UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated [✓] Cancelled [ ] Withdrawn [ ] DMEA No. 2429

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. G. G. - 12-9-57
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

P. O. Box 835

Shelby, North Carolina

pertaining to Exploration Project Contract No. Idm-E356, Docket No. DMEA-2429, for the month of August, 1952.

My review included an examination of the Monthly Report (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer and 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 Report was 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		$ 1,063.42
Exceptions:		
By DMEA Finance Officer	$ - 0 -	
Heredith	- 0 -	-0-
Total Accepted Cost		$ 1,063.42

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 Nine hundred fifty-seven and 08/100 Dollars

— $ 957.08 —

is considered valid and proper.

November 12, 1952

Jay L. Chandler
Auditor

FILE COPY
SURNAME:

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

Robertson
Hewitt
Office
Chamber
Lemmon
Hedges
Selfridge

FEB 18 1953

Mr. F. H. Hendricks
P. O. Box 645
Shelby, North Carolina

Subject: Docket No. [illegible] - [illegible]
Carpenter Mine
Cleveland County, North Carolina
Contract No. [illegible]

Dear Mr. Hendricks:

This is with reference to the subject exploration 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 presented by this administration. Of the total amount of $1,6[illegible] advanced under the contract, the amount of $[illegible] was expended and the Government's share of $[illegible], or $957.[illegible], was [illegible]. There were no usable materials, supplies or equipment to be [illegible] 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 [illegible] we do not consider it [illegible] any certification of liquidation or [illegible] which [illegible] 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 (g) 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 (for)
Administrator

JTRobertson:jed 2/[illegible]/53
Copy to: [illegible]
Docket File
Operating Committee
Field Team, Region VII
Mr. Chambers
Mr. Hoffland
Mr. Johnson
Mr. Houk

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

DOCKET No. DM[redacted] 2429

COMMODITY Mica

Idm-E356
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 June, 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 Carpenter Mine, situated in Number Ten Township, Cleveland County, North Carolina, and being part of a larger tract of land leased by the Operator under the terms of a lease agreement dated October 22, 1951, between Charlcie Carpenter, Leslie Seagle and wife, Ima Carpenter Seagle, as Lessors, and the Operator as Lessee and more fully described in Annex I attached hereto and made a part hereof.

the Operator represents and undertakes:

(*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, 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 (120) 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 five (5) 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 payments 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 $1,440.00, which is ninety(90) percent of $1,600.00, 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.

F. B. Hendricks
(Operator)

By ____________

THE UNITED STATES OF AMERICA

By ____________
Acting Administrator, Defense Minerals Exploration Administration

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]

ANNEX I

The Carpenter Mine lies within the boundaries of that portion of the leased ground referred to in lease agreement as the First Lot and described by metes and bounds as follows:

BEGINNING on a stone in old line, D. C. Carpenter's corner; runs North 25½ East 60 poles to a stone in old line; thence South 87 West 91 poles to a stone on bank of creek; thence North 67 West 125 poles to a stone in Jane M. Hoyle's line; thence South 2 East 63 poles to a stone in said line, D. C. Carpenter's corner; thence South 83½ East 115 poles to a stone on East bank of creek; thence South 73 East 66 poles to the BEGINNING, containing 53-3/8 acres, more or less, the same being shown in Book OO, page 270 of Registry for Cleveland County, N. C. This area is set forth on the map attached hereto and made a part hereof entitled "DMEA-2429 - Plat of the Land Leased by Mrs. Charlcie Carpenter et al. to F. B. Hendricks under Lease Dated October 22, 1951."

There is excepted from the foregoing, 20 acres sold from the same as described in a deed dated February 6, 1913 to Gordon Carpenter by S. T. Carpenter and wife as recorded in Book AAA, page 492 in Register's office for Cleveland County, N. C., reference being made to same and the record thereof for further identification and description of the excepted portion.

EXPLORATION PROJECT CONTRACT
F. B. HENDRICKS
DOCKET NO. DMEA-2429

EXHIBIT "A"

Description of the Work

The work will explore a pegmatite dike along its strike by sinking five or six small shafts. These test shafts (6' x 8') will be sunk to depths of about 25 feet each and spaced at 40-foot to 50-foot intervals. In addition, a 25-foot shaft now on the property will be cleaned out and sunk to a depth of 50 feet. A clamshell bucket and power equipment will be used.

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

(1) Independent Contracts

None

(2) Labor and Supervision

1 - Shovel operator	- 100 hrs. @ $1.37½/hr.	$137.50	
1 - Shovel oiler	- 100 hrs. @ 1.10/hr.	110.00	
1 - Truck driver	- 100 hrs. @ 1.10/hr.	110.00	
1 - Office employee	- 40 hrs. @ 1.25/hr.	50.00	
1 - Laborer	- 100 hrs. @ .88/hr.	88.00	
1 - Working foreman	- 100 hrs. @ 1.32/hr.	132.00	$627.50

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

(3) Operating Materials and Supplies

Gasoline, fuel oil, lubricating oil and grease	125.00	
Hand tools and other supplies	75.00	200.00

(4) Operating Equipment

To be rented:

1 - 3/4 yd. power shovel with bucket and clam shell boom, 1/2 mo. @ $1076/mo.	$538.00	
1 - 3/4 yd. clam shell bucket 1/2 mo. @ $30/mo.	15.00	

NOTE: Rental price is for machine alone and does not include operators, fuels, etc.

Furnished by Operator:

1 - 1/2 ton pick-up truck costing $1300, depreciation 1/2 mo. @ $22/mo.	11.00*	$564.00*

(5) Rehabilitation and Repairs

None

(6) New Buildings, Improvements, Installations

None

(7) Miscellaneous

Payroll taxes, Workmen's compensation and Employer's Liability Insurance	50.00	
Contingencies and extra	158.50	$208.50
Total estimated cost of the project		$1,600.00*
Government participation @ 90%		$1,440.00*

MF-202

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 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 22, 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 8th day of November, 1951.

Charlie Carpenter

Leslie Beagle

Ima Carpenter Beagle

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

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

D R A F T [redacted]

DOCK[redacted]O. [redacted]A 2429

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 Carpenter Mine, situated in Number Ten Township, Cleveland County, North Carolina, and being part of a larger tract of land leased by the Operator under the terms of a lease agreement dated October 15, 1951. ~~Legal description of leased ground is more fully described in lease and in the~~
the Operator represents and undertakes: ~~Annex I attached hereto, and shown in accompanying map.~~

~~(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 as set forth in the subordination agreement of the lessor attached.~~

Landlord's Subordination Agreement

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the ~~owner's consent to lease~~ 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 (120) 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 five (5) 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 advance of costs 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 $1,440.00, which is ninety (90) percent of $1,600.00, 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

Docket No. DMEA-2429 - Mica
Carpenter Mine
Cleveland County, N. C.

