

Up and Down the Street

Patience, Timing, Circumstances Big Payoff in Escalante Silver

By Robert H. Woody
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ENTERPRISE, Washington County — If ever there was a lesson in patience, persistence, timing and circumstance, it lies in the Escalante silver mine near here.



Mr. Woody

The prospect had been identified 84 years ago.

But it wasn't until last year, that real mining was begun by Ranchers Exploration & Development Corp.

By late 1981 or early 1982, the mine will be in full production with completion of a 500-ton-a-day mill.

The vein type deposits had been drilled and worked sporadically until the beginning 1930s.

But nothing much had happened. Among the reasons: Lack of capital during the depression, and later a lackluster silver market where prices were contained by the buying and selling practices of federal monetary authorities.

S.L. Mining Engineer

For 20 years, the torch bearer for the mine has been Salt Lake City mining engineer Samuel Arentz. In 1958, he acquired the property from the Enterprise Ward of the Church of Jesus Christ of Latter-day Saints who had held it as a bequest from the late insurance man-church leader Heber J. Grant.

It was a fluke that Mr. Arentz got the property. His interest — but not his conviction — was triggered by a prospector who said there was attractive ore below the water table.

Mr. Arentz drilled one hole. Sure enough, the ore looked good — real good.

Some Big Names

In association with others, or with mining companies who leased the property, Mr. Arentz put down several more holes which confirmed attractive silver ore in veins that slice through the volcanic tuffs.

Over the years, there were some big

names dipping their toes into the Escalante prospect: Placer Development Co., Phillips Division of Englehard Minerals; Englehard and Anglo-American; Midwest Oil Co., the Amoco Production Co. subsidiary, and Asarco Inc.

In the process, they did more drilling. They designed mills for the site. But sooner or later, for a variety of reasons, they all backed out.

This writer was with Mr. Arentz on the site in 1969 when Englehard/Anglo-American threw in the towel. It amounted to a handshake between Mr.

Arentz and the Englehard/Anglo-American representative. No hard feelings — Nice knowing you — Good fortune. And so on. Mr. Arentz got in his Cessna and flew home.

In 1975, the Albuquerque-based Ranchers leased the property.

In its recent annual report, Ranchers described what happened:

Drill Three Holes

Ranchers had drilled three holes in 1970, but went no further because the \$1.75 an ounce price of silver wouldn't

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—Tribune Staff Photo by [unclear]

There's a "silver lining" in those thunder clouds over the Escalante mine in southeastern Utah. The foreground is truck entry to the ore

zone. "Headframe" on hill is where mining engineer Samuel Arentz put down first drill hole. It has since become ventilation and exit shaft.

Patience, Timing Paying Off

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make an economic operation.

But by 1975 it was back as lessee. "The outlook for silver was changing . . . Perhaps, it was the Arab boycott of 1973-74 or perhaps the fact the U.S. economy began to show signs of persistent inflation.

"In any event, the price of silver began to rise, reaching the \$8 an ounce level in mid-1979 when the company decided to start a mining program.

Prices have since moved even higher, triggering full scale mine development. Economics has thus done — or is about to do — what Heber Holt's efforts (He had filed the first claim in 1896) were unable to do — bring the 20-million-year-old Escalante property into full production . . .

If the genesis of the property was 20 million years past in Tertiary times "when hot mineral-bearing fluids and gases began migrating into fractures in existing volcanic rocks . . ." \$25 million — or more than a dollar for every year of the prospect's existence — is what Ranchers is putting into the development of the mine and mill.

Ranchers already is mining the vein.

Trucks drive to and from the vein down a half mile long incline 30-feet wide and 18-feet high, a literal "Holland Tunnel" pitched at about a 14 percent grade, about like one of the Avenues in Salt Lake City.

The technique of taking the ore is the so-called vertical retreat method of mining. That is, ten-foot sections of the vein's root are blasted downward as rubble into a tunnel or the length of the vein.

The method is considered to be extremely safe and productive.

The mine will be one of the largest primary silver producers in the country, turning 1.5 million ounces of silver yearly, about \$30 million at today's prices.

Ranchers estimates its present recoverable reserves at 1.64 million tons of ore with more than 10 ounces of silver a ton.

