UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated [✓] Cancelled [ ] Withdrawn [ ] DMEA No. 2427

This is the official contract file of a project closed without certification. It contains all official records of the project arranged in this manner:

Left Side

Certificate of Audit (Final).

Interim Audit(s).

✓ Report of Review.

✓ Closing Letter

Termination Notice or Agreement.

Recision Notice.

Assignment of Contract.

Contract Amendments (latest on top).

✓ Contract with all exhibits and annexes.

Owner's Consent to Lien.

✓ Subordination Agreement.

✓ Leases and assignments of leases.

✓ Application and attachments.

Schedule of Collections.

✓ Operator's monthly reports and all attachments (latest on top).

Right Side

Project summary.

✓ Work completed analysis.

✓ All other material is filed in chronological order with correspondence including the following reports as checked:

✓ Final Field Team Report. (Tab)

✓ Operator's Final Report.

✓ Interim Reports.

✓ On-Site Exam Report(s). (Tab)

Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number ____

Operator's Monthly Reports in folder number ____

R. C. G. - 1-29-57
Reviewer's Initials and Date

10390

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

F. B. Hendricks

Shelby, North Carolina

pertaining to Exploration Project Contract No. Idm-E354, Docket No. DMEA-2427, for the period of July 3, 1952 to August 5, 1952.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer and other members of the Field Team, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of an audit of the Operator's accounts and records for the following reasons:

(a) the administrative cost to the Government of an audit would be excessive in relation to value of the contract or the estimated amount of possible disallowances thereunder; and

(b) the Monthly Reports were supported by documentary proof of the costs incurred under the contract.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by Contractor		$ 2,281.79
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$ 2,281.79

The contract calls for a 90 per cent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Two thousand fifty three Dollars and 61/100

— $ 2,053.61 —

is considered valid and proper.

November 13, 1952

Jay L. Chandler
Auditor

FILE COPY
SURNAME:

Robertson
Houk
Hoffland
Chambers
Hedges
Fergusson
Selfridge

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

FEB 18 1953

Mr. F. B. Hendricks
P. O. Box 635
Shelby, North Carolina

Subject: Docket No. [illegible]-2427 - Hilea
Hubert Cook Mine No. 1
Cleveland County, North Carolina
Contract No. [illegible]-8354

Dear Mr. Hendricks:

This is with reference to the subject exploration project contract between you and the Government.

J.C. 2/19/53

The final audit of the contract expenditures and the final reports of the Operator and the Field Team have been received and accepted by this Administration. Of the total amount of $3,500.00 approved under the contract, the amount of $2,281.79 was expended and the Government's share of 90%, or $2,053.61, was disbursed. There were no unused materials, supplies or equipment to be disposed of for the joint account of the Operator and the Government.

Although the results of the exploration project were unfavorable, the work was completed in a satisfactory manner. Under the circumstances, it is not our intention to make any certification of discovery or development which will create a lien against the project property, and we are, therefore, closing our books and records with respect to this project. Your attention is called, however, to Article 7 (d) of the Contract which requires the Operator to "keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract".

Your interest in the Exploration Program of the Defense Minerals Exploration Administration is appreciated.

Sincerely yours,

C. O. Mittendorf (fw)
Administrator

J'Robertson:gmd 2/12/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Selfridge
Mr. Johnson
Mr. Hoffland
Mr. Chambers
Field Team, Region VII
Mr. Houk

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DE 2427

COMMODITY Mica

Idm-E354

Government's Copy

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 25th day of ~~May~~ June FBH, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2]

F. B. Hendricks (an individual)
P. O. Box 835
Shelby, North Carolina

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of North Carolina, County of Cleveland, described as follows:[3] A rectangular parcel of land, 100 feet by 300 feet, known as the Hubert Cook Mine No. 1, being part of a larger tract held by the Operator under a lease agreement between Hubert T. Cook and Ethel Cook his wife as lessor and the Operator as lessee, dated October 15, 1951. Tract is described by metes and bounds in Annex I attached.

the Operator represents and undertakes:[4]

(a) [redacted]

(b) That the Operator is a lessee, in possession and entitled to possession, and the Landlord's Subordination Agreement and a photostatic copy of the Agreement dated March 3, 1952, between Hubert T. Cook and Ethel Cook, and A. P. Mead and Carrie Mead are attached and made a part hereof.

[redacted]

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within (60) days from the date of this contract shall commence work on a project of exploration for[5] Mica

in or upon the described land; and shall bring the project to completion within a period of four (4) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(b) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(c) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(a) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) The Government's payment in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 90 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $3,150.00, which is 90 percent of $3,500.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. O. Mittendorf
Acting Administrator, Defense Minerals Exploration Administration

F. B. Hendricks
(Operator)

By F. B. Hendricks

I, _____, certify that I am the _____ secretary of the corporation named as Operator herein; that _____, who signed this contract on behalf of the Operator, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

ANNEX I

The larger tract of land referred to in Article 2 is located in Number Ten Township, Cleveland County, North Carolina, and is more fully described by metes and bounds as follows:

Lying on the East side of a branch and just North of Brackett land. BEGINNING at a stake in center of branch, Brackett's North line; runs thence with said Brackett line the following metes and courses: South 77 East 16 poles to a stake; North 84 East 19-3/4 poles to a stake; South 85 East 6 poles to a stake; South 69 East 6 poles to a stake in corner; South 28-1/2 East 4 poles to a stake in corner; thence North 88 East 67 poles to a stone and corner in James Randall's West line; thence North 15 West 42 poles to a stake; thence North 58 East 16 poles to a stone and pine, corner in South line of Mead land; thence North with Mead's South line; thence with Mead's South line, North 70-1/2 West 86 poles to a stake in corner; thence North 89 West 38 poles to a stake in center of branch in South line of Cook's land; thence with center and meanders of the branch in the Southern direction 78 poles to a stake in center of branch in Brackett's North line; thence to the point of BEGINNING, containing 50-1/4 acres, the same being the property conveyed by A. P. Mead and wife, R. A. Mead, to Hubert T. Cook and wife, Ethel Cook, by deed dated March 1, 1945, and recorded in Book 5-J, page 576 in the Register's Office for Cleveland County, North Carolina, reference being hereby made to said deed and the record thereof for further identification and description of the said property.

The mine location is shown in the accompanying map entitled "DMEA-2427, Plat of Land Leased by Hubert T. Cook and wife to F. B. Hendricks under date 10-15-51."

EXPLORATION PROJECT CONTRACT
F. B. HENDRICKS
HUBERT COOK MINE No. 1
DOCKET NO. DMEA-2427

EXHIBIT "A"

Description of the Work

The work will consist of trenching a pegmatite dike which was partly worked for strategic mica.

Using rented power equipment, the overburden, reported to be 10 to 40 feet deep, will be stripped from an area approximately 200 feet long by 12 feet wide. An estimated 2,500 cu. yds. of material will be removed.

Estimated Costs of the Project
(Items followed by an asterisk are allowable maximums)

(1) Independent Contracts

None

(2) Labor and Supervision

1 - Shovel operator, 200 hrs. @ $1.37½/hr.	$ 275.00	
1 - Shovel oiler, 200 hrs. @ $1.10/hr.	220.00	
1 - Bulldozer operator, 100 hrs. @ $1.37½/hr.	137.50	
1 - Office employee, 40 hrs. @ $1.25/hr.	50.00	
1 - Working foreman, 200 hrs. @ $1.32/hr.	264.00	
1 - Truck driver, 100 hrs. @ $1.10/hr.	110.00	
1 - Laborer, 200 hrs. @ $0.88/hr.	176.00	
Extra labor	21.50	$1,254.00

NOTE: Rates of pay include overtime over 40 hours, based on 50 hours per week.

(3) Operating Material and Supplies

Gasoline, fuel oil, lubricating oil & grease	$ 400.00	
Hand tools and other supplies	75.00	$ 475.00

(4) Operating Equipment

To be rented:

1 - 3/4 yd. power shovel with bucket and clam shell boom, 1 mo. @ $1,076.00/mo.	1,076.00	
1 - D-7 Caterpillar tractor with angle-dozer, 1/2 mo. @ $908.00/mo.	454.00	
1 - 3/4 yd. clam shell bucket, 1 mo. @ $30.00/mo.	30.00	1,560.00*

NOTE: Rental price is for machine alone and does not include operator, fuel, etc.

Furnished by Operator:

1 - 1/2 ton pick-up truck costing $1,300.00, depreciation 1/2 mo. @ $22.00/mo.		11.00*

(5) Rehabilitation and Repairs

None

(6) New Buildings, Improvements, Installations

None

(7) Miscellaneous

Payroll insurance and taxes	100.00	
Contingencies	100.00	200.00
Total estimated cost of project		$3,500.00*
Government participation @ 90%		$3,150.00*

MF-202

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 17 1952

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of CLEVELAND, State of NORTH CAROLINA, described in a certain Exploration Project Contract dated ~~May~~ June 25, 1952, between F. B. HENDRICKS, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated OCTOBER 15, 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 14th day of March, 1952

Herbert Cook
Ethel Cook

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1

Omea 2427-28.