ANNEX I

The Carpenter Mine lies within the boundaries of that portion of the leased ground referred to in lease agreement as the First Lot and described by metes and bounds as follows:

~~FIRST LOT~~

BEGINNING on a stone in old line, D. C. Carpenter's corner; runs North 25½ East 60 poles to a stone in old line; thence South 87 West 91 poles to a stone on bank of creek; thence North 67 West 125 poles to a stone in Jane M. Hoyle's line; thence South 2 East 63 poles to a stone in said line, D. C. Carpenter's corner; thence South 83½ East 115 poles to a stone on East bank of creek; thence South 73 East 66 poles to the BEGINNING, containing 53 3/8 acres, more or less, the same being shown in Book 00, page 270 of Registry for Cleveland County, N. C. This area

There is excepted from the foregoing, 20 acres sold from the same as described in a deed dated February 6, 1913 to Gordon Carpenter by S. T. Carpenter and wife as recorded in Book AAA, page 492 in Register's office for Cleveland County, N.C., reference being made to same and the record thereof for further identification and description of the excepted portion.

This area is set forth on the map attached hereto and made a part thereof entitled "DMEA 2429 Plat of the land leased by Mrs. Charlcie Carpenter et al to F. P. & Hendricks under lease dated 10-22-51."

Docket No. DMEA-2429 - Mica
Carpenter Mine
Cleveland County, N. C.

Exhibit A

Description of the Work

The work will explore a pegmatite dike along its strike by sinking five or six small shafts. These test shafts (6'x8') will be sunk to depths of about 25 feet each and spaced at 40-foot to 50-foot intervals. In addition, a 25 foot shaft now on the property will be cleaned out and sunk to a depth of 50 feet. A clamshell bucket and power equipment will be used. ~~and the work completed within two months of date of commencement.~~

Docket No. DMEA-2429 - Mica
Carpenter 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	100 hrs. @ $1.37½/hr.	$137.50	
1 - Shovel oiler	100 hrs. @ 1.10/hr.	110.00	
1 - Truck driver	100 hrs. @ 1.10/hr.	110.00	
1 - Office employee	40 hrs. @ 1.25/hr.	50.00	
1 - Laborer	100 hrs. @ .88/hr.	88.00	
1 - Working foreman	100 hrs. @ 1.32/hr.	132.00	$ 627.50

(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	$125.00	
Hand tools and other supplies	75.00	$ 200.00

4. Operating Equipment

To be rented:

1 - 3/4 yd. power shovel with bucket and clam shell boom, 1/2 mo. @ $1076/mo.	$538.00	
1 - 3/4 yd. clamshell bucket 1/2 mo. @ $30/mo.	15.00	

(Rental price is for machine alone and does not include operators, fuels, etc.).

Furnished by operator:

1 - 1/2 ton pick-up truck costing $1300 Depreciation 1/2 mo. @ $22/mo.	11.00*	$564.00*

5. Rehabilitation and Repairs

None

6. New Buildings, Improvements, Installations

None

7. Miscellaneous

Payroll ~~insurance and taxes~~ taxes, Workmen's Compensation and Employer's Liability Insurance	$ 50.00	
Contingencies and extra	158.50	$ 208.50

TOTAL ESTIMATED COSTS - $1,600.00*

Participation by the Government @ 90% - - - - - - - - - - - - $1,440.00*

Docket No. DMEA-2429 - Mica
Carpenter Mine
Cleveland County, North Carolina

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(Items followed by an asterisk are allowable maximums)

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5. **Rehabilitation and Repairs**

   None

6. **New Buildings, Improvements, Installations**

   None

7. **Miscellaneous**

Payroll insurance and taxes	$ 50.00	
Contingencies and extra	158.50	$ 208.50

TOTAL ESTIMATED COSTS - $1,600.00

Participation by the Government @ 90% - - - - - - - - - - - $1,440.00

Docket No. DMEA-2429 - Mica
Carpenter Mine
Cleveland County, N. C.

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The work will explore a pegmatite dike along its strike by sinking five or six small shafts. These test shafts (6'x8') will be sunk to depths of about 25 feet each and spaced at 40 foot to 50 foot intervals. In addition, a 25 foot shaft now on the property will be cleaned out and sunk to a depth of 50 feet. A clamshell bucket and power equipment will be used and the work completed within two months of date of commencement.

Docket No. DMSA-2429 - Mica
Carpenter Mine
Cleveland County, N. C.

ANNEX I

The Carpenter Mine lies within the boundaries of that portion of the leased ground referred to in lease agreement as the First Lot and described by metes and bounds as follows:

FIRST LOT

BEGINNING on a stone in old line, D. C. Carpenter's corner; runs North 25½ East 60 poles to a stone in old line; thence South 87 West 91 poles to a stone on bank of creek; thence North 67 West 125 poles to a stone in Jane M. Hoyle's line; thence South 2 East 63 poles to a stone in said line, D. C. Carpenter's corner; thence South 83½ East 115 poles to a stone on East bank of creek; thence South 73 East 66 poles to the BEGINNING, containing 53 3/8 acres, more or less, the same being shown in Book 00, page 270 of Registry for Cleveland County, N. C.

There is excepted from the foregoing 20 acres sold from the same as described in a deed dated February 6, 1913 to Gordon Carpenter by S. T. Carpenter and wife as recorded in Book AAA, page 492 in Register's office for Cleveland County, N.C., reference being made to same and the record thereof for further identification and description of the excepted portion.

NORTH CAROLINA
Cleveland County

THIS LEASE made and entered into this the 22nd day of October, 1951, by and between Charlcie Carpenter (widow); Leslie Seagle and wife, Ima Carpenter Seagle, of Cleveland County, North Carolina, hereinafter called the Lessors and F. B. Hendricks, of Cleveland County, North Carolina, hereinafter called the Lessee.

W I T N E S S E T H:

That for and in consideration of the sum of one dollar in hand paid by the Lessee to the Lessors, receipt of which is hereby acknowledged by the Lessors and the further consideration of the faithful compliance with all the terms and conditions hereof as hereinafter recited, said Lessors do hereby grant and lease unto the said Lessee or his heirs or assigns, for a period of ten years from the date thereof, the exclusive right and privilege to mine, search for and take from the following described real estate all the mica, quartz, feldspar and any other minerals. Said lands being located in Number Ten Township, Cleveland County, North Carolina, and being more fully described by metes and bounds as follows:

First Lot

BEGINNING on a stone in old line, D. C. Carpenter's corner; runs North 25½ East 60 poles to a stone in old line; thence South 87 West 91 poles to a stone on bank of creek; thence North 67 West 125 poles to a stone in Jane M. Hoyle's line; thence South 2 East 63 poles to a stone in said line, D. C. Carpenter's corner; thence South 83½ East 115 poles to a stone on East bank of creek; thence South 73 East 66 poles to the BEGINNING, containing 53 3/8 acres, more or less, the same being shown in Book 00, page 270 of Registry for Cleveland County, N. C.

