DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMEA ~~DMA~~ Docket No. 2601

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

EXPLORATION PROJECT

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip

Copies to USBM, USGS, and Region VII.

To:	Code 600, Rm. 4637	Date	7-3-52
To:	Op Comm	Date	7-9-52
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CONTROLLED DOCUMENT

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

August 7, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2601, Mica, Kell Mine, Macon County
North Carolina

I concur in the field team's recommendation to deny subject application on the basis that evidence does not indicate possibility of a worthwhile mica deposit.

W. F. Dietrich

W. F. Dietrich

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
[illegible]
AUG 8 1952

FILE COPY
SURNAME:

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

Robertson
Houk
~~Hedges~~
~~Lemmon~~
~~Johnson~~

AUG 7 1952

Mr. Meade L. Kell
Route 1
Franklin, North Carolina

Subject: Docket No. DMEA-2601 - Mica
Kell Mica Mine
Macon County, North Carolina

Dear Mr. Kell:

Your application for exploration assistance, dated June 26, 1952, Docket No. DMEA-2601, has been carefully reviewed by this office.

Our Field Team examination indicates that the property offers insufficient promise for the development of strategic mica, in amounts and quality, such as to warrant a Government exploration project.

We regret to advise that the application for exploration assistance in this case is denied.

Sincerely yours,

C. O. Mittendorf (for) S.N. 8-7-52

Acting Administrator
Defense Minerals Exploration
Administration

JTRobertson:gad 8/6/52

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

FILE COPY
SURNAME:

Robertson
Houk
Thomson

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

August 6, 1952

Memorandum

To: Chairman, Operating Committee, DMEA

From: Non-Metallic Minerals Division, DMEA

Subject: Docket No. DMEA-2601 - Mica
Kell Mica Mine
Macon County, North Carolina

Re: A recommendation of a denial of application

This is a case in which representations made in support of the application were not substantiated upon examination of the mine by the Field Team.

The recommendation for a denial contained in the Field Team report seems justified, and the Non-Metallic Minerals Division concurs in the recommendation.

Jasper T. Robertson
Non-Metallic Minerals Division
Defense Minerals Exploration
Administration

JTRobertson:gad 8/6/52

Copy to: Admin. Reading File
Docket File
Mr. Houk

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

August 6, 1952

Memorandum

To: Acting Administrator, DMEA

From: Non-Metallic Minerals Division

Subject: Review of Docket No. DMEA-2601 - Mica
(Recommended for denial 8/6/52)
Contract - None
Property - Kell Mica Mine (a leased property)
Macon County, North Carolina
Applicant - Meade L. Kell
Route 1, Franklin, North Carolina

6/26/52 - Date of application.
7/2/52 - Date application received.
7/3/52 - Referred to Non-Metallic Minerals Division.
7/10/52 - Referred to Field Team, Region VII for field examination.
7/14/52 - Mine examined by Field Team (K. H. Teague, USGS, and A. L. Peyton, USBM)
7/31/52 - Field Team Report Received.
8/6/52 - Referred to DMEA Operating Committee, and a denial of application recommended.

Jasper T. Robertson
Non-Metallic Minerals Division
Defense Minerals Exploration
Administration

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

August 6, 1952

Memorandum

To: Acting Administrator, DMEA

From: Non-Metallic Minerals Division

Subject: Review of Docket No. DMEA-2601 - Mica
(Recommended for denial 8/6/52)
Contract - None
Property - Kell Mica Mine (a leased property)
Macon County, North Carolina
Applicant - Meade L. Kell
Route 1, Franklin, North Carolina

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Jasper T. Robertson
Non-Metallic Minerals Division
Defense Minerals Exploration
Administration

FILE COPY
SURNAME:

Robertson
Houk

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

August 6, 1952

Memorandum

To: Acting Administrator, DMEA

From: Non-Metallic Minerals Division

Subject: Review of Docket No. DMEA-2601 - Mica
(Recommended for denial 8/6/52)
Contract - None
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Macon County, North Carolina
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Jasper T. Robertson
Non-Metallic Minerals Division
Defense Minerals Exploration Administration

JTRobertson:gad 8/6/52

Copy to: Admin. Reading File
Docket File
Mr. Houk

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

August 6, 1952

Memorandum

To: Chairman, Operating Committee, DMEA

From: Non-Metallic Minerals Division, DMEA LGH

Subject: Docket No. DMEA-2601 - Mica
Kell Mica Mine
Macon County, North Carolina

Re: A recommendation of a denial of application

This is a case in which representations made in support of the application were not substantiated upon examination of the mine by the Field Team.