1

NORTH CAROLINA
Cleveland County

THIS AGREEMENT, made and entered into this the 3rd day of March, 1952, by and between Hubert T. Cook and wife, Ethel Cook, parties of the first part; and A. P. Meade and wife, Carrie Meade, parties of the second part, all of Cleveland County, North Carolina;

W I T N E S S E T H:

WHEREAS, Hubert T. Cook and wife, Ethel Cook, are the owners of a certain tract of land in Number Ten Township, Cleveland County, North Carolina, and have given a deed of trust thereon to A. P. Meade, as shown in Book 300, page 102, in the Register's Office of Cleveland County, North Carolina, there being due and outstanding the sum of One Thousand ($1,000.00) Dollars as secured by the said deed of trust.

AND WHEREAS, Hubert T. Cook and wife, Ethel Cook, now desire to lease certain mineral rights and privileges connected with the property in question to F. B. Hendricks and have executed an agreement for that purpose;

AND WHEREAS, A. P. Meade and wife, Carrie Meade, are unwilling to permit any mining interest to be carried on or any minerals to be removed therefrom unless they participate in the net income therefrom, and the parties hereto have agreed that if such mining activities are carried out and the property is leased to F. B. Hendricks and subleased by him to the United States Government or other parties, that A. P. Meade and wife, Carrie Meade, will subordinate the lien of their deed of trust to the lease in question provided they are to receive one-third of the net income from such operations;

NOW, THEREFORE, in order to set forth this agreement the parties hereto agree as follows:

That A. P. Meade and wife, Carrie Meade, hereby subordinate their deed of trust to a lease given or to be given to F. B. Hendricks and/or the United States Government for the mining of certain minerals from the property as fully described in the deed

of trust recorded in Book 300, page 102, and the description being as follows:

> Lying on the East side of branch, and just North of the Brackett land: BEGINNING at a stake in center of branch, Brackett's North line; and runs thence with said Brackett line the following metes and courses: South 77 East 16 poles to a stake; North 84 East 19 3/4 poles to a stake; South 85 East 6 poles to a stake; South 69 East 6 poles to stake in corner; South 28½ East 4 poles to a stake in corner; thence North 88 East 67 poles to stone, corner in James Randall's West line; thence North 15 West 42 poles to stake; thence North 58 East 16 poles to a stone and pine; corner in South line of Mead land; thence North with Mead's South line; North 70½ West 86 poles to a stake in corner; thence North 89 West 38 poles to stake in center of branch in South line of Cook's land; thence with center and meanders of the branch in the Southern direction 78 poles to a stake in center of branch in Brackett's North line, the place of BEGINNING, containing 50¼ acres, more or less.

It is understood that from the net income to be paid for the said lease that A. P. Meade and wife, Carrie Meade, shall receive one-third of such income and Hubert T. Cook and wife, Ethel Cook, shall receive two-thirds of such income. It is understood that at such time that the payments made to A. P. Meade and wife, Carrie Meade, shall equal the sum of One Thousand ($1000.00) Dollars plus interest as due on the original obligation that the said deed of trust shall be thereby liquidated and no further payments shall be made under this agreement and the deed of trust shall be surrendered for cancellation, and this agreement shall be void. It being further understood, however, that no obligations are assumed by the parties hereto in such operations and this agreement is made solely for the purpose of permitting the operations by F. B. Hendrick and others, with specifications of the income therefrom, which payment shall be made directly to the parties herein in proportion to the amounts as above set forth.

IN WITNESS WHEREOF, the parties hereunto have set their hands and seals the day and year first above written.

Hubert Cook (SEAL)

Ethel Cook (SEAL)

Parties of the first part

A P Meade (SEAL)

Carrie Meade (SEAL)

Parties of the second part.

NORTH CAROLINA
Lincoln County

I, J C Goodson, a Notary Public for said County and State, do hereby certify that Hubert T. Cook and wife, Ethel Cook, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal this 14 day of March, 1952.

J C Goodson
Notary Public

My commission expires:
2/12/53

NORTH CAROLINA
~~Cleveland~~ Gaston County

I, Bill Mauney, a Notary Public for said County and State, do hereby certify that A. P. Meade and wife, Carrie Meade, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal this 15th day of March, 1952.

Bill Mauney
Notary Public

My commission expires:
Jan. 3, 1953

MF-200
(June 1951)
(Revised Feb. 1952)

DRAFT

DOCKET No. M[illegible]A 2427

COMMODITY Mica

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] F. B. Hendricks, P. O. Box 835
Shelby, North Carolina
(an individual)

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of North Carolina, County of Cleveland, described as follows: [3]
A rectangular parcel of land, 100 feet by 300 feet, known as the Hubert Cook Mine No. 1, being part of a larger tract held by the Operator under a lease agreement dated October 15, 1951, Tract is described by metes and bounds in Annex I attached. The mine location is shown in accompanying map.

the Operator represents and undertakes: [4]

~~(a) That the Operator is the owner in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances, to each of which the subordination agreement of the holder is attached:~~

Landlord's Subordination Agreement

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the ~~Owner's Consent Letter~~ is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within eighty (80) days from the date of this contract shall commence work on a project of exploration for [5] Mica

in or upon the described land; and shall bring the project to completion within a period of four (4) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related initial allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[1] [illegible]ient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] [illegible]ess, and nature of organization if any.
[3] [illegible]enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to [illegible]ot to be subject to the Government's percentage royalty.

(*b*) The Government's payment in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay ninety (90) percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $3,150.00, which is ninety (90) percent of $3,500.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* _____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

F. B. Hendricks
(Operator)

By _____

By _____

I, _____, certify that I am the _____ secretary of the corporation named as Operator herein; that _____, who signed this contract on behalf of the Operator, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

ANNEX I

Said land being located in Number Ten Township, Cleveland County, North Carolina, and being more fully described by metes and bounds as follows:

Lying on the East side of a branch and just North of the Brackett land.

BEGINNING at a stake in center of branch, Brackett's North line; runs thence with said Brackett line the following metes and courses: South 77 East 16 poles to a stake; North 84 East 19 3/4 poles to a stake; South 85 East 6 poles to a stake; South 69 East 6 poles to a stake in corner; South 28½ East 4 poles to a stake in corner; thence North 88 East 67 poles to a stone and corner in James Randall's West line; thence North 15 West 42 poles to a stake; thence North 58 East 16 poles to a stone andpine, corner in South line of Mead land; thence North with Mead's South line; thence with Mead's South line, North 70½ West 86 poles to a stake in corner; thence North 89 West 38 poles to a stake in center of branch in South line of Cook's land; thence with center and meanders of the branch in the Southern direction 78 poles to a stake in center of branch in Brackett's North line; thence to the point of BEGINNING, containing 50¼ acres, the same being the property conveyed by A. P. Mead and wife, R. A. Mead, to Hubert T. Cook and wife, Ethel Cook, by deed dated March 1, 1945, and recorded in Book 5-J, page 576 in the Register's Office for Cleveland County, North Carolina, reference being hereby made to said deed and the record thereof for further identification and description of the said property.

Docket No. DMEA-2427 - Mica
Hubert Cook No. 1, Mine
Cleveland County, North Carolina

Exhibit A

Description of the Work

The work will consist of trenching ~~to~~ a pegmatite dike which was partly worked for strategic mica.

Using rented power equipment, the overburden, reported to be 10 to 40 feet deep, will be stripped from an area approximately 200 feet long by 12 feet wide. An estimated ~~[illegible]~~ 2500 cu. yds. of material will be removed.

~~The operation will require about 200 actual hours - or about 30 days from date of commencement to date of completion.~~

Docket No. DMEA-2427 - Mica
Hubert Cook No. 1 Mine
Cleveland County, North Carolina

EXHIBIT "A"

Estimated Costs of the Project
(Items followed by an asterisk are allowable maximums).

1. Independent Contracts
None

2. Labor and Supervision

1 - Shovel operator	200 hrs.	@ $1.37½/hr.	$275.00	
1 - Shovel oiler	200 hrs.	@ 1.10/hr.	220.00	
1 - Bulldozer operator	100 hrs.	@ 1.37½/hr.	137.50	
1 - Office employee	40 hrs.	@ 1.25/hr.	50.00	
1 - Working foreman	200 hrs.	@ 1.32/hr.	264.00	
1 - Truck driver	100 hrs.	@ 1.10/hr	110.00	
1 - Laborers	200 hrs.	@ 0.88/hr.	176.00	
Extra labor			21.50	$ 1,254

(Rates of pay include overtime over 40 hours, based on 50 hours per week).

3. Operating Material and Supplies

Gasoline, fuel oil, lubricating oil & grease	$400.00	
Hand tools and other supplies	75.00	$ 475

4. Operating Equipment

To be rented:

1 - 3/4 yd. power shovel with bucket and clam shell boom, 1 mo. @ $1076/mo.	$1,076.00	
1 - D-7 Caterpillar tractor with angle-dozer 1/2 mo. @ $908/mo.	454.00	
1 - 3/4 yd. clamshell bucket 1 mo. @ $30/mo.	30.00	$1,560.00

(Rental price is for machine alone and does not include operator, fuel, etc.).