There is excepted from the foregoing 20 acres sold from the same as described in a deed dated February 6, 1913 to Gordon Carpenter by S. T. Carpenter and wife as recorded in Book AA, page 492 in Register's Office for Cleveland County, N. C., reference being made to same and the record thereof for further identification and description of the excepted portion.

Second Lot

Being the land allotted to D. C. Carpenter by P. P. and Jacob Mull, Executors of John Carpenter, dec'd., and lying on both sides of Knob Creek, BEGINNING at a stake in center of creek in old line; and runs with old line, North 25½ East 27½ poles to a stone in old line; thence North 73 West 66 poles to a stone on bank of creek; thence crossing the creek, North 83½ West 115 poles to a stone in Jane M. Hoyle's line; thence with said line, South 2 West 122 poles to a stone in Margaret Smith's line; thence North 43 East 124½ poles to a stone, Jacob M. Carpenter's corner; thence North 87 East 22 poles to a stake in center of creek;

thence down the center of creek, 58 poles to the BEGINNING, containing 51½ acres, more or less, being the property conveyed by D. C. Carpenter to S. T. Carpenter by deed dated January 29, 1908, and recorded in Book RR, page 405 in the Registry for Cleveland County, N. C., reference being made to same for full description of the said property.

Third Lot

BEGINNING on a stone, S. T. and J. M. Carpenter's corner; thence South 43 West 124½ poles to a stone in Margaret Smith's line; thence with her line, South 2 East 13 poles to a hickory in her line; thence North 87 East 17 poles to a stone in center of branch; thence down branch as it meanders in center, North 26 East 11 poles; thence North 50 East 56 poles; thence North 22 East 36 poles to a stone; thence North 17½ East 28 poles to the BEGINNING, containing 17 acres, more or less, the same being the property conveyed by J. M. Carpenter and wife, Lucy Carpenter, to S. T. Carpenter by deed dated February 8, 1913, and recorded in Book ZZ, page 189 in Registry for Cleveland County, N. C., reference being hereby made to said deed and the record thereof for further identification and description of the said property.

The Lessee shall pay to the Lessors a royalty as follows:

For sheeted mica, including washer and punch 1/8 of the price obtained from such mica as sold from the property. For block mica 1/4 of the price as obtained. For scrap mica $2.00 per ton, and for all other minerals 1/10 of the price obtained. This royalty shall be paid on or before the tenth day of each month for all mica and minerals marketed the preceding month, together with a full and complete statement of same.

The Lessee shall have the following rights and privileges:

(a) The right to the use of the surface of said land to the full extent that such use is reasonably convenient or necessary in mining, digging, milling, processing and transporting minerals, equipment and supplies to and from the public roads.

(b) The right to construct and place upon said land buildings, materials, and equipment, and to remove same.

The Lessee agrees to begin work upon said property within 180 days from the date hereof and to continue mining operations thereon diligently and in good faith as the market for the minerals obtainable permits profitable operations, and failure to operate the mining operations for ninety (90) days shall render the lease void.

The Lessee agrees that at the conclusion of its mining operations that where operations were carried on in cultivatable

fields to back-fill all shafts, trenches or other surface workings and level down all waste material.

It is further understood by the parties hereto that the Lessee may surrender this lease by giving to the Lessors written notice of at least thirty (30) days.

It is further understood and agreed between the parties hereto that the Lessors shall not lease for the purpose of mining any part of the tract, of which the land herein described is a part, to persons other than the Lessee.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names and affixed their seals in duplicate this the day and year first above written.

s/ Charlcie Carpenter (SEAL)

s/ Leslie Seagle (SEAL)

s/ Ima Carpenter Seagle (SEAL)
Lessors

S/ F. E. Hendricks (SEAL)
Lessee

NORTH CAROLINA
~~Cleveland~~ County
Lincoln

I, J. C. Goodson, a Notary Public for said County and State, do hereby certify that Charlcie Carpenter (widow); Leslie Seagle and wife, Ima Carpenter Seagle, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal this 8 day of Nov., 1951.

s/ J. C. Goodson
Notary Public

My commission expires: 2/13/53

NORTH CAROLINA
~~Cleveland~~ County
Lincoln

I, J. C. Goodson, a Notary Public for said County and State, do hereby certify that F. B. Hendricks personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal this 8 day of Nov., 1951.

s/ J. C. Goodson
Notary Public

My commission expires: 2/12/53

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-2429
Metal or Mineral
Date Received 3-17-52
Amount $
Participation (Government %)

MAR 1952
Department of the Interior
Defense Minerals

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

Name and address of applicant

Date March 4, 1952

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

DMA Docket Number (if available) _____

Carpenter Mine

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.

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 4, 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 4, 1952

1. (a) The property on which this mine is located has an open cut which was worked many years ago. This is several hundred feet in a northerly direction from the area to be explored which includes the newer workings.

   (b) Copy of lease enclosed.

   (c) Area to be explored is 100' X 300' and begins at the west boundary and runs N 88° W 300 ft. as shown on map.

2. (a) Strategic Ruby Mica

   (b) Weathered pegmatite extending through weathered country rock. This property was mined recently by Clarence Cook and he states that the mica bearing vein is narrow (1' to 2' wide) but very rich in ruby mica and that the quality is good.

   No engineering reports or assay maps available.

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

3. (a) It is proposed to dig six test holes at intervals of about 40 ft. in order to determine the extent of the mica bearing vein. These holes to be 6' X 8' X 25'.
Total Excavation: 267 cu. yds.
Total cost of project: $ 979.93

(b) Time required to start project: Ten weeks from date of contract and two additional weeks to complete it.

4. Map enclosed.

5. None

6. None

7. (a) 1 3/4 yd. Clam shell 2 weeks @ 7.50 $ 15.00
(b) None
(c) 1 Power shovel equipped with clamshell bucket. Cost: $ 18,215.00
Depreciation 1/2 month @ 20% 156.79
1 3/4 ton Pickup Truck
Depreciation 1/2 month : 33-1/3% 15.41
$ 187.20

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

8. Schedule of labor:

1	Shovel Operator	100 hrs. @ 1.37½	$ 137.50
1	Shovel Oiler	100 hrs. @ 1.10	110.00
1	Truck Driver	100 hrs. @ 1.10	110.00
1	Office employe	40 hrs. @ 1.25	50.00
1	Laborer	100 hrs. @ .88	88.00
1	Foreman	100 hrs. @ 1.32	132.00
			$ 627.50

Unemployment Compensation: 2.7% of $627.50	16.94
F.I.C.A. 1.5% of $627.50	9.41
Workmens Compensation Insurance	
Rate 3.85 X 577.50	22.23
Office employe .06	.03
	$ 48.61

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

Form MF-103
Page 3
March 4, 1952

9.	500 gals	Fuel Oil	@ 12.8¢	$ 64.00
	25 gals	Lub Oil	@ 75¢	18.75
	125 gals	Gasoline	@ 24.7¢	30.87
	20 lbs.	Grease	@ 15¢	3.00
				$ 116.62

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

10. (a) $150.00

    (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-2429

Date received 3-17-52

MAR 17 1952

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

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

2. Carpenter Mine
   (a) Linear feet of shaft: 25
   (b) None
   (c) Linear feet of tunnel: 15
   (d) None
   Mine is not flooded.

