Dream Mine

UTAH'S CENTURY-OLD TREASURE HUNT
by Lee Nelson

SOME OF THE OLD-TIMERS OF SALEM, Utah, claim that in the early 1870s Brigham Young's carriage stopped there at a blacksmith's shop to repair a damaged wheel. As the story goes, while people were chatting with the aging Mormon prophet, he pointed east of Salem and said, "There's enough gold in that mountain to pave the streets from here to Salt Lake City," a distance of approximately seventy-five miles.

Today, in those same mountains there are nine or more mine openings that lead to miles and miles of tunnel drilled through solid rock. Below the shafts on a north-sloping sidehill, a brilliantly white ore processing mill stands like a mysterious Egyptian temple, a living monument—not to Brigham Young, but to the dreams of a poor farmer. The place is commonly known as the Dream Mine—by those more familiar, the Relief Mine. The poor farmer was John H. Koyle.

While the legend of the Dream Mine is either Utah's oldest scam or the state's longest-running treasure hunt (or both), depending on your point of view, there are still individuals and institutions taking the story seriously. Even the Internal Revenue Service (IRS)—the most skeptical of all government agencies—conducted an audit of the Relief Mining Company in 1981. Should the mine ever come in, you can bet the tax collectors will be waiting at the front gate when the first shipment of gold comes down the hill. The IRS isn't the only government agency keeping an eye on the Relief Mine. Several years ago the FBI started snooping around in the stock records as part of their investigation of Utah's Independent Clearing House fraud.

During the late 1970s and early 1980s, two of the prime suspects in the investigation, Kenyon Blackmore and Barry Crowther, bought 37,000 shares of Relief Mine stock at the going rate of $3 per share. The shares were bought directly from the mine—usually a thousand shares at a time, with hundred dollar bills brought to the mine in Barry Crowther's boot. (The indictment issued by the U.S. attorney in Salt Lake City in May 1983 identified the ICH as a ponzi scheme that bilked investors of $15 million during 1980-81. Twelve people were indicted, none of whom have yet come to trial.)

IN ORDER TO UNDERSTAND THE significance of contemporary nightmares at the Dream Mine, one needs to probe legends and oral histories passed down to old-timers, several of whom were interviewed for this article. Ogden Kraut's book, John H. Koyle's Relief Mine, Sam Taylor's book, Rocky Mountain Empire, plus master's theses on the Dream Mine also serve as reference material. From these sources, there are indications that in 1865 a gray-haired stranger showed up in Spanish Fork. He had nothing to say about why he had come to Utah. He was not a Mormon. The stranger rented a room and a horse and rode east and south into the mountains daily. There was never a word about what he was doing.

At the end of the summer, on the eve of his return to the East, the stranger told his story to the family he was staying with. He said he had been a member of an exploration party sent to the Great Basin by Brigham Young in 1845, two years before the arrival of the Mormon pioneers. While checking out the south end of Utah Lake, the exploring party was attacked by Indians. With one of them badly wounded, the whites left the Indians behind and fled into a rugged canyon to the east. They found a cave where they spent the night. The cave was unusual in that its walls were fairly straight, like it had been dug by men. It was about ten feet wide near the opening.

During the night the wounded companion died and was left behind in the Treasure maps—like buried treasure itself—anachronism left over from the 19th century in central Utah are still taking both men in central Utah are still taking both not a few stockholders in Utah's Relief Mine the possibility that mining operations stopped just forty feet short of where a poor farmer named John H. Koyle (illustration) dreamed the gold is still waiting.
Treasure maps—like buried treasure itself—are an anachronism left over from the 19th century. But several old men in central Utah are still taking both very seriously. And not a few stockholders in Utah's Relief Mine still talk about the possibility that mining operations stopped just forty feet short of where a poor farmer named John H. Koyle (illustration) dreamed the gold is still waiting.
Koyle said he was shown in detail a series of nine huge caverns where the ancient Nephites had stored much of their gold, and how his tunnels would eventually intersect these chambers. He said the angel urged him to ask questions, and he was shown formations he would encounter while digging his tunnels.