Furnished by Operator:

1 - 1/2 ton pick-up truck costing $1300 Depreciation 1/2 mo. @ $22/mo.	11.00 *	$1,571

5. Rehabilitation and Repairs
None

6. New Buildings, Improvements, Installations
None

7. Miscellaneous

Payroll insurance and taxes	$ 100.00	
Contingencies	100.00	$ 200

TOTAL ESTIMATED COSTS - $ 3,500*

Participation by the Government @ 90% - - - - - - - - - - - $ 3,150*

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

Not To Be Filled in by Applicant

Docket No. DMEA-2427
Metal or Mineral
Date Received 3-17-52
Amount $
Participation (Government %)

Name and address of applicant

F. B. Hendricks
P. O. Box 835
Shelby, N. C.

Date March 3, 1952

If you have already filed MF-100, give date filed ....., type of assistance requested .....,

DMA Docket Number (if available) .....

Hubert Cook Mine No. 1

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

MAR 1 . 1952

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

F B Hendricks

F. B. HENDRICKS OWNER
(Name of company)

By F B Hendricks
(Signature of authorized official)

MARCH 3, 1952
(Date)

OWNER
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

F. B. Hendricks
P. O. Box 835
Shelby, N. C.

March 3, 1952

1. (a) Hubert Cook Mines Numbers 1 and 2 as shown on the accompanying map are on the same tract of farm land. The old workings designated as Mine No. 1 has been worked most. This has a shaft which is said to have been sunk to a depth of 40 feet. Other nearby test holes which appear to be on the same vein show evidence of mica bearing vein material. The shaft mentioned above having been filled by cave-ins to a depth of 16 feet does not permit an examination of the vein.

   (b) Copy of lease enclosed.

   (c) The area to be explored is described as follows: 100' X 300' as shown on map.

2. (a) Strategic Ruby Mica.

   (b) Weathered pegmatite extending through weather country rock.
   No. engineering report, or assay maps available.

   Waste dump from old workings indicates that ruby mica of good quality was taken from this mine.

F. B. Hendricks
Pl O. Box 835
Shelby, N. C.

3. (a) The proposed work consists of surface stripping with bulldozer a cut 12' X 10' X 200' long, sinking three shafts on each side of the old workings 6' X 8' X 10' deep to determine the quality of mica content of the vein. The shafts to be excavated with a 3/4 yd. power shovel clamshell front and equipment.
Total excavation: 1188 cu. yds.
Total cost of project: $2208.51

(b) Time required to start project: 10 weeks and 4 additional weeks to complete it.

4. See Map Enclosed.

5. None

6. None

7. (a) 1 3/4 yd. Clamshell Bucket
Rental 4 weeks @ $7.50 $ 30.00

(b) None

(c) 1 3/4 yd. Power Shovel with Clamshell boom and bucket. Cost $18,215.00
Depreciation 1 month 303.58
1 D-7 Caterpillar Tractor with angle-dozer. Cost $16,349.00
Depreciation 1/2 month 136.24
1 3/4 ton Pickup Truck. Cost $1850.00
Depreciation 1/2 month 15.41

$ 485.23

The equipment listed under (c) above will be bought by me provided I can get priorities for shovel and tractor.

8. Labor:

1	Shovel Operator	200 hrs. @ 1.37½	$ 275.00
1	Shovel Oiler	200 hrs. @ 1.10	220.00
1	Bulldozer Operator	100 hrs. @ 1.37½	137.50
1	Office employee	40 hrs. @ 1.25	50.00
1	Truck Driver	100 hrs. @ 1.10	110.00
1	Foreman	200 hrs. @ 1.32	264.00
1	Laborer	200 hrs. @ .88	176.00
	Total Labor		$ 1232.50

Note: Rates of pay include overtime over 40 hours, based on 50 hours per week.

F. B. Hendricks
P. O. Box 835
Shelby, N. C.

Form MF-103
Page 3
March 3, 1952

8. Continued:

Unemployment compensation	
2.7% of $1232.50	$ 33.28
F.I.C.A.	
1½% of $1232.50	18.49
Workmens Compensation Insurance	
Mining $ 1182.50 @ 3.85	45.53
Office Employe $50.00 @ .06	.03
	$ 97.33

9.

1500 gals. Fuel Oil @ 12.8¢	192.00
100 gals. Lub Oil @ 17¢	75.00
500 gals. Gasoline @ 24.3¢	121.50
35 lbs. Grease	4.95
	$ 393.45

F. B. Hendricks
P. O. Box 835
Shelby, N. C.

10. (a) $300.00

    (b) yes

11. None

Form MF-100
(May 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA FOR USE UNDER THE DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. DMEA-2427

Date received 3-17-52

F. B. Hendricks
P. O. Box 835
Shelby, N. C.

Name and address of applicant

Date February 29, 1952

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (5) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:

   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation		Life Insurance Carried for Benefit of Applicant	
				Common (e)	Preferred (f)	Amount (g)	Net Cash Surrender Value After Loans (h)
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$	$	$		
Preferred stock	$	$	$		

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)					
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(*a*) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

F. E. Hendricks
P. O. Box 835
Shelby, N. C.

Form MF-100
Page 1
February 29, 1952

1. Materials produced:
   (a) Strategic Ruby Mica
   (b) Scrap Mica

2. Hubert Cook, Mine No. 1
   (a) 40 ft. shaft
   (b) None
   (c) None
   (d) Open cut leading out from shaft 30 ft. long 10 ft. deep. Mine is not flooded.

3. (a) Nearest town: Shelby, N. C. 21 miles
   (b) None
   (c) No. 10 Township
   (d) Cleveland, North Carolina

4. (a) Property is not in operation
   (b) Lessee

5. Number of years in production: Cannot answer.
   Estimated date production will begin: September 15, 1952

6. Experience of Operators:
   (a) Applicant had 25 years experience as road grading contractor as member of firm of Hendricks and Kennedy. From December 1942 to 1946 was engaged in sheet mica mining. Our main operation was in Gaston County and was known as the Dess Mine. This was one of the largest producing mines in this region and lead the southeastern district in monthly production for two months. From 1946 to December 31, 1950, I, as an individual was engaged in mining and processing scrap mica. At the beginning of 1951 I transferred my mine and Plant to the Kings Mountain Mica Co., Inc. in which I am interested.
   (b) Clarence Cook who will manage the projects has been engaged in sheet mica mining in the part of the county in which the projects are located, a part of the time during the past 35 years. He worked for my firm while we were operating in that area.

COPY

7. History: No. 1 Mine (see map)
   (a) That part of the property to be explored includes the old workings which I have designated as Hubert Cook Mine No. 1. There is a shaft which is said to have been 40 ft. deep. Due to cave-ins of the side walls it is now only 16 ft. deep. It is about 20 ft. in diameter at the top and tapers down to 5 ft. or 6 ft. square at the 16 ft. level.

   No.vein is visible. But the waste dump indicates that a good grade of ruby mica was recovered from this mine.

   I was told by Mr. J. C. Goodson who worked at this mine sixty years ago that large sheet mica was being taken from it. However, Mr. Goodson did not know why the operation was suspended. By others I was told that work was suspended because so much dirt caved in that the job of cleaning it out was too big to be handled by hand.
   (b) This property adjoins that of A. P. Mead and Mrs. Etta Bumgardner on which I have leases which are being sent you herewith. There is a neighboring property to the south which is reported to have some mica bearing veins but I am unable to get definite information about them.
   (c) None Available

8. Not applicable

9. Not applicable

10. Not in production

11. Not applicable

12. (a) Ore or Mineral Reserves: Weathered pegmatite extending thrugh weathered country rock.
    No report available on geology and ore reserves.
    (b) If deposit is other than placer:
    (1) No assay plans or sections available
    (2) Cannot answer

13. Access Roads: Copy corresponding answer on Herbert Cook Mine No. 2.

14. Water Supply: Ample

15. No power available

16. None

COPY

17. None

18. No

COPY

(*b*) If deposit is other than plac

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

F. B. Hendricks, Owner
(Name of company)

By F B Hendricks
(Signature of authorized official)

February 29, 1952
(Date)

Owner
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 47-R103.3.
Approval expires 6-30-53.
Defense Minerals Administration
RECEIVED
AUG 25 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July 1952 Docket No. DMEA _____ Contract No. 2427
Operator's Name F. B. Hendricks Minerals Mica
Address Shelby, N. C. IDM - E 354
Contract Amount, $3500.00 Government Participation: ____% Amount, $2053.61

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent ~~xxxxxx~~ Contracts:						
Drilling	The work done during month					
Bulldozing	consisted of trenching and					
Crosscutting	small amount of Shaft work					
Drifting	insidS of Trench					
	All cost included in following items:					
(2) Labor and Supervision:						
Labor	597.09		597.09	597.09		597.09
Supervision	133.81		133.81	133.81		133.81
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
~~xxx~~ Wrenches	6.10		6.10	6.10		6.10
~~xxxx~~ Oil Filter	4.00		4.00	4.00		4.00
Oils & Greases	57.60		57.60	57.60		57.60
(4) Operating Equipment:						
Rental	1362.88		1362.88	1362.88		1362.88
Purchase						
Depreciation	11.00		11.00	11.00		11.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	26.68		26.68	26.68		26.68
Sampling and Analysis						
Payroll Taxes	30.65		30.65	30.65		30.65
Liability Insurance	34.98		34.98	34.98		34.98
(8) Contingencies (specify): Hauling Clam Shell Bucket to Project	17.00		17.00	17.00		17.00
TOTALS	2281.79		2281.79	2281.79		2281.79

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8-13-52 *Payee F B Hendricks
F. B. Hendricks
Per _____ Title _____

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 2053.61

Signature _____
(Authorized Certifying Officer)

Date _____ Vou. No. _____
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E354 in accordance with the terms of the contract.