3. (a) 18 miles northwest of Shelby, N. C.
   (b) None
   (c) No. 10 Township
   (d) Cleveland County, North Carolina

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

5. Number of years in production: One month
   Estimated date when production will begin: Cannot answer

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 Bess 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.

7. History:
   (a) This mine was operated for a short time in 1948 or 1949 by Clarence Cook. No record of quantity produced but Mr. Cook states the vein was very rich in ruby mica of good quality.
   Reason for suspension of Operation: Low price received for product.
   (b) Cannot answer
   (c) None available

8. Not applicable

9. Not applicable

10. Not in production

11 Not applicable

12. Ore or Mineral reserves:
   (a) Weathered pegmatite extending through contry rock.
   (b) If deposit is other than placer:
      (1) None available
      (2) Cannot answer
   (c) Not applicable

13. Distance to shipping, supply and resident point: 18 miles
   All paved to within 1/4 mile of mine.

14. Water supply: Ample

15. None

16. Not applicable

17. None

18. None

(*b*) If deposit is other than placer:

(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)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1952 Docket No. DMEA 2429 Contract No. Idm-356
Operator's Name F. D. Hendricks Minerals Mica
Address P. O. Box 235 - Shelby, N. C.
Contract Amount, $ 1,600.00 Government Participation: 90% Amount, $ 959.08

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 ~~Short Term~~ Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	293.76		293.76	310.83		310.83
Supervision	103.44		103.44	86.37		86.37
Technical Services						
(3) Operating Mat'ls. and Supplies:						
~~Fuel~~ Wire Rope	56.10		56.10	56.10		56.10
~~Lubricants~~ Gas & Oil	22.55		22.55	22.55		22.55
~~Exp~~ Misc'l. small ~~Exp~~ tools	40.49		40.49	40.49		40.49
(4) Operating Equipment:						
Rental	448.00		448.00	448.00		448.00
Purchase						
Depreciation	9.23		9.23	9.23		9.23
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	27.05		27.05	27.05		27.05
Sampling and Analysis			~~xxxx~~			
Payroll Taxes	16.70		16.70	16.70		16.70
Liability Insurance	20.83		20.83	20.83		20.83
(8) Contingencies (specify):						
Payroll Sheets	4.00		4.00	4.00		4.00
Office Work	20.00		20.00	20.00		20.00
Office Supplies	1.27		1.27	1.27		1.27
TOTALS	1063.42		1063.42	1063.42		1063.42

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept. 13 *Payee F. D. Hendricks
F. D. Hendricks
Per _____ Title Individual

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 957.08

*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.

Signature _____
(Authorized Certifying Officer)

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)

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

SEP 22 1952

106.34

(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 E 356 in accordance with the terms of the contract.

Signature L. O. Beck Title Mining Engr. USBM Date 9-17-52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title Executive Officer Region III Date 9-17-52

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.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1952 Docket No. DMEA 2429 Contract No. Idm-356
Operator's Name F. B. Hendricks Minerals Mica
Address Box 835, Shelby, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching		1063.42	801	1063.42	801	1.33	355	3.00
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								$ 1,600.00
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 9-13-52 Operator F B Hendricks
F. B. Hendricks
Per Title Individual

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

FILE COPY
SURNAME:

Robertson
Houk

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

February 11, 1953

Memorandum

To: Mr. C. O. Mittendorf

From: Nonmetallic Minerals Division

Subject: Closing Review of Docket No. DMEA-2429 - Mica
Contract No. Idm-E356
Contract project approved $1,600
Date of contract: June 25, 1952
Property: Carpenter Mine, Cleveland County, North Carolina.
Applicant: F. B. Hendricks
P. O. Box 835
Shelby, North Carolina
Project work began August 6, 1952
Project work completed August 18, 1952
Total accepted cost $1,063.42
90% Government share or $957.08

J.C. 2/19/53

Closing Letter: A copy of a closing letter is attached. There is no certification of discovery or development.

Docket Summary:

3/17/52 Application received.
3/18/52 Application acknowledged.
3/24/52 Letter - C. O. Mittendorf to Geo. H. Roll, Requirements Division, in reference to priority for tractor.
3/25/52 Memorandum from W. F. Dietrich, USBM
3/31/52 Memorandum from J. J. Norton, USGS
4/7/52 Referred to Field Team, Region VII
5/2/52 Received Field Team Report by Wm. A. Beck, Mining Engineer, USBM, and W. R. Griffits, Geologist, USGS. They recommend a contract.
5/12/52 Memo from J. J. Norton - concurs in field team recommendation.
5/12/52 Memo Robertson to Chief Counsel re contract.
6/19/52 Memorandum - Chief Counsel to Acting Administrator, through L. G. Houk. Contract as prepared is suitable in legal form.
6/25/52 Original and five copies of exploration project contract sent to Region VII for signatures.

9/2/52 Received interim field report, Wm. A. Beck, Region VII.
9/26/52 Received Operator's Final Report. Project started Aug. 6 and completed Aug. 18, 1952. Operator deemed it advisable to stop because of insufficient mica in narrow pegmatite.
11/26/52 Received Field Team's Final Report. Report by K. H. Teague, USGS, and Wm. A. Beck, USBM. Property does not warrant a discovery. (Sketch map of workings accompanies report.)

Resume of Project Work:

The project work was completed between August 6 and August 18, 1952. Using drag-line equipment, a trench was dug 65 ft. long at the surface and 35 ft. long at the bottom; average width 10 ft., average depth 38 ft.

Mica occurs sparingly throughout a narrow pegmatite, one to three feet wide. A few hundred pounds of mine-run block mica were obtained, but not enough to justify a recommendation for a certification of discovery. The mica recovered was hard, flat "A", cracked, and some contained dusty black biotite spots. The field team report states that there is no salvage equipment to be recovered.

Unit Costs:

A total of 800 cu. yds. of material was moved and excavated at a cost of $1.33 per cu. yd.

Project Cost:

(As reported in Final Audit Report - J. L. Chambers 11/12/52.) The audit review disclosed the following facts in regard to the amount paid or to be paid the contractor.

Total cost as billed by Contractor		$1,063.42
Exceptions:		
By DMEA Finance Office	-0-	-0-
Total accepted cost		$1,063.42

The contract calls for a 90% participation of exploration expense by the United States Government. Therefore, payment to the Contractor by the Government in the amount of nine hundred fifty-seven and 08/100 dollars

- $957.08 -

is considered valid and proper.