Koyle said the angel told him the purpose of the work was economic—to save people during a time of national financial collapse. A seven-year drought and famine would cover the land, Koyle said the angel told him—the depression would be signaled by the closing of Utah’s great copper mine and steel mill.

Koyle said he argued with the angel about the impossibility of the task but was told he would be shown a sign to convince him of his calling. The angel described a well Koyle’s neighbors had been digging for some time, without success, saying that at noon the next day water would gush from the hole.

The next morning, Koyle told his wife what had happened, and as he left for the fields, reminded her to keep an eye on the neighbor’s well. When Koyle returned that night, she was waiting at the gate with news that the well had filled with water at exactly noon.

On September 3, 1894, Koyle went to the mountain to discover where he should begin to dig. He was accompanied by neighbor Joseph Brockbank, who was skeptical of Koyle’s angel story. As Koyle told it, they had been climbing for about an hour when Koyle stopped and asked Brockbank to describe what he saw up ahead. Brockbank described a spot of ground bathed in a bright light. They climbed to the spot, Koyle recorded and Brockbank stuck his pick into the black surface rocks. Koyle said he told his companion, “If we don’t find a cream-colored formation within three feet of the surface there is nothing to my dream.” Brockbank began digging and struck a cream-colored formation at eighteen inches.

Koyle returned home to think over what was happening to him. For a number of days he did nothing but think and ponder. Then, he later related, one day all of his chickens died, and then his children took sick. His wife urged him to go to the mountain and begin digging.

On September 17, 1894, Koyle and five friends returned to the mountain and began work on the Relief Mine. Soon afterward, the Koyle Mining Company was formed and stock issued. Shares were sold to believing Mormons who paid $1.50 a share for a piece of John Koyle’s dream. From far and near, young men came to work in the mine, receiving stock instead of money for their labors.

There was considerable skepticism about Koyle’s venture, particularly among LDS general authorities, who tried to dissuade Mormons from investing hard-
earned cash. They advised that mining investments should be based on scientific assays, not dreams and visions. Koyle's mine at the time had no favorable assays.

James Talmage, a geologist by trade, visited the mine and reported that he found no formations or samples that showed any promise of gold. Mark E. Peterson published articles that discredited the mine. Both were prominent Mormons.

Church leaders were alarmed at how Koyle's mix of gold fever and religion was affecting some Mormons. An Idahoan sold his farm to buy stock, then left his family to work in the mine. Stock sales were being consummated in LDS temples. Children were going without shoes, clothing and education so eager parents could buy stock in the Dream Mine. While Koyle assured families that a hundred shares (priced at $1.50 each) were "sufficient to provide" for the needs of a family during the famine, some people sold everything they had and even took out bank loans to buy stock.

While some church leaders, such as Matthew Cowley and J. Golden Kimball (Koyle's former mission president), owned stock in the mine, the church officially discouraged investment in the mine.

Koyle found even more disfavor with the LDS church when he challenged an announcement in the Deseret News in 1910 that the church planned to build a temple in Mexico. Koyle said he dreamed the Mormons were fleeing Mexico. How could a temple be built under those conditions? A short time later Pancho Villa drove the Mormons from Mexico. The temple was not built, and some church leaders felt threatened by Koyle. He was released as bishop of the Leland ward, though when the release was first presented to ward members, they voted against it. In his old age he was excommunicated for insubordination.

The conflicts with the church did not stop the work. Mile after mile of tunnel was chiseled by hand through solid rock. When funds got low, something positive would occur at the mine to spur increased stock sales—as when water was discovered at the 2,200-foot point in the main tunnel (No.2 on map).

When this tunnel was begun, Koyle insisted a trench be dug on the right side, so when water was found it could run out without making a mess and slowing down the work. By the time the tunnel had gone 2,100 feet into the mountain, the men became weary of digging a dry ditch. Not a single drop of water had been found in the solid rock mountain.