Signature Kefton H. Teague Title Geologist U.S.G.S Date 8-20-52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. S. McBeck Title Acting Exec. Officer Date 8-20-52

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPT. OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1952 Docket No. DMEA _____ Contract No. 9427
Operator's Name F. B. Hendricks Minerals Mica
Address P.O. Box 835 - Shelby, N. C. DM - E 354

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Cu.Yds	204.00	162	204.00	162	1.23		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	Cu.Yds	2077.79	2673	2077.79	2673	.78		
Test Pits								
Roads and Trails								
Total Distributed Costs				2281.79				Total Costs Authorized by Contract
Operating Equipment Purchased								$3500.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 8-13-52 Operator F. B. Hendricks
F. B. Hendricks

Per _____ Title _____

Remarks: _____

→ **NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.**

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

COPY

F. B. HENDRICKS
Scrap Mica
P.O. Box 835
SHELBY, N. C.

August 13, 1952

Mr. V. J. Lynch, Chief Mining Branch
U. S. Bureau of Mines
111 Patton Ave.
Asheville, N. C.

Dear Sir:

Contract #2427, Docket DMEA, was started on July 3, 1952 and stopped on August 5, cutting a trench from a point about 200 feet southeast of the old working and cutting through the old shaft to a point a few feet northwest of the shaft.

No vein material was encountered in this operation until we excavated below the old shaft some 6 to 8 feet. No mica of any consequence was found in this cutting. We also sank a shaft to a depth of about 18 feet at a point in the trench about 15 to 20 feet southeast of the old shaft. No mica vein was encountered.

It appears that this mine has been almost, if not entirely, worked out.

Sincerely,

S/
F. B. Hendricks

Copied by zm.
8/20/52
Norris-3
Beck-1
Peyton-1

FILE COPY
SURNAME:

Ryberton
Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

February 12, 1953

Memorandum

To: Mr. C. O. Mittendorf, Administrator

From: Nonmetallic Minerals Division

Subject: A Closing Review of Docket No. DMEA-2427 - Mica
Contract No. Idm-E354
Date of Contract: June 25, 1952
Property: Hubert Cook Mine No. 1
Cleveland County, North Carolina
Applicant: F. B. Hendricks
P. O. Box 835
Shelby, North Carolina
Amount approved in contract: $3,500.00
Total Accepted Cost: 2,281.79
Government's share @ 90% 2,053.61
Project work started July 3, 1952
Project work completed August 25, 1952

J.C. 2/19/53

Closing Letter: Copy of closing letter is attached. There is no certification of discovery or development.

Docket Summary:

3/17/52 Received application for exploration assistance.
3/24/52 Received memo - J. J. Norton, USGS
3/31/52 Received memo - W. F. Dietrich, USBM
4/10/52 Application referred to Region VII for field examination.
5/2/52 Received Field Team Report. Written by Wm. A. Beck, USBM, and W. R. Griffiths, USGS. A project recommended.
6/6/52 Letter from applicant requesting status of application.
6/9/52 Letter to applicant in reply to his of 6/6/52.
6/19/52 Memo - Chief Counsel to Houk. Reporting draft of contract satisfactory as to legal form.
6/25/52 Contract No. Idm-E354 sent to Executive Officer, Reg. VII for signatures.
7/8/52 Signed contract returned. Date on contract - June 25, 1952.
7/28/52 Received Operator's Final Report.
8/2/52 Received Interim report from Reg. VII.
11/13/52 Date of Audit Review by Chambers.
11/17/52 Received Final Report from Field Team. Examination made by K. H. Teague, USGS, and Wm. A. Beck, USBM.

Resume of Project Work:

The project work consists of a trench approximately 210 feet long, and one 18-ft. test pit at the east end of the trench.

The pegmatite exposed by the trench and pit was lean in mica and most of the pegmatite was removed during the work; it apparently filled a joint in the granitized sillimanite schist wall-rock. The pegmatite pinched out at the bottom of the pit. A little ruby mica was encountered. There was no mica of consequence. No further work was justified and no significant discovery of mica was made. No equipment remained to be salvaged.

Unit Cost:

The total yardage excavated was 2,282 cu. yds; the cost was $0.81 per cu. yd.

Closing of Docket:

No significant discovery was made. The Contract No. Idm-E354, is closed in accordance with a closing letter to the Operator signed by the Administrator and dated _____1953. (A copy of the letter is attached hereto.)

J. T. Robertson
Nonmetallic Minerals Division

Attachment

JTRobertson:gad 2/12/53

Copy to: Admr. R. File
Docket File
Mr. Houk

☑ Audited R.R. 11-13-52 WORK ANALYSIS SHEET - DMEA PROJECT ☑ Actual Cost

☐ Certified Analysis as of 12-7-54 ☐ Agreed Unit Costs

Incl. Voucher for July 1952

Name F. B. Hendricks Docket No. 2427

State N. C. Commodity Mica Idm-E No. 354

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation		3500.00		2281.79	2281.79
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		3500.00		2281.79	2281.79

Prepared by _____

71626

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D.C.

Room 13, Post Office Building
Knoxville 02, Tennessee

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 17 1952

November 13, 1952

Memorandum

To: Operating Committee, D M E A - Washington

From: Field Team, DMEA - Region 7
(mica)

Subject: DMEA-2427, Idm-E354, Hubert Cook Mine No. 1. Final Report.

Transmitted herewith are 4 copies of the above subject report of Field Team, also Operator's final report.

Robert A. Laurence

Robert A. Laurence, Executive Officer
DMEA Field Team, Region 7

W A Beck

Wm. A. Beck, for V. J. Lynch
U. S. Bureau of Mines

Operator's Final report detached in Docket & Control - 11/17/52 - bl

Orig only of Final Field Team Rept. resides - no Operator's final report attached.
Nonmetallics

Reviewed by
DMEA OPERATING COMMITTEE

11-21-52
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 7 1952

FINAL REPORT

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2427, Idm-E354, HUBERT COOK MINE No. 1
(mica)
Shelby, Cleveland County, N. C.

By
Kefton H. Teague, Geologist
U. S. Geological Survey
-
-
Wm. A. Beck, Mining Engineer
U. S. Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
11-21-52
(date)

October 31, 1952

F.T. FINAL RPT.

FINAL REPORT
on
DMEA-2427, Idm-E354, HUBERT COOK MINE NO.1
(mica)
Operator: F. B. Hendricks, P.O. Box 835
Shelby, North Carolina

The Hubert Cook Mine No. 1, is located 3.4 airline miles west of Toluca, in the northern part of Cleveland County, North Carolina. This mine is about 600 feet south of the Bumgardner Mine and about 300 feet west of the soil road.

No mica of any consequence was found during this project and no further work is justified.

This project began July 3, 1952 and was completed on August 5, 1952. Work consisted of cutting a trench approximately 210 feet long and sinking an 18-foot pit in the east end of the trench. The work was conducted in the vicinity of an old filled shaft.

The pegmatite exposed by this work is lean in mica. No pegmatite is now exposed, as all of it was removed during the project. The pegmatite had an easternly strike. It apparently filled a joint in the granitized sillimanite schist wall rock, which strikes to the north, dipping 60° W. It would appear that the pegmatite is lens-like on both strike and dip.

Mica present is ruby colored, but only small sizes occur.

The operation was conducted in a competent and efficient manner.