Closing of Docket:

No significant discovery was made. The Contract, I-E356 is closed in accordance with a Closing Letter to the Operator signed by the Administrator and dated _____ 1953. (Copy attached hereto)

JTRobertson:gad 2/11/53
Copy to: Admr. R. File
Docket File
Mr. Houk

J. T. Robertson
Nonmetallic Minerals Division

☑ Audited R.P. 11-12-54 WORK ANALYSIS SHEET - DMEA PROJECT ☑ Actual Cost

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

Incl. Voucher for Aug. 1954

Name J. B. Hendricks Docket No. 2429

State N. C. Commodity Mica Idm-E No. 356

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation		1600.00		1063.42	1063.42
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		1600.00		1063.42	1063.42

Prepared by L. G. H.

71626

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
NOV 2 1952

November 24, 1952

Memorandum

To: Operating Committee, D M E A - Washington

From: Field Team - D M E A - Region 7

Subject: Final Report on DMEA-2429, Idm-E356 (mica) Carpenter Mine
F. B. Hendricks, Shelby, N.C.

Attached are four copies of the above subject final report. Also Operator's final Report.
Finding on this project do not warrent certification.

Robert A. Laurence
Executive Officer, DMEA. Reg. 7

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

zm

F.T. FINAL RPT.

Reviewed by
DMEA OPERATING COMMITTEE
12-1-52
(date)

Defense Minerals Administration
1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2429, Idm-E356 (mica) CARPENTER MINE

Operator: F. B. Hendricks, Shelby, N. C.

By

Kefton H. Teague, Geologist
U. S. Geological Survey

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

November 12, 1952

Reviewed by
DMEA OPERATING COMMITTEE
12-1-52
(date)

FINAL REPORT

on

CARPENTER MINE, DMEA-2429, Idm-E356 (mica)

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

The Carpenter mine is located along the southeast side of a surfaced road 1.8 airline miles west of Toluca, in northern Cleveland County, North Carolina.

Exploration consisted of exposing and removing a pegmatite whose length was 33 feet, width 1-3 feet, to a depth of 38 feet. Only a small amount of mica was obtained and additional work at this place is not recommended. The Field Team recommends that no certification of discovery be issued on this deposit.

Work on this project began on August 6, 1952 and was completed on August 12, 1952. The project consisted of opening a trench, with a dragline and bucket, which is 65 feet long at the surface and 35 feet long at the bottom, average width of 10 feet, and depth of 38 feet.

The trench trends N. 45° E parallel to the pegmatite. The pegmatite has a vertical dip and ranges in thickness from 1 to 3 feet. It is emplaced in fine-grained granite at the southwest end andbiotite gneiss at the northeast end. Both pegmatite and wall rock are deeply weathered.

Mica occurs sparingly throughout the pegmatite, with the largest books up to six inches across. A few hundred pounds of mine run block mica was obtained during the operation, but not enough to constitute a discovery.

The mica recovered is hard, flat-"A", cracked, and some contains dusty black biotite spots.

Expenditures:

(a)	Total approved	$1600.00
(b)	Total cost of project	1063.42
(c)	Government's share of cost	957.08
(d)	Gov't share unexpended	482.08
(e)	Value of production during operation-----	None

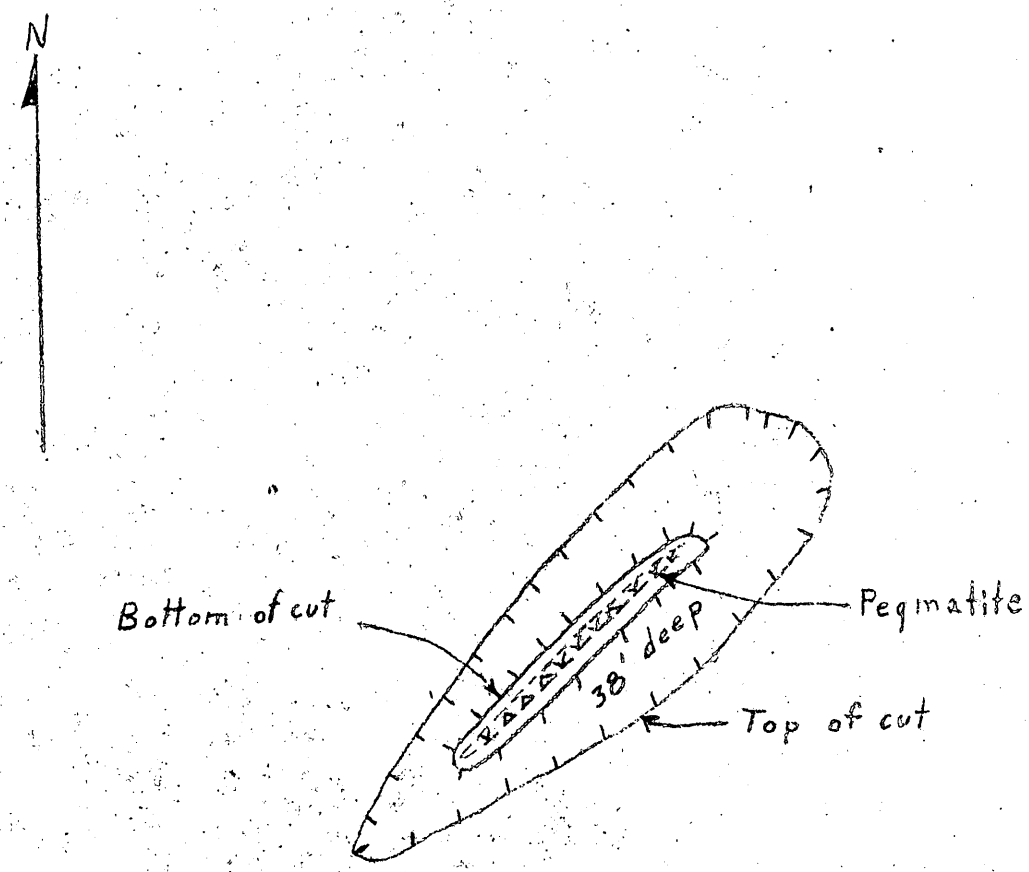
This project was conducted in a competent and efficient manner.

No operating equipment was purchased for the project. A wire rope costing $55.10 was purchased for the dragline; however, this material had no salvage value at the end of the project.

November 12, 1952.

zm

K. H. Teague, USGS
Wm. A. Beck, USBM



Sketch of
Carpenter Mine
Cleveland Co., N.C.

0 20' 40'
Scale

DMEA-2429

9/29/52

Department of the Interior
Defense Minerals Administration
Denver
SEP 18 1952

Mr. Robertson

Operators Final Report

on

DMEA-2429, Idm-E356 (mica) Carpenter Mine

Work was started on the above project on August 6, and discontinued on August 18, 1952. A trench was excavated to a depth of 34 feet with dragline equipment. The trench was 72 feet long at top, and 30 feet at bottom. Some fair quality mica was recovered at about the 20-foot level but this soon gave out and for the last 10 to 12 feet we found practically no mica althoug the vein material continued pitching down in a south-easterly direction. It did not seem adviseable to continue the work.

s/ F. B. Hendricks

September 13, 1952

Operators Final Report

COPY

F. B. HENDRICKS
SCRAP MICA
Box 835
SHELBY, N. C.

September 13, 1952

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

Dear Sir:

Re: Docket No. DME 2429
Contract No. Idm 356

Work was started on the above project on August 6th and a trench excavated to a depth of 34 feet with dragline equipment. The trench was 72 feet long at top, 30 feet at bottom.