The recommendation for a denial contained in the Field Team report seems justified, and the Non-Metallic Minerals Division concurs in the recommendation.

Jasper T. Robertson

Jasper T. Robertson
Non-Metallic Minerals Division
Defense Minerals Exploration
Administration

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

August 6, 1952

Memorandum

To: Chairman, Operating Committee, DMEA

From: Non-Metallic Minerals Division, DMEA

Subject: Docket No. DMEA-2601 - Mica
Kell Mica Mine
Macon County, North Carolina

Re: A recommendation of a denial of application

This is a case in which representations made in support of the application were not substantiated upon examination of the mine by the Field Team.

The recommendation for a denial contained in the Field Team report seems justified, and the Non-Metallic Minerals Division concurs in the recommendation.

Jasper T. Robertson
Non-Metallic Minerals Division
Defense Minerals Exploration
Administration

IN REPLY REFER TO:

G-ND-CNM

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

August 4, 1952

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2601 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: P. L. Weis, U. S. Geological Survey
Applicant: Meade L. Kell.
Name of property: Kell Mine.
Location of property: Macon County, North Carolina.
Date of field team report: July 14, 1952.
Authorship of field team report: Peyton, A. L., and Teague, K. H.
Field team's recommendation: Denial.
Comments: It appears that recent DMEA activity in the Franklin district has resulted in the presentation of several applications on properties that do not justify any attention whatsoever. It is regrettable that the field team is forced to spend a substantial part of its time visiting these properties, but in the long run it is probably the best and least expensive way to handle them. It is hoped that denial of a number of these unjustified applications will cut down on the number submitted in the future.
ACTION SUGGESTED: Follow field team's recommendation.

Paul L. Weis

Weis:jeh
G-8/4/52
cc
Director's reading file 4212 USGS
Branch " "
DMEA
Norton G-230 USGS
Weis " "

IN REPLY REFER TO:

G-MD-CNM

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

August 4, 1952

JT Robertson

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2601 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: P. L. Weis, U. S. Geological Survey
Applicant: Meade L. Kell.
Name of property: Kell Mine.
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ACTION SUGGESTED: Follow field team's recommendation.

Paul L. Weis

Paul L. Weis

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

Room 13, Post Office Bldg.
Knoxville 2, Tennessee

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 31 1952

July 29, 1952

Memorandum

To: Operating Committee, DMEA- Washington

From: Field Team, Region VII

Subject: DMEA-2601, Kell Mine (mica). Mead L. Kell, Applicant

Enclosed herewith are 4 copies of field examination report on the subject application. We agree with the recommendation for denial.

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2601, Kell Mine (mica)

Noah L. Kell,
R#1, Franklin, N.C.

DEPARTMENT OF MINES
Defense Minerals Administration
JUL 31 1952

By

A. L. Peyton, Mining Engineer
U. S. Bureau of Mines

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

Reviewed by
DMEA OPERATING COMMITTEE
8-4-52
(date)

July 14, 1952

Report of Field Team Examination on

[illegible]-2601, Kell Mine
Mica

Applicant: Meade L. Kell
Route 1, Franklin, N.C.

The Kell Mine, on land owned by Horace Chamblee and wife, was examined on July 14, 1952. No indication of a worthwhile mica deposit was found, therefore, the exploration loan should be denied.

This small prospect is located 800 feet north of Poplar Cove Creek, 1.75 miles west of U. S. Highway No. 64, and about 10 miles southwest of Franklin, Macon County, North Carolina (on Burningtown Bald Quadrangle-159 - NE).

