks Minerals Inc. team exploring a frontier-era maze of tunnels near Sumpter has been withdrawn after rehabilitating 5,000 feet of old shafts and excavating another 3,000 feet.

Mike McLean, superintendent of the operation, said he is encouraged about the quality of the ore. But if and when Brooks Minerals begins production will hinge on mineral prices and the health of the national economy, he said.

"The minerals industry is usually the last to feel the effects of a recession and usually the last to come out of it," he said. "It would take us two years right now to get into production. We need to be forecasting what those (minerals) prices will be in, say, 1985."

Underground exploration of the Dixie Meadows Mine in Grant County also has been halted, and Noranda Mines Ltd. has backed away, at least for the time being, from a proposed project to reclaim gold from 1,400 acres of rock and gravel "tailings" in Baker County's Sumpter Valley, left by gold dredging operations of the 1930s and 1940s, said Ferns.

On the other side of the coin, Silver King Mines Inc. recently announced the acquisition of Texasgulf Corp.'s two-thirds interest in the Iron Dyke Mine near Homestead. The company expects to reopen that mine in mid-1984, said Stuart Havenstrite, executive vice-president of the Salt Lake City-based corporation.

Silver King Mines also acquired the Bay Horse Silver Mine near Huntington on a lease arrangement, and has purchased full interest in the Red Ledge Mine, 20 miles north of the Iron Dyke Mine on the Idaho side of the Snake River near Hells Canyon Dam, Havenstrite said.

Silver King and Texasgulf have been

Typically, the whole market would be down at one time," Avery explained. He noted that the Strawberry Mountains near John Day contain chromite, and there are known cobalt deposits north of Prairie City.

Potentially the richest gold deposits in the state are at the Cornucopia Mine near Halfway, now held by United Nuclear, which has been engaged in reopening and sampling old workings there.

Gold was discovered there about 1880, and the mine was operated under 41 patented claims until it was consolidated under a single company in 1903. Since then, more than 272,000 ounces of gold and 1 million ounces of

produced nothing since 1911. Cornucopia became the focus of a scandal in the 1950s when a stock manipulator named Earl Belle gained control and built a \$5.5 million paper empire by issuing new shares and then swapping them for stock in proposed subsidiaries.

Newspaper accounts reported that Belle fled to Brazil in 1958 with nearly \$1 million, most in unsecured loans from banks that had been eager to lend to the "boy wizard" on the basis of his vast holdings. The mine was sold in bankruptcy court that year for a paltry \$51,000.

"That's kind of a symptom of some of the problems you'll find in the mining industry," Ferns said. "It's happened

gold or silver mined in this area," declared Arthur L. Heward, business manager for Oregon Portland Cement in Durkee.

The company built a new computerized plant south of Durkee in 1979 to manufacture cement clinker and celebrated the production of its first 1 million tons of product last year. Employing 100 workers, the plant has 500,000-ton-per-year capacity, although production has not yet climbed to that level, said Heward.

The Cornucopia Mine "was a significant generator of revenues, but that old cement plant at Durkee grinds out more," said Ferns.



REMNANT OF PAST — A lone horse grazes near some of the 1,400 acres of rock and gravel trailings in Baker

County's Sumpter Valley, left by gold dredging operations in the 1930s and 1940s.