Notes on the property of
the
PERCY LA SALLE MINING AND POWER CO.,
of Aspen, Colorado.

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The Claims of the Percy La Salle Group are shown on the accompanying map. The map is not strictly accurate as to territory covered for the reason that there were some conflicts eliminated in process of patenting of which I have no record.

Aspen is an unusual camp in that $100,000,000.00 was produced from a strip of ground two miles long and a few hundred feet wide. Outside of this strip about three million has been produced.

The longer axis of the strip lies northerly and southerly. The strip is closely allied to two strong faults known as the Silver fault and the Castle Creek fault. Cross faults (easterly and westerly) occur frequently and the strata are much displaced and twisted. Practically all the ore has come from the contact between the blue lime and the white lime.

It is hoped that ore will be found on other horizons, as at Leadville, but so far this hope has been but slightly rewarded.

The chief value of the Percy La Salle Group lies in the
fact that it covers a considerable area within the famous strip, which area has not as yet been explored. In this area the blue lime contact is now believed to be bent into a sharp synclinal fold, which condition was not recognized by the previous operators and hence their prospecting was of no avail. Also it is said that there was a misconception regarding the throw of the cross faults, which misconception was also pertinent in misdirecting the small amount of exploration work already done in this area.

While the unexplored area is not large (about 10 acres) it is plenty big enough to yield several million dollars worth of ore if it is as rich as the other ground in the strip.

The Continental Divide Dev. Co. has asked for a lease on all the ground of the Percy La Salle Mining & Power Co., including this unexplored ground. It is planned to use the Jenny Lind tunnel and to use the compressor plant of the nearby Park Tunnel, also to use the Park Tunnel tramway to handle the ore. The Jenny Lind Tunnel is controlled by D. R. C. Brown. The Park Tunnel is controlled by Leadville men of whom John Cortellini is the active leader.

It is of course obvious that dormant ore will make no dividends for any stockholder, hence the exploitation of this ground is desirable for all concerned.

The only questions at issue are those which concern the amount and division of royalties, and the honesty and responsibility of the prospective lessee.

The customary royalties at Aspen are as follows:
15% on ore having value of $16.00 per ton or less,
20% " " " " $16.00 to $22.00 per ton.  
25% " " " " $22.00 to $28.00 "  
30% " " " " $28.00 to $40.00 "  
40% " " " " $40.00 to $60.00 "  
50% " " " " $60.00 to $100.00 "  
70% " " " " above $100.00 per ton. 

The "value" being net smelter returns, freight and treatment charge 
having been deducted.

The royalties mentioned in the proposed lease are as 
follows:

7½% upon all ore having a value less than $15.00 per ton. 
15% " " " " " " of from $15.00 to $35.00 per ton.  
25% " " " " over the value of $35.00 per ton. 

It is apparent that the proposed royalties are less than 
is customary. In considering the fairness of the royalties the follow- 
ing facts are pertinent.

The ground is so located that a considerable amount of 
dead work must be done before the lessee will know whether the ground 
is rich or barren. The ground is located a long distance from the 
railroad hence the lessee must pay for the use of the Jenny Lind Tun- 
nel and the Park Tunnel tramway or secure other means of access and 
transportation. These conditions bespeak a lower scale of royalties 
than is customary. On the other hand, this patch of ground is easily 
the most attractive piece of ground in the Aspen district today. This 
latter condition calls for high royalties.

D. R. C. Brown holds a controlling interest in both the 
Perce La Salle Mining Co. and the Jenny Lind Tunnel. He is also the 
leading mining man of Aspen and is actively engaged in several mining 
and leasing enterprises.
Assuming that there are no apex questions involved which might necessitate paying royalties to two owners, the royalties appear to me to be too low.

A noticeable feature of the proposed lease is the omission of the customary clause prohibiting the transfer of the lease to others than the lessee named. This fact naturally suggests that the Continental Divide Dev. Co. is acting simply as a broker in the matter.

**CONDITION OF PROPERTY.**

The Percy La Salle Group was first worked through an inclined shaft sunk on the east side of the ridge known as Aspen Mountain. This shaft was known as the Percy incline. It was abandoned several years ago and the mouth was filled up. It is said to be caved in as well.

Then the Newman Tunnel was driven from the valley of Castle Creek on the west side of Aspen Ridge. The tunnel is nearly two miles long and 1000 feet beneath the main ore horizon. A raise was built from the tunnel to the center of the main ore body.

A splendidly equipped power house was built at the portal of the tunnel. A flume and dam were built to utilize the water power of Castle Creek. Ore houses were built and other shops and equipment provided for the economical handling of ore. Expensive houses were built for staff and employees. A branch railroad was built to the main line in Aspen. Every comfort and convenience was provided.
The tunnel was driven in soft granite which caves more or less and this condition has worked against the continuing use of the Newman tunnel.

In 1918 the Home Leasing Co. worked the Percy La Salle ground and they are said to have spent $50,000.00 in repairing the tunnel and raise. The tunnel is closed at the present time by a cave, but it probably is only a small one. The rails had evidently been removed from the tunnel, also the air pipe. There/practically no pipe on the premises at the present time and only a few rails.
The flume is rotted away and useless. The ore houses and tunnel house are in bad shape. The larger dwelling is in fair shape. A few plumbing fixtures and light fixtures are gone and the foundation is cracked. The smaller house is stripped of light fixtures and plumbing fixtures. The other buildings need repairing and painting but are not in bad shape.

In the power house the following machinery is left:
The bearings and drive shaft of a duplex air compressor,-
cylinders were gone.

1 water wheel
1 large lathe
1 Norwalk straight line compressor
1 air receiver
1 small Mason dynamo
1 Pelton wheel and dynamo
1 large emery wheel
1 power hack saw
1 belt lacing machine
1 switch board
1 band saw for wood, and a few small tools.

In 1926 a lessee named "Bill" Brown drove a drift from the upper Durant tunnel to the head of the Newman raise. Mr. Brown says he did this for the purpose of ventilation. In any event there is every evidence that he did not ship any great amount of ore and several men of good reputation tell me that the big Newman stope is completely caved in so that it is impossible to explore the old workings through the Bill Brown drift.

**SUMMARY.**

It seems to me that a minority stockholder is thoroughly entitled to know why the proposed lease provides for such low royalties and is also entitled to know why the usual transfer clause was omitted and also is entitled to know something of the business integrity, financial ability and collateral interests of the lessee.

These matters having been first satisfactorily explained or modified I see no reason for not proceeding with the lease.