At this place one caved crosscut of unknown length, a badly slumped open cut 30 feet long, 4-9 feet deep and 6 -15 feet wide, and one slumped test pit occurs. The trench trends in an east-west direction and probably follows the pegmatite; however, no pegmatite is exposed. It is reported that this early work was done by George Wilkerson.

The openings were made in deeply weathered material, thus the mineral composition of the pegmatite cannot be determined; however, some "burr pegmatite" occurs in the dump.

Only mica of scrap sizes occurs in the dump. This is hard and ruby colored. Practically all of it is somewhat bent and contains cracks. It is estimated that more than fifty percent of the mica examined contained block or brown mineral spots.

There is no evidence exposed at this place to justify the belief that a worthwhile deposit of strategic mica occurs; therefore, the Field Team recommends that the loan be denied.

This application is characteristic of a large number of the applications for assistance which have originated from the Franklin, North Carolina area. Facts have been misrepresented or in some cases "manufactured."

July 14, 1952

K.H. Teague, USGS

A. L. Peyton, USBM

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2601, Kell Mine (mica)

Mead L. Kell,
R#1, Franklin, N.C.

JUL 31 1952

By

A. L. Peyton, Mining Engineer
U. S. Bureau of Mines

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

July 14, 1952

Report of Field Team Examination on

DMEA-2601, Kell Mine
Mica

Applicant: Meade L. Kell
Route 1, Franklin, N.C.

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July 14, 1952

K.H. Teague, USGS

A. L. Peyton, USBM

FILE COPY
SURNAME:

Robertson
Thomson
Hirsch

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

JUL 10 1952

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

Subject: Docket No. DMEA-2601 - Mica
Kell Mica Mine
Macon County, North Carolina

Dear Mr. Laurence:

This office requests a Field Team examination of the subject mine.

We have no extra information on this property beyond that to be found in your file copy of the application.

You will note that the sketch map accompanying the application is vague and without dimensions of any kind. When the report is submitted, please include a sketch map which will more clearly define and locate the work and area involved in the project.

Sincerely yours,

(signed) FRANK E. JOHNSON
(JHS)

J.H. 7-10-52

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Approved:

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

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

JTRobertson:gad 7/8/52

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

FILE COPY
SURNAME:

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

JUL 10 1952

Robertson
Houk
L. Johnson

Mr. Meade L. Kell
Route 1
Franklin, North Carolina

Subject: Docket No. DMEA-2601 - Mica
Kell Mica Mine
Macon County, North Carolina

Dear Mr. Kell:

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

Sincerely yours,

C. O. Mittendorf (for) J.N. 7-10-52

Acting Administrator
Defense Minerals Exploration Administration

JTRobertson:gad 7/8/52

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

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

July 15, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2601, Meade L. Kell
Franklin, North Carolina

On the basis of the applicant's description of the deposit, a field team investigation is recommended. The applicant states limited exploration reveals ruby mica associated with flint and spar. General location within proximity of past productive mines supports possibility of obtaining usable sheet mica.

W. F. Dietrich

W. F. Dietrich

JUL 15 1952

IN REPLY REFER TO:
CNM

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

July 7, 1952

Memorandum

REVIEW OF APPLICATION DMEA-2601 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: P. L. Weis, U. S. Geological Survey
Applicant: Meade L. Kell
Name of property: Kell Mica Mine
Location of property: Macon County, North Carolina
Estimated cost of project: $2,165.
Summary of applicant's proposal:
1) Bulldoze a trench 75 feet long, 25 feet wide and 25 feet deep.
2) Dig four test pits.
Sources of information on applicant's property: None.
Comments: This is apparently a newly developed property.
RECOMMENDATION: Refer to field team for examination.

Paul L. Weis
Paul L. Weis

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 7 - 1952

Thompson
B of M. Concurs in this
B Thompson

EXPLORATION

Subject: DMEA-2601
Re: Exploration Loan
Kell Mica Mine
July 3, 1952

Mr. Meade L. Kell
Route 1
Franklin, North Carolina

My dear Mr. Kell:

This will acknowledge receipt of your application dated June 26, 1952, for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2601 and referred to the Non-Metallic Minerals Division.