Some fair quality mica was recovered at about the 20-foot level but this soon gave out and for the last 10 to 12 feet we found practically no mica although the vein material continued pitching down in a southeasterly direction.

Since it did not seem advisable to continue the work it was discontinued on September 18th.

Because of the unstable nature of the soil it was not considered feasable to sink small shafts, with the clamshell, in accordance with the provisions of the contract.

Yours truly

s/s F. B. Hendricks

COPIED:zm

INTERIM REPORT
DMEA-2429, (Mica)

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

CARPENTER MINE, Cleveland County, N.C.

Contract No. Idm-E356

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

Work on this project was started early in August and has not been completed. Very little mica was found and it is likely that no more work will be done on the deposit.

The old workings were opened up by means of a dragline and bucket. The hole at the old workings was approximately 40 feet in depth. A narrow pegmatite was exposed. Mr. Hendricks stated that much of the mica recovered contained small mineral specks. No work was being done on the deposit when visited. The shovel was being used on another pegmatite on the same property when the project was visited. Mr. Hendricks understands that this work is not to be charged to the project.

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

August 25, 1952

FILE COPY
SURNAME:

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

6/25

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Approved:

J. E. Hedges

Member, Bureau of Mines

E. F. Thayer

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
Hofflund

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

600

June 19, 1952

M.S. in R. & R.

Memorandum

To: Acting Administrator
Through: Lawrence G. Houk

From: Chief Counsel

Subject: F. B. Hendricks, Docket No. DMEA-2429
Carpenter Mine

There is attached in satisfactory legal form for execution a contract covering the above-mentioned project, subject to the following:

1. When the contract is signed the date thereof should be inserted in the Landlord's Subordination Agreement.

2. There should be attached to the contract the map referred to in Annex I, and entitled "DMEA-2429 - Plat of the Land Leased by Mrs. Charlcie Carpenter et al to F. B. Hendricks under Lease Dated October 22, 1951."

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachments
AEKane:mp
cc: Mails and Files
J. L. Hofflund
A. E. Kane
L. G. Houk

FILE COPY
SURNAME:

COPY

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

Houk
Mittendorf

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

Subject: Docket No. DMEA-1388 - Mica
" " DMEA-1955 - "
" " DMEA-2249 - "
" " DMEA-2327 - "
" " DMEA-2414 - "
" " DMEA-2429 - "
" " DMEA-2430 - "
" " DMEA-2431 - "

Dear Mr. Lawrence:

Reference is made to Mr. Mittendorf's letter of May 21st transmitting samples of mica to Mr. George A. Purcell, Mica Consultant, General Services Administration, Federal Supply Service, Unit 2, 7th Floor, 34 Exchange Place, Jersey City, New Jersey, for evaluation. The following are Mr. Purcell's findings:

Hankins Mine:
DMEA-1388

"Sample 3 pieces well prepared. Color: Ruby. Quality acceptable for stockpile.

Winters Prospect:
DMEA-1955

"Sample 7 pieces of poor preparation. Color: Ruby. Quality wavy and some black spots. Not acceptable for stockpile.

Luther Mine:
DMEA-2249

"Sample 5 small pieces poorly prepared. Color: Non-ruby. Quality poor except for 2 specimens. Not acceptable for stockpile.

May Mine:
DMEA-2327

"Sample 4 pieces of fair preparation. Color: Ruby. Quality somewhat wavy. Samples would indicate acceptable stockpile quality obtainable from this source.

Doublehead Mine:
DMEA-2414

"Sample 7 pieces of fair preparation. Color: Non-ruby. Quality contains some black spots. Not acceptable for stockpile.

Carpenter Mine:
DMEA-2429

"Sample 6 pieces very small, untrimmed. Color: Ruby. Usable area of samples too small to indicate quality or size obtainable. Acceptable for stockpile as to color.

Bumgardner Mine: DMEA-2430 — "Sample 6 thin sheets of fair preparation. Color: Ruby. Sample would indicate acceptable Quality obtainable from this source.

Glen Meade Mine: DMEA-2431 — "Sample 3 very small specimens poorly prepared. Color: Ruby. Samples too small to evaluate quality. It is possible acceptable quality could be obtained from this source but cannot so determine from present samples."

Please note that the mica from the Winters Prospect, DMEA-1955, Idm-E224, is not acceptable for stockpile. If the seven samples are representative of the quality of mica to be expected from this prospect, then you would be justified in terminating this contract.

The Luther Mine, DMEA-2249, and the Doublehead Mine, DMEA-2414 are not eligible for exploration assistance, and this office will write letters of denial on them.

Sincerely yours,

-S- 5/29/52

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Approved:

/s/ J. H. Hedges

Member, Bureau of Mines

/s/ D. M. Lemmon

Members, Geological Survey

LGHouk:gad 5/26/52

Copy to: Admin. Reading File
Operating Committee (2)
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

C O P Y

UNITED STATES DEPARTMENT OF THE INTERIOR

Bureau of Mines

Washington 25, D. C.

May 23, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

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

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

S. F. Dietrich

C O P Y

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 DMA-2427, 2428, 2429, 2430, 2431, 2432 - Mica
W. 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, W. 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
DMA-2427	Hubert Cook No. 1 Mine	$3,150	$ 3,500
DMA-2428	Hubert Cook No. 2 Mine	2,250	2,500
DMA-2429	Carpenter Mine	1,440	1,600
DMA-2430	Bumgardner Mine	3,780	4,200
DMA-2431	Olen Mead Mine	1,350	1,500
DMA-2432	A. J. 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

FILE COPY
SURNAME:

Houk
Rittendorf

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

C O P Y

Mr. Robert A. Laurence
Executive Officer, DMEA
Field Team, Region VII
Room 13, Post Office Building
Knoxville 1, Tennessee

Subject: DMEA-1955, Winters Prospect
DMEA-2327, May Mine
DMEA-2414, Doublehead Mine
Mica

Dear Mr. Laurence:

Receipt is acknowledged of samples of mica from DMEA-1955 the Winters Prospect, DMEA-2327 the May Mine, and DMEA-2414 the Doublehead Mine.