Two of the foremen confronted Koyle, insisting on a halt to the ditch digging. Unable to convince them to continue, Koyle took them to the end of the tunnel, along with his nephew, John Koyle III. (Still living, John Koyle III described this incident to Utah Holiday.) At the end of the tunnel, Koyle asked his nephew to
pound a wooden peg into the wall. "You will uncover a stream of water one hundred feet beyond this peg. If not, you can stop digging the ditch."

Several weeks later, the nephew said, he struck water. The man working beside him, Afton Waters of Mapleton, paced off the distance back to the peg. After thirty-three steps he found the peg, saying, "I know now we'll get the gold." It was 1929.

**In 1910, some men found what they believed was the old Nephite shaft near the bottom of Water Canyon. The inside was ten feet across as described by Brigham Young's explorers. Attempts to enter the shaft were reportedly rebuffed by "weird spiritual encounters," rattlesnakes, and an eventual flash flood that covered the entrance with rubble.**

Another cave was found on the south side of Water Canyon. Above the entrance are ancient petroglyphs in red of pack animals carrying heavy burdens. Koyle's men reported finding an old Spanish saddle, a copper bucket, and an Indian grindstone in this cave. The opening has been sealed off by falling rock, but the petroglyphs are still visible.

In his old age, Koyle sometimes expressed regret that the mine had not come in. Sometimes he confided to friends: "I can't understand why we haven't found the gold. I did everything the angel told me to do."

After all these years, very little gold has been taken from the mine. None in commercial quantities, although a local dentist claimed to have filled Koyle's teeth with gold from the mine. A platinum discovery in 1929 ignited a flurry of stock buying, but it turned out to be no more than a small isolated pocket. The only real value to come from mine property is peaches from the mine orchard and gravel from the pit leased by Harry Davis & Sons of Salem. No gold. Not yet.

**A map produced after Koyle's death shows that he nearly finished his work (see map). The end of the No. 2 tunnel, 3,400 feet from the entrance, is shown to be directly above what is purported to be the nine treasure chambers. The vertical shaft, or winze, that goes straight down at the 1,300-foot mark, is purported to be only forty feet from rich backing ore. A little more digging, it appears, could prove once and for all if John Koyle was chasing an illusion or a treasure while spending a lifetime digging tunnels through solid rock. Very little work has been accomplished in recent years. The big headache is water that has filled the bottom of the winze only forty feet from the supposed ore, the vertical shaft at the end of the main tunnel directly above the treasure chambers, and the bottom of the old workings or No. 1 tunnel. Some believe Koyle prophesied that it was time for the mine to be brought in, an earthquake would open the rock enough for the water to drain out. More practically, perhaps, the water could be pumped out, and a little digging could settle this matter once and for all.**

**After Fifty Years** the Koyle Mining Company was dissolved, and in 1962, under the leadership of Quayle Dixon, then an executive with the Del Monte Company canny in Spanish Fork, and with help from his brother, Sheldon Dixon, an insurance and investment salesman, the Relief Mining Company was founded in its place. Quayle Dixon was named president and a board of directors was appointed. For more than twenty years, the officials of the new venture communicated only with their stockholders, were wary of newspaper reporters, and did almost nothing at the mine except keep the company solvent.

The Dixon brothers and most of the directors of the mine are now old men, and while they still fervently believe that the gold John Koyle dreamed about is in the mountain, questions have been raised about whether they have the vigor or the resources to pursue it. Within the past year, an unemployed electrician named John Jordan who for years has rented one of the houses that stand on mine property, but who has no voice or authority in the venture, began lambasting the lethargy of the leadership. In a series of letters he addressed to stockholders, Jordan charged that there were numerous "irregularities" in how the Relief Mine Company is run and urgent stockholders to rally to the cause and bypass the current leadership. Except for a bit of maintenance work on mining equipment, this was the first sign of life at the Dream Mine since the actions of the mine's most notorious stockholders five years ago.