Expenditures:

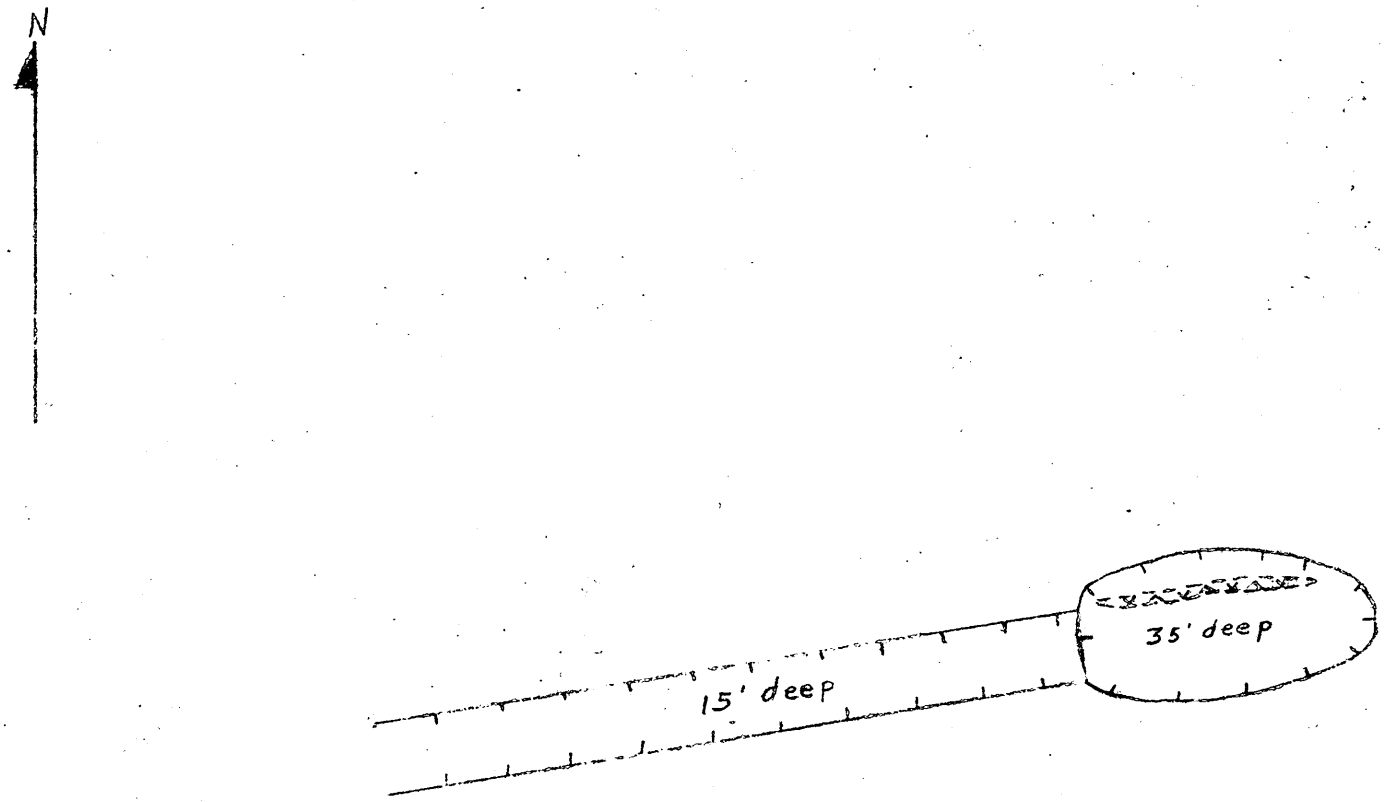
(a)	Total approved	$3,500.00
(b)	Total cost of project	2,281.79
(c)	Government's share of cost	2,053.61
(d)	Government's share unexpended	1,096.39
(e)	Value of production during project-none.	

No equipment costing in excess of $50 was purchased for the project, thus no salvage value.

Kefton H. Teague, USGS

Wm. A. Beck, USBM

October 31, 1952



Sketch of
Hubert Cook No. 1 Mine
Cleveland Co., N.C.

0 40 80
Scale

10/31/52

DMEA-2427

Final Report of Operator
on

DMEA-2427, Idm-E354, Hubert Cook Mine No. 1
Shelby, Cleveland County, N. C.

Work on this contract was started on July 3, 1952 and was completed on August 5, 1952.

A trench approximately 210 feet long was cut to the southeast of the old shaft exposing a pegmatite which contained very little mica. A pit 18 feet deep was sunk in barren pegmatite in the bottom of the trench about 20 feet southeast of the old shaft. The location of the old shaft was cleaned out but no mica was found.

s/ F. B. Hendricks

August 28, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 6 1952

z

BD

INTERIM REPORT

IMEA-2427 (Mica)

F. B. Hendricks, P.O. Box 835, Shelby, N.C.

HUBERT COOK MINE No.1, Cleveland County, N. C.

Contract No. Idm-E354

This property was visited by the undersigned, accompanied by Mr. Hendricks on August 25, 1952.

Work on this contract was started on July 3, 1952, and was completed on August 5, 1952. The project was carried on according to the terms of the contract and no mica of any consequence was found.

A trench approximately 210 feet long was cut to the southeast of the old shaft exposing a pegmatite which contained very little mica. A pit 18 feet deep was sunk in barren pegmatite in the bottom of the trench about 20 feet southeast of the old shaft. The location of the old shaft was cleaned out but no mica was found. The operation was carried on efficiently and theOperator presented his monthly report in good order.

Wm. A. Beck, Mining Engineer
U. S. Bureau of Mines

Aug.29, 1952

INTERIM REPORT

IMEA2427, Idm-E354 (mica)

HUBERT COOK MINE NO.I
Cleveland County, N.C.
F. B. Hendricks, Applicant
P.O. Box 835
Shelby, North Carolina

This property was visited by the undersigned, accompanied by Mr. Hendricks on July 30, 1952.

At the time of the visit the operator had dug a trench about 150 feet long to the southwest of the old 40' shaft and had cleaned out the old shaft. He was deepening the trench about 30 feet southwest of the old shaft and all that was showing was weathered pegmatite with no mica.

To the northwest of the old shaft a quartz rib was showing on the north wall. It was suggested that the operation to the southwest be stopped and that the northeast end be further opened up especially on both sides of the quartz rib.

The contract is being carried out efficiently.

Aug. 1, 1952

Wm. A. Beck

Wm. A. Beck, Mining Engineer
U. S. Bureau of Mines

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON

June 24, 1952

Memorandum

To: Executive Officer, Region VII

From: DMEA Operating Committee

It will be necessary to insert in the contracts for DMEA-2427 and DMEA-2428 in the space provided under Article 3 the number of days from the date of the contract in which work shall commence.

FILE COPY
SURNAME:

Robertson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

600

JUN 25 1952

Mr. Robert A. Laurence
Executive Officer, DMEA
Field Team, Region VII
Room 13, Post Office Building
Knoxville 01, Tennessee

Subject: Docket No. DMEA-2427 - Mica
Docket No. DMEA-2428 - "
Docket No. DMEA-2429 - "
Docket No. DMEA-2430 - "
Docket No. DMEA-2431 - "
Docket No. DMEA-2432 - "
F. B. Hendricks
Cleveland County, North Carolina

Dear Mr. Laurence:

Please find herewith the original and five copies each of contracts covering the subject exploration projects which have been signed by this office for the Government with register number and effective date.

If the contracts meet with your approval, present them to the Operator for his approval and signature. If any provisions are unsatisfactory to the Operator, return all copies to this office along with suggested changes for consideration.

After signing of the contracts, one copy each is to be given to the Operator, one copy retained for your files, and the remaining copies, including the originals, are to be returned to this office as soon as possible.

A copy of the contracts required by the Regional Finance Office will be forwarded directly by the Washington Finance Section.

Sincerely yours,

(signed) FRANK E. JOHNSON (JHB) 6/25

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

[illegible] (JHB)
Member, Geological Survey

Enclosures 36

JTRobertson:gad 6/20/52
Copy to: Admin. Reading File
Operating Committee (2)
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Docket File
Mr. Houk

FILE COPY
SURNAME:

AEKane

UNITED STATES 140
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

June 19, 1952

N.S. in R. & R.

Memorandum

To: Acting Administrator
Through: Lawrence G. Houk

From: Chief Counsel

Subject: F. B. Hendricks (Hubert Cook Mine No. 1) — Docket No. DMEA-2427.

There is attached in satisfactory legal form for execution a contract covering the subject project, subject to the attachment to the contract of copies of the map therein referred to.

A copy of the lease dated October 15, 1951, between Hubert T. Cook and Ethel Cook, his wife, as the lessor and the Operator, F. B. Hendricks, as lessee, will not be found in this docket but in Docket No. DMEA-2428.

Hubert T. Cook and Ethel Cook gave a deed of trust of the property to A. P. Mead and his wife, Carrie Mead, as security for a $1,000 loan, which is recorded in Book 300, page 102 of the Register's Office of Cleveland County, North Carolina. By agreement dated March 3, 1952, A. P. Mead and his wife, Carrie Mead, subordinated their deed of trust to the aforementioned lease to the Operator, F. B. Hendricks. The original of this agreement will not be found in this docket but in Docket No. DMEA-2428. A photostatic copy thereof is attached to this contract.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachments
AEKane/bjl

Copy to: Mails & Files
J. L. Hofflund
A. E. Kane
L. G. Houk
Chron.