Kindly refer to DMEA-2601 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Administrative Officer

7862

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. DMEA-2601
Metal or Mineral
Date Received 7-2-52
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address:

MEADE L. KELL
ROUTE 1
FRANKLIN, N.C.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract BEING the lands conveyed by deed from Milford Kell, et al, to Horace Chamblee, et al, and recorded in the office of the Register of Deeds for Macon County, N.C., on 26th February 1949, in book Y-5 at page 536 (all to be included in contract)

(*b*) State any mine name by which the property is known. KELL MICA MINE (not previously named)

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lessee

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property. Copy of lease attached, with Owner's Consent to Lien.

(*e*) If you own the land, describe any liens or encumbrances on it

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

Defense Minerals Administration
16—66851-1
JUL 2 - 1952

5. *The exploration project.*—(*a*) S[illegible] the mineral or minerals for which you wish [illegible]xplore STRATEGIC RUBY MICA

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc. upon signing of contract

(*c*) The work will start/within ..... days and be completed within 2 months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of 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.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—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 the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes

(*b*) How do you propose to furnish your share of the costs? 10% in cash or from services as Working Foreman.

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated JUNE 26th, 1952

Meade L. Kell
(Applicant)

By .....

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—66551-1

4. (a) Ten to fifteen years ago a cut was made - 50 feet long, 15 feet wide and
(b) 10 feet deep - and a shaft was dug 20 feet deep into the pegmatite. Con-
(c) siderable mica was taken out which was considered to be of strategic
(d) quality. Because of economic reasons the operation did not continue.
(e)

Applicant started work about six weeks ago to locate the vein. A cut has been dug about 7 feet deep, exposing a pegmatite from 4 feet to 5 feet which is made up of flint, spar and mica. Numerous blocks have been recovered which should sheet into grades of 5, 5½ and 6. It is considered that the blocks will increase in size at greater depth and they are already getting larger. The mica is RUBY, clear, hard and flat. The property lies in an area through which the Franklin mica belt passes, and not too far from past producing mines such as the Kiser (Mudhole), Baird Cove, Poll Miller, etc. The above conditions cause Applicant to believe that exploration will establish the presence of commercial ore bodies. Sketches connected with this property are attached.

State and County roads reach the property, 10 miles northwest of Franklin, Macon County, N. C., shipping and supply points.

Manpower for the project is available, as well as supplies and equipment; Sufficient water is on the land and power is not required.

5. (b) Proposed work will consist of bulldozing (75 feet long, 25 feet wide and 25 feet deep) to clear old workings, followed by 4 test pits and possibly drifts from same into the pegmatite. This will expose the full pegmatite and locate the mica vein for continued operation.

(d) Applicant has farmed in this area for a great many years and has combined that work with prospecting and mining, to the extent that he is capable of supervising this work. He will also employ miners of experience.

6.

(a) Rental of Dozer, 50 hours @ $10.00 per hr.		$ 500.00
(b) Working Foreman, 30 days @ $ $12.00 per day	$360.00	
3 Miners $8.00 per day each, 30 days	720.00	1080.00
(c) Misc. hand tools; picks, shovels, wheelbarrow, etc.	100.00	
Powder, exploders, fuses, etc.	100.00	
Gasoline & Oil	150.00	350.00
(d) Rental, Sump Pump, 30 days	60.00	
Rental, Air Compressor & Hammer; 30 days	175.00	235.00
TOTAL COST OF PROJECT		$ 2,165.00