**During the early 1980s, when things started to get hot in the Independent Clearing House investigation, Kenyon Blackmore and Barry Crowther decided to use their 37,000 shares of Relief Mine stock as collateral to finance some "new ventures." Apparently they would have had trouble getting a bank loan with Relief Mine stock as collateral. So they went to the mine, where a handshake with then President Quayle Dixon and a promise to give back all 37,000 shares in case of default got them $88,000 in silver coins stored in sacks in the mine vault. It appears the FBI was trying to find out why Blackmore and Crowther secretly bought 37,000 shares in the Relief Mine, where they got the money to do it, why anyone would loan $88,000 with only Dream Mine stock as security, and what Blackmore and Crowther did with the $88,000.**

One source told *Utah Holiday* that in addition to trying to get control of the mine, Blackmore and Crowther were considering using the $88,000 to purchase...
rare gold coins and Indian pottery, which they intended to stow away in the back of the mine for someone else to find. Such a discovery, speculated the source, would push the price per share of those 37,000 shares of stock from $3 to $100 overnight. The source speculated this was connected with Blackmore's and Crowther's secrecy in their purchases, which were cash-only transactions.

Blackmore was unavailable for comment, awaiting Clearing House prosecution in the Bannock County jail in Pocatello, Idaho. Located in Oklahoma City, Oklahoma, Barry Crowther was reluctant to talk, still awaiting the outcome of criminal charges resulting from the FBI investigation and $8 million in civil suits.

Crowther did admit to dealings in Mexico, related to developing a piece of property for the Clearing House. He denied ever buying gold coins and pottery to salt John Koyle's mine. He said such a scheme could not work because Relief Mine stock is not bought and sold on the open market, only from the mine itself. Without open trading, according to Crowther, it would be impossible to manipulate an upward surge in stock prices.

Crowther insists that he and Blackmore bought the stock because they believed in the Dream Mine, that there really is "a lot of gold" in that mountain.

Crowther says he and Blackmore also believed they were selling legitimate investments when they worked for Independent Clearing House.

Crowther will not say where he and Blackmore got the money to buy the stock, only that it wasn't Clearing House money.

It's all academic now—the $88,000 having disappeared down the dark hole of questionable investments. Former Relief Mine Treasurer Sheldon Dixon insists Crowther and Blackmore, regardless of their involvement with the Clearing House, were honorable in their dealings with the mine. When they couldn't pay back the loan, they gladly turned over the promised collateral, the 37,000 shares of stock, he says. Actually, the mine came out ahead in the deal, Dixon adds, having received $111,000 for the stock in the first place, losing only $88,000 on the loan, and ending up with all the stock.

Blackmore and Crowther are not the only ones in recent years involved in sensational dealings with the Dream Mine. Self-proclaimed prophets and convicted murderers Ron and Dan Lafferty made contact with people at the Relief Mine, offering to help bring in the gold that would help finance the "City of Refuge" which the Laffertys were determined to build near Salem. The Laffertys, during this period, were visiting various polygamous groups in the intermountain region, attempting to use the Relief Mine and accompanying City of Refuge as a rallying point to unite fundamentalists. One polygamist who visited the mine at this time warned resident John Jordan to be wary of the Laffertys because they were teaching "blood atonement"—a warning that proved prophetic.

Another fundamentalist, Bob Crossfield of Santiaguan, told followers he was
the "white-haired man from the north" who Koyle prophesied would save the mine when it was time to be brought in. In an effort to begin a City of Refuge, Crossfield put up $500 earnest money to purchase nearly fifty acres of ground just below the mine from Salem mayor and mine director Harry Davis.

Crossfield met firm resistance at the mine, however, when he told former President Quayle Dixon he would have to "leave the LDS church" if he hoped to maintain his position as president when the mine was brought in.

That was the wrong thing to say, since true believers in both the mine and Mormonism run the mine — where holding church, positions, serving missions, and working in temples is the rule rather than the exception. Crossfield was driven from the hill and lost his earnest money.

Some speculate about what might have happened had Crossfield and other polygamists gotten control of the mine. As one observer pointed out, "Add to the gold fever and religious fervor already there, the sexual implications associated with polygamy...wow, nobody could have kept the lid on that kind of a situation."

BUT KEEPING THE LID ON IS EXACTLY what current mine President Homer Harwood and his directors are trying to do, and they are not finding it easy. In addition to answering questions from the FBI and IRS and maintaining respectable distance from eager polygamists, they've got a stockholder revolt on their hands.