FILE COPY
SURNAME:

Robertson
Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

600

JUN 9 1952

Mr. F. D. Hendricks
P. O. Box 835
Shelby, North Carolina

Subject: Dockets No. DMA - 2427 to 2432
Mica
Hubert Cook Mine No. 1
Hubert Cook Mine No. 2
Carpenter Mine, Dumgardner Mine
Glen Reed Mine, A. P. Reed Mine
Cleveland County, North Carolina

Dear Mr. Hendricks:

Referring to your letter of June 6, 1952, we advise that the six applications, dockets number DMA-2427-32, are now being processed and contracts being prepared for them.

They are in the last stages of preparation and should be ready in a relatively short time, probably before the end of the month.

Sincerely yours,

cc 6/9

SIGNED
Lawrence G. Houk, Chief
Nonmetallic Minerals Division
Defense Minerals Exploration
Administration

JTRobertson:mp 6/9/52
cc: Docket File
Field Team, Region VII (2)
Adm. Reading File
Mr. Dietrich, 3526
Mr. Norton, G-222, GSA Bldg.
Mr. Houk

F. B. HENDRICKS

SCRAP MICA

P. O. BOX 835

SHELBY, N. C.

June 5, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 6 1952

Mr. Robert E. Adams
Acting Administrative Officer
Defense Minerals Exploration Administration
Washington, D. C.

Subject: DMEA 2427-32

Dear Sir:

I am informed that machinery I have on order for carrying on the above mentioned exploration work has been shipped and is expected to arrive any day.

I, therefore, would appreciate any information you can give me regarding the status of these applications.

Yours very truly,

F B Hendricks

F. B. Hendricks

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

JTR

May 23, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: W. F. Dietrich, Chief
Ceramic and Fertilizer Materials Branch

Subject: Dockets-DMEA-2427, 2428, 2429, 2430, 2431 and 2432.

I concur in the field team;s recommendation for an exploration project on subject properties aggregating approximately $15,000. The proposed procedure appears to be the most effective method of exploring.

W. F. Dietrich

W. F. Dietrich

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
MAY 23 1952

FILE COPY
SURNAME:

JTRobertson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C. 600

COPY

May 21, 1952

Memorandum

To: Chief Counsel

From: Chief, Nonmetallic Minerals Division

Subject: Docket Numbers DMEA-2427, 2428, 2429, 2430, 2431, 2432 - Mica
F. B. Hendricks
Concerning the drafting of contracts.

These six North Carolina mica exploration applications are a group of mica leases to be worked by the one applicant, F. B. Hendricks, Shelby, North Carolina.

The applicant intends to rent for the work some power equipment, a clamshell bucket and boom. The equipment will serve each project in turn and therefore, the starting date of each project has to be varied in order to use the equipment in rotation. It may be that the dates of starting and finishing of projects will require changes or amendments by the Regional Office to meet the time for transferring the equipment from one job to the other.

The six projects were examined as a group and are therefore submitted to you as a group for preparation of contracts.

The amounts involved in the contracts are listed as follows:

Docket No.	Name of Mine	Government Share	Total Cost
DMEA-2427	Hubert Cook No. 1 Mine	$3,150	$ 3,500
DMEA-2428	Hubert Cook No. 2 Mine	2,250	2,500
DMEA-2429	Carpenter Mine	1,440	1,600
DMEA-2430	Bumgardner Mine	3,780	4,200
DMEA-2431	Glen Mead Mine	1,350	1,500
DMEA-2432	A. P. Mead Mine	2,160	2,400
		$14,130	$15,700

Lawrence G. Houk, Chief (sgd)
Nonmetallic Minerals Division
Defense Minerals Exploration
Administration

Attachment

JTRobertson:mp 5/21/52
CC: Docket File
Mr. Houk
Mr. Robertson

IN REPLY REFER TO:

G-MD-JJN

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

May 12, 1952

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2427 (Mica).

To: Non-Metallic Minerals Division, DMEA.
From: J. J. Norton, U. S. Geological Survey.
Applicant: F. B. Hendricks.
Name of property: Hubert Cook No. 1.
Location of property: Cleveland County, North Carolina.
Field team's recommendation:

Trench 200 feet long, 12 feet wide, 10 to 40 feet deep.

Estimated Cost: $3,479.25.

Comments: None.

ACTION SUGGESTED:
Follow field team's recommendations.

J. J. Norton

J. J. Norton

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D.C.~~

Room 13, Post Office Building
Knoxville, Tennessee

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY - 2 1952

April 29, 1952

Memorandum

To: Frank E. Johnson, Chariman, Operating Committee DMEA

From: Field Team, Region VII-DMEA

Subject: Field examination reports on, DMEA-2427,28,29,30,31 and 32. Applications of F. B. Hendricks (mica). Shelby, N.C.

Transmitted herewith are 4 copies of field examination report on each of the following:

DMEA-2427 Hubert Cook Mine No.1
DMEA-2428 Hubert Cook Mine No.2
DMEA-2429 Carpenter Mine
DMEA-2430 Bumgardner Mine
DMEA-2431 Glen Mead Mine
DMEA-2432 A. P. Mead Mine

All the above applications were filed by F. B. Hendricks, P.O. Box 835, Shelby, North Carolina.

The Field Team agrees with the recommendations in these reports.

In the original applications the applicant set up his costs on a depreciation basis on the heavy equipment he planned to use on the jobs. Since the time of filing he had decided to rent the equipment as he feels that if the projects are not successful he will be stuck with the equipment on his hands. He has an agreement with the equipment company to rent the shovel and dozer at 1/18 of the cost per month. If he should decide to buy the equipment 90 percent of the rental money could be applied toward the purchase price.

The shovel which he plans to rent and perhaps buy is a 3/4 yard Unit Shovel Model 1020A, made by the Unit Crane and Shovel Corporation, Milwaukee 14, Wis., equipped with shovel boom and bucket and drag line boom. This equipment sells for $19,382.00.

The bulldozer is a D-7 Caterpillar Tractor with angle

dozer which sells for $16,349.00.

Mr. Hendricks has already purchased a 1/2 ton pick-up truck at a cost of $1300. This will be put on a depreciation basis if a contract is let.

There is also enclosed supporting data that was sent down with the dockets.

Benjamin Gildersleeve

Benjamin Gildersleeve, for
Robert A. Laurence, Executive Officer
DMEA Field Team, Region VII

Wm A Beck

Wm. A. Beck, for V. J. Lynch
U. S. Bureau of Mines

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2427

HUBERT COOK MINE NO. 1, (Mica)

F. B. Hendricks, Applicant
Cleveland County, N. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY - 2 1952

ON SITE EXAM.

By

Wm. A. Beck, Mining Engineer
U. S. Bureau of Mines
*
*
Wallace R. Griffitts, Geologist
U. S. Geological Survey

*

April 15, 1952

Reviewed by
DMEA OPERATING COMMITTEE
5-9-52
(date)

Report of Field Examination on

DMEA-2427-HUBERT COOK MINE No.1
(Mica)
Cleveland County, N. C.
F. B. Hendricks, Applicant

This old mine is in a clump of brush in a field west of a road. An old cut is about 50 feet long, it trends in a N 70° E direction, which is probably the strike of the pegmatite dike. A shaft was sunk from the southwest end of the cut and is said to have reached a depth of 40 feet. Both the shaft and the cut contain an unknown thickness of dirt, and the east wall of the shaft is fill. The shaft is now between 15 and 20 feet deep. A shallow drift was apparently driven southwestward from the shaft, and there is a suggestion that the workings plunge steeply to the southwest. This is uncertain, however.

The upper six feet of material exposed in the rim of the openings is a red sandy transported soil, which effectively conceals both the sillimanite schist country rock and the pegmatite everywhere else. The dumps contain blocks of massive white quartz 1 1/2 feet across and quite a bit of flat "A" mica as well as flat mica. The flat books seen were up to 4 inches in width; the flat "A" books up to 8 inches.

This is the least inspiring of the deposits which the applicant wants to explore. The thick soil cover would make trenching less satisfactory than it ordinarily is and the supposed depth of the shaft is already about as deep as any deposit in this group has been found to extend. In general the mines that were worked during World War II in this area were abandoned at 35 feet or less depth because the mica recovered was not sufficient to cover mining costs. The upper parts of the deposits were very rich, but the mica-bearing part of the dikes abruptly terminate downward. It is not unlikely that the only large mica shoot in the dike was worked in the shaft, which would reduce the advisability of trenching.

It would be well, if exploration along the strike of the dike is attempted, to start at the old opening and keep on pegmatite and to open the dike to some depth, making use of the present hole to get a deep face to advance.

It is proposed to explore the pegmatite along its strike by means of a bulldozer, dragline and clam shell for a distance of approximately 200 feet. The cut will be about 12 feet wide, and from 10 to 40 feet deep, and will extend to the northeast and the southwest from the present shaft which is reported to be 40 feet deep. It is estimated that 2500 cu. yds., of material will be moved. Operation to start within 2 1/2 months from date of contract and be completed within 3 1/2 months.