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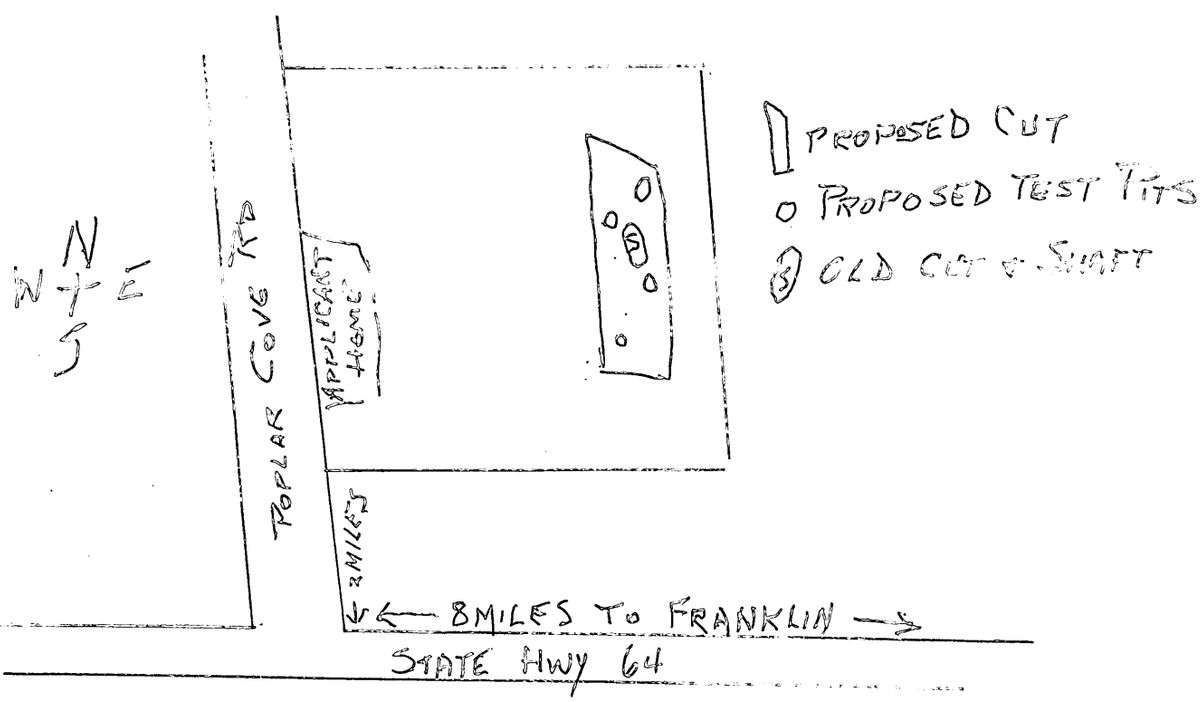

NORTH CAROLINA
MACON COUNTY

THIS LEASE AGREEMENT, made and entered into this 27th day of June, 1952, by and between HORACE CHAMBLEE and wife FONSBA CHAMBLEE of Macon County, North Carolina, parties of the first part, hereinafter referred to as LESSORS, and MEADE L. KELL of Macon County, North Carolina, party of the second part, hereinafter referred to as LESSEE,

WITNESSETH: That subject to the terms and conditions hereinafter set forth, said Lessors have let and leased unto said Lessee, his heirs and assigns the exclusive right and privilege to mine, dig and remove all minerals now in, under and upon a certain tract or parcel of land lying and being in Macon County, North Carolina, consisting of 24 acres, more or less, described as follows:

> BEING Deed from Milford Kell et al, to Horace Chamblee et al, recorded in the Office of the Register of Deeds for Macon County, North Carolina, in Book Y, at page 536.

THE TERMS AND CONDITIONS OF THIS LEASE ARE AS FOLLOWS:

1. Unless sooner terminated as herein provided, this lease shall exist and continue for a term of five years from date hereof; however, it is mutually agreed, upon compliance with its terms and conditions, same shall be extended from year to year thereafter.

2. As rental or royalty Lessee, his heirs and assigns, shall pay to Lessorsa sum equal to twelve and one-half (12½%) percent of the selling price of sheet and block mica, One Dollar ($1.00) per ton on scrap mica and the usual royalty on all other minerals mined and sold from said property. Said royalties shall be paid on or before the 20th day of each calendar month following the production, sale and receipt of the sale price thereof. The said Lessee shall keep and make available to said Lessors an accurate record of all sales of minerals from this property.

3. Upon failure to pay any royalties as herein set forth when same shall become due and payable, this lease shall become null and void and all rights of the Lessee shall thereupon cease and terminate; however, Lessors agree that written notice shall be given to Lessee who shall have thirty (30) days from the date of such written notice within which to remedy any non-payment of royalties or any other cause of forfeiture of this lease.