Partly because of the LDS church's opposition to the mine in the early years, and partly because of the ridicule which always seems to accompany public discussion of the mine, a cloak of secrecy has clouded Relief Mine affairs for several years.

In recent months, however, the air has cleared considerably, due in large part to the foot stomping and fist pounding of mine resident John Jordan, who is demanding that those operating the mine begin running it like a business, with accurate, detailed financial reports and a free flow of information to stockholders—something Jordan says has not been happening in recent years.

At the annual stockholder meeting this past May, when stockholders asked for a financial report, new Treasurer Tom Boekweg bore fervent testimony to the "truthfulness" of the mine, then concluded by saying he thought the company was solvent. That was all. Boekweg couldn't say any more, because the records turned over to him when he became treasurer consisted of little more than source documents, including canceled checks and deposit slips. Normal corporate financial records had not been kept, according to former Treasurer Sheldon Dixon. As a result of the fuss, directors have ordered a certified audit covering the last five years. Jordan and company can hardly wait to see how the auditors handle all those cash transactions with Barry Crowther and Ken Blackmore, and the $88,000 loan.

Jordan demanded to see the stockholder records. He wants to know who else owns stock, so he can rally support for his cause. These records have always been secret, not available to anyone other than officers and directors. One director told "Utah Holiday" many of the 9,000 stockholders want to keep their stock ownership status a secret.

He said many stockholders were afraid of getting in trouble with the LDS church, a feeling that has existed among stockholders and officers of the mine ever since John Koyle was excommunicated from the LDS church in the mid-1940s.

Don LeFevre, spokesman for the church in Salt Lake City, laughs when told there are people in Utah worried about getting in trouble with the church over involvement in the Relief Mine.

"The official church handbook is right here on my desk," says LeFevre, "and it lists all the reasons for which church membership may be terminated. I assure you owning stock in the Dream Mine is
not on the list."

He went on to say the church encourages its members to make wise financial decisions, based on sound financial judgment, not on superficial information such as the church status of the investment salesman or somebody’s dreams.

Asked if Utah Holiday could publish the names of their largest stockholders, mine directors quickly declined. They will allow stockholders to look at the records, as required by law, but not reporters.

Jordan is also demanding more business-like management of mine property. What most people don’t realize is that even without any gold coming out of the mountain, Relief Mine stock is not worthless paper. Those who have used their stock to wrap fish or line bird cages should be sorry.

The Relief Mine has over $1 million in assets, including 800 acres of real estate, 2,000 fruit-bearing trees, five homes, a big warehouse, mining equipment, and an income-producing sand and gravel pit.

Lacking a ready supply of gold, Relief Mine shares are worth more than a dollar each. There are plenty of so-called legitimate mining ventures that are a lot more risky than the Relief Mine. Real estate, peaches and gravel may not be as good as gold, but they are better than blue sky, the substance of most mining ventures. Jordan claims that with better management, stockholders might even receive dividends.

Officers and directors are doing their best to keep ahead of Jordan. In addition to ordering a certified financial audit for the last five years, they are opening the books to stockholders and conducting an independent survey of the gravel pit in an attempt to monitor the amount of material taken from the pit by board member Harry Davis. A careful check of the pit operation has so far revealed no wrongdoing on the part of Davis.

On his deathbed in 1949, John Koyle told his nephew that he was worried what would be done with the money, referring to revenues from stock sales that were in the bank. Koyle also said that before the mine could come in, the books had to be in order, and there had to be "harmony" among those involved in the mine.

It's not unlikely that when the dust settles over the present conflict, the books will be in order and the stockholders will be united. Will those who believe in the mine then roll up their sleeves and dig that last forty feet from the bottom of the winze to the spot where Koyle said they would find the rich vein of black sucking ore? Will they prove once and for all if Koyle really knew what he was talking about? If the mine contains even a fraction of the fortune Koyle dreamed about, you can bet the IRS will be waiting at the gate when they start bringing it out. 

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