Estimated costs of the Project are as follows:

(1) Independent Contracts

None

(2) Labor and Supervision*

1 - Shovel operator,	200 hrs. @ $1.37 1/2/hr.	$275.00	
1 - Shovel oiler	200 hrs. @ $1.10/hr.	220.00	
1 - Bulldozer operator,	100 hrs. @ $1.37 1/2/hr.	137.50	
1 - Office employee	40 hrs. @ $1.25/hr.	50.00	
1 - Working foreman,	200 hrs. @ $1.32/hr.	264.00	
1 - Truck driver,	100 hrs. @ $1.10/hr.	110.00	
1 - Laborer	200 hrs. @ $0.88/hr.	176.00	
			$1,233.50

(* Rates of pay include overtime over 40 hours, based on 50 hours per week).

(3) Operating Material and Supplies

Gasoline, fuel oil, lubricating oil and grease	$400.00	
Hand tools and other supplies	75.00	$ 475.00

(4) Operating Equipment

To be rented*

1 - 3/4 yd. power shovel with bucket and clam shell boom, 1 mo. @ $1076.78/mo.	$1076.78
1 - D-7 Caterpillar tractor with angle-dozer. 1/2 mo. @ $908.28/mo.	454.14
1 - 3/4 yd. clamshell bucket, 1 mo. @ $30/mo.	30.00

(* Rental price is for machine alone and does not include operator, fuel, etc.).

Furnished by operator

1 - 1/2 ton pick-up truck costing $1300.		
Depreciation 1/2 month @ $21.66/mo.	10.83	
		$1,571.75

(5) Rehabilitation and Repairs

None

(6) New Building, Improvements, Installations

None

(7) Miscellaneous

Payroll insurance and taxes	$100.00	
Contingencies	100.00	
		$ 200.00

Total estimated costs..... $3,479.25

Participation by the Government, 90% $3,041.32

April 15, 1952

Wm. A. Beck, USBM. and W. R. Griffitts, USGS.

FILE COPY
SURNAME:

Robertson
Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

600

APR 10 1952

Mr. Robert A. Laurence
Executive Officer
DMEA Field Team, Region VII
Room 13, Post Office Building
Knoxville 01, Tennessee

Subject: Docket Nos. DMEA-2427, 28, 29, 30, 31 and 32 (Mica)
F. B. Hendricks
Shelby, Cleveland County, N. C.

Dear Mr. Laurence:

Enclosed please find a copy of a memorandum by Mr. W. F. Dietrich, Bureau of Mines, and one by Mr. J. J. Norton, U. S. Geological Survey, both pertaining to a field team review of the above referred exploration projects.

A field examination is indicated for these six projects and, as they are located close to one another, they may be examined at one time.

The memoranda are sent for your information and are not intended to limit the field team from reporting its own independent observations and deductions.

Six maps, one for each project, are also enclosed, and they may be retained for your files.

Upon completion of the examination, send the report to this office together with your comments and recommendations.

Sincerely yours,

(signed) FRANK E. JOHNSON (JB)

Chairman, Operating Committee
Defense Minerals Exploration
Administration

P.N. 4-10-52

Enclosures - 18
Approved:

J. H. Hedges (JB)
Member, Bureau of Mines

T. P. Thayer (JB)
Member, Geological Survey

JTRobertson:mj 4/7/52
cc: Operating Committee
Adm. Reading File
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232, GSA Bldg.
Mr. Houk

FILE COPY
SURNAME:

Robertson
Houk
Frazier
Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

600

APR 10 1952

Mr. F. B. Hendricks
P. O. Box 835
Shelby, North Carolina

Subject: Docket Nos. [illegible]-2427, 28, 29, 30, 31 and 32 Mica
Shelby, Cleveland County, N. C.

Dear Mr. Hendricks:

Your applications are being referred to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region VII, Room 13, Post Office Building, Knoxville 01, Tennessee, for further information.

Sincerely yours,

C. O. Mittendorf

Acting Administrator
Defense Minerals Exploration
Administration

D.N.
4-10-52

JTRobertson:mp 4/7/52
cc: Adm. Reading File
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232, gsa Building
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

March 31, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: W. F. Dietrich, Chief
Ceramic and Fertilizer Materials Branch

Subject: DMEA-2427-2432, inclusive; F. B. Hendricks, Shelby, North Carolina.

These six applications have been made by a responsible individual, and cover two groups of properties a few miles apart.

Although there has been little past production from these properties, such work as has been done, taken in conjunction with surface indications, is favorable. The area in general is one in which ruby mica is known to be the characteristic variety.

A field team investigation is recommended. Special attention should be given to coordinated exploration program for the entire group of properties, with sufficient flexibility to permit a shift of emphasis as the work progresses. Some consideration might be given to a drilling program to investigate the depth extensions of the more favorable deposits.

W. F. Dietrich

W. F. DIETRICH

IN REPLY REFER TO:

G-MD-JJN

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

March 31, 1952

Memorandum

REVIEW OF APPLICATION DMEA-2427 (Mica) (One of a block of applications, DMEA-2427 through 2432).

To: L. G. Houk, Non-Metallic Minerals Division, DMEA.

From: J. J. Norton, U. S. Geological Survey.

Commodity: Mica.

Applicant: F. B. Hendricks.

Name of Property: Hubert Cook No. 1.

Location of property: Northern part of Cleveland County, North Carolina.

Estimated cost of project: $2,200.

Summary of applicant's proposal: (1) Bulldozer cut 12 by 10 by 200 feet. (2) 3 10-foot deep prospect shafts.

Sources of information on applicant's property:
Manuscript of professional paper on pegmatites of the Southeastern Piedmont, by R. H. Jahns, W. R. Griffitts, and others describe a "Cooke mine," but it is probably not this property. It may, however, be the Hubert Cook No. 2 of Application DMEA-2428, though it is said to be owned by A. L. Cooke.
This report is available on microfilm in the Geological Survey office in Knoxville, Tennessee.

Brief description of deposit:
Weathered pegmatite. Several caved shafts and pits. A "Cooke" property, probably not this one but possibly the Hubert Cook No. 2, was operated by Hendricks and H. L. Kennedy during World War II, when mica valued at $452.66 was sold to the Colonial Mica Corporation.

Additional information needed from field team: What reason is there to believe that the proposed exploration will be any more successful than past work?

RECOMMENDATION: Refer to field team.

Reasons for recommendation: Available information is quite inadequate, but the applicant probably can supply nothing additional. This is one of a block of applications, DMEA-2427 through 2432, and if any one of them is sent to the field, all of them should be. Hendricks is apparently a competent operator from whom good performance can be expected.

Additional comments: Probably this application should be denied because the available evidence does not indicate that there is much chance of finding a significant deposit. The applicant should be required to clean out old workings or sink new prospect pits to obtain evidence that will justify consideration by the field team.

J. J. Norton

J. J. Norton

Memorandum

To: George H. Holl, Requirements Division, DMPA

From: C. O. Mittendorf, Acting Administrator, DMEA

Subject: Caterpillar D-7 Tractor for F. B. Hendricks, Shelby, N. C.
Project Nos. DMMA-2427,2428,2429,2430, 2431 and 2432.

There has been submitted to the Non-Metallic Minerals Division by Mr. F. B. Hendricks, Shelby, North Carolina, applications for six mica exploration project loans. The projects, all situated in Cleveland County, North Carolina, involve the removal of overburden and the cutting away of top-soil to reach the underlying pegmatite dikes in which the mica occurs.

Mr. Hendricks is a contractor and also an experienced operator in mica. In his applications he has offered to furnish a caterpillar and dozer for jobs to be done on the six projects.

It is to our advantage to have the operator provide as much of the machinery and equipment as possible. In this case it is also quite probable that the equipment may be utilized in other projects in the county as there is a shortage of this sort of equipment in the district.

To avoid too much delay in starting the projects, after loans are approved, we request and recommend, that Mr. Hendricks be allowed a priority rating to enable him to receive delivery, within a reasonable time, one Caterpillar D-7 Tractor equipped with Caterpillar 7-A Dozer, and Caterpillar No. 25 Cable Control, all of which, we understand, is at present on order by Mr. Hendricks with the Carolina Tractor and Equipment Company, Salisbury, North Carolina.

Any action you may take to expedite the delivery of above mentioned equipment will be appreciated.

C. O. Mittendorf

C. O. Mittendorf, Acting Administrator
Defense Minerals Exploration
Administration

JTRobertson:mp 3/24/52
cc: Adm. Reading File
Docket File
Field Team, Region VII (2)
Mr Dietrich, Rm 3526
Mr. Norton, G-232, GSA Bldg.
Mr. Houk

EXPLORATION

Subject: DMEA-2427
Re: Exploration Loan
Hubert Cook Mine No. 1
March 18, 1952

Mr. F. B. Hendricks
P. O. Box 835
Shelby, North Carolina

My dear Mr. Hendricks:

This will acknowledge receipt of your application dated March 3, 1952 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2427 and referred to the Non-Metallics Division.

Kindly refer to DMEA-2427 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Acting Administrative Officer

7862

F. B. HENDRICKS

SCRAP MICA

P. O. BOX 835

SHELBY, N. C.