The following samples were shipped to Mr. George A. Purcell as of today, and you will be supplied with the results when they become available:

DMEA No.	Name of Mine
1388	Hawkins Mine
1955	Winters Prospect
2017	Nancy II
2249	Luther Mine
2327	May Mine
2414	Doublehead Mine
2429	Carpenter Mine
2430	Durgardner Mine
2431	Glen Sand Mine

Sincerely yours,

5-21-52

Acting Administrator
Defense Minerals Exploration
Administration

ICHouk:rg d:mp 5/20/52
Copy to: Admin. Reading File
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232, PSA Bldg.
Mr. Houk

FILE COPY
SURNAME:

Houk
Mittendorf

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

600

Mr. George A. Purcell
Federal Supply Service
General Services Administration
Harborside Warehouse
Jersey City, New Jersey

Dear Mr. Purcell:

Transmitted herewith are samples received in this office for evaluation as to color and acceptability for stockpiling.

While I realize that some of these samples are in very poor preparation they are the best obtainable samples. The following list of samples are being transmitted:

DMEA No.	Name of Mine
1388	Huskins Mine
1955	Winters Prospect
2017	Nancy II
2249	Luther Mine
2327	May Mine
2414	Doublehead Mine
2429	Carpenter Mine
2430	Bumgardner Mine
2431	Glen Mead Mine

We would appreciate having the samples returned, if it is convenient for you to do so.

LGHouk:gad 5/20/52

Sincerely yours,

Copy to: Admin. Reading File
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232, GSA Bldg.
Mr. Houk

Signed 5-20-52
Lawrence G. Houk, Chief
Non-Metallic Minerals Division
Defense Minerals Exploration Administration

Enclosures 9

P.S. Shall we send our mica samples to the nearest mica buying stations for evaluation when they begin operations?

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-2429 (Mica).

To: Non-Metallic Minerals Division, DMEA.
From: J. J. Norton, U. S. Geological Survey.
Applicant: F. B. Hendricks.
Name of property: Carpenter.
Location of property: Cleveland County, North Carolina.
Field team's recommendation:

Deepen shaft from 25 to 50 feet.
Sink 5 25-feet exploration pits

Estimated Cost: $1,541.72.

Comments: None.

ACTION SUGGESTED:
Follow field team's recommendations.

J. J. Norton

DEPARTMENT OF THE INTERIOR
Geological Survey
MAY 1 1952

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

ON SITE EXAM.

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2429, CARPENTER MINE, (mica)

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

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

By

Wm. A. Beck, Mining Engineer
U. S. Bureau of Mines
*
W. 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-2429, CARPENTER MINE,
Mica.
Cleveland County, N. C.
F. B. Hendricks (Applicant)

The Charlcie Carpenter mica prospect is in newly cleared land at the east end of a long field and a little more than a mile southeast of Big Hill Church, which is on North Carolina highway 10; and is 3.3 miles west of N. C. highway 18. It was owned in 1952 by Mrs. Charlcie Carpenter.

Mica was discovered in 1948 when the woods were cleared and the land prepared for cultivation. In the summer of 1948 or 1949 Clarence Cook sank a pit to a depth of about 25 feet in the pegmatite and drove short drifts to the northeast and southwest.

The pegmatite dike that is exposed in the workings strikes N 40° E and dips 75° SE. It is apparently little thicker than a foot at the surface but it widens downward. Judging from the shape of the accessible workings, at 15 to 20 feet depth the dike reaches a thickness of 3 1/2 to 4 feet. At the surface it consists of plagioclase-quartz pegmatite with nearly vertical layers of gray quartz as thick as 3 in. The thicker part that was reached at greater depths contained masses of gray quartz a foot thick and perthite in blocks as large as 6 inches. These probably form a core and an intermediate zone, respectively. The country rock is a feldspar-rich biotite gneiss that rather closely resembles the Toluca quartz monzonite, float of which is moderately abundant in the field near the prospect.

The mica that can now be found at the prospect is exceptionally flat and free splitting and is ruby. Fractures, though present are not numerous and clay stains are not bad. Most of the books left in the dump are naturally small, but some books would yield 3 x 4 inch sheets. The mica probably is largely restricted to the plagioclase-quartz pegmatite in the wall zone of the dike, where it is associated with biotite.

No exploration has been done outside of the original pit. There has been no attempt to determine the length or vertical extent of the dike. The high quality and moderate size of the books found by Clarence Cook would seem to justify more exploration of the deposit. The procedure proposed by the applicant seems to be suitable to accomplish this exploration. It would seem desirable, however, to reduce the number of 25 foot test holes by one and use the time thus released to deepen the Cook opening another 25 feet. Naturally, if the deposit is

adequately explored before all test pits are dug, some may be eliminated. The prospect has at least a fair chance of producing mica worth $20,000 or $30,000 under the recently announced price schedule.

It is proposed to explore the pegmatite along its strike by sinking five 6' x 8' shafts to a depth of 25 feet and to deepen the present 25 foot shaft to a depth of 50 feet. These shafts will be spaced at intervals of 40 to 50 feet and will be dug with a power shovel equipped with a clamshell bucket.

Operations to start within 3 months from the date of the contract and will be completed within 5 months.

Estimated costs of the Project are as follows:

(1) Independent Contracts

None

(2) Labor and Supervision*

1 - Shovel operator,	100 hrs. @ $1.37 1/2/hr.	$137.50	
1 - Shovel oiler,	100 hrs. @ 1.10/hr.	110.00	
1 - Truck driver	100 hrs. @ 1.10/hr.	110.00	
1 - Office employee,	40 hrs. @ 1.25/hr.	50.00	
1 - Laborer	100 hrs. @ .88/hr.	88.00	
1 - Working foreman,	100 hrs. @ 1.32/hr.	132.00	
			$627.50

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

(3) Operating Material and Supplies

Gasoline, fuel oil, lubricating oil and grease	$125.00	
Hand tools and other supplies	75.00	$200.00

(4) Operating Equipment

To be rented**

1 - 3/4 yd. power shovel with bucket and clam shell boom, 1/2 mo.@ $1076.78/mo.	538.39
1 - 3/4 yd. clamshell bucket 1/2 mo. @ $30/mo.	15.00

** Rental price is for machine alone and does not include operators, fuels, etc.

Furnished by operator

1 - 1/2 ton pick-up truck costing $1300 depreciation 1/2 mo. @ $21.66/mo.	10.83
	$564.22

(5) Rehabilitation and Repairs

None

(6) New Building, Improvements, Installations

None

(7) Miscellaneous

Payroll insurance and taxes	$ 50.00	
Contingencies	100.00	$150.00
Total estimated costs.....		$1,541.72
Participation by the Government, 90%.....		$1,387.55

April 15, 1952

Wm. A. Beck, USBM

W. R. Griffitts, USGS

COPY

FILE COPY
surname:
JRR
LBH
Copy

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

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
F. E. 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 4/10

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures - 18

Approved:

COPY

J. H. HODGES
~~F. P. THAYER~~ (Sgd)
Member, Bureau of Mines

F. P. THAYER
~~J. H. HODGES~~ (Sgd)
Member, Geological Survey

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SURNAME:
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JTR
LCH
Thayer
FEJ