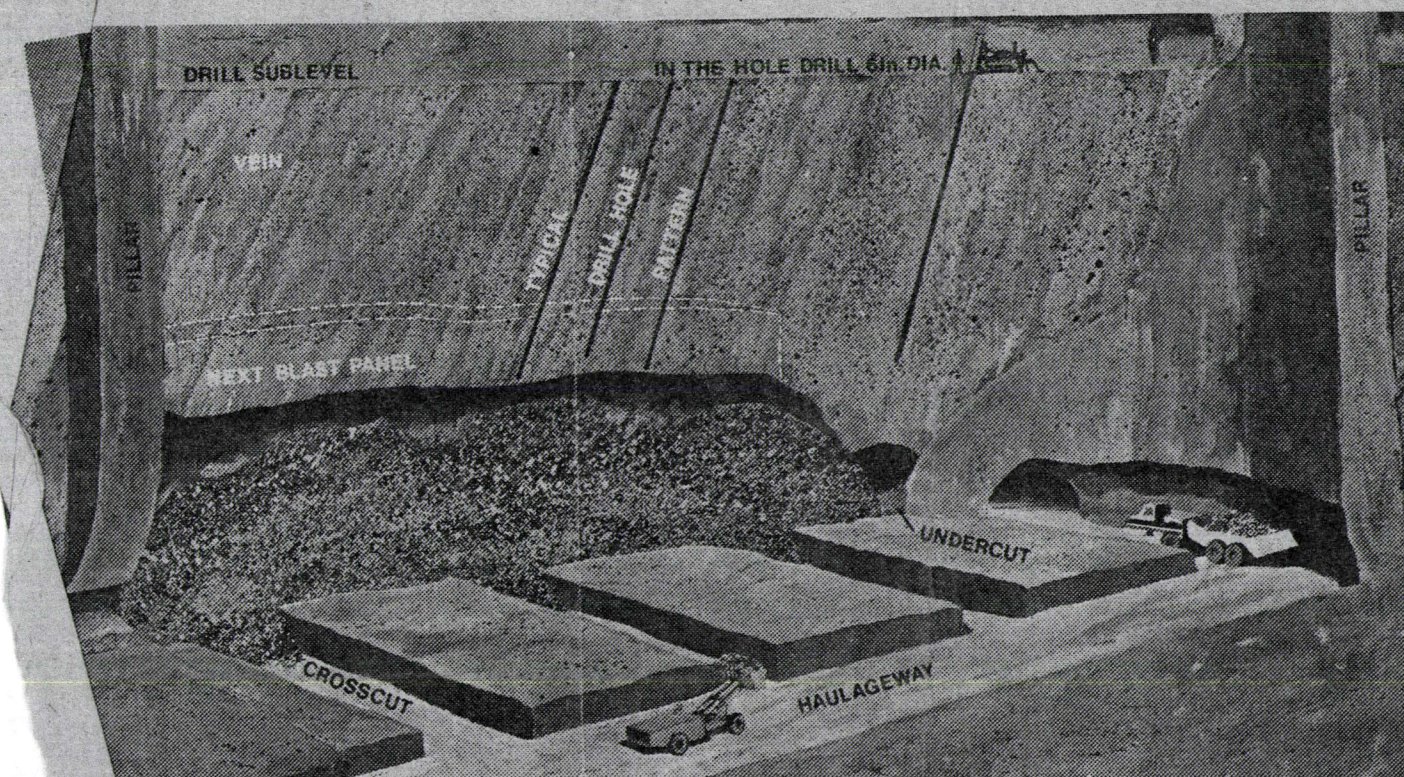
The extraordinary surge in silver prices, which began last year and reached \$40 an ounce levels in February, has had major fall-out in Utah.

It has electrified the old Tintic District near Eureka. Four major companies are either working or prospecting in the district.

It obviously enhanced Kennecott's position at the Bingham copper pit where silver is an important byproduct of mining.

It has created an even brighter economic picture for Noranda Mines which took over the position abandoned by Anaconda and Asarco Inc. as operators of United Park City Mines Co., Park City.

It certainly has vindicated the patience and timing of Mr. Arentz.



A way of the Escalante is blasted down into "drift" truck to be hauled to surface where rubble is loaded into face for processing in mill.