March 15, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 1 1952

Defense Minerals Exploration Adm.
U. S. Department of Interior
New Interior Building
Washington 25, D. C.

Attention: Mr. F. L. Knouse

I am mailing you under 3 separate covers, applications for aid for Exploration Projects as follows:

One each on the properties of Mrs. Charlcie Carpenter, Glen Mead, A. P. Mead and Mrs. Etta Bumgardner and two on the Hubert T. Cook property. Each application consists of 5 copies of forms MF 100 and 103 and 6 of 202, one copy of the lease and an overlay.

In addition there is one copy of a subordination agreement between Hubert T. Cook and A. P. Mead.

Sincerely yours,

F B Hendricks

F. B. Hendricks

FBH/gc

February 6, 1952

Mr. George H. Roll
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

SUBJECT: Request for Priority Assistance in Obtaining a Track-Type Tractor

Gentlemen:

I am submitting the following information with the urgent request that I be given some assistance in obtaining a track-type tractor necessary to our operation:

1. This is to advise that I have leased five large tracts of property in Cleveland County, N. C., which have been mined for Strategic Ruby Sheet Mica. My plans are to start mining operation on this property as soon as the necessary equipment is available.

2. My Company is in urgent need of:

   (a) One "Caterpillar" D-7 Tractor equipped with "Caterpillar" 7A Dozer and "Caterpillar" No. 25 Cable Control. The approximate cost of this equipment is $16,400.00 F.O.B. Salisbury, North Carolina.

3. I placed an order with the Carolina Tractor and Equipment Company, Salisbury, North Carolina on January 31, 1952. The manufacturer of this equipment is the Caterpillar Tractor Company, Peoria, Illinois.

4. Timely delivery cannot be effected without the assistance requested for the following reasons:

   (a) The Caterpillar Tractor Company has been unable to obtain raw materials without priority ratings and for that reason, have been unable to operate their production lines anywhere near their capacity.

   (b) Because of large government orders placed with the Caterpillar Tractor Company and other priority orders being received by them, they are unable to allocate this model tractor to their distributor in any quantity that allows them to promise a delivery.

COPY

(c) With a priority, they can make delivery within five to six weeks after receipt of priority.

(d) Comparable equipment cannot be purchased because other manufacturers are in the same delivery position. We have tried to rent, lease or purchase outright a good used crawler-type tractor but have been unable to locate a unit to fit our needs. Therefore, the only means we have of obtaining this much needed equipment is by obtaining a priority rating.

5. The general location of these properties is approximately 18 miles North of Shelby, North Carolina near the Northern Boundary of the County and about three miles west of Highway Route No. 18.

6. A brief description and history of these mines in so far as I know them is as follows:

(a) The Mrs. Charlie Carpenter property was mined within the last few years and proved to be a narrow but rick vein bearing a good quality of Ruby Mica. This operation was a small one, the work being done by hand labor. Another operation on this tract was carried on some 40 or 50 years ago. The only information I have about this was given me by Clarence Cook, who lives in the vicinity, and who has had many years experience in Mica Mining. He stated that a good grade of Ruby Mica was recovered from this pit which is a trench about twelve feet deep and thirty feet long.

(b) The A. P. Mead property which is a mile or so northwest of the above has been mined to a limited extent. The open pit is a small one. From the appearance of the still to be found around the pit some fair sized sheet was recovered then. I have no information as to why it was abandoned.

(c) The Hubert Cook property which adjoins the above offers what may prove to be the best prospect of all. It was mined about 50 or 60 years ago. There are several shafts and one open pit. The main shaft, I was told, was sunk to a depth of about 40'. It was reported that an extra good grade of Ruby Mica was being recovered but the work was stopped because of a bad cave-in. At another location about a thousand feet from this, there is an open pit which shows evidence of a good grade of Mica. This was done many years ago and was probably abandoned because of large quartz boulders which show up in the pit.

COPY

(d) The Mrs. Etta Bumgardner land has one open pit which was rich in A. Mica. This pit is about 20' deep and according to the information I have a good percentage of the Mica was a good grade of Ruby. The above Nos. 2,3 and 4 are adjoining farms.

(e) The Glen Mead has been working very little but does show out croppings over a rather large area. There is no open pit or shaft there now.

(f) All the Ruby Sheet Mica produced from the above mentioned mines will be sold to the Government Mica Buying Program.

7. This is to advise that I have been in the Mica business since 1942. Then, as of January 1, 1951, I transferred my mining equipment and plant to the Kings Mountain Mica Company, Inc., in which I am still interested.

(a) My experience extended over a period of about 3½ years as a member of the firm of Hendricks and Kennedy and later as an individual.

(b) Our main mining operation was carried on in Gaston County in this state and was known as the Bess Mine. This was one of the largest producing mines in this region. The total value of our product was over $150,000.00

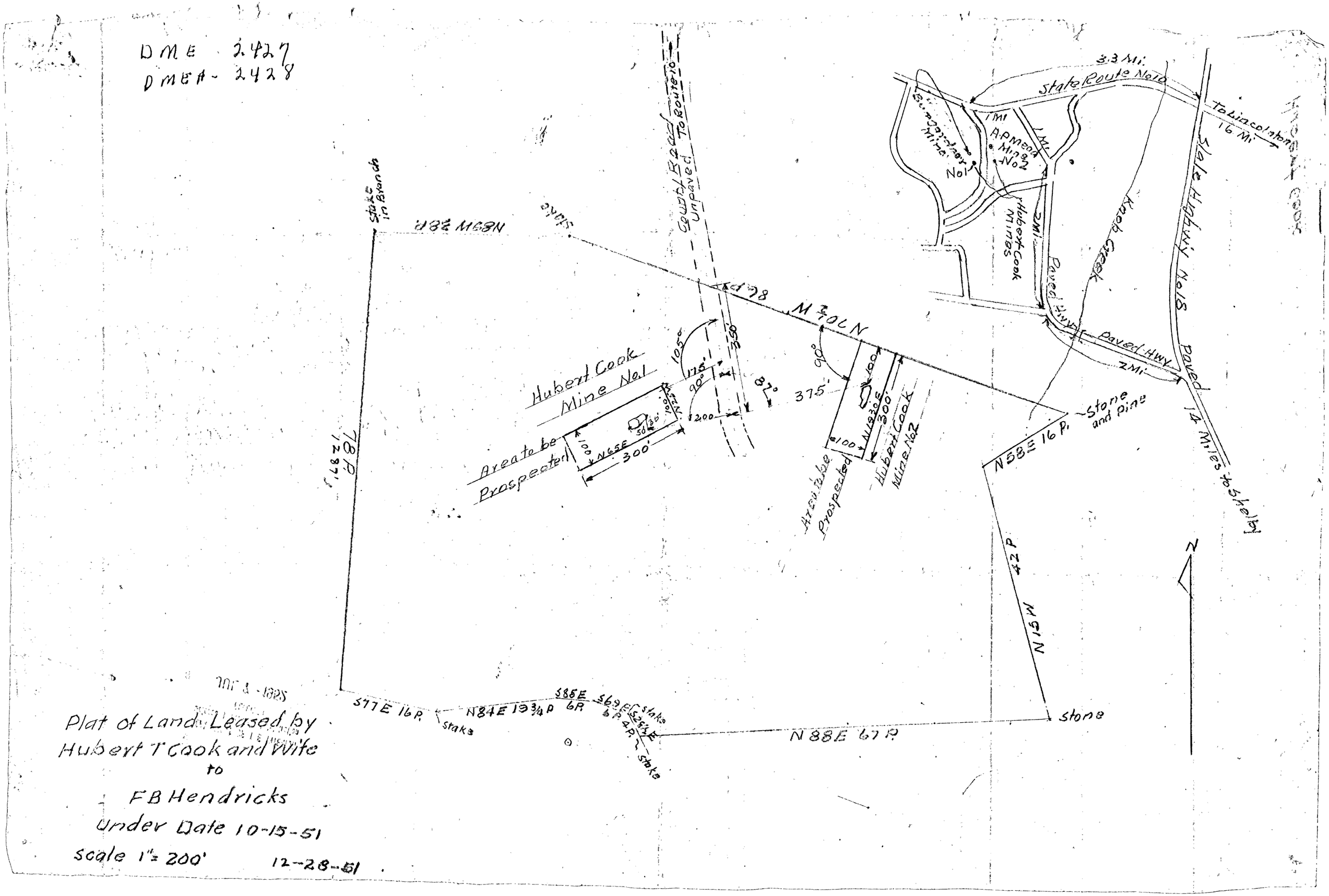
8. I have previously applied for a priority rating on a Northwest Model 25 combination Shovel-Clam-Drag and at that time included one Model TD-18 International Crawler Tractor. After due consideration I have decided that I would prefer the "Caterpillar" D-7 Tractor and that is my reason for filing this application.

I trust that the above information is sufficient for you to approve my application and will be looking for your favorable decision at the earliest possible date.

Very truly yours,

F B Hendricks

F. B. HENDRICKS, OWNER

COPY

DME 2427
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