4. Lessors covenant and agree that they possess, in fee simple, the mineral rights and mining privilege herein described.

5. In the event Lessee applies for Government aid, or a loan to explore or operate this property, Lessors hereby authorize Meade L. Kell, as Attorney in Fact, to sign any subordination agreement, Owner's consent to Lien, or other required agreements, in the name and stead of said Lessors, in connection with same.

So long as this lease remains in force the Lessee, his heirs and assigns, in connection with same, shall have and enjoy the following rights and privileges:

> The right to reasonable use of said lands as may be necessary or convenient in mining and removing the minerals from same and to such use of the surface as may be required for the purpose of dumping mine refuse and tailings; the right to construct and place buildings and machinery upon said lands and remove same; the right to use any water and to cut and use any timber on said lands for mining purposes; the right to construct and maintain roads, trails and railways to such portions of the property where mining operations are in progress or to be conducted; the complete right of ingress, egress and regress to and from said lands and the full right to do all things necessary or convenient in the conduct of said mining operations.

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

s/ Horace Chamblee (SEAL)

s/ Fonsba Chamblee (SEAL)

s/ Meade L. Kell (SEAL)

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of NORTH CAROLINA, County of MACON, described as follows:1/

BEING the lands conveyed by deed from Milford Kell, et al. to Horace Chamblee, et al. and recorded in the office of the Register of Deeds for Macon County, North Carolina, on 26th February, 1949, in Book Y-5 at page 536.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ MEADE L. KELL

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 5,000.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 26th day of June, 195 2.

Meade L. Kell [Seal]

Attorney in Fact for Horace Chamblee [Seal]

& Fonsba Chamblee (in accordance with lease) [Seal]

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUL 2 - 1952

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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 six 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) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent 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) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(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, 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.

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.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of NORTH CAROLINA, County of MACON, described as follows: 1/

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which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ MEADE L. KELL

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 3,000.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 26th day of June, 195 2.

Meade L. Kell [Seal]

Attorney in Fact for Horace Chamblee [Seal]

& Fonsba Chamblee (in accordance with lease) [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

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 six 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) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent 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) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(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, 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.

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.

MF-203

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which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ MEADE L. KELL

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

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Dated this 26th day of June, 195 2.

Meade L. Kell [Seal]

Attorney in Fact for Horace Chamblee [Seal]

& Fonsba Chamblee (in accordance with lease) [Seal]

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUL 2 - 1952

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

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent 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) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

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(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.

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MF-203

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Dated this 26th day of June, 195 2.

Meade L. Kell [Seal]

Attorney in Fact for Horace Chamblee [Seal]

& Fonsba Chamblee (in accordance with lease) [Seal]

DEPARTMENT OF THE INTERIOR
Bureau Land Management
JUL 2 - 1952

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RELEVANT CONTRACT PROVISIONS

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(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.

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.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of NORTH CAROLINA, County of MACON, described as follows:1/

~~BEING the lands conveyed by deed from Milford Kell, et al, to Horace Chamblee, et al, and recorded in the office of the Register of Deeds for Macon County, North Carolina, on 26th February, 1949, in Book Y-5 at page 536.~~

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ MEADE L. KELL

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 5,000.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 26th day of June, 195 2.

Meade L. Kell [Seal]

Attorney in Fact for Horace Chamblee [Seal]

& Fonsba Chamblee (in accordance with lease) [Seal]

DEPARTMENT OF THE INTERIOR
Bureau of Land Management
JUL 3 - 1952

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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 six 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) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent 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) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(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, 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.

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.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of NORTH CAROLINA, County of MACON, described as follows:1/

~~All the lands conveyed by deed from Milford Kell, et al, to Horace Chamblee, et al, and recorded in the office of the Register of Deeds for Macon County, North Carolina, on 26th February, 1949, in Book X-5 at page 536.~~

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ LEROY L. KELL

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 5,000.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUL 2 - 1952

Dated this 26th day of June, 195 2.

Mesale L Kell [Seal]

Attorney in Fact for Horace Chamblee [Seal]

& Fonsba Chamblee (in accordance with [Seal]
lease)

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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 six 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) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent 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) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(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, 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.

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