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

600

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

Subject: Docket Nos. DMEA-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,

Signed 4/10

Acting Administrator
Defense Minerals Exploration
Administration

JTRobertson:mp 4/7/52
cc: Adm. Reading File
Docket File
Mr. Dietrich
Mr. Norton
Mr. Houk

copy

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 - Med
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 4-10-52

Chairman, Operating Committee
Defense Minerals Exploration Administration

Enclosures-18

JTRobertson:mp 4/7/52

cc: Operating Committee
Adm. Reading File
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232, GSA Bldg.
Mr. Houk

Approved:

Member, Bureau of Mines

Member, Geological Survey

IN REPLY REFER TO:

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

March 31, 1952

Memorandum

REVIEW OF APPLICATION DMEA-2429 (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: Carpenter
Location of property: Northern part of Cleveland County, North Carolina.
Estimated cost of project: $980
Summary of applicant's proposal: 6 shafts 25 feet deep.
Sources of information on applicant's property:

A Carpenter mine that apparently is not this one because it is in a different part of Cleveland County has been described in:

(1) Manuscript of professional paper on pegmatites of the Southeastern Piedmont, by R. H. Jahns, W. R. Griffitts, and others.
(2) Sterrett, D. B., 1923, Mica deposits of the United States: U. S. Geological Survey Bull. 740.

Brief description of deposit:

Weathered pegmatite. Old open cut and other workings. Apparently has no visible exposures. Production records from World War II indicate there were two Carpenter mines in Cleveland County, one of which had production worth $67.44 and the other $317.30.

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

COPY

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF MINES
Washington 25, D. C.

March 25, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-2427 - 2428 - 2429 - 2430 - 2431 - 2432
F. E. 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 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

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Memorandum

To: George H. Roll, Requirements Division, DMPA

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

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

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, Acting Administrator
Defense Minerals Exploration
Administration

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

EXPLORATION

Subject: DMEA-2429
Re: Exploration Loan
Carpenter Mine
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 4, 1952 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2429 and referred to the Non-Metallics Division.

Kindly refer to DMEA-2429 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Acting Administrative Officer

7862

COPY

F. B. HENDRICKS

Scrap Mica

P.O. Box 835
Shelby, North Carolina

March 15, 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, Olen 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 (Sgd)

COPY

C O PY

February 6, 1952

Mr. George 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" 7-A 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.

(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:

DMEA -2429 (a) The Mrs. Charlie Carpenter property was mined within the last few years and proved to be a narrow but rich 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 and thirty feet long.

DMEA-2432 (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 apprerance 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.

DMEA-2427 & 2428
(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.

DMEA-2430 (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.

DMEA-2431

(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 cas 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.

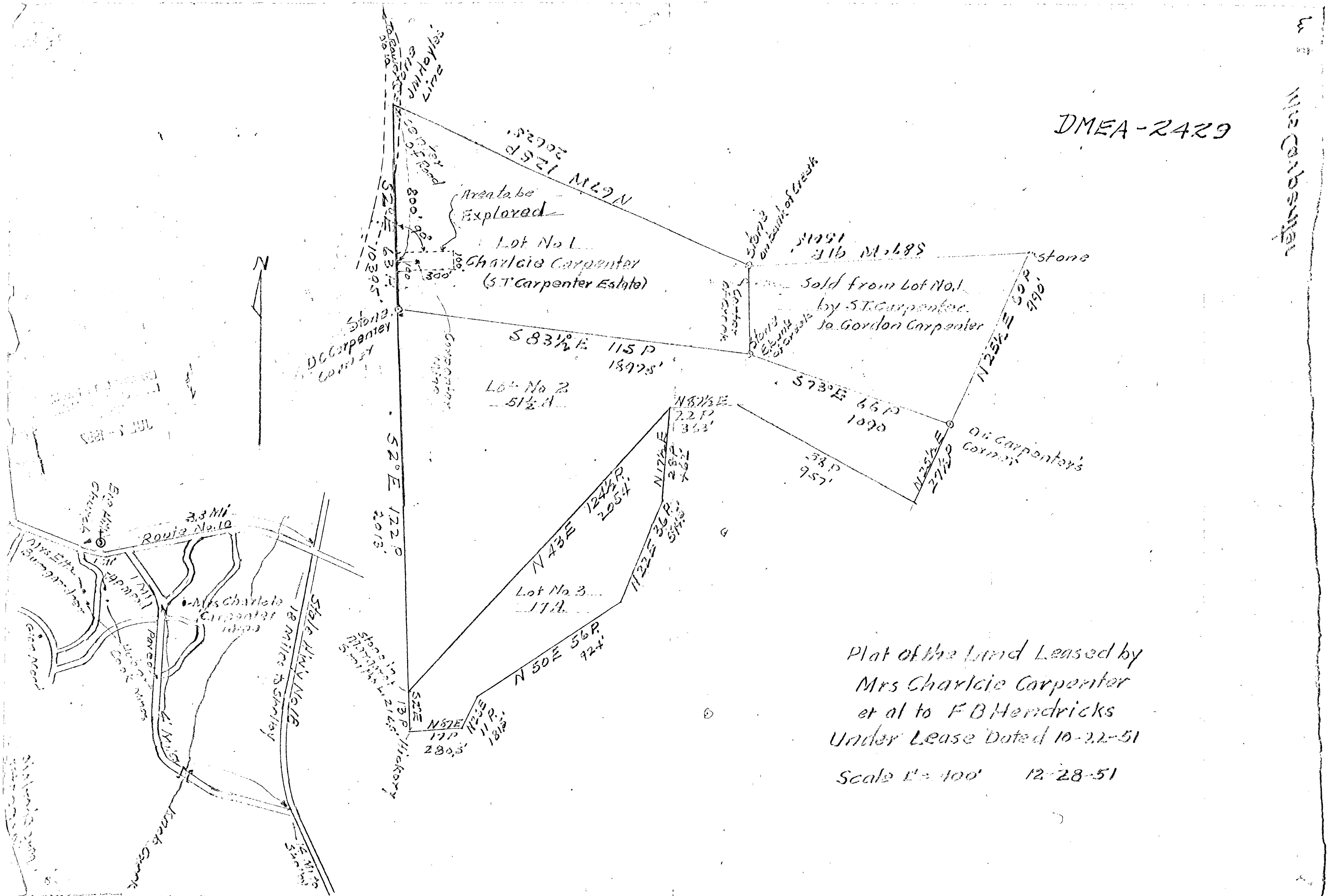
8. I have previously applied for priority rating on a Northwest Model 25 combination Shovel-Clam-Drag and at that time included one Model TD-18 International Crawler Tractor. After due consideration I have decided that I would prefer the "Caterpillar" D-7 Tractor and that is my reason for filing this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

C O P Y



Plat of the Land Leased by
Mrs Charlcie Carpenter
et al to F B Hendricks
Under Lease Dated 10-22-51

Scale 1" = 400'   